

How Locus helped Fastrata Buana reduce 20% delivery costs



CONTEXT

Fastrata Buana is one of the biggest distribution companies in Indonesia. It engages in the sales and distribution of Api Group products with 400,000 outlets in the region. The company partnered with Locus to reduce logistics costs and increase operational efficiencies.

**30%**

reduction of delivery cost

**30%**

increase of salesman savings



increased hit rate



CHALLENGES FACED BY THE CLIENT

As rising demand encourages growth in the FMCG sector in Southeast Asia, brands are compelled to meet this demand to remain competitive.

Managing complexities while complying with business & cost constraints such as retailer prioritization, time-sensitivity of outlet visits, fairness in revenue generation, salesman fatigue & others made it difficult for the Fastrata Buana to effectively utilize on-ground resources. Some of these challenges included:

Duplicate outlet visits due to manually created permanent journey plans

Increased transit costs & time due to un-optimized planning

Poor compliance with planned trips due to poor visibility of on-ground operations

LOCUS SOLUTION

Fastrata Buana used FieldIQ, an intelligent field service management tool to increase sales productivity. FieldIQ takes into account various business constraints such as order type, category, classification of outlets based on revenue, SKU stream sold, & historical sales performance to ensure that every salesperson gets to spend the optimal amount of time during each store visit. The planned trips also factor in operating hours of an salesman & outlets along with pre-defined business rules.



Dynamic Journey Plans

While static journey plans have been the major revenue-generating source of FMCG companies, the consumption patterns have changed drastically in recent times. With goods moving faster than ever and new e-tailers entering the market daily, moving to dynamic journey plans is the next logical thing.

**FieldIQ Features Enabled:**

- Handling on-ground constraints like marketplace, salesman experience
- Considering toll restrictions in Jakarta
- Speed limits for salesman travelling by bike
- Human fatigue consideration

IMPACT OF HAVING DYNAMIC JOURNEY PLANS

Reduced delivery cost



Increased hit rate
Increase in salesman productivity

30%

reduction of delivery cost

30%

increase of salesman savings

**PJP Execution Visibility**

Having the visibility of how the actual Permanent journey plans are executed on-ground is critical for tracking performance and in turn, increasing revenue. For this, Fastrata Buana deployed TrackIQ to enable end-to-end tracking of salesmen.



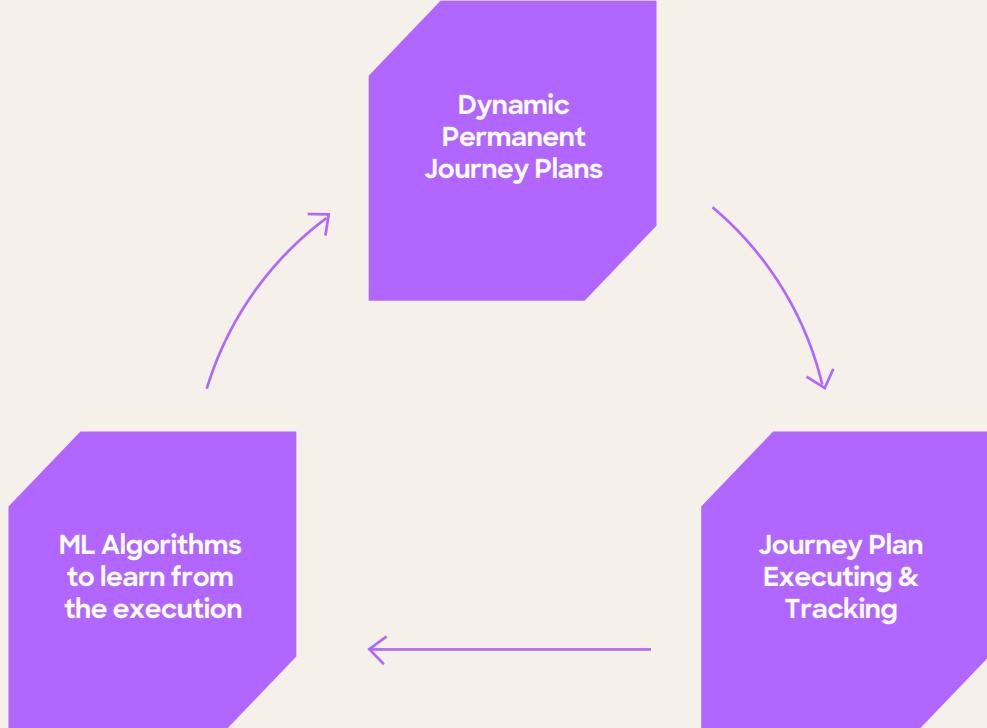
TrackIQ Features Enabled:

- Live performance tracking to incentivize high performing salesmen
- Intelligent alerts
- Control Tower setup for central and regional teams
- Insights and analytics for unparalleled visibility



Machine learning to improve subsequent PJP's

With proprietary machine learning algorithms, FieldIQ learns from deviations & fulfilment times on the ground to subsequently refine future journey routes. For instance, if time spent by a salesman at a wholesale outlet goes beyond the planned time, it leads to an increase in revenue costs. The ML system automatically factors this in, learns, and adjusts the value in the recurring journey plans.





Impact

With the implementation of FieldIQ and TrackIQ, Locus was able to help Fastrata Buana optimize the on-ground resource utilization and improve operational productivity. The deployment of automated static & dynamic journey plans allowed the company to reduce logistics costs across its distribution network.

30%

reduction
in the total number of plans

12%

increase
in serviceability ratio

20%

reduction
in delivery cost