INTERNSHIP REPORT

SEPTEMBER 26, 2009 TO OCTOBER 12, 2009

(FULL TIME, 15 WORKING DAYS EACH AT TWO DEPOTS)

AT

HINDUSTAN COCA-COLA BEVERAGES PRIVATE LIMITED

Interns	Shipra Bansal, Shriman Kalyan, Students, PGPM Class of 2010, Great Lakes Institute of Management
Project	Study of Presell, Roadnet and Delivery Processes

PURPOSE

The purpose of this report is to document the learning, observations and recommendations along with the data collected as part of the internship project. The report primarily focuses on the activities performed, findings which were logged on a daily basis and supporting data wherever applicable.

ACKNOWLEDGEMENTS

We would like to acknowledge the following people for their support which were a guiding factor from the start until completion of the internship project. I would like to thank Jaigee John who supervised and provided feedback on a daily basis which was instrumental in improving the quality of our deliverable. We would like to thanks Ganesh who, during the induction program, gave us a clear picture of what is expected of us in the internship program. We would also like to thank Narendra to have given us the opportunity to be associated with Coca-Cola though we had limited time duration of fifteen days to complete the program. We take this opportunity to thank Madan Kumar, Niroop and all the employees at the depots who put in their effort towards supporting our allocated tasks.

BRIEF PROFILE OF THE INTERNS

Shipra Bansal

Education:

- Diploma in Retail Management from Footwear Design and Development Institute under the Ministry of Commerce, India
- B.Com
- Six-Sigma Certified Green Belt Professional

Work Experience:

- Lifestyle International limited, 1 year
- Deputy Manager, Reliance Retails Limited, 3 years

Shriman Kalyan

Education:

- B.E in Computer Science and Engineering
- Six-Sigma Certified Green Belt Professional

Work Experience:

- Software Engineer, Infosys Technologies Limited, 3 years
- Test Analyst, Belgacom Proximus Limited, Brussels, 8 months

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1. Introduction

1.1. About the Project

The fifteen day internship project at Hindustan Coca-Cola Beverages Private Limited involved understanding and suggesting ways to optimize and stabilize the presell, delivery and Roadnet processes, thereby improving customer satisfaction.

1.2. Understanding of the Process

The overall working process of the Presell model was elaborated during the induction on day 1 which outlined the various activities, related processes and the sequence of daily operations which support the functioning of the order taking to the delivery tasks.

As interns, we gained insight into the day-to-day operations of presell and delivery activities by being part of the activities on the field. We accompanied pre-sellers and delivery team to the outlets on different routes for the first six days of the internship. This gave us a clear understanding of the sequence of activities leading from order taking to the delivery, receipt of payment and collection of the empties at the outlets. Further, the settlement process, order details consolidation, Roadnet software suite usage and load sheet generation were monitored which gave us the understanding about the backend processes which enable the presell model.

During our route visits during the first six days, all observations were documented. This included the stem time, mileage readings, and in-time and out-time for every outlet so as to calculate the average time spent at the outlets, interactions between the pre-seller and the delivery in-charge with the retailers, sequence of outlets covered, number of orders taken/ delivered, adherence to the PJP/ MC-35 configuration / delivery plan, etc…

So, at the end of the first six days we had an understanding of the various processes and procedures as expected to be and also had the day-to-day journal of observations that had to be analyzed and dwelt into.

2. Data Analysis

2.1. Routes Covered

PRESELL

Depot	Date	Route	Start time	End time	Break time (min)	No. of outlets	Avg time (min)	PJP adherence	Remarks
Woods Rd	28-Sep	Guindy	11:30	14:45	10	17	8	23%	PJP 74 outlets
	1-Oct	N. Usman Rd	11:25	14:44	0	19	10	66%	PJP 29 outlets
	3-Oct	Chetpet	11:39	15:30	0	36	9	64.2%	MC35 intro
Kilkatalai	28-Sep	Nanganallur	11:00	14:24	40	31	4	NA	PJP not followed
	5-Oct	Chrompet	11:06	14:33	0	28	3.6	NA	PJP not followed

DELIVERY

Depot	Date	Route	Start time	End time	Break time (min)	No. of outlets	Avg time (min)	Outlets coverage	Remarks
Woods Rd	29-Sep	Guindy	10:26	17:45	30	12	16	69%	3 trips. Last trip loaded at 21:12
	2-Oct	N. Usman Rd	12:36	17:30	0	10	11	100%	Delay due to settlement
	5-Oct	Chetpet	14:30	17:50	0	10	12	100%	No vehicle till 14:00
Kilkatalai	29-Sep	Nanganallur	10:45	19:15	25	24	13	96%	Return rate: 4%
	30-Sep	OMR 2	12:00	NA	NA	7*	13	NA	NA
	5-Oct	OMR 1	10:55	18:40	20	24	13.21	96%	Return rate: 6%

Note: '': Particular route covered partially*

2.2. Presell

The following observations were made during the presell route visits:

- Total number of outlets visited (across 5 routes): 131
- Average time spent per outlet:

- o Keelkattalai depot, where MC-35 was used: 3.8 min
  - o Woods road depot where MC-35 was introduced on the third route: 9 min
- Phone orders account for 3% of the total orders; 4 outlets out of 131
- Average time taken for order taking is 3.5 hrs per day
- Range of outlets covered per day for order taking: 17 to 36
- Range of start time for daily order taking activity: 1100 hrs to 1139 hrs
- Range of end time for daily order taking activity: 1424 hrs to 1530 hrs
- Not much of time spent/ wasted for breaks/ lunch

2.3. Roadnet

The following observations were made in the Keelkattalai depot:

- Only basic parameters like fleet strength, vehicle capacity, orders and stock out details are fed into the software
- No standardized document/ user manual available at the reach of the route analyst
- Manual tweaking leads to change in the sequence of the outlets
- Percentage of routes manually verified to ensure that outlets are grouped region-wise: 100 %
- Percentage of routes manually altered (drag and drop in the map): 59 %
- Of these, route sequence altered in 52 % of the outlets

2.4. Delivery

The following observations were made during the delivery route visits:

- Total number of outlets visited (across 5 routes): 80
- Average time spent per outlet:
  - o Keelkattalai depot: 13 min
  - o Woods road depot: 13 min

- Range of outlets covered per day for order taking: 10 to 24

- Range of start time for daily order taking activity: 1026 hrs to 1236 hrs

- Range of end time for daily order taking activity: 1730 hrs to 1915 hrs

- Not much of time spent for breaks/ lunch

- The sequence suggested by Roadnet not followed

- Evening credit accounts for 20% of the outlets; 17 outlets

- Billing handheld devices operated by drivers: 17%; 1 out of 6 routes

- Outlets which are part of the delivery plan not visited: 4 outlets; 48 visited *

- Delivery made to outlets which are not present in the delivery plan: 4 outlets; 48 visited *

- Bill mismatch data: *

Type	Route 1		Route 3	
Billed – but not submitted	4/25	16 %	2/25	8%
No delivery but bill generated	3/25	12 %	-	-
Bill mismatch + multiple bill cuts	5/25	20 %	1/25	4 %

Note: '': This is based on the 'Keelkattalai' depot observations only*

3. Results

The processes were observed and significant positives as well as gaps were documented based on the data collected. Recommendations were suggested which are outlined in the subsequent section and these were prioritized. The internship concluded with a presentation to the managers of both Sales and Operations divisions and feedback was received.

Other significant result of the data analysis was the various reasons of high return rate, which is given below:

- No cash (4/87) = 4.5 %
- Schemes not loaded (3/87) = 3.4 %

- Unavailability of empties (2/87) = 2.29 %

- Incorrect order (storekeepers) (2/87) = 2.29 %

- Old stock loaded (2/87) = 2.29 %

- Shop closed (1/87) = 1.1 %

- Retailer not present (1/87) = 1.1 %

- Unbilled ➔ inability to cater to few shops (1/87) = 1.1 %

4. Recommendations

Following are the suggestions which were provided after gap identification based on the data analysis:

- Ensure PJP configuration in MC-35 and adherence

- Review in-time and out-time to ensure timelines are adhered to

- To ensure retailers' issues and grievances are addressed to by ensuring a dedicated and proactive 'face of the company'

- Understand and utilize the extensive features of Roadnet to obtain refined route plans

- To document do's and don'ts for the Roadnet software suite

- Save loading and checking time

- Use GPS in delivery vehicles to track the delivery process

- Educate drivers to handle the billing devices

- Streamline evening-credit system as this leads to wastage of fuel and time

5. Appendix

This section has the data collected on a daily basis manually with significant observations made in the outlets and from the pre-sellers and delivery in-charges. These can be used as reference for further understanding.

5.1. Data Collected for Presell and Delivery in both Keelkattalai and Woods Road Depots:

The excel sheet has the complete data section wise and activity wise.

DataSheet.xlsx

5.2. Consolidated list of observations made during Presell

5.2.1. Keelkattalai

- Concern about Thums Up availability. 2. Retailer strongly in favor of bill-to-bill (my understanding, payment will be made for today's delivery at the next delivery).
- Customer complaint: Order taking not proper (unavailability of needed SKU) and hence delivery not at all proper.
- Delivery issues. 2. Mazza customer complaints for MFG date (June Stock)
- Don't keep non Coke products in Coke cooling unit. 2. 600 ml pets - outlets buying from wholesale sellers and not from Coke direct as they offer better price.
- Free Fanta Apple not delivered last time. 2. Outlet had requested for Coke cooling unit (Fridge) but Pepsi has given and hence more of Pepsi displays.
- OME outlet. But complains that there is no cool drink for the past one week - delivery issues.
- Previous delivery yet to come.

- Retailer not comfortable with the discount return system (month end return of discounts). Wants immediate cash discount. 2. Schemes? 3. Thums Up? 4. Talks about moving to Pepsi because of these problems and better margins.
- Retailer specific about any schemes. 2. 600ml pets from wholesale agents.
- Retailer specific about schemes. 2. Delivery not happening as expected.
- Thums Up - good demand but irregular supply over a long span of time.
- Thums Up - good demand but irregular supply over a long span of time. 2. Cash return for OME10 % discount not received from Coke. Leaves a bad perception abt the company… 3. This is an upfront outlet and had an argument for over 15 min about the cheque not being given by Coke. Initially cancelled the orders but again phoned in the evening and confirmed the orders.
- as there is no offer/ scheme
- Coke/ Limca unavailability affecting sales.
- Deliv issues.
- Delivery issues - outlet planning to shift to Pepsi! Argument with the pre-seller. Retailer clearly frustrated.
- Discount cash back not received yet. So not inclined to make orders - finally placed orders but clearly unhappy.
- KINLEY water returned by customers. Three such bottles - outlet wants replacement. Have taken photo of this. Should be checked - as it affects the brand image- quality.
- Last deliv not done. No diwali offer???
- Last delivery not done. NO ORDER PLACED because of this.
- Maaza date issue.
- Maaza not delivered for a long time repeatedly.
- No deliv and NO ORDER because of this.
- no empties
- No offer/ schemes? Sat order not delivered.

- Not even half the ordered volume is being delivered nowadays. Only half the 10% discount has been paid back by Coke - retailer argued with the pre-seller. Pre-seller blames Coke for making things 'worse'!
- Outlet owner not present - so pre-seller counted the empties and took orders based on this.
- phone order

5.2.2. Woods Road

- The PJP was not taken into consideration; in fact the pre-seller didn't even understand what 3X exactly is.
- Lot of scheme related problems: Stores like Syed stores (DC606670) did not give further orders as old schemes were delivered (Limca scheme)
- Pre-seller had started at 11.30 am completed the job by 2.45 pm; half day still left
- Very less time spend on each shop Average 5 min per store
- He would ask the shopkeeper about skus available in brief but did not do the range planning effectively
- hvo outlets were not satisfied with the previous month settlements
- Only 5 min were spend in each shop, cold share not checked properly
- Pepsi stock/ or other brands stock was kept in coke fridges in 8 outlets even in coke accounts other brands like Amul, Maa, etc. were present eg.Annai stores
- New offers attract a lot of orders
- No delivery was done on Sundays therefore loss of sales were there e.g. shops close to church
- The PJP was not taken into consideration
- Stock was been delivered to wrong shop but the order was taken for other shop (both had similar names)
- 36 stores as planned by the presales person were not completed
- since I was there the person spend 10-15 min per shop in relationship building

- He would ask the shopkeeper about skus available in brief but did not do the range planning effectively
- Competitors outlets should also be visited to improve relations in the market
- he did not check cold share
- Pepsi stock/ or other brands stock was kept in coke fridges
- New offers attract a lot of orders

5.3. Consolidated list of observations made during delivery

    5.3.1. Keelkattalai

- 2 empties extra available. So delivered 5 though order was only for 3.
- 9 empties available but order only for 6. Delivered 9. Reason - the previous day the order was taken at random as this shop was just being closed and the pre-seller took orders (Count) of his own choice without checking the empties or confirming with the retailer.
- As per the order.
- Billed for two but since there was only one empty delivered only one.
- Billing by loader as the driver was new.
- Change of flavor as it was not available in the van.
- Coke fridge almost empty though there is stock in the outlet. Outlet unhappy with the 10% discount repayment system. Cancelled half the order citing that the order was taken from a shop boy rather than getting the order from the owner.
- Deliv cancelled - no cash. BUT THIS HAS BEEN BILLED AND SUBMITTED – This needs to be reviewed and stopped?
- Deliv people ready to take Pepsi empties. Order = 4, delivery = 5
- Delivery not done for one month (outlet's complaint). OME discount not received - our response - will be done at month end.
- Fanta Apple not delivered last time. For such complaint, deliv team blames pre-seller and vice versa. Inter team coordination lacking or that

they are citing the change from agency system as the reason for all issues with the outlets.

- Finally took three cases back from Thangam store and delivered it to another nearby store that is not in the load sheet.

- Half the stock delivered in this store and remaining at Karpagam store at 16:45

- Many orders taken on this outlet (16) - but delivered only 3 - rest to be delivered to shops which the driver claimed to be those which are not part of the outlet list of Coke. Should not these outlets be added to our list?

- Mazza order return due to old stock.

- Needs offers, schemes. Complaint - delivery not like what it was before. Our response - due to the shift from agency system to the current direct selling.

- Order taken on this outlet but delivered = 0. These stocks were distributed to nearby outlets. The driver was coordinating with the pre-seller on a continuous basis as to which shops to be delivered to…

- Orders placed for few SKU but since there is no stock these are not part of the load sheet - retailer unhappy. Returned two cases - reason - short of cash. My understanding - the actual reason could be that the main SKU were not delivered and hence was dissatisfied.

- Outlet has two defect pieces which both the delivery team and also the pre-seller not ready to respond to. It would be better if Coke employee(s) visit the outlets regularly to address these issues to maintain better B2B relationships.

- Outlet open but owner not there - so deliv cancelled. But this has been billed – part of manipulation process?

- Outlet seriously depressed with the immediate payment for delivery system. Says not interested in selling Coke products.

- Outlet suggestion: The MFG date in the Kinley bottles misleading as customers assume it to be expiry date and end up not buying! Probable solution - have both MFG and EXP date in the bottles. One extra empty

available so delivered one case apart from the order. Coke fridge unit - light not working.

- Rearranged the empties in the van + accounting + generated few bills though there was no delivery happening. Later checked the bills submitted and this seems to be manipulation.
- Return - short of cash
- RGB cancelled - short of cash
- RGB cancelled - short of cash
- Saturday order not delivered. 1 empty case pending last delivery. This time only 9 empties but delivered was 10. Delivered two cases to a nearby shop which is not part of the load sheet.
- Unavailability of Sprite - concern.
- Vehicle kept in idle running state - starting problem cited as reason. Not accountable for diesel used?

5.3.2. Woods Road

- The PJP was not taken into consideration
- Many cardboard boxes were broken which lead to time wastage and stock damage
- Size difference in crates wasted time while collecting RGB back as the transferring of bottles was being done
- Since I was there pre-seller told the driver to be careful while delivering
- Driver had very good relations with the retailers
- Identification of stock while delivering was difficult
- Scheme stocks were not loaded properly, e.g. The scheme that 1 kinley water case is free with 3 cases of areated cold drinks, the water cases were not loaded in the same ratio
- Gave extra stock to some of the retailers if they demanded
- Bill machine was not working properly which wasted 2 hours of the delivery time

- After lunch fatigues come in and the emphasis is more on finishing the job rather doing it properly
- Three retail shops they had not taken an order from but still they delivered stock there
- Since they have delivered stock in shops where order was not placed they could not deliver stock to the stores where order was placed
- Good potential market as the outlets where the order was taken the stock was delivered fully
- Since there was stock left the driven went around all available outlets and tried to deliver stock to them
- Because of the issues of wrong deliveries some of the shops did not accept stock and this was the main reason of returns
- The PJP was not taken into consideration
- Lot of time was wasted in travelling, driver did not know if adjacent shops had orders
- Manual green order slips created a lot of issues
- Size difference in crates wasted time while collecting RGB back as the transferring of bottles was being done
- Identification of stock while delivering was difficult
- Crate size difference wasted a lot of time
- In the evening I checked the settlement papers of the previous delivery process, all the attachments were wrong, they never corresponded to the shops to which the stock was actually delivered