Direct Store Delivery for Consumer Products Companies
Direct store delivery, often referred to as DSD, is a sales and distribution model that integrates territory and account planning with sales activities. With DSD, products are sold and delivered directly to a store or outlet by a consumer products company or third-party distributor. Products typically distributed through DSD include beer, carbonated beverages, bread, dairy products, frozen food, ice cream, pizza, produce, salty snacks, water, and cookies, crackers, and biscuits.

EMPOWER YOUR SALES FORCE
Give your sales force the current data it needs on customers, products, store visits, objectives, sales, pricing, promotional activities, surveys, product delivery, and more. The SAP® Direct Store Delivery mobile app combines data from many sources to enable you to execute customer-facing activities based on a DSD distribution model.

INTEGRATING KEY PROCESSES WITH DSD
As consumers, we expect to find the products we want to purchase in stock and priced fairly. Usually, we don’t think twice about this until the product isn’t available. When that happens, some people wait until their next shopping trip and return to make the purchase. Some go to a different store to make the purchase. Some purchase a different product. And some become so frustrated that they cancel their purchase entirely.

Each of these outcomes is damaging to the retail outlet and the consumer products manufacturer. Out-of-stock products result in lost sales and unhappy consumers. Incorrect pricing and close-dated or outdated products are other problems that can displease consumers. The retailer and manufacturer must avoid these situations to exceed customer expectations and become the customer’s preferred retail outlet or brand. Failing to accomplish this puts brand equity at risk.

Can your retail outlet or consumer products manufacturing organization prevent customers from choosing a different store or brand? Can you improve your stocking strategies and tactics to avoid out-of-stocks that result in lost sales and unhappy customers? Do your business processes support accurate pricing and up-to-date products that encourage customers to return? Successful retailers and manufacturers accomplish these things to exceed customer expectations and become the customer’s preferred retail outlet or product provider.

Leverage standardized processes and best practices to consistently execute your strategies, objectives, and goals.
For fast-moving consumer goods (FMCG) companies, DSD is often the preferred method for selling and distributing goods to the final point of sale. This method lets companies maintain direct control over key processes that affect the consumer’s experience. Many companies call this a “perfect store” strategy. Companies that use this strategy give the consumer a better chance of finding the right product in stock, at the right time, at the right price. This not only maximizes revenue but also drives positive brand equity for the FMCG company and the retailer.

DSD offers these advantages over shipping directly to a retailer’s warehouse or using a third-party distributor:

- **Faster replenishment** – By having an in-store presence, manufacturers using DSD maintain the right inventory levels on store shelves and displays.
- **Reduced out-of-stock levels** – A 2011 study showed that products delivered by DSD were in stock 98.2% of the time, while warehouse-replenished products were in stock only 94% of the time.
- **Speed to shelf** – In 2010 a study revealed that 48% of new products were launched with DSD processes, which allowed a faster time to market.

**FLEXIBLE BEST PRACTICES**
Best-run companies understand that “standardized” doesn’t mean “inflexible.” This is especially true with DSD. Standardized processes that are tailored for specific customers and channels let you optimize sales, profitability, and customer satisfaction. This is the key to creating flexible best practices, and it must be done every time, for every customer, regardless of store format or channel, across all geographies.

Most companies that use DSD struggle to achieve this. If you audited 100 stores that sell your product, how many would achieve a perfect score? Does your company have specific in-store execution goals for your sales representatives and presellers? Do your van sellers and delivery drivers follow best practices on their route? Do you empower your workforce with technology that helps them win in-store? Companies that consistently execute these best practices have greater success.

**DSD SALES AND LOGISTICS PROCESSES**
DSD sales and logistics processes are used by delivery drivers, sales representatives and presellers, van sellers, mixed-role employees, and supervisors and administrators. Each DSD role requires specific functionality that helps him or her perform tasks well. For example, an employee with mixed roles uses a different business process for each role.

Optimize your sales and profitability with efficient processes that are customized to support each seller’s role.
SAP Direct Store Delivery supports these key processes for all users in your company:

- **Resource planning** – Your organization must plan and schedule visits efficiently. Sound service policy, transportation planning, and route optimization must mesh well with warehouse activities for effective allocation of resources.

- **Start of tour** – It is important that you tailor sales routes for each employee’s role. As they start their day, sellers perform a check-out process for products transported on vans or trucks.

- **Execution** – If you are a seller, you spend most of your day working on your route. Activities include visiting customers, placing or delivering orders, processing returns, making collections, and performing audits and surveys.

- **End of tour** – After your final visit of the day, you complete your work by returning to the warehouse or distribution center and checking in.

- **Settlement** – A final settlement process is part of route accounting. This completes your activities and uncovers financial differences.

**Delivery Driver**

As DSD delivery drivers transport presold products to customers, they can effectively manage their activities with SAP Direct Store Delivery. Usually, drivers start their day early at the distribution center. Each driver is assigned a route of stores for deliveries. Drivers use a handheld computer or paper-based processes to perform customer visits, activities, deliveries, and returns. Routes are arranged geographically to optimize efficiency. Warehouse activities for picking product, packing it, and loading it onto trucks were performed the day before. The driver inspects the vehicle and performs validation and confirmation of products and cash.

Drivers spend most of the day visiting customers to make product deliveries, pick up returns, generate invoices, coordinate trade promotions, collect payments, print documents, and sometimes perform audits or surveys. Depending on the company, drivers deliver and collect beverages in bottles and kegs, baked goods on trays, milk in crates, or salty snacks in reusable boxes.

At the end of the day, a driver performs final check-in at the distribution center. This includes processing remaining products and empty containers. Cash, signed invoices, and expense sheets are processed, and discrepancies are identified. The DSD financial-settlement process supported by SAP Direct Store Delivery creates sales and distribution documents, posts payments to the SAP ERP Financials solution, charts movement of goods to maintain accurate inventory, and records invoices and collections.

Empower your sales representatives, presellers, van sellers, delivery drivers, and mixed-role employees with tools that help them perform their roles efficiently and effectively.
Sales Representatives and Presellers

DSD sales representatives and presellers can use SAP Direct Store Delivery to execute tactics in individual stores or outlets to maximize sales, distribution, and profits. Typically, a sales rep uses a company car to visit customers and doesn’t drive a vehicle that carries product. Sales reps give presentations, deliver product proposals, take sales orders, execute trade promotions, and conduct surveys and audits. Effective territory planning ensures that sales reps visit customers often enough to fulfill service-level agreements.

Sales reps can use SAP Direct Store Delivery on a handheld device to verify product returns, print and confirm invoices, and track payments and inventory.

Van Seller

SAP Direct Store Delivery lets the van seller, who drives a van or truck that contains the product they will sell or deliver, efficiently perform the same tasks as the delivery driver or sales rep. If you are a van seller, you must have correct inventory levels of product in your vehicle. When you place orders to stock your vehicle with product, you must keep in mind that a store or wholesaler might have products from different manufacturers. You can easily manage this complicated process with SAP Direct Store Delivery.

The sales process for a van seller has many steps. After arriving at a customer’s location, the seller reviews the customer’s inventory, observes store conditions and competitors’ products, and speaks with the store manager to sell a product display. If the sale is made, the seller writes the order, performs a credit check, and verifies the order with van or truck inventory. After the customer’s receiving manager checks in the product, signs the invoice, and pays by cash or credit, the seller stocks the store’s shelves, builds the product display, and moves on to the next customer.

Mixed Role

A mixed-role employee at a company that uses DSD must be able to perform all sales roles at any time with any customer. This type of employee can use SAP Direct Store Delivery to manage customer visits, van-selling activities, orders and returns, and delivery of presold orders that other sales reps obtained. A mixed-role employee can support one or multiple business units.

Supervisors and Administrators

To employ DSD effectively, administrators must manage a variety of resources and systems. Managers can configure SAP Direct Store Delivery in many different ways to supervise the entire sales team. The configuration, which varies based on the company’s product and how it goes to market, streamlines business processes and workflows for greater efficiency.
EFFICIENTLY MANAGE DIRECT STORE DELIVERY
SAP Direct Store Delivery orchestrates the complex process of selling and distributing goods directly to the final point of sale. It manages sales representatives’ activities including visit planning, preselling, van selling, taking sales orders and returns, pricing and promotions, audits and surveys, credit checks, and performing mixed roles. Strategies and tactics vary by customer, brand, and channel, but SAP Direct Store Delivery is the mobile app that can capably manage the entire sales process from start to finish.

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