



PAYGO TECHNOLOGY AND BUSINESS MODELS

Day 3 Program

Time	ACTIVITY	
8.30 - 9.00	Recap of Day 2	<ul style="list-style-type: none">• Facilitator
9.00- 10.30	Awareness Creation & Sales Force Challenges (from Day 2)	<ul style="list-style-type: none">• Individual Presentations
10.30-11.00	Coffee Break	
11.00 -1.00	Sales Efficiency transformation	<ul style="list-style-type: none">• Group Discussion• Case study – M-KOPA• Facilitator Presentation
1.00-2.00	Lunch Break	
2.00-3.00	Route to Market, Marketing Challenges & Strategies	<ul style="list-style-type: none">• Facilitator Presentation
3.00-3.30	Health Break	
3.30-4.30	Marketing Challenges & Strategies	<ul style="list-style-type: none">• Group Work

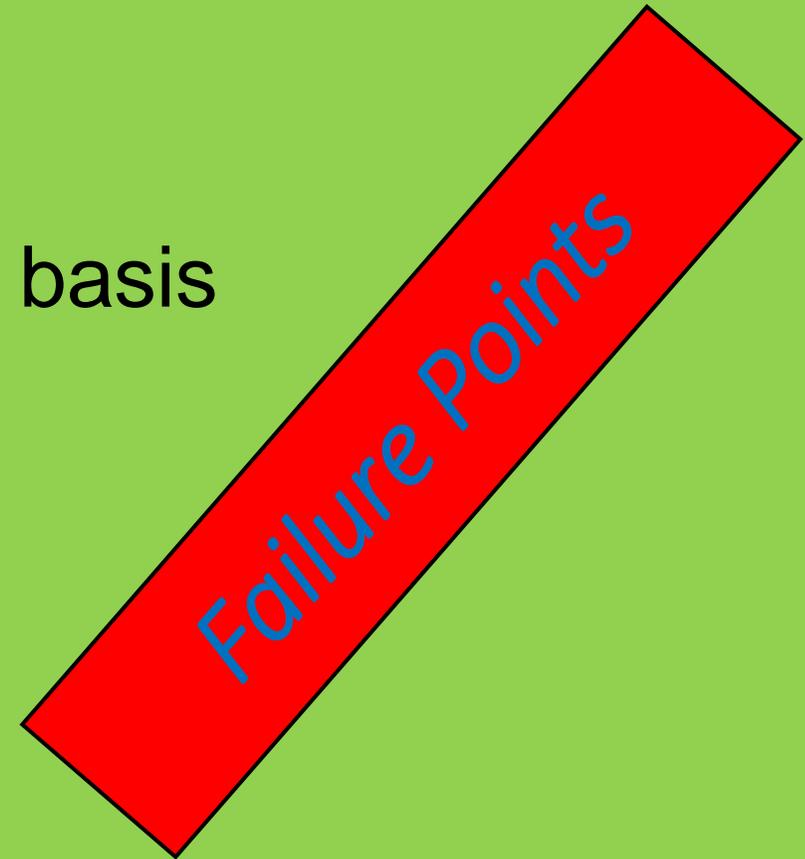
Transforming Sales Performance



- Dealers seated at the shop waiting for customers
- Agents travelling 200-400kms to get sales
- Operators without a clue sourcing sales
- Agents living in town chasing sales
- Sub let SCs introduced...Brand lost
- Detached management
- Agents visiting markets



- Agents working only after previous commission is over
- Agents spending more than earnings
- Agents working at own pleasure
- Agents recruited on tribal or family basis
- No Awards for good performance
- Agents given minimal support
- Un-clear targets



- Structured Department
- Cluster of operations
- Recruitment Mashinani
- Rules for recruitment
- Training on the job
- Career path
- Discipline.....DSRs
- Brand visibility
- Continuous training, coaching and mentorship
- Rules of engagement



Welcome Paddockking

- Open Target SettingBottom Up Approach. Daily Report with targets
- Realistic Targets & Ways to Achieve themChama (group) Focus
- Skills transfer across the cadres
- Bonus and Awards
- Monthly earnings.....*"Salaried"*
- Incentives
- Managers support
- Small manageable supervisory areas
- Sales based earnings
- 5 year Focus
- Performance based promotions & Terminations
- Staff Training

.....Paddocking

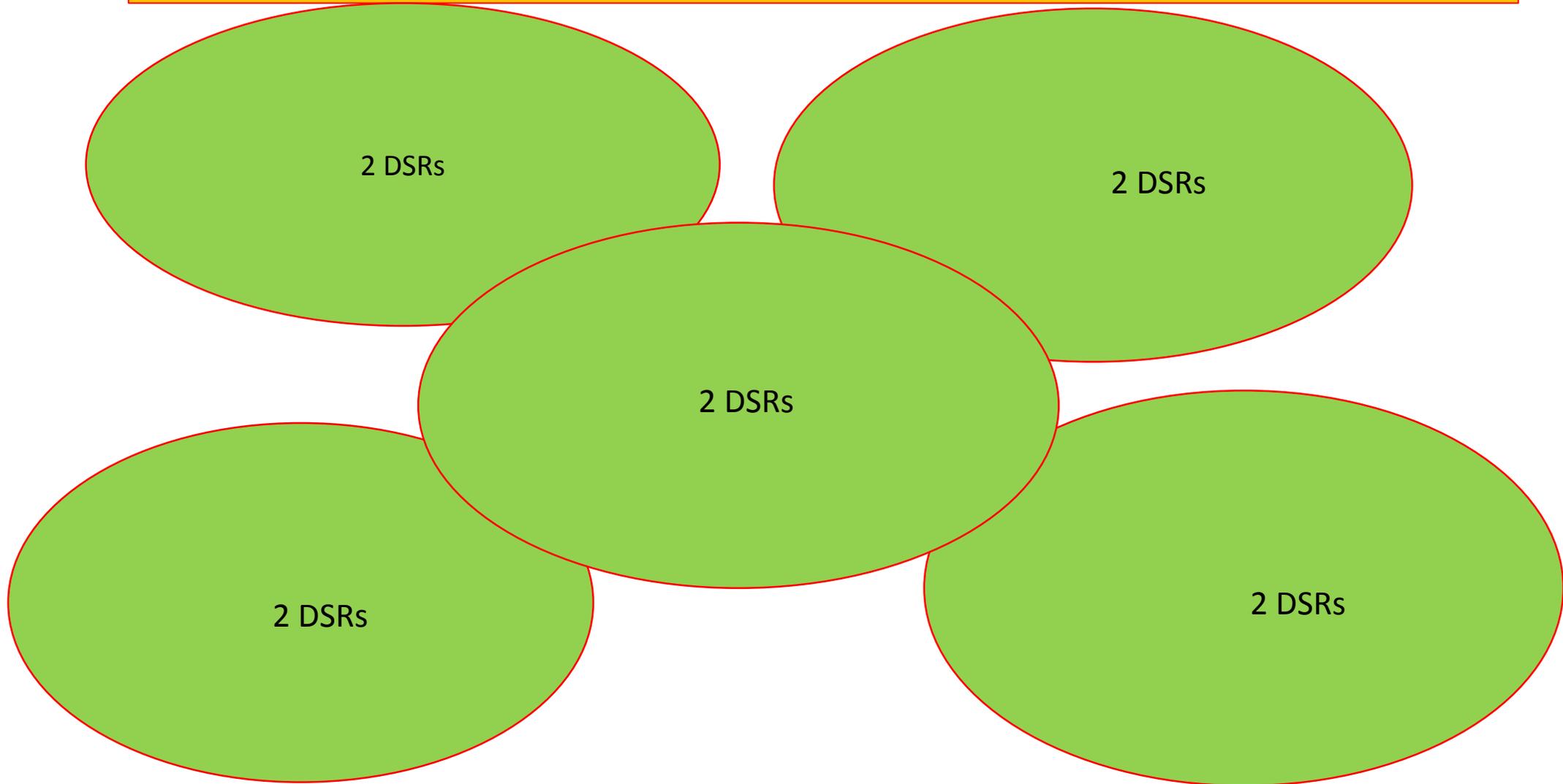
2014 Sales		Month												
Region	Numbers Don't Lie	Jan 2014	Feb 2014	Mar 2014	Apr 2014	May 2014	Jun 2014	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Grand Total
Kisii		603	826	839	880	920	987	964	1226	1503	1739	1635	1714	13836
Kisumu		558	584	599	636	649	725	805	1006	1212	1488	1649	2066	11977
Nakuru		560	559	684	791	704	679	705	1056	1139	1432	1367	1399	11075
Kakamega		315	365	490	458	588	643	660	893	1068	1294	1253	1403	9430
Central		410	490	543	502	455	514	442	617	782	809	851	1176	7591
Eldoret		585	454	531	413	406	479	432	519	733	805	1037	1108	7502
Eastern		369	417	398	386	425	455	419	527	689	719	910	1485	7199
Kitale		310	326	372	349	326	330	332	499	486	628	885	1014	5857
Coast		186	201	174	171	280	313	250	438	549	626	604	785	4577
FTOK			2	2	22	10	91	358	187	264	241	285	223	1685
Other							1	35	2	39	18	1	40	136
Grand Total		3896	4224	4632	4608	4763	5217	5402	6970	8464	9799	10477	12413	80865

What Direct Sales Rep/Agent does?

- Promotes Products at Local Level
- Conducts Consumer Education
- Visit Groups to promote products
- Visits Clients homes
- Advices on Best Solutions (Sizing)
- Assists Client to Apply for Products
- Alerts Branch Manager about potential Orders
- Assists in Installations/Building upon Product delivery
- Does After Sales Service
- Does Minor Support
- Earns Commission on Generated Sales

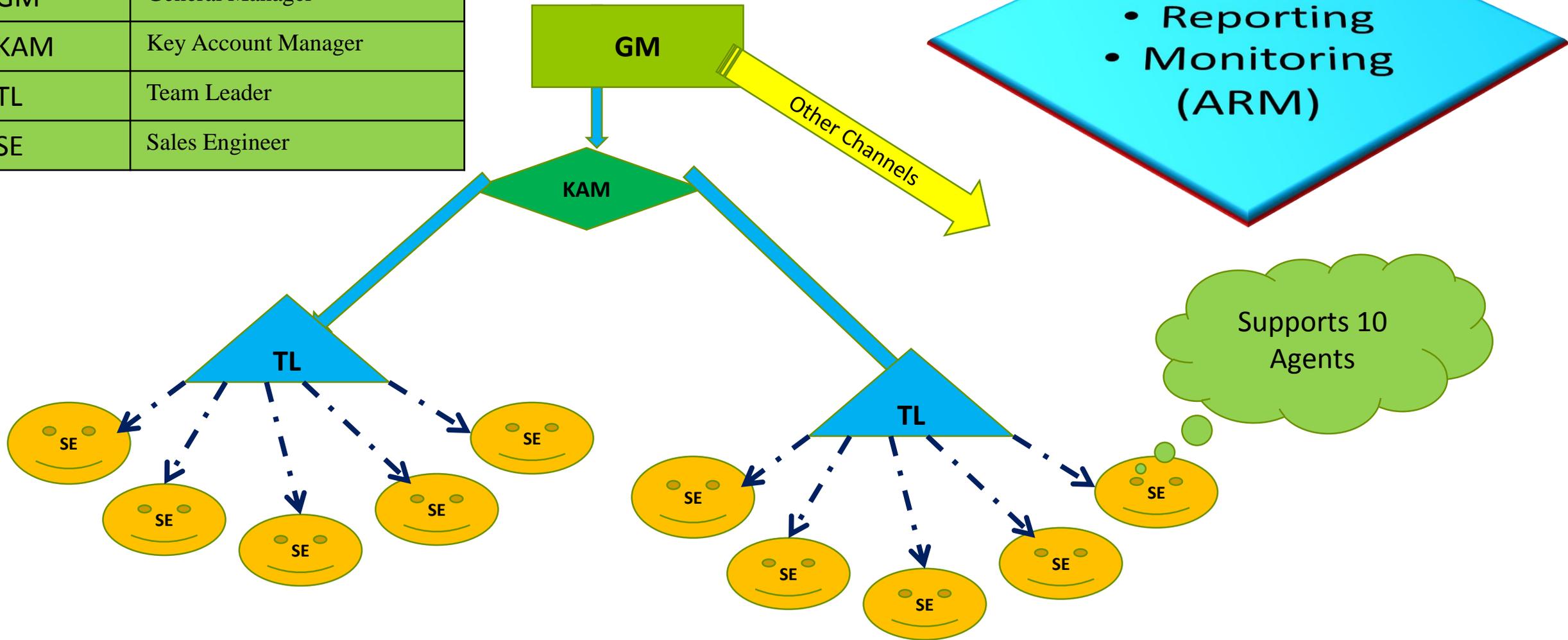


Branch Clustering for DSRs



Agent Network Model Management

TITLES	
GM	General Manager
KAM	Key Account Manager
TL	Team Leader
SE	Sales Engineer



WHY RENEWABLE ENERGY AMBASADORS/AGENTS - REA

- Users of Products
- Known in the neighborhood
- Networked
- Know the Clients at Personal Level
- They have other Roles in the Community
- Have Local opportunities to market
- Opinion Leaders
- Have previously referred groups to MFI
- Know MFI Membership, Loan Processes
- Loyal to Institution....>10 years

Key Agency Challenges

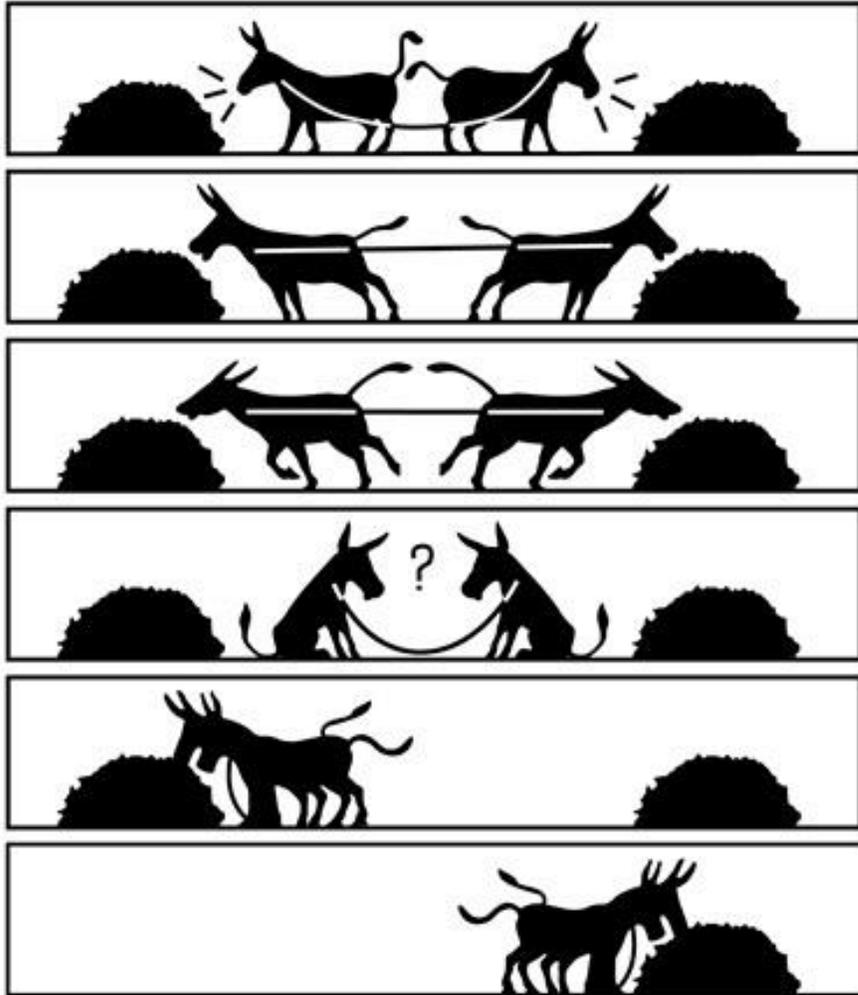
1. Delays in Commissions payments – *Internal*
2. Delays in Processing Loans – *Internal*
3. Restriction/Areas of jurisdiction – *Internal*
4. Lack of Support from staff – *Internal*
5. Interference/Favoritism by staff – *Internal*
6. Switching/Fraud on sales – *Internal*
7. Restriction on Cash Sales – *Internal*
8. Faulty Products – *External*
9. Slow After Sales Service - *External*
10. Other players/MFIs competition - *External*



Agency Model Success Factors

- Good Management
- Minimum **10** Groups in a Cluster
- Trainings
 - Product Knowledge
 - Selling/Presentation Skills
 - Networking
- Availing Demo Units
- Good Incentives – Retainer/Commission/Bonus/Awards
- Support – Branding/Promos/Coaching/Recognition
- Variety of Products to market
- Prompt Commission Payments
- Close Monitoring & Support

Partnerships



Competition

vs

Collaboration

The Sales Journey



“If you don’t aim for the Best Prospects, you’re likely to do business with any prospect.”

- Law of the Bull’s eye.



“Production *minus* Sales equals Scrap!”

Route to Market Models

A route to market model is characterized by

- Strong customer focus.
- Align to company goals
- Balance customer needs
- Flexible and adaptable

Examples of models include;

- Community based sales agents model. This involves use of dedicated direct sale elements for products
- School based program in Kenya, Tanzania and other African countries that involves distribution via total network of gas stations.

Routes to Market Models for PAYGO

This is the pipeline through which goods flow from supplier to customer with corresponding payments flowing in the opposite direction.

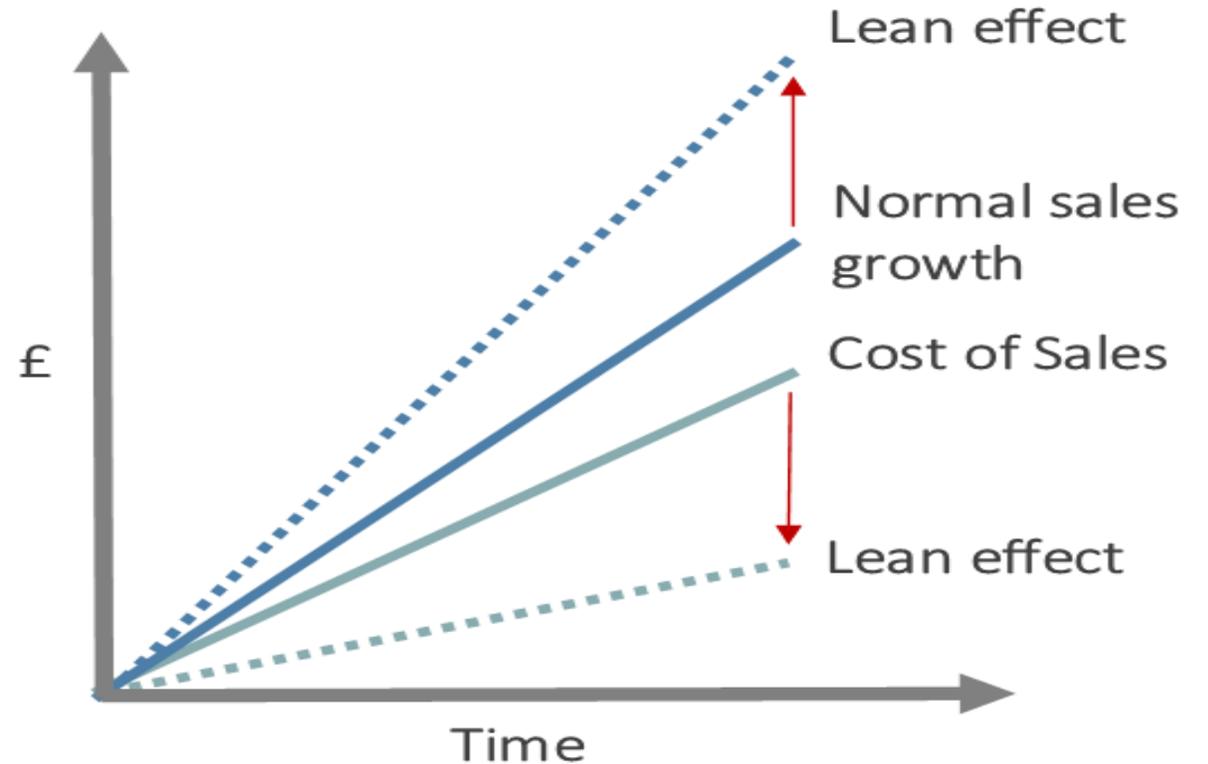
A lean Route to market module brings about the following advantages;

- Eliminate unnecessary waste from each stage
- Revenue is increased
- Correct distribution solutions are identified
- Improved management of resources
- Enabled flexibility
- Adaptability to market constraints
- Enhanced stock keeping



Route to Market Models for PAYGO

- By reducing order handling, staff are freed to focus on customers.
- Effective coordination of demand and supply
- Reduction of stock variability
- Reducing lead times
- Increased quality of products
- Sustainable long term profitability



Issues in Route to Market Models

- Financial constraints as it can take as much as 30% of the operational costs
- Distribution problems
- Budgetary allocation. There is a challenge in determining the total budget to set for marketing, sales, and customer service.
- Poor promotion strategies
- Wastage of resources at every stage.
- Varied market characteristics.
- Poor customer service
- Inferior quality of products
- Diffusion of the products to market niches through informal channels

Solutions to Challenges in the Route to Market Models

- Inculcation of a lean route to market would solve the following problems;
 - Wastage of resources at every stage as it enhances efficiency
 - Varied market characteristics as it promoted adaptability
- Proper budgetary allocation of funds towards route to market processes.
- Inculcation of a variety of channels for distribution to maximize effectiveness.



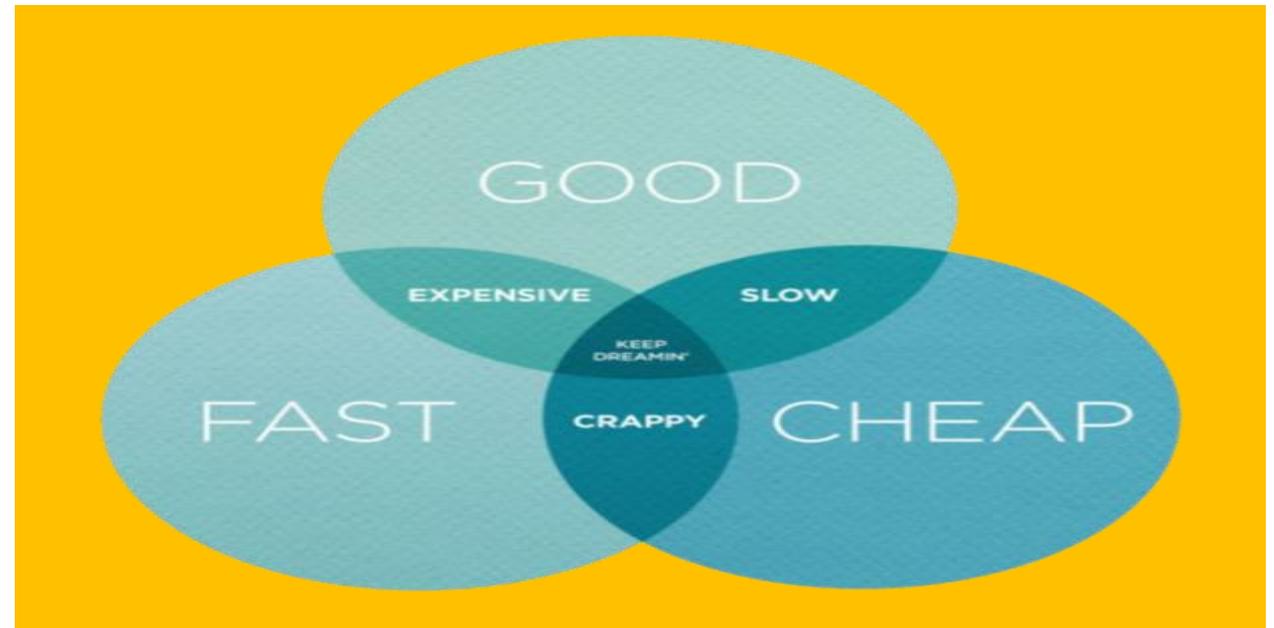
Marketing Channels

- Wholesaler or Distributor
- Direct selling
- Online/Internet
- Direct Sales Representatives
- Value Added reseller eg MFI
- Consultant
- Dealer
- Retail
- Sales agent/ manufacturer representative
- Freelance Agents



Marketing Challenges

- Suspicion from the customer as Paygo solar is a relatively new concept to the market and customers are liable to trust established products.
- Generating traffic. This denotes producing enough demand for their products.
- Securing an adequate budgetary allocation for marketing.
- Increased competition



Marketing Challenges

- Focusing too broadly or too narrowly on a subject area.
- Risk aversion
- Long term sustainability
- Keeping quality consistently high
- Impatience and unrealistic expectations
- Providing a return on Investment of your marketing activities
- Training your team to effectively market the product.



Marketing Strategies

- Focus on the customer. Tailor the offerings to customers primary pain i.e. utility bills, rising cost of fuel, environmental considerations.
- Differentiation- This denotes setting your product apart from your competition
- Know your industry well
- Co-market with strategic partners
- Create a marketing funnel- The more leads you have the more sales you make. The lead generating strategies include;
 - Word of mouth
 - Customer Referrals
 - Investing in Social Media
 - Co-marketing with other businesses
 - Endorsements from Role Models
 - Campaigns & Roadshow
- Focusing on downstream services. This include quality services, warranties on products, after sale services and a stronger relationship with customers



Marketing Strategies

❖ Building brand Identity

Customers can be won and retained by a trusted name. This is a crucial strategy with a race to the bottom on cost.

❖ Forging new partnerships

Companies are increasingly forging strategic partnerships to help with financial constraints, leverage brand recognition, balance sheets and distribution networks.

❖ Chasing new markets

Expansion to other market niches, this involves not only focusing on rural population but the urban landscape as well.

❖ Joining the cost race

This involves focusing on the brand, economies of scale, geographical reach and quality to compete.

Don't Work Hard - Work Smart