Enterprise App Stores for Distribution-Led Businesses
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Acknowledgements

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The world is increasingly becoming mobile. A growing number of people are embracing smart apps on their mobile devices to carry out daily activities related to their personal as well as professional lives. Many organizations recognize the potential of this trend towards increasing the productivity and effectiveness of their employees. This has resulted in several enterprise mobility initiatives, such as the building and implementation of Enterprise App Stores (EAS). An EAS serves the needs of employees as well as external business partners and customers, by providing an entire array of business and utility apps that make their lives easier.

This white paper focuses on the need for the EAS in distribution-led businesses, not just from the perspective of enhancing internal operational productivity, but also in terms of enabling true collaboration with other stakeholders in the value chain, such as trade channel partners and customers. The paper also lists some of the key factors these organizations should consider while implementing an EAS.
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Introduction

In a distribution-led business, sales and distribution is an essential function. The productivity of sales executives, distributors, and other trade partners is crucial to business. But in practice, suppliers find it difficult to coordinate and collaborate with channel partners. High distribution costs, fragmented markets, low control over the downstream supply chain, and poor visibility of demand signals are some of the challenges.

Further, in a typical distribution-led environment, a sales representative (rep) spends a significant amount of time in carrying out non-sales activities such as filling daily log sheets, compiling and punching daily orders, as well as creating presentations for territory updates. In emerging markets, where an organization may have thousands of field sales reps, the cost implications of such inefficiencies are really high. Inadequate partner collaboration and an inefficient sales force can result in operational inefficiencies, ineffective sales, and a dissatisfied workforce.

The advent of smartphones and the ensuing consumer app marketplaces have come as a godsend for these organizations. “There’s an app for that,” Apple’s famous catchphrase, now inspires many organizations. Employees in distribution-led businesses, especially sales executives, are using many business and utility applications on their smart mobile devices to suit their individual needs. With more and more employees using smartphones at the work place, it is natural for business leaders to try to convert this trend into an operational advantage. This has led to the adoption of Bring Your Own Device (BYOD) initiatives in several organizations, along with the establishment of Enterprise App Stores (EASs) to avoid security and regulatory concerns. Moreover, EASs allow companies to extend information access to their external business partners and customers for better collaboration and informed decision making. A recent Gartner report[1] has predicted that 25% of enterprises will have their own Enterprise App Stores by 2017.

This white paper explains how EASs are uniquely positioned to serve as one of the best enablers in increasing productivity and efficiency in the operations of distribution-led businesses, by increasing employee productivity as well as improving external collaboration. It will also throw light on some of the key considerations that organizations have to account for while choosing or building their EAS.

Enterprise App Stores for Employees

There is a saying in distribution-led businesses: “The action is in the field.” In an organization, many decisions about product sales and distribution are facilitated by field sales reps, and hence it is crucial for them to spend most of their working hours in the field. Equipping them with tools that enable on-the-fly access to back-end CRM data (orders, inventory, trade plans, master data, targets, in-store activities, etc.) for informed decision making can empower them and make them more productive. The growing role of mobility in the workplace has made such tools possible. Many organizations have leveraged this trend and built mobile apps strongly integrated with their back-end IT systems for their sales force to access and update the required information on-the-go. Sales reps are also using external apps such as GoToMeeting (for mobile web conferencing), Evernote (for note taking and sharing), CamCard (for reading business cards), DocScan (for document scanning), and BaseCRM (to capture and track leads).

However, using public apps and enterprise apps on the same device can make official data prone to security breaches. Moreover, since most enterprise apps require data sync capabilities to upload and download data, the probability of transmission of malware from mobile devices to the back office IT system is quite high.

This is where Enterprise App Stores (EAS) come in. An EAS ensures secure and regulated app distribution and has several advantages:

- It provides a trusted one-stop app shop for employees to download and use all business and utility apps.
- It increases employee productivity by ensuring availability of apps anytime, anywhere on their mobile devices.
- Third-party apps are made available to employees at a much cheaper price due to bulk licensing.
- Organizations can securely monitor the access and usage of mobile apps for data security.

An attractive collection of engaging business and utility apps is the cornerstone of a successful EAS. Figure 1 lists some activities for which mobile apps can be leveraged.

![Figure 1: Key Field Force Activities That Leverage Mobile Apps](image-url)
These activities can be mapped to various business functions (see Figure 2) pertaining to the sales and distribution part of the value chain. If apps for these functions and job roles are made available through the EAS, it can help organizations increase the productivity levels of employees.

Figure 2: Key Activities Mapped to Business Functions
Consumer packaged goods (CPG) companies are realizing that providing apps to their employees through a private EAS – even if it involves placing third-party apps in the EAS at a cheaper price compared to public app stores – will ensure that security protocols are followed and data privacy is maintained.

Usually, we see employees using desktop-based enterprise applications, some of which may be difficult to use. Moreover, not all modules or functionalities are useful for every role in the organization.

Organizations should provide applications that are light and easy to use. One way to accomplish this task is to adopt a modular approach for enterprise IT solutions. This approach requires breaking down some of those heavy IT solutions into smaller modules. These modules can then be rendered in the form of light apps across mobile phones, tablets, and even desktops, with open APIs for easy app–to-app integration.

EASs facilitate such an approach. Many organizations have realized that going with light modular apps keeps their business operations simple. Moreover, such apps are more readily accepted by employees.

**Enterprise App Stores for Partners and Customers**

Many CPG and other distribution-led companies are eying the rising income levels and spending power of the huge consumer base in emerging markets. In this section, we will consider the CPG industry as representative of all distribution-led industries.

The opportunities in emerging markets are accompanied by challenges, one of which is the presence of a large number of intermediaries between the company and the end consumer. A product has to cross various trade touch points before it actually reaches the consumer. This practice can put huge pressure on profit margins. Apart from the financial impact, the presence of intermediaries does not allow the company to exercise full control over the downstream supply chain. Limited visibility into the downstream supply chain, minimal access to the secondary sales and point-of-sales data, delay in information updates from distributors, and poor distributor-CPG master data integration are a few of the other challenges faced in emerging markets.

In emerging markets, distributors, stockists, brokers, and key account chains are some of the main customers of CPG companies. They also act as partners to CPG companies, enabling distribution of the products across multiple geographies. Some of them use custom-built ERP programs or spreadsheet-based packages to overcome the challenge of poor information exchange. While they attempt to provide the required downstream supply chain visibility by sharing stock and sales data on a weekly or a monthly basis, this is at times poor in quality or prone to errors. Moreover, since different customers and partners use different nomenclature to define product hierarchies in their IT systems, master data mapping becomes difficult. Integration requirements of disparate IT systems leveraged by various trade partners and customers in the downstream supply chain impede the rollout of best practices. These challenges are amongst the biggest barriers faced by CPG companies aspiring to expand their foothold in developing markets. Additionally, these challenges make it difficult to bring distributors or other trade partners on board quickly.
To overcome these problems, some CPG companies deploy Distributor Management Systems (DMS) at selected distributors. This helps in achieving better distributor-CPG collaboration, by providing the company with access to secondary sales data on an on-demand basis. Some CPG companies also empower their distributors’ IT systems by providing basic ERP and sales force automation capabilities. However, the implementation of such IT systems increases the overall cost of ownership on account of huge infrastructure investments and time required for implementation. Moreover, CPG companies have to be very careful in selecting only those dedicated distributors who merit such investments and time commitments.

A cloud-based EAS with pre-configured business applications can help distribution-led businesses improve trade collaboration. Such an external-facing EAS can serve as a gateway to access crucial enterprise applications from a trusted partner and secured source. In a traditional trade environment, distributors, stockists, local wholesale outlets, and retailers may serve as the direct customers or business partners of a CPG company. Some of these customers will require only a B2B portal to interact with the company to place orders and download product and price details.

On the other hand, the CPG company may provide some exclusive distributors with IT capabilities, such as an ERP program to manage daily operations and sales force automation systems to manage their sales force. In such cases, CPG companies can leverage the EAS as a collection of business apps specific to the requirements of various categories of customers. Moreover, hosting these business apps on the cloud circumvents the need for huge upfront infrastructure investment. Bringing new trade partners on board is then just a matter of creating the login credentials required to access the EAS.

Once created, distributors can download those apps and use them on any hardware with minimal customization. CPG companies are beginning to recognize the value of such EASs to their customers. According to a Forrester survey of 1,238 mobile technologies and services decision-makers in North American and European companies, 31% of respondent firms have developed or are planning to develop apps for their customers. The success of an EAS servicing external customers and partners lies in the apps’ business value. CPG companies should develop business applications that make the operations of their customers more efficient. In addition, many distributors and other external trade partners in the CPG industry are not very tech-savvy — most use locally developed spreadsheet-based tools to manage their day-to-day operations, leading to errors and breakdowns. To avert such problems, CPG companies can offer business apps developed in-house on the EAS, and this can be leveraged as a strong value addition to the partnership. The CPG company can position itself as a trusted leader that is able to aggregate and deliver the business software that its customers and business partners need.

Figure 3 showcases a generalized product distribution model for emerging markets, along with the business applications that CPG companies can make available to various distribution channel partners and customers through a cloud-based EAS, gaining a whole range of benefits such as:

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Visibility and control over the downstream supply chain
Scalability and flexibility
Easy distributor on-boarding and shortened time-to-market
Easy sharing of best practices through the downstream supply chain

Figure 3: Apps Available to Distribution Channel Partners Through Cloud-based EAS

Considerations for implementing an Enterprise App Store

Forrester predicts that an EAS will evolve through three stages (as depicted in Figure 4), and the EAS of the future will no longer be limited to mobile apps, but will also include cloud- and desktop-based apps. Moreover, the delivery model will gradually move from bulk licensing to pay-per-use, and EASs will be opened to external environments for partners and customers to use.

One key aspect to consider is whether to build an in-house private EAS or leverage public market places, such as Google Play or the Apple App Store, to distribute a collection of enterprise apps, unmodified public apps, and customized business apps from IT vendors. Though hosting an app is a free feature on public app stores, research from Forrester\(^1\) suggests that since most public app stores are platform-specific, organizations will be unable to build and support mobile apps on multiple platforms and devices. Also, public app stores fail to offer realistic app distribution for in-house developed or non-native apps.

Figure 5 depicts more detailed reasons for companies to have a private EAS.

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**Figure 4: The Three Stages of an Enterprise App Store**

<table>
<thead>
<tr>
<th>Stage 1: Basic Through 2012</th>
<th>Stage 2: Advanced 2013</th>
<th>Stage 3: Extended 2014 and beyond</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mobile device and application complexity drive demand</strong></td>
<td><strong>Role-based profile and rating engines emerge</strong></td>
<td><strong>App store environments extended to partners and suppliers</strong></td>
</tr>
<tr>
<td><strong>App Focus</strong></td>
<td><strong>Add: Cloud and virtual apps</strong></td>
<td><strong>Add: Laptop/desktops</strong></td>
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<tr>
<td>Distribute mobile applications to smartphones and tablets</td>
<td></td>
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<tr>
<td><strong>Delivery Model</strong></td>
<td>Cloud-based SaaS delivery model; volume purchasing plans for enterprises</td>
<td>Pay-per-use delivery model; fully managed model</td>
</tr>
<tr>
<td>Primarily on-premise delivery; per-device, per month pricing model</td>
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<tr>
<td><strong>End User</strong></td>
<td>Employees, customers</td>
<td>Add: Partners and suppliers</td>
</tr>
</tbody>
</table>

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[Why Opt for a Private EAS?](#)

- To ensure secure and monitored distribution of a collection of business and utility apps with proper user authentication norms
- To have a mix of public and private apps in EAS portfolio
- To have enterprise apps that are integrated with back-end IT systems
- To procure popular utility or productivity apps at lower price through bulk licensing
- To manage unused licenses for cost reduction
- To effectively manage multi-platform (Android, iOS, PCs) distribution of apps
- To improve business relationships with external partners and customers by offering trusted branded or in-house apps

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The next point to consider is whether to host the EAS on a private or a public cloud. This decision depends on the availability of funding to build an in-house infrastructure for a private cloud, as well as the amount of mission-critical or classified information required to be hosted on the cloud. There are several vendors in the cloud computing space who offer their platforms-as-a-service (PaaS) to organizations for private cloud computing needs and still abide by stringent security and regulatory norms in the service-level agreements (SLAs).

One such PaaS provider is salesforce.com, a leading cloud-based CRM solution provider that, recently announced the availability of the Salesforce Private AppExchange to its customers as a service. Organizations can now offer a collection of enterprise apps along with a collection of public apps exclusively to their employees via the Salesforce platform. This is a trend to watch for, as more and more IT vendors, especially in the cloud computing space, are expected to offer customers the ability to host a range of enterprise and public apps. With such a service, an organization is granted instant access to apps on any platform (Android, iOS, or desktop) through the same user login credentials that employees use to access corporate IT systems.

Figure 6 displays a list of other factors a distribution-led organization should consider while building a private app store.

<table>
<thead>
<tr>
<th>Build or Outsource</th>
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<tbody>
<tr>
<td>If mobile app development is not a core competency, then consider outsourcing EAS to a specialized IT vendor.</td>
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<table>
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<tr>
<th>Utility of Apps</th>
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<tbody>
<tr>
<td>List of major activities for which mobile apps are required</td>
</tr>
<tr>
<td>Back-end integration with IT directories – required or not?</td>
</tr>
<tr>
<td>Level of information access required by external customers</td>
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</tbody>
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<tr>
<th>Focus on User Experience</th>
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</thead>
<tbody>
<tr>
<td>For what purpose do employees or customers need mobile apps?</td>
</tr>
<tr>
<td>Does the EAS have a good portfolio of public and private apps serving the end-users’ needs?</td>
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<tr>
<td>Do all apps provide a delightful experience to users?</td>
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<tr>
<td>Include app recommendations and feedback features to gauge usability and effectiveness of apps.</td>
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<table>
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<tr>
<th>User Access Controls</th>
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<tr>
<td>Ensure accurate user profiling and mapping with enterprise role hierarchies.</td>
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<tr>
<td>Manage app access to users not just based on user profiling but also on parameters like functional area (HR, Sales, Finance, Supply Chain), platform deployed (SaaS or Native (iOS, Android, etc.)) and source (in-house enterprise apps, public apps, or third-party business apps)</td>
</tr>
</tbody>
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<table>
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<tr>
<th>App Distribution Management</th>
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<tbody>
<tr>
<td>Single platform, dual platform (iOS, Android), or multiple platform (including desktop apps)</td>
</tr>
<tr>
<td>Consider cost of development – native apps are more expensive to develop than browser-based apps</td>
</tr>
<tr>
<td>Requirement of app usage in offline mode – browser-based apps work only when internet access is available</td>
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</table>

Figure 6: Factors to be Considered While Building a Private EAS

Conclusion

Simplification is the name of the game for the survival of distribution led businesses. An EAS is the magic wand that can simplify the process of managing and exchanging information between an organization and its internal and external stakeholders. This paper explains how an EAS can serve the needs of employees, customers, and business partners in the same way as public app stores serve the needs of consumers in the outside world. It also discusses the factors that are required to be considered while implementing an EAS.

An EAS can serve as a true enabler in accelerating the collaboration between the extended arms of the value chain of a distribution-led business. With an EAS, companies can ensure that their workforce is using approved apps in a secure and controlled environment. An effectively designed EAS can be as engaging to users as widely used public app stores such as Apple’s App Store and Google Play. Providing access to business partners (and limiting access when necessary) is just a matter of hours instead of days, which is a big advantage in a fast changing business environment.

An EAS can serve as a framework for effective selection and secure distribution of the most comprehensive and relevant assortment of apps, significantly increasing the business productivity of an organization, as well as that of its partners and customers.