



REQUEST FOR INFORMATION

ELECTRONIC DISTRIBUTION SYSTEM (EDS)

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(Via electronic submission to the same channel / platform that will publish the RFI)

Request for Proposal: EDS Partnership Proposal



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1 Introduction

1.1 About Safaricom

Safaricom Plc is the leading integrated communications services provider in Kenya and seeks to continuously offer new and innovative services that meet the changing needs of its customers through partnering with competent suppliers and service providers for provision of these services.

The purpose of this document is to outline the necessary capabilities and information sought from industry players specialized in digitalizing General trade and, thus should be used as a guide for submission of responses.

1.2 About the Request for Information

Safaricom Plc is soliciting for information from industry players for a robust Digital Electronic Distribution System for a telecommunications service provision environment. Information obtained from responses submitted will only be used to improve Safaricom's knowledge of the vendors' capabilities. No commercial evaluation of participating vendors will occur and your participation is not a promise of future business with the company. Responding to this RFI does not preclude the vendor from bidding on any future solicitations. Safaricom Plc appreciates your cooperation and looks forward to a meaningful and productive collaborative market research effort. Safaricom Plc will treat all information received from RFI respondents as confidential. Recipients of this document shall also not disclose the content of this RFI to 3rd parties without written permission from Safaricom Plc.

1.3 Disclaimer

1. This request for proposal does not commit Safaricom to contract for any supply or service whatsoever.
2. Responding to this RFI does not preclude the vendor from bidding on any future solicitations. Safaricom appreciates your cooperation and looks forward to a meaningful and productive collaborative market research effort. Safaricom will treat all information received from the RFI respondents as confidential. Recipients of this document shall also not disclose the content of this RFI to 3rd parties without written permission from Safaricom.

Commented [JM1]: Charles Okumu to update based on RFP terminologies

1.4 Accuracy and completeness of response to the RFI

This RFI has been issued to you in order to establish whether your proposal meets our technical requirements. Your response will be deemed as a true and accurate reflection of your organization's ability to meet our stated requirements and will thus form part of the basis of our selection on whether to drop or proceed with your company to the next phase of the process. Thus it's imperative that you provide relevant information as much as possible



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You are advised that should your organization be selected as the vendor of choice, any and all commitments made in your response to this RFI will be used as a condition in any subsequent contractual relationship between Safaricom Limited and yourselves; However, the award of the subject RFI for EDS Partnership Proposal, does not under any circumstances oblige Safaricom to engage with the chosen supplier on deploying a commercial solution/product.

In the event that you are not selected as the vendor of choice in any current or future partnerships in a given segment, you are by submitting your response to this RFI agreeing that Safaricom will not be liable to you for costs or consequences that may arise from any decision made by it not to proceed with engagement with you, if any information provided in your response to this RFP is found to be untruthful and/or inaccurate.

1.5 Confidentiality

This RFI contains proprietary and commercially sensitive information and is therefore strictly confidential.

1.6 No Contract

Save for where it has been specifically stated, no term or provision in neither this RFI nor any response thereto whether in an approved form or otherwise will be construed as creating any contractual relationship between yourself and Safaricom Ltd.

1.7 Enquiries

All enquiries regarding the RFI should be sent via email to the same email that will send the RFI request. These enquires must be received before **12:00p.m. on 15th November , 2019** to allow sufficient response time from our technical team in view of the closing date.

1.8 Form of Response to RFI

Your response to this RFI must be submitted via email accompanied with a PDF copy of a cover letter that is signed by two (2) duly authorized representatives of your organization who are competent to provide the requested information on behalf of your organization.

1.9 Instruction to respondents

- i. Analyze the contents in the section 3.
- ii. Build a detailed response in response to this RFI.
- iii. Provide a comprehensive write up on your industry experience.
- iv. Provide references where you have partnered or provided similar services.
- v. Outline and recommend industry best practices and trends for Safaricom consideration.
- vi. Provide a signed letter of introduction and overview of your company



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- vii. All responses should be provided in electronic format only i.e. emailed to Cokumu1@Safaricom.co.ke by **5pm EAT on 22nd November, 2019**
- viii. All technical questions/clarifications related to this RFI should be sent to Cokumu1@Safaricom.co.ke
- ix. Safaricom may specifically request a bidder to come and make a one-on-one presentation of their product portfolio offering, relevant to the context of this RFI. This means, **it's important for the bidding entity to have a local entity/partnership in Kenya to provide the necessary support for commissioning and support post- commissioning.**
- x. The receipt of a response shall not bind Safaricom into any contractual agreements with the bidder. Such arrangements shall only come into place once a Request For Proposal is issued and the bidder is successful (as evaluated technically and commercially).
- xi. Any costs associated with the preparation and submission of the response to the RFP shall be borne by the partner.



2.0 Safaricom EDS RFI Requirements

2.1 Safaricom Involvement in Distribution and General Trade

The need to grow business consistently and drive Trade effectiveness in Regional Sales & Operations (RSO) is of high importance. In view of this, Market Development is in the process of implementing Trade Effectiveness through review and development of standards, evaluation of trade practices and automation of manual processes.

The division deploys field staff working away from the office whose main objective is to accelerate revenue growth, foster better understanding of Safaricom standards, manage third party channel partners and represent Safaricom strategic interests in the market place. The sales force consists of Area Sales Managers, Dealer Managers, and contracted Distribution partners and their staff. Should we include the scope of Franchised Safaricom Shop staff?

The distribution channel works with over 450 distribution partners, having 2000 branches with approximately 4000 Sales Agents serving over 230,000 outlets. Thus, to serve customers at the last mile presents a challenge in tracking of performance and Trade effectiveness. In light of this, we seek to invite partners who specialize in development and implementation of Digital Electronic Distribution Solutions to participate in this Request for Information (RFI) exercise. Participants are expected to do a comprehensive detailed proposal of their solutions including sharing case studies and testimonials of their successful projects.

Approach and strategic technical delivery insights in automating, to deliver excellence in, inventory management, Order tracking and logistics management, distribution planning and sales operations execution, revenue tracking & reporting and accessing business support should standout.

2.2 EDS Ecosystem

Safaricom as a business has a unique general trade ecosystem that may not fit into a typical distribution channel framework but the components that may form areas of interest for automation are detailed below:

1. Inventory management,
2. Order management
3. Order delivery to shop, dealer, agent and customer
4. Stock movement between Safaricom and its distribution partners [Main warehouse –>Distributor Mini-stores/shops –>Dealer/Shop –>DSA -> Retailer
5. Management of Direct and Indirect sales execution to the last mile
6. Market Intelligence gathering and tracking
7. Performance management, Analytics and Reporting

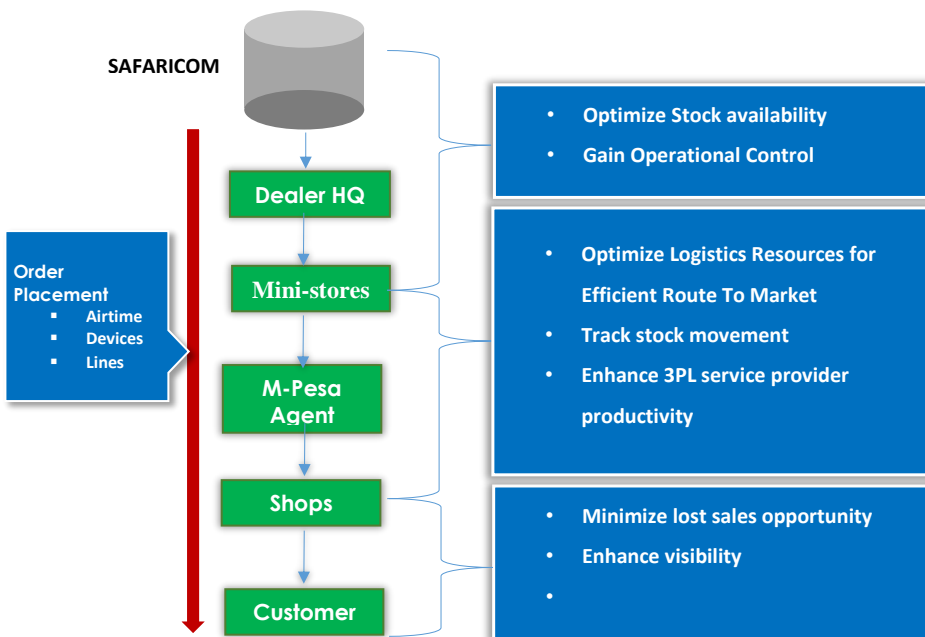


- 8. Resource Optimization, management and planning
- 9. Partner Management and Geo -location
- 10. Management and Monitoring Route Distribution Effectiveness

2.3 Platform Users

- Supply Chain Management: Distribution & Customer Fulfilment; Inbound Logistics & Inventory
- 3PL service providers
- Dealer Headquarters (HQs)
- M-Pesa Agent HQs
- Dealer Branches
- System Admins – Oracle Enterprise Resource Planning & Customer Channels Support (Dealer Portal)
- Revenue Assurance team
- Financial Systems team
- Finance – Accounts Receivables (FS Admin)
- Customer Management
- Customer

2.4 Distribution Value Chain – Enablement Opportunities





2.5 Partner Management

Safaricom deems it important to maintain a good relationship with its trade partners through visible interactions around Customer Service, Sales operations, Inventory Management, commissions payment, resource Management and performance management.

Key areas would as well include:

- a) Availing of critical information on relevant sales KPIs across the Trade hierarchy. For instance comparative views of KPIs (Versus last period, Versus target, versus different team members and teams). Regional Sales leaders and staff (4 levels), Central Sales leadership (up to the CEO of the organization).
- b) Customizing and Managing campaigns / promotions at Partner level.
- c) Partner Real time performance monitoring on stock movement, sales execution and activity tracking for all trade users.

2.6 Route to Market Planning and Management

Safaricom would be interested to see how your solution can enable its team and partners plan and execute sales operations on a day to day basis based on insights and calendared plans. This includes:

- Daily/Weekly/Monthly Retailer execution planning with targets for products and focus promotions.
- How trade teams across the hierarchy of business territories conduct daily route planning as per retailer categorization, defined frequency and urgency.
- Compliance to market visits norms through Geo Tagging / Retailer OTP.
- Detailed visit reports and escalation matrix based alerts on non-compliance of visit norms.

2.7 Serialized Inventory management and Stock movement

Inventory tracking based on serial numbers for all the product items as on date across all levels of distribution hierarchy (Trade teams and Company teams):

- SIM Cards
- Mobile phones
- Paper Airtime and bundle vouchers
- Mobile accessories
- Pinless Airtime
- Fiber to the Home Customer equipment - Routers, Set Top Boxes, etc.

Visibility of movement of Stock and logistics tracking

- Seamless integration existing warehouse, CRM and ERP applications
- Easy method for recording movement of serialised stock from each distribution layer to the next
- (Company → Dealer → Dealer branch → DSA → Retailer → Customer)

With privileged access matrix to add/modify/delete any level or member

- Movement of stock returns with reasons
- Movement of payments for the stocks (Cash/M-Pesa) hierarchically.
- invoices and payment receipt – SMS/Email.



- Generation of real-time reports on pull basis on Inventory, stock purchases and sales.

3.0 Supply Chain Order Management & Logistics

Safaricom seeks information regarding software solutions that handle not only distribution but also logistics and order processing for trade partners. The logistics function transfers stock to about 126 stocking points across the country, 52 retail shops and delivers stock to about 500 dealers and 2000 M-pesa Agents serving over 230,000 outlets. The following are the key areas of interest from the point of ordering;

- Orders progressing
- Order tracking –visibility & real-time updates
- Routing of consignments
- Transportation technologies – Load and route planning
- Insights for quick decision making
- Flexibility – Updating info, access to stock information, order cancellations and returns
- Real-time reporting

3.1 Market activities visualization, Territory definition and coverage and geo-mapping

Safaricom is interested in information around geographical territory definition, adjustment and allocation of teams to the same hierarchically.

3.2 Territory Management

- Hierarchy Mapping of outlets distribution wise
- Hierarchy mapping of partner staff hierarchically

3.3 Coverage

Safaricom would like to be exposed to what solutions exist and the kind of insights that the suggested platforms provide out of box. These includes but is not limited to the following:

- Insightful dashboards on performance
- visits done versus visits planned
- Successful visits versus total
- Target versus achievement on products and focus areas

3.4 Geo Mapping

Information around this section should demonstrate how a given platform or solution can assist in tracking and reporting outlet performance, sales agents' activities and product run rate at an outlet and linking the same to the base stations that serve a given area:

- Mapping of cell sites to every retailer
- Visual display of outlet locations (total/visited/pending) for every level of hierarchy
- Visual data representation of stock availability overlaid on GIS maps

3.5 Real-time Market Intelligence tracking

- Stocks tracking across the distribution chain

3.6 Performance Management

- Sales Targets
- Journey plans



- Daily targets on Minimum Bill quantity and value on every product (SIMs, paper vouchers, Pinless amount) at Retailer level to determine a successful visit by DSA
- Daily Dashboards on Target Vs Achievement

3.7 Predictive Data Analytics and Reporting

- Trends on estimated Weekly and Monthly achievement basis run rates – product wise, entity wise → basis RFM algorithms and current inventory levels.
- Predictive insights at warehouse, branch, DSA and retailer level for stock demand planning.
- Estimation of likely commissions to be paid out.

3.8 Resource Planning and Optimization

- Dimensioning of manpower on the basis of scope of work and norms that will be set from time to time.

3.9 Trade Complaints, Queries handling

- Facility for trade partners to raise online chat or call or register query or request or complaint.
- Resolution management matrix on action taken.
- Dashboards on performance of the resolutions.



Technical Requirements

4.1 Electronic Distribution System (EDS) Hardware & Devices

- Cloud native application / On premise application
- Software licenses required and licensing model
- Mobile devices supported
- Support for Peripherals e.g printers, scanners, PDQs

4.2 Electronic Distribution System (EDS) Integrations

Have flexible architecture to allow for easy integrations to be the below.

- Oracle ERP integration for inventory management, ordering and financials.
- Siebel CRM integration for customer data service requests, etc
- Oracle BI reports
- Billing platform for voucher activations.
- MPESA integration
- Pinless vouchers.
- High level of security/ roles separation/ granular access matrix
- Single sign on

RFI Response Process

15.1 Response Format

The prospective partner shall respond to the requirements outlined above as well as submitting a partnership proposal titled - **Safaricom EDS Partnership Proposal**> in MS Office Word/PDF format that provides response to Safaricom requirements. The document should further provide the following information about the prospective partner.

- Company corporate information
- Partner's strategy & level of participation in EDS ecosystem.
- high level cellular based services architecture
- List of previous EDS projects undertaken
- Possible commercial models in the partnership
- Statement of key differentiators

15.2 Engagement Process & Rules

1. Safaricom shall use the prospective partner's response in evaluating its suitability for formal engagement which shall be communicated. Such engagements may include solution presentation to Safaricom for evaluation and shortlisting.



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2. Only shortlisted partners shall be invited for Request for Proposal evaluation.
3. In cases where the prospective customer does not have all the sought capabilities thus seek to partner with 3rd party suppliers to complement its proposal, such partners shall be the single point of contact within the contract which shall include management and enforcement of SLAs to 3rd party as well as legal framework to use 3rd party software licenses.