

SAP Business One for FMCG Manufacturing & Distribution Companies



Manufacturing

Cost of raw materials is generally a very large component of the overall finished product cost. The focus in such companies, therefore, is in reducing the cost of raw material by two methods:

Yield

Classify raw materials by A, B and C class based on the value of consumption. Measure the quantity of A class raw materials consumed against the plan for every batch of finished goods. Monitor this and identify the reasons for variances. Improve the yield of such high cost raw materials to improve profitability.

Quality Control

Efficient purchase management and quality control of raw materials. A test master is associated with every item be it raw material, WIP or finished goods. A set of tests applicable to that item along with valid ranges is maintained in the test master. Each batch is tested and the results compared against the test master. The batch is locked to begin with and not available for issue till the QC tests are done and the batch is cleared.

There are two requirements that are statutory in nature in most FMCG industries:

Batch Manufacturing Record (BMR)

The Batch Manufacturing Record is a register of process parameters like temperature, pressure, etc. of each process and machine for each batch.

Batch Traceability

Batch Traceability is the ability to trace the information of each batch of raw material used in the production of a specific batch of finished goods, Top-Down and Bottom-Up.



Distribution

The sales channel comprises typically of:

Institutional Sales

This channel comprises of corporate, e.g. hotels, hospitals, etc. and is managed generally directly by the FMCG manufacturer.

Modern Retail

This channel comprises of the modern format of retailers and may be managed either directly by the FMCG company or through distributors.

Traditional Retail

This channel comprises of small and medium retail outlets. The list of these outlets is very large and is always managed through distributors.

Annual Sales Plan

Sales & COGS Targets

Sales & COGS targets are defined for Product Groups as well as Sales Areas. Targets are defined for quantities of the Product Group. The average sales & purchase price for the different SKUs in the Product Group is taken to arrive at the Value Target for Sales & COGS. The user can select the Sales & Purchase Price Lists from which the prices should be taken.

Product Grouping

Products of similar nature are grouped together for Sales Analysis as well as for setting Sales Targets. For example, a particular shampoo may be available in 3 different packaging; 250 ml, 500 ml and 1000 ml. For the purpose of setting sales targets for the 3 packages, different SKUs are treated as one Product Group.

Manage Sales Target For Sales Product Category					
Fiscal Year	2017-2018	Default Price List	1	Distributors List	
Product Category	Shampoos				
Distribution Method	Equal				
Territory Code	Territory	Actual Qty.	Actual Value	Planned Qty.	Planned Value
1	Andhra Pradesh	45	45914.00	100.00	95000.00
2	Maharashtra	30	30112.00	100.00	90000.00

Sales Area

The region, e.g. India, is split into regions, zones, areas, sub-areas and even streets. This is done to assign roles and responsibilities to different parties / individuals for managing the geography and for sales analysis.

Manage Sales Target For Sales Area					
Fiscal Year	2017-2018	Default Price List	1	Distributors List	
Territory name	Andhra Pradesh				
Product Category Code	Product Category	Actual Qty.	Actual Value	Planned Qty.	Planned Value
1	Soaps	45	45914.00	100.00	95000.00
2	Shampoos	40	40567.00	100.00	100000.00

Sales Reporting

Keeping the entire sales force informed about their sales performance on a regular basis is extremely important. In large organizations with 100s of sales personnel at various levels, this can be an extremely time consuming activity.

SALES PERFORMANCE REPORT - Andhra Pradesh January 2017

Product Category	Annual Plan		CYTD				LYTD				Current Month			
	Plan Qty	Plan Value	Actual Qty	Actual Value	Var-Plan Qty	Var-Plan Value	Actual Qty	Actual Value	Var-CY Qty	Var-CY Value	Actual Qty	Actual Value	Var-Plan Qty	Var-Plan Value
Shampoos	100	1,00,000	62	38,856	-2	-200	13	8,214	49	30,542	5	4,900	1	900

Production Plan versus Sales Plan

Sales Plans are at Product Category level. The Production Plan, however, needs to be at an individual SKU level. Incom's solution for SAP Business One explodes the Sales Plan generated at Product Category level into an SKU level Production Plan based on previous month's sales information.

Solutions For Dealers

Primary & Secondary Sales

A primary sale is defined as the sale made by the Manufacturer to the Distributor.

Secondary sale happens when the sale is made by the Distributor to the Retailer.

A final sale happens when the Retailer sells the SKU to the Consumer.

The SAP Business One solution is capable of managing both the

Primary as well as Secondary sales businesses.

Web Sales Order

In the event, the dealer community wishes to continue using their internal systems Inecom's Web Sales Order is a perfect solution by which dealers can place their orders.

This is a web based solution that is used by dealers to create sales orders. The Web Sales Order module is integrated with SAP Business One.

SAP Mobile App

SAP B1 Sales Mobile App for SAP HANA

- Salesman can track his activities, customers, opportunities, quotations and orders
- See his KPIs and Dashboards
- The intelligent forecasting tool helps salesman's productivity
- Create new leads, opportunities, sales quotations and sales orders
- Many more useful options...

ADDRESS:

3rd Floor, R-Five Heights A,
Vishal Nagar, New DP Road,
Pimple Nilakh,
Pune – 411 027, India.

Phone No. : +91 20 3365 8700

Website: www.inecomworld.com

E-mail : enquiries@inecomworld.com