

## PepsiAmericas CEE



### At a glance

**Industry:** Consumer Goods

**Application:** Pre-Sales

**Products:** Intermec CN3

## Intermec Puts the Fizz in Pepsi

### About PepsiAmericas

PepsiAmericas, in which PepsiCo holds a 41% equity interest, is the world's second-largest manufacturer, seller and distributor of PepsiCo beverages. With operations in Central Europe, the United States and the Caribbean, PepsiAmericas generates \$4.5 billion in annual revenue. The company's Central and Eastern European division – which has facilities throughout Poland, the Czech Republic, Slovakia, Hungary, Ukraine and Romania – has been especially profitable, posting double digit growth figures in the past year. Core products sold in the region include the Pepsi carbonated soft drinks brands, juices such as Toma, energy and sports drinks such as Gatorade and waters such as Aqua Minerale.

### The Challenge

Given its record sales volume and the large number of beverages in its product range, PepsiAmericas Central and Eastern Europe (CEE)'s sales team has a demanding workload. In Poland, for example, some 170,000 drinks cases are sold daily. The 300-strong sales force is responsible for visiting over 40,000 shops, gas stations, and grocery stores all over the country. Each salesperson must travel to approximately 20-30 stores per day in order to take restocking orders from the store managers and then

needs to transmit these orders back to the warehouse as efficiently as possible. The Central European division therefore needed a reliable solution to facilitate the order placing process for its sales team.

### Issues with the Old Solution

The technology which PepsiAmericas CEE had been using was not standing up to meet its rigorous demands. This previous solution relied on consumer-grade personal digital assistants (PDAs). However, since the devices did not have GSM incorporated, it meant that a second device – a mobile phone – was also needed. In order for a salesman to transmit an order back to the warehouse, his PDA had to first synchronise with his mobile phone so that the information could be sent through the phone's GSM network. "If one of the devices failed the whole process was broken," explains Jaroslaw Wrobel, PepsiAmericas CEE's Infrastructure Services Director.

In addition, the consumer-grade devices were fragile, broke easily and were, therefore, unreliable. The failure rates were extremely high, with an estimated 20-30% of the PDAs breaking each year. This meant that members of the sales team were often left without a device for significant periods of time.

Another problem with a consumer product like the PDA was the short life cycle of the devices, with new models coming out every 6-8 months. As a consequence, when PepsiAmericas CEE had to replace some of the broken devices they were often unable to obtain the original model, having to purchase the latest version on the market instead. Eventually, some of the older models became so outdated that the technology was no longer supported by the manufacturer. This meant that there was no standard equipment across the board, causing potential compatibility issues between versions.

Lastly, the PDAs also had a short battery life, lasting only 3-4 hours before they needed recharging. Over time, the battery grew even weaker so that after one year of use, a device could only operate for a few minutes before recharging was required. "While the PDA is an excellent consumer product, it was designed to be used as an organiser a few times per day, not as a sales tool synchronised after each and every store visit," explains Mr. Wrobel. "The synchronisation process was a major cause of the draining of the battery. These were simply not the right class of device for our purposes."

### **The New Solution**

In response to these problems, PepsiAmericas CEE sought a new solution that would make it easier for its sales team to take and place orders. After a thorough assessment of the options on the market, the company selected the Intermec CN3 handheld computer, ordering 250 of the devices for its Polish sales team. The CN3 is an industrial-grade product with integrated WiFi, Bluetooth and a choice of WAN radio (GSM/EDGE or 3G CDMA/EV-DO), allowing a salesman to communicate with the warehouse or head office through voice or high-speed data when he is on the road or meeting with a store manager.

The CN3 was chosen because of its quality and competitive price in comparison with other devices on the market. In addition, the CN3 was already being used successfully by PepsiAmericas in other countries so the CEE division knew that the solution would be highly reliable. The sales team quickly grasped the benefits of the new device and adopted it quite readily. "They immediately realised that the device is faster and more efficient," explains Mr. Wrobel.

## **Benefits of the New Solution**

### **A. Solving the Problems with the Previous Solution**

#### *A single device*

The choice of the Intermec CN3 has solved all of the problems experienced with the previous technology – and provided a number of additional benefits. One of the new solution's major advantages is that all tasks can now be completed on a single device. Whereas a salesman previously needed both a PDA and a cellular phone to complete his work, the CN3's integrated GSM module enables him to input a restocking order and then transmit it directly to the warehouse; there is no need to synchronise with a mobile phone.

The adoption of a single device has resulted in a much more reliable solution: the complex interface between two separate devices had been particularly challenging to support from a technological perspective. It has also reduced the workload of the IT department who, with just one device to manage instead of two, has seen considerable time savings. For the sales force, it has increased efficiency as well since having only one device to use and keep track of has greatly simplified their work. This increase in effectiveness for the IT department and sales team has led to cost savings which can be directly observed through a reduction in overtime hours since the adoption of the device. With the old technology, the sales force often took more than a regular working day to complete their daily routes. Now they are able to do all of their work much faster.

#### *Ruggedness*

As an industrial-class device, the CN3 is much more rugged than its consumer-grade predecessor. It has an extremely low failure rate – less than 1% – and is water, dust and shock resistant. This is particularly important for PepsiAmericas CEE since its team often comes into contact with drinks cases and other heavy items.

The selection of a rugged device that can survive the environmental challenges of the industry therefore affords tremendous benefits over the fragile previous technology. For the IT team,

it has meant considerable time savings since they do not have to spend hours sending devices back to the manufacturer for replacement and repair and constantly monitor whether there are enough backup devices in stock. On the sales side, there are also significant efficiency advantages since PepsiAmericas CEE's salesmen no longer have their work interrupted by failing devices, requiring them to make the long drive back to the office for a replacement. These increases in effectiveness translate to smooth daily sales processes for PepsiAmericas CEE. The CN3's reliability also enables PepsiAmericas CEE to save thousands of Euros per year by not having to replace devices. In addition, Intermec's Bronze Medallion service guarantees the life cycle and repair time of the handhelds so that they have a flat and fully predictable maintenance cost – unlike the old devices which often failed unexpectedly.

#### *Long life cycle*

Another advantage of the Intermec CN3 over the precursor technology is that it has a long life cycle. While consumer-grade devices often issue new models several times per year, industrial-class machines are generally manufactured for a number of years. PepsiAmericas CEE can therefore be confident that if it needs to order additional devices, it will be able to obtain the same model.

This is a tremendous advantage for the IT department, who does not have to learn how to integrate and service new versions of the technology on the market. The sales team benefits as well since they do not have to frequently adapt to using new models. Again, these time savings for IT and sales translate to lower personnel costs for PepsiAmericas CEE. It also means that PepsiAmericas CEE can have a standard solution across the country or even the region, without having various versions of the device to contend with.



## Long battery life

The Intermec CN3 also affords a long battery life, unlike the previous solution which needed to be recharged every few hours. "The battery capacity of the CN3 is enough to last the entire working day – at least 8 hours – without needing to be recharged," says Mr. Wrobel.

For the IT department, this means a reduction in the time spent replacing and reordering batteries as well as in the number of complaints to handle coming from the sales team, freeing up staff time. For the sales team, this means their work is no longer interrupted by having to constantly recharge the batteries of their handhelds – thus further increasing productivity. It also means savings in IT and sales overtime as well as in the cost of replacement batteries.

## B. Additional Gains

### *Greater focus on the customer and on the sales process*

The Intermec CN3 goes far beyond simply solving the problems of the previous solution. It brings a number of additional benefits as well: The adoption of the CN3 has allowed the sales force to concentrate on their clients and their ordering needs. "It saves me time because it means I do not have to do lots of paperwork for orders," says Dariusz Trzebiński, a Customer Representative for PepsiAmericas CEE. With the unreliable old devices, the sales team was often distracted by technological problems when trying to take orders from customers. Now, they can spend more time talking to their customers about their needs, negotiating prices, selling

products, and placing orders. "The CN3 enables the sales team to sell more products," comments Mr. Wrobel. "Not only that, but customers receive greater attention and better service as a result."

### *Strong support from Intermec*

Another benefit of the new solution is the high level of support which Intermec provides its customers. PepsiAmericas CEE benefits from Intermec's strong customer service at both the local and regional levels. At a local level, Intermec has a network of partners in each country to answer technical questions in the local language and provide assistance, repair and maintenance of devices. This ensures PepsiAmericas CEE a rapid response to their support needs. In Central Europe the local Intermec partners include SKK Poland, GATC Czechoslovakia and Vonalkod Hungary. At the same time, on the regional level Intermec also provides its customers with strong support with regards to order placement, pricing, strategic decision-making and anything not resolved at the local level. This dual support structure allows PepsiAmericas CEE to take advantage of both systems. "I highly recommend Intermec's customer service. Their strong support was a major factor in our decision to work with them," adds Mr. Wrobel.

### *Ability for customisation*

The ability to customise the CN3 is also a tremendous advantage. PepsiAmericas CEE had no ability to modify the previous technology: It had to choose a complete device without any possibility to change or add other modules. With the CN3, however, it can tailor the handheld to its needs. There are many options and

modules for PepsiAmericas CEE to choose from, including GPS and camera functions which can be built into the device. Such customisation possibilities enable PepsiAmericas CEE to use the capabilities of the technology to the fullest extent. "The Intermec device has enabled us to boost our productivity tremendously. We look forward to customising it further in order to give us an even greater edge. I highly recommend the device," Mr. Wrobel comments.

## Conclusions

The CN3's ability to combine two devices into one, its ruggedness, its long life cycle and its long battery life have all contributed to efficiency gains for the IT department and sales team as well as to considerable cost savings for PepsiAmericas CEE. In addition, the company has also benefited greatly from being able to focus more on the customer and sales process, from receiving strong support from Intermec, and from the ability to customise the device. In fact, the CN3 has proven so successful that PepsiAmericas CEE has decided to expand its functionality so that the sales team can utilise the built-in barcode reader and more easily message management from the devices. Clearly, the CN3 will continue to profit PepsiAmericas CEE for years to come.



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