

## Sales and Marketing

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# Pocket offices

Mobile devices are revolutionising the way sales staff are able to operate in the field, and their managers are enjoying the savings.

**By Simon Lloyd and Kath Walters**

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Mark Iles

Image: Louie Douvis

Sales people in the field get a competitive edge from being able to communicate quickly with head office: to get access to information for (or about) customers and to place orders on their

behalf. Time not spent interacting with customers is usually unproductive time. In the past three years, devices have become available that allow links between the field and the office, speeding up information transfer, business processes and making it easier to service leads.

With the advances comes a quandary: for many companies, particular small to medium-size enterprises, it is knowing what equipment to choose and how to manage the mobile salesforce that is using it.

Devices such as personal digital assistants (PDAs) allow representatives to communicate from the field over the GPRS (general packet radio service) wireless system. They can send and receive voice, documents and e-mails, reducing the amount of time mobile employees need to spend in the office - processing orders, for example.

The devices do have a downside; they have raised new workforce management issues. One is to ensure that the mobile workforce does not become alienated by feeling out of the company "loop". The other is how to avoid what has become known as the "CrackBerry" syndrome - mobile employees becoming addicted to PDAs such as the BlackBerry device in an era of 24-hour, seven-day-a-week connectivity.

Ernst & Young's managing partner of assurance and advisory for Australia, Graham Ezzy, is responsible for 1500 of his firm's 2500 staff and says that 90% of those involved in audit are mobile. He says supervisors check that auditors are keeping up with their daily work programmes, which are detailed, but it is a challenge to make sure that they feel appreciated and part of Ernst & Young's work culture. Ezzy says: "The records they are auditing, and the people they need to interact with, are in the clients' premises. They are trawling through company accounts and talking to executives. We bring people in at least once a month for a combined business and social event. We celebrate successes, share stories, give awards. People get a sense of belonging."

The Australian wireless practice leader for IBM Business Consulting Services, David Jones, says more and more companies are demanding help with introducing wireless networking across a range of roles, not just sales. He says: "Devices are one of the most dynamic areas of

the market and we expect software and services offerings to follow suit." Battery life, memory capacity, screen size, processing speed and the number of functions combined into one device are among the considerations all companies have to face.

Another problem when deciding on how to best equip a mobile salesforce is choosing the right network provider. Different devices are connected through different networks - GPRS, 3G, 802.11 - which creates confusion and slows down deployment.

Faster connections cost more, and Jones says companies need to determine just where their representatives will be working (city or country), and how much of their time will be spent working online. Then they can choose which provider offers the most suitable deal. "The telcos will provide plans; the choice to pay per gigabyte or 'all you can eat' will be based on work patterns."

Once a company has decided on the most appropriate mobile solution, decisions are needed on how to manage the workforce using it. There is no point having the latest PDA in the field if it is not being used fully.

The general manager of microchip maker Intel Australia, Philip Cronin, says Intel adopted laptop computers globally in 1996, and that moving to wireless networking in 2003 made all the Australian sales staff mobile. "[In 2003] I had a team of 14 people in the sales division who were in and out of the office and we had a lot of good formal and informal discussion which helps give you a sense of what is going on. Within a month of moving to laptops, I popped my head up and there wasn't a soul - day after day." Cronin now has a sales team of 57.

Cronin says companies need to hire people with mobility in mind. "You hire people who will work in that environment who are capable and accountable. But there is no MBA in managing virtual staff," he says.

"For example, there is a broad question of how to teach managers to work in an environment where they may not see their staff for protracted periods."

The owner of seven Mortgage Choice franchises in Sydney, Matthew Holland, says one of the biggest challenges he faced in managing 20 mobile mortgage brokers was that each one owned their own mobile phone and he had to keep track of their bills. The situation was compounded when one of the brokers left the company, but kept his mobile-phone number.

When Mortgage Choice last year moved to 3G (third-generation) mobile technology, it gave new handsets to all its brokers and ensured all phone numbers came under the company's name.

"This has changed our business model by increasing security, and it has dramatically reduced costs," Holland says. Before adopting Hutchison 3G's capped \$99-a-month offering, Holland says brokers were running up individual monthly bills as high as \$500. Administration costs were also high.

The general manager for business markets at Vodafone, Mark Iles, says one of the next steps in technological development will be applications that allow mobile workforces to better control their own working conditions.

"We've created this world where you're connected all the time, and the 'CrackBerry' addicts are a very real manifestation of that," Iles says. Mobile workers who cannot resist looking at their PDA for new e-mails as soon as they wake up are part of a growing culture of workaholics that Iles says needs to be tackled with new types of control mechanisms, which, he adds, are in development.

"You have to find a balance. For example, after 7pm, there should be ways of choosing only certain people who you want to be able to get through to you. We have the ability to be connected wherever and whenever, but it is now getting to a point where people need to get their sanity back."

Here is how some companies have handled the challenges of mobile workforces.

## **1. Swift & Moore**

The liquor distributor Swift & Moore was an early adopter of mobile technology; its sales representatives have had PDAs for six years. They have helped eliminate expensive and error-prone paperwork in its dealings with retailers and wholesalers, which in 2004 meant sales of about \$290 million. PDAs were a boon for the company's 75-strong salesforce, allowing them more time with customers instead of having to make frequent trips - or long phone calls - to the office to process paper-based orders.

But the technology was not a cure-all. Until mid-2003, sales staff battled with unreliable connections between their handsets and the office, which resulted in delays in order processing and frustration for reps and customers.

Swift & Moore's IT manager, John Tugwood, explains: "We had installed this [PDA system] in 1999, but the problem was that there were a number of points of failure. We were using infrared technology which meant the sales teams' PDAs had to talk to their mobiles, which then had to have access to rotating phone lines [at the company's five offices] that were always dropping out, or the server would fall over. This wasn't helping to build confidence among our sales team."

Swift & Moore had to wait for the technology to catch up with its needs, Tugwood says. In mid-2003 Microsoft introduced its Exchange Server 2003 platform, which let Swift & Moore's reps connect to the office over GPRS and exchange e-mails and documents. Tugwood says the upgrade was not only relatively inexpensive, but a beneficial step for the company. The new PDAs cost \$700-800 and training office staff on Exchange Server 2003 was quick and easy, given that Swift & Moore employees had been familiar with Microsoft systems for years. GPRS data connection is also much cheaper than using mobile phones.

"From the reps' point of view the level of confidence has grown tremendously," he says. "Before [the upgrade] they were never sure their orders got through, and because of the frequent failures there had to be a lot of checking at the back end. Now when we get an order we SMS confirmation back to the rep."

Productivity gains have been substantial because reps have real-time access to head office customer information, can upload new information into the company system instantly, have constant e-mail connectivity, and have even been able to convert 80% of their collateral material - such as bulky leather folders containing examples of trade promotions - into digital images for presentation to customers.

## 2. Accredited Distributors

Accredited Distributors is one of Australia's biggest independent suppliers of confectionery. With a salesforce of 10 based at the company's headquarters in the Melbourne suburb of Dandenong, and 10 more in country Victoria, Accredited Distributors services more than 10,000 retail outlets, ranging from convenience stores to milk bars and sports clubs, with a big portfolio of products.

Its biggest logistical problem, before the uptake of new technology, was the time reps spent travelling between customers and the office and their paper-based ordering system.

The company's IT manager, Brad Mays, says: "We basically had a huge order form, an A3 sheet of paper with about 4000 products on it. So the reps would wander into the shop with those and take the orders. Then, at the end of the day, they would have to drop the sheets into the office, or even send them in by courier, and then they were manually keyed into our system by the office staff." Keyboarding errors cost the company money and led to disgruntled customers and sales reps.

In late 2002, Accredited Distributors adopted mobile devices, developed by Symbol Technologies, at a cost of \$6500 a unit. The devices, similar to mobile phones, allow reps to scan product barcodes and transmit orders straight to the office. Mays says the change has eliminated manual keyboarding, the trips to and from the office and, most importantly, mistakes.

The Symbol devices are also GPRS-capable, which allows reps to connect securely with the company server to check what stock is available while they are in the store with their customer; so customers know immediately when their order can be fulfilled.

"This hasn't only saved us a lot of money, but the reps are a lot happier as they have much more time to concentrate on selling and customers are happier because this is so much more efficient for them," Mays says.

### 3. Mortgage Choice

Laptop computers are the lifeblood of mobile mortgage lenders. It is difficult to imagine a situation where a mobile lender would arrive for an appointment without a laptop.

The problem for mortgage brokers such as the listed Mortgage Choice, the biggest mortgage broking company in Australia, was that until recently the laptop was an information tool, not a communications device. Although the laptop was very useful for presenting customers with information about products, and for the broker to collect customer details for loan applications, interaction between the broker and lending institutions was, until recently, limited to time-consuming phone calls and faxes.

Franchisee Matthew Holland says the 3G technology makes his laptop a communications tool that is so effective his lenders can upload customer applications, send them to lending institutions and receive loan approvals quickly, sometimes within a minute.

"Until last year we were still predominantly paper-based in the sense that there was a lot of paperwork in processing [loan] applications and a lot of the time faxes through to the banks would get lost. It was slow and inefficient," Holland says.

Holland wanted lenders in the field to be able to log into the Mortgage Choice corporate network from their laptops, fill in applications and gain approvals on the spot. They needed a fast wireless data system that was affordable and it needed to come with a reliable voice service.

"We found Hutchison 3G were doing a \$99 monthly cap," Holland says. "We gave a brand new phone to each broker, who can now call other brokers free, and we are saving more than \$2000 a month on calls and \$2500 a month on fixed-line costs."

Better still, from the customer's perspective, is the speed with which brokers can apply for, and receive, answers on loans. With a 3G NetConnect card plugged into their laptop, brokers can upload applications over their phones to lending institutions, while they are still sitting with the client.

Holland says most lenders have been eager to co-operate, particularly because Mortgage Choice has developed a "generic" application that suits most lenders' existing systems. Holland says that approval times are generally now less than one hour and in the case of some lenders, including ANZ Banking Group, much faster.

#### **4. RPG Integrated Property Services**

Mortgage Choice's innovation in mobile loan applications has just one glitch: approvals are always conditional on the valuation of a property.

A Sydney property valuation service, RPG Integrated Property Services, has moved to mobile devices and says it is well on the way to achieving what will be a system of firm loan approvals based on instant valuations.

RPG's founder and managing director, Ron Gedeon, says he has already revolutionised his own business by introducing PDAs - in RPG's case, Hewlett-Packard iPACs. Gedeon has doubled productivity and slashed costs by 30% since introducing the PDAs.

RPG conducts about 100,000 valuations a year for more than 30 lending organisations, including leading banks. To do so, 20 staff spend their days in the field, collecting information from residential and commercial sites they value. In the past, they produced handwritten notes then returned to the office and used the office systems to check comparable properties. Office staff keyed in field data for the valuers. After gathering all the information, the valuation was typed, checked and sent to the client.

The iPACs have increased the number of valuations RPG staff do in a day from three or four to six or seven. Valuers enter information directly into their PDAs then transmit it to the office.

Gedeon says: "They can sign the data digitally, send it back to the office, where it is dropped into a template waiting for the manager to check it." After introducing the PDAs, Gedeon was able to retrench most data-entry staff and a general manager who had been earning \$100,000 a year.

Valuers still need to do some work on office systems. Gedeon gives them the option of doing so from home or the office. He says: "They are not bound to come back. Some do, some don't."

He says his next step is to send the data directly to the bank, a project he is testing. He commissioned a developer, J3 Technology, to build the software his staff use. He says: "If we can dump the data directly into [the bank's] server, so it can't be manipulated, imagine the cost savings. The big four banks commission a million valuations a year, and currently, they are all re-keyed by the banks."

### **Teleworkers in from the cold**

The results of a recent report into flexible working so horrified the laptop seller Toshiba Australia that it helped to set up a group to change the way Australian managers think about their mobile and off-site workforces. Managers, it seems, mistrust their off-site staff.

Toshiba commissioned the report from the independent research company Sweeney Research late last year, and announced its Toshiba Flexible Working Special Interest Group in March this year. The group includes big corporate names - such as Campbell Soup Company, Arnotts, Insurance Australia Group, Telstra and Westpac Banking Corporation - as well as companies with a lot to gain from the trend towards mobile working, such as e-learning company Aspin Online Consulting and technology consultant Eovia Corporation.

The report found that only one-third of companies offer the option to work off-site and only 26% of companies have policies to support it. Managers say they cannot supervise off-site staff, which is the main reason for not allowing flexibility.

Toshiba's Leslie MacLennan, who founded the special-interest group, is also a representative

on the Federal Government's Australian Telework Advisory Committee (Atac). MacLennan says the group is writing a guide to allay managers' concerns and provide "solid steps that managers can follow". These include ways to keep a collective spirit and tackling issues such as the isolation of home-based workers.

MacLennan says Atac will report to the Federal Government by February 2006 about the opportunities and impediments to teleworking. The report will include statistics that are difficult to find, such as how many people are teleworking, how many would like to, and what roles are best suited to it.

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