

Vietnam's Leading Fresh Milk Producer Transforms Distribution Management System with Acumatica



"We have many reporting requirements. Now we're able to easily give management the latest information—daily, weekly, monthly."

– Mr. Hien Huynh Phu, IT Manager, TH Milk

OVERVIEW

Founded in 2010, TH Milk is one of 3 companies under the TH Group, a founder of the clean and fresh milk industry in the fast-growing Vietnamese economy. TH Milk owns more than 30% domestic market share for fresh milk in Vietnam.

SITUATION

Founded in 2010, TH Milk is a leading producer of fresh milk and dairy products in Vietnam. It is one of 3 companies under the TH Group, an organization that has made large investments in infrastructure, human resources and scientific research to enable the production of clean and fresh dairy products in Vietnam. In 2013, TH Milk was honored as one of Vietnam's "Top 15 Best Enterprises" and recognised for being a founder of the clean and fresh milk industry in the fast-growing economy.

The company, which hired 2,000 employees, had revenues of VND4,000 billion (approx. USD188 million) in 2013. This is expected to grow to VND15,000 billion (approx. USD707 million) by 2015. Currently the supplier to 30% of the Vietnamese market, TH Milk aims to supply 50% by 2015. TH Milk's products are sold in more than 130,000 stores nationwide via 180 distributors, as well as directly through its own chain of retail outlets, TH True Mart.

To deliver on their leadership vision, TH Milk invested not only in research and production facilities but also in a nationwide distribution system. As a newly established company, TH Milk employed current practices of distribution in GT channel: their fleet of 1,000 mobile salespersons would gather at the distributors' offices each morning to get their sales plans. They then would spread out to the retail outlets, physical forms in hand, to take orders and to disseminate information. At the end of the day, the sales teams returned with orders that had to be entered manually at each distributor's office. TH Milk would then consolidate the data from the 180 offices.

This tedious process frustrated TH Milk in terms of market visibility and salesforce compliance. Which competitors' brand was having a promotion? What are the new products on the market? How many salesmen are following standard sales processes?

SOLUTION

TH Milk decided to update its outmoded distribution and sales process by tapping into Cloud technology. They initially signed a contract with company Zed-Sales to use its sales and distribution management software. "But they took more than a year and were still unable to customize their software for us," said Mr. Hien Huynh Phu, TH Milk's IT Manager. Zed-Sales was also decentralized; hence data would be stored at each distributor's system before being sent to TH Milk. This posed concerns with security and data integrity.

COMPANY

- **Location:** Vietnam
- **Industry:** Food & Beverage - Dairy

KEY RESULTS

- Transformed sales force execution into world-class standard
- Streamlined communication across more than 180 distributors nationwide
- Increased control over sales force of more than 1,000 mobile salespersons
- Gained real-time visibility into market conditions enabling better real-time decision making
- More accurate production planning and inventory optimization

WHY ACUMATICA?

In 2013, TH Milk decided to invest in a centralized Acumatica Cloud ERP platform for these reasons:

- A single database, hosted on TH Milk's private cloud, would provide real-time, integrated information to all TH Milk staff, distributors and salespersons
- Acumatica's open API allowed TH Milk to integrate the new system with its existing SAP system
- A user-friendly, web-based, and customizable interface eased user adoption
- The Acumatica license allowed an unlimited number of users, so the future growth of TH Milk's distribution network would not be hampered by unforeseen per-user costs

Assisted by DMSpro, an Acumatica Gold Certified Partner, TH Milk deployed the enterprise edition of the Acumatica Financial and Distribution Management suites onto its own private cloud.

BENEFITS

Web-Bases, Real-Time Visibility Enables Nimbleness

The Acumatica system went "live" in September 2013 with 11 distributors; by June 2014, all 180 distributors were onboard. The 1,000 salespersons were trained and equipped with mobile tablets so they could sell from anywhere. Loaded with DMSpro's AiM (All-in-Mobile) application and leveraging nationwide 3G coverage, mobile devices brought real-time sales force automation to the fingertips of TH Milk's salespersons, fully integrated with Acumatica.

Now, every morning, salespersons synchronize their sales data with TH Milk's server via the AiM app. This allows them to receive new pricing or sales promotion information without spending 30-60 minutes to update information like before. They also obtain specific purchasing information for each outlet, enabling them to recommend the right products and quantity for each retailer. Once orders are confirmed, the salespersons log them on the AiM app. The orders are immediately relayed to TH Milk's server. Instead of waiting till the end of the day for sales orders to be relayed, TH Milk is now able to track every new order in real-time.

An added boon is the increased ground intelligence: when salespersons spot a competitor's product on sale or on display, they alert TH Milk with a touch of the button.

Now, with the web-based Acumatica platform, TH Milk knows how much product retailers are selling, and how much stock there is at outlets and distributors' warehouses. This real-time visibility enables more accurate production planning, and helps optimize inventory costs across its warehouses nationwide.

Greater Control Over Mobile Sales Force

The salespersons also download their daily sales route plans via the AiM app. With Acumatica, TH Milk's sales supervisors can monitor their salespeople's activities online, see which outlets have been visited, and view the orders taken. This enables supervisors to identify which salesperson needs more help to achieve their targets.

Mr. Hien finds the web-based user interface easy to use and customizable: "Any user can modify the screen to his preference. We can also modify the terms to suit our specific needs, for example, at TH Milk we describe salespersons as "sales reps", and so on."

Most importantly, Mr. Hien highly values the excellent IT support DMSpro provides, with its 24/7 call center and 3 offices in 3 key cities across Vietnam. "The distributors are able to call the DMSpro hotline for troubleshooting," said Mr. Hien, "and DMSpro staff come on-site if needed."

LOOKING AHEAD

TH Milk has been so pleased with Acumatica's cloud-based platform and its benefits that it is now working with DMSpro to expand the system to monitor sales at its retail outlets, TH true marts. This will replace its current use of LS Retail's Point of Sale software, which is built on Microsoft Dynamics. TH Milk is also exploring the use of Acumatica's web-based CRM suite to manage their relationship with consumers.