



Empowering Sales Force Through Digital Technologies – BRISA BRIDGESTONE SABANCI Tyre Man. and Trading Inc.

This case was written by **Nukhet Vardar, El Izi Communications Consultancy UK Ltd.** It was compiled from Brisa Bridgestone Sabanci Tyre Man. and Trading Inc., Istanbul, Turkey in 2020, by putting together primary data collected from the company. It is intended to be used as the basis for class discussion rather than to illustrate either effective or ineffective handling of a management situation.

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Empowering Sales Force Through Digital

Technologies: BRISA BRIDGESTONE SABANCI Tyre
Man. and Trading Inc.

Part 1: Problems Encountered by Brisa and its Sales Force in 2016

Brisa has been the clear and absolute market leader in the Turkish tyre market for many years. The market expanded by 28% from 2010 to 2015, reaching 22 million sales units. This high market growth rate, above the world tyre market average, continued until 2018.

To meet this high demand and have wider product availability, we started expanding our distribution network in 2014. Our dealers increased from 250 to 409, with an additional 200 branches. However, with this expansion, came various problems with our services. Our Call Centre was not able to support our sales force. As a result, we began to receive a considerable number of complaints from our dealers. Also, due to our dealer network expansion policy, we encountered various difficulties regarding our dealers' financials.

Exhibit 1 Tyre market in Turkey (2009-2019; in million tyres)

As a result, both we and our dealers started feeling uneasy. Whenever they visited our dealers, our sales reps had to listen to complaints, mostly about product deliveries and finances. Invariably, every dealer would start the conversation by saying: "We don't get enough support from Brisa" or "We don't get any response from Brisa." So instead of making sales, our sales force would always start their dealer visits on the back foot.



Our strategy of maximising sales through dealer expansion continued until 2016. That's probably why we did not realise that our dealers faced serious payment problems. Since we did not have an efficient dealer inventory reporting system at that time, we could not see the fall in our dealers' sales figures, leading to higher than expected inventory. In order to have higher ex-factory sales, sometimes we overlooked our dealers' higher stock ratios and their increased financial risk; or ended up extending their payment due dates. Higher stock at our dealers, made our dealers miss their payment dates to Brisa, leading to adverse effects on our own cash flow and on our financials, too.

As a result, our dealers who were not able to sell their stock, were always complaining to our sales force. Furthermore, in 2012 our company had begun a second production plant investment in mid-Anatolia, Turkey, worth 300 million Dollars. So, as well as having cash-flow problems due to low sales figures, we were also faced with an additional financial burden due to our new investment.

Exhibit 2 Brisa's second production plant in Turkey, worth 300 Mio USD, started in 2012

In the first half of 2017, we had a change of management team, with Cevdet Alemdar as our new CEO. As a first step, we held a series of workshops where we questioned everything and every process undertaken by each department, from Finance to Production; from Supply Chain to Sales Force. We analysed the 2014-2017 period in great detail, from plans to deviations from plans, addressing reasons why. We also investigated our dealer complaints and why our sales force was unable to resolve them.

Part 2: First Steps

Since our customers are our dealers, the primary aim of our sales force was to meet our dealers' needs. But first we had to identify the problems and prioritise the necessary steps. To this end:



- Our sales force needed to be aware of our dealers' finances, their current stock levels and sales figures
- We had to put in place a standard customer follow-up process, enabling our sales force to conduct constant checks
- We had to help our dealers to sell their existing high stock and then have a new system in place to prevent them from building such high stock levels again.

Exhibit 3 How did Brisa transform its sales force? (1)

As a first step, therefore, we wanted to quantify our dealer complaints in order to be able to manage the problem. So, first we checked figures for 'time open, indicating how long we took to solve problems reported by dealers. Quantifying the problem was critical, because once we had quantified it, then we could start solving it by using different parameters.

At the end of 2017, our 'time open' was 30 hours and 15 minutes on average. We realised that our dealers had every right to complain. This was actually the tip of the iceberg, mainly because these figures only included the complaints that reached the Call Centre and were registered in our system. But there were many more complaints that got lost in the system, mostly because our Call Centre was not situated within our company but was handled by a supplier at a separate location. Our related departments had no direct contact with the Call Centre and did not know them personally. Problems reaching the Call Centre were not followed up by our own departments. In short, we couldn't manage complaints at all. Furthermore, no department or individual was responsible for handling dealer complaints. As a first step, we had to position the Call Centre as a problem resolution centre within our own internal structure.

Part 3: The Genba Room is Born

All the signs indicated that we needed some radical changes that would eradicate the problems faced by our sales force. Our whole industry was being



reshaped by Industry 4.0. In the same way as robotics, Big Data and the Internet of Things were becoming the backbone of production globally; we at Brisa, had to make use of digital technologies and data analytics for empowering our own sales force. And while doing this, we had to focus on the needs of our sales force and sales team.

At the same time, at Brisa Bridgestone Sabancı we make use of four pillars to deliver our Japanese partner, Bridgestone's, mission of "serving society with superior quality". These four pillars are: 'integrity and teamwork', 'creative pioneering', 'decisive action after thorough planning' and 'Genbutsu-Genba' which translates from the Japanese as 'decision making based on verified, onsite observations'. Genbutsu-Genba is about taking the time to go on-site and personally verify the facts, then using those observations to make informed decisions. It is about not being satisfied with the current situation and making informed decisions that will lead ever closer to ideal products and solutions. This is how the company can attain 'Dan Totsu' to 'become the absolute, clear leader'.

Exhibit 4 The Bridgestone essence

Therefore, the Genba concept fitted very well with our need for improving the sales force. Our top management also believed in the project from the very start and gave their full support. We placed the Genba Room physically right in the middle of the company. We wanted it to symbolise change at the heart of Brisa, also in its architectural structure. Now when you enter our offices, the first thing you notice is a digital base which is a completely different world; with its ergonomic structure, sound isolation and sliding ceiling to let in fresh air. When you step inside, you can actually monitor what is going on in the market place via seven big screens.

Exhibit 5 The Genba Room (video)



The Genba Room started operating in January 2018, with 15 staff drawn from seven different departments and with two sales coaches. These departments are: Finance, Supply Chain, Dealer Call Centre, Sales, Site Engineers, Logistics/Sales Operations and Pricing, being led by the Sales Operation Manager. The team started monitoring the data, in respect of:

- Dealer performance indicators
- Sales orders
- Regional sales performance indicators
- Sales by brand

Since the whole team was sharing the same office, when they were faced with a new problem, it became everybody's problem. We decide to highlight the importance of every complaint by appealing to different senses and put a siren in the Genba Room. When the siren went off, it meant "we need to solve one of our dealer's problems" and until it was turned off, everybody in the team focussed on it.

Exhibit 6 Sample data monitored at Genba Room

As a first performance criterion, our target was to reduce 'time open' from the initial 30 hours 15 minutes to 7 hours. This way we would be able to solve our dealer's problems within one working day. We even started calling our dealers, to confirm that their problems were resolved. Because we had clear targets and alignment within departments, it only took three months and by the second quarter of 2018, we were able to reduce 'time open' to seven hours. Then, we set ourselves a second target of reducing it further, to five hours. Although we made a big improvement in 'time open'; we now had to focus on our process management and possible ways of improving the complete processes.

Exhibit 7 'Time open' durations for dealer complaints (Hour: Minute: Seconds)



Part 4: Solving Problems in the Field

We put together a dealer management training program with Brisa Academy, aiming to show our sales force how to monitor dealer financials and inventory turnover rates. Our entire sales force had this training, with further training given by our sales coaches according to individual needs. In November 2018, we also opened our Business Excellence Centre to empower our sales force further in the field. We aimed at standardising the work processes of our sales force. In this Centre, we started simulating likely problems that our sales force could face in the field, while also offering solutions through our training programs.

Exhibit 8 Simulation work done with the sales force at the Business Excellence Centre

With the help of Virtual Reality, we made sure that our sales force could “experience” similar problems to those they would face in the field, checking how they would respond. For instance, we checked whether or not they could tell what is wrong with a tyre. Or with the help of a case study, we asked them how to give information to our dealers. We video these training sessions and then use them in our training for further improvement. With the help of these test results, we are able to identify further individual improvement areas for our sales force. Our entire aim is to prepare our sales team in the best possible way, to meet the needs of the field, making sure they can answer all our dealers’ questions. At the end of the day, our 53 million Dollar Brisa brand is represented by our sales force on the front line. And the stronger our sales force and the better adapted it is to the needs of the market place, the more valuable our brand becomes.

Exhibit 9 Sales team having training with the help of VR applications at the Business Excellence Centre

Part 5: Standardisation and Control of Processes

We also had to standardise how we monitored dealer sales and their inventory; identifying upper sales limits for each dealer and calculating accompanying risk



levels. We could only achieve this, if we were able to make realistic monthly dealer plans. We were now monitoring the field much more closely through the screens at Genba Room, so we were able to pick up potential problems at early stages and stop them from occurring. This made us move much more quickly according to market needs. All this was made possible through the cooperation of our Supply Chain, Marketing, Finance and Sales Operations Departments working together. Everybody came out of their 'silos'. We were all aligned with the company targets, able to see the bigger picture. Some parameters which had not received any attention, were under control now and, therefore, manageable. Overall, the entire company not only focussed on problem solving, but started being more proactive.

Part 6: Improvements in Sales Forecasts

One of the reasons why our dealers ended up with higher inventory levels was because of inaccurate sales forecasts. Unfortunately, in the past, our sales forecast accuracy rate had been around 25-30%. In order to improve this rate, we first detailed the processes used at the time, together with our Marketing, Sales Operations and Supply Chain Departments. We realised that responsibilities were not assigned clearly. Furthermore, no numeric targets had been set to control the processes. In other words, there were no Key Performance Indicators (or KPIs). Although forecast accuracy rate had been measured for a long time, it was not listed among any department's KPIs. It was not clear which departments should enter which parameters into the system nor when. To a large extent the monthly forecasting process was undertaken manually and not standardised at all.

Exhibit 10 How did Brisa transform its sales force? (2)

In general, regional sales units would report their monthly sales forecast for different product groups to our Sales Operations Department. Then, Sales Operations would split these product forecasts according to tyre sizes and would



share with the Supply Chain. In return, Supply Chain would put together the production plan, according to production capacities. Our Marketing department was not part of the process. We decided that first of all, forecasts agreed between Marketing and Sales Operation Departments would be shared with our Supply Chain. Furthermore, in order to be able to incorporate data analytics into our demand forecasts, we developed a software called 'Tyre Oracle'. Tyre Oracle uses actual car sales data in different regions for forecasting future tyre demand. This also helped us to double-check our own forecasts. During the same period, we also started getting new data from the Genba Room so that we were able to monitor:

- Inventory levels at individual dealers, by city and by region
- Sales and sales potential by city and total market size
- Brisa brands' market shares in different product groups and markets.

Exhibit 11 Sample screens from Tyre Oracle

All these steps resulted in a decrease in the number of dealer complaints, while reducing 'complaint open' times to five hours by the third quarter of 2018. We installed a new system, so that if the closure times exceeded five hours, the Genba Room manager would get an automatic warning. In addition, we studied the data we collected on a daily basis and made further improvements. Although our initial aim was to reduce complaint open times; the more we used the data, the more we realised that it was like a new 'fuel reserve' for us. We were personally witnessing the actual power of data. As our Call Centre employees became more experienced, their capabilities increased. They reached a stage where they could foresee potential problems and started taking necessary precautions before these problems were raised. Overall, all these factors helped us in pushing down complaint open times even further.



Part 7: Answering the Market's Needs Quickly Through Data Analytics

- Inventory Turnover Rates and Dealer Campaigns

We started using the crucial data collected from the field via our sales coaches as input data for our Genba Room. This enabled us to become aware of the problems as they were forming. For instance, the idea of monitoring dealer inventory turnover was suggested by one of our sales coaches. We also started monitoring dealer inventory turnover rates. Therefore, as inventories started building up at dealers, we started planning regional campaigns. Previously we would have pre-order campaigns once, during the winter months. We realised that having a pre-order campaign only once every year, led our dealers to ask for more stock than they were able to sell. Now that we were able to grasp the market needs better with the help of data, our dealers are able to pre-order throughout the year. Therefore, neither we as a company nor our dealers hold unnecessary inventory and nor do we allow our dealers to run out of stock. This way, we make sure we optimise the distribution of tyres we are able to produce, based on our production capacity.

Exhibit 12 How did Brisa transform its sales force? (3)

Furthermore in 2018, we included dealer risks into our processes. We calculated the maximum amount that each dealer could buy, according to our planned sales figures and their sales terms. We identified these limits in our SAP system (*Systems, Applications and Products in Data Processing*) for each dealer. When a dealer reaches its credit limit, our SAP system does not allow any further sales to that specific dealer, ensuring that our dealers do not take on any more risk than they can handle. This also stopped unnecessary inventory build-up at our dealers. From our side, we no longer produce risky tyres that won't sell nor create inactive inventory and we collect payments on time. As a result, our risk ratio, which was 56% in December 2016, fell to 23% in June 2019. Also, during the same period, our ratio of bad debts dropped from 40% to 14%. So, overall,



we were able to reduce our overdue receivables. All these steps helped our company in reaching its targets, while making sure that our dealers were able to attain their full sales potential.

- Running Dealer and Consumer Campaigns Concurrently

With the data we had from Genba Room, our Marketing Department started planning consumer campaigns in 2018, while conducting pre-order campaigns to dealers. Our goal was to speed the consumer 'pull' from our dealers after our 'push' of new inventory to them. As a result, Brisa reached its sales targets without increasing its dealer risks and dealer inventory levels.

- Steps Taken to Diminish Inactive Inventory

Another problem that dealers often mentioned, was high levels of inactive inventory. We had to find ways of diminishing these at first and then put a new system in place which would stop such inactive inventory building up in the future. Therefore, as a first step, our Supply Chain started reporting inventory levels of 12-18 month and 18-24 month-old tyres. This enabled us to see actual levels and take any necessary action.

Part 8: How Did the Genba Room Help Us?

- Fringe Benefits

Over time we personally experienced how collecting data from the field and making use of data analytics to interpret it could lead to other unexpected benefits for the company. For instance, by increasing the number of pre-order campaigns we ended up having improved production plan forecasts. As we were taking more pre-orders, we were able to enter actual sales data into our production plans, instead of sales forecasts. As our forecast accuracy increased, our finished product inventory dropped, having a positive impact on our cash flow. Making wide use of data analytics led us to many more unexpected



rewards for Brisa.

- **Market Results**

Although average dealer complaint closure times were 30 hours and 15 minutes in January 2018, when the Genba Room first started, by December 2019, 'open times' had fallen to 24 minutes. Simply by looking at this figure, we can easily tell the added value that digital technologies brought to Brisa after 2018. In 2018, Brisa started feeling the pulse of the market with the help of its digital base, right at the heart of the company. To this end, Brisa automated its processes to a certain extent by making use of digital technologies, by using AI based software and advanced data analytics. As the Genba Room is now able to handle dealer complaints effectively, our sales force can solely focus on sales, having productive dealer visits.

Exhibit 13 Time open durations for dealer complaints (Hour: Minute: Seconds)

Exhibit 14 How did Brisa transform its sales force (4)

Furthermore, we were delighted to receive the Silver trophy for Bridgestone EMEA Region in Management Fundamentals in 2018. It was a special prize for us and an honour for our entire team.

We can also see the impact of the Genba Room in our market results. According to 2019 figures, Brisa continues to be the market leader in the Turkish tyre market, with a 32% total market share across all its brands; followed by the number 2, with a total market share of 22%. We are very happy to have solved our market place problems with the help of digital technologies which eventually led to higher company efficiency.

Exhibit 15 Brisa and competitors market shares (2019; In Percentage)



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Suggested Videos

- The Future of Marketing
<https://www.youtube.com/watch?v=4oAvBxWZIUY>
- AI and the Future of Marketing
<https://www.youtube.com/watch?v=T9EIyGNBR1w>
- Customer engagement in a post-digital world
<https://www.youtube.com/watch?v=oBokb9nRcXA>



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Exhibits

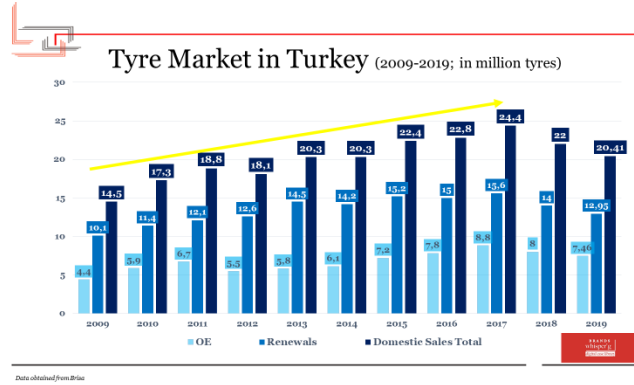


Exhibit 1 Tyre market in Turkey (2009-2019; in million tyres)



Brisa's second production plant in Turkey, worth 300 Mio USD, started in 2012

Exhibit 2

Brisa's second production plant in Turkey, worth 300 Mio USD, started in 2012



How did Brisa Transform its Sales Force?

- First Step**
- Becoming aware of dealers' finances.
- Conducting constant checks through standard customer follow-up processes
- Helping dealers to sell existing high stock and preventing them from building again.



Exhibit 3 How did Brisa transform its sales force? (1)



企業理念
The Bridgestone Essence

使命
Mission

最高の品質で社会に貢献
Serving Society with Superior Quality

心構え
Foundation

誠実協調
Seijitsu-Kyocho
(Integrity and Teamwork)

進取独創
Shinshu-Dokuso
(Creative Pioneering)

現物現場
Genbutsu-Genba
(Decision-Making Based on Verified, On-Site Observations)

熟慮断行
Jukuryo-Danko
(Deliberate Action After Thorough Planning)

BRIDGESTONE

The Bridgestone Essence

Mission:
"Serving society with superior quality"

Foundation:

- Integrity and teamwork,
- Creative pioneering,
- Decisive action after thorough planning and
- 'Genbutsu-Genba' which translates from the Japanese as 'decision making based on verified, onsite observations'.

<https://www.bridgestone.com/corporate/philosophy/index.html>

Exhibit 4 The Bridgestone essence

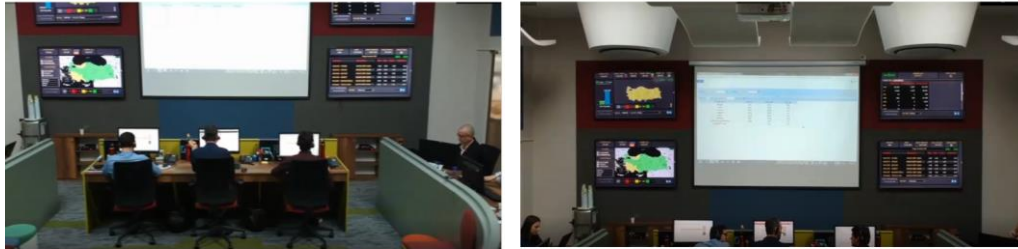


Exhibit 5 The Genba Room (video)



Sample Data Monitored at Genba Room

Product Group	Daily Order	Daily Confirmed Order	Monthly Order
PSR	1,461	733	5,425
LT	395	114	1,507
AG	4	2	43
TBR	60	4	2,450
LSR	41	0	238
IND	14	14	133
OTR	20	14	123
Toplam	1,995	881	9,919

Area	MTD %	YTD %	TYEAR	MTD %	YTD %	TYEAR
Japan	92.8	92.8	92.8	92.8	92.8	92.8
Asia	92.8	92.8	92.8	92.8	92.8	92.8
Europe	92.8	92.8	92.8	92.8	92.8	92.8
North America	92.8	92.8	92.8	92.8	92.8	92.8
South America	92.8	92.8	92.8	92.8	92.8	92.8
Other	92.8	92.8	92.8	92.8	92.8	92.8
Toplam	92.8	92.8	92.8	92.8	92.8	92.8

613,340
YTD Sales

432,453
YTD GP

971
YTD Profit

563,810
YTD Net

YTD Target Realization

Exhibit 6 Sample data monitored at Genba Room

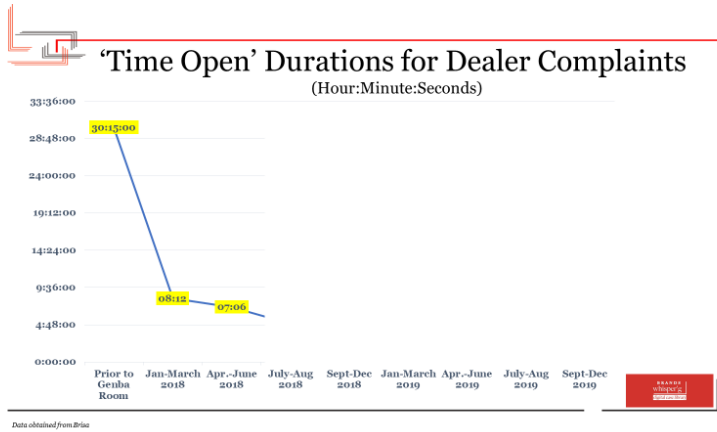


Exhibit 7 Time open durations for dealer complaints (Hour: Minute: Seconds)



Simulation Work Done with the Sales Force at the Business Excellence Centre

Exhibit 8 Simulation work done with the sales force at the Business Excellence Centre



Sales Team having Training with the Help of VR Applications at the Business Excellence Centre

Exhibit 9 Sales team having training with the help of VR applications at the Business Excellence Centre



How did Brisa Transform its Sales Force? (2)

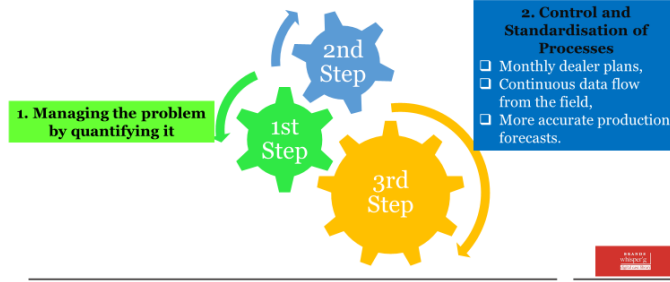


Exhibit 10 How did Brisa transform its sales force? (2)



Sample Screens from Tyre Oracle

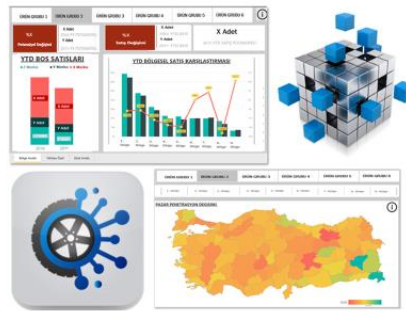


Exhibit 11 Sample screens from Tyre Oracle



How did Brisa Transform its Sales Force? (3)

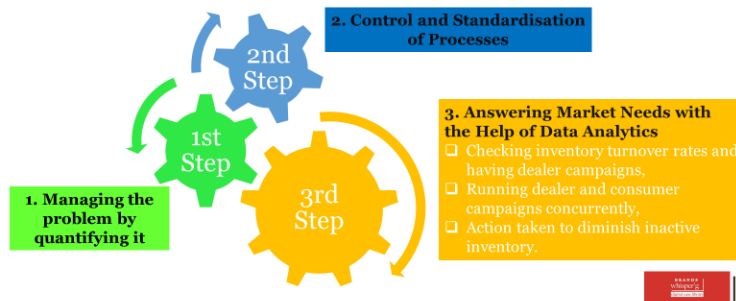


Exhibit 12 How did Brisa transform its sales force? (3)

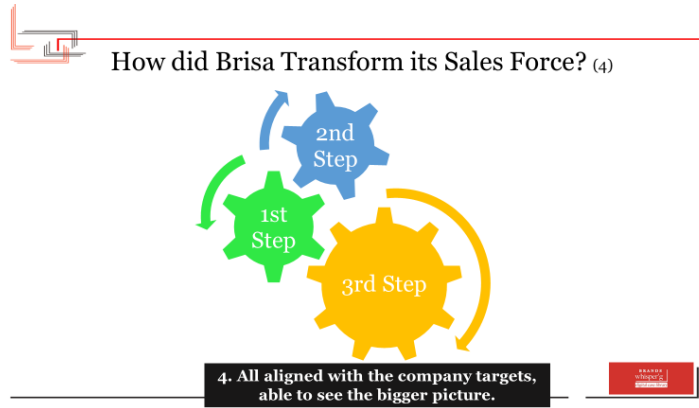


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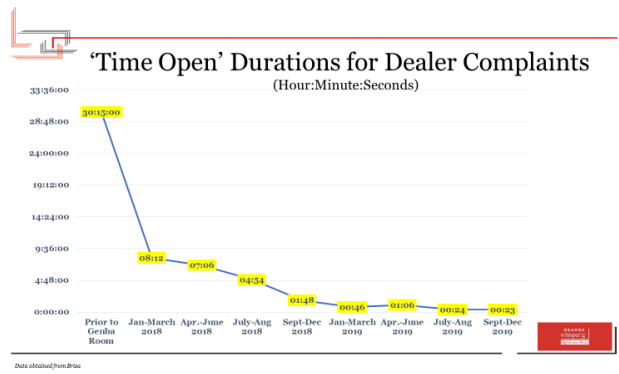


Exhibit 14 Time open durations for dealer complaints (Hour: Minute: Seconds)

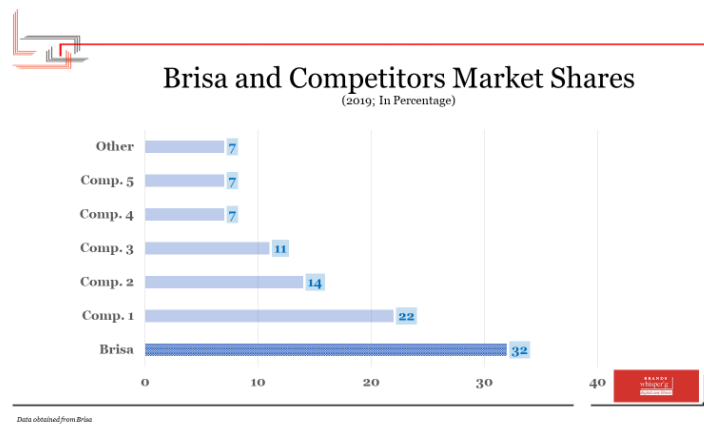


Exhibit 15 Brisa and competitors market shares (2019; In Percentage)