The Knowledge Crunch

Frito-Lay's sales force sells more chips through information collaboration.

BY ESTHER SHEIN

IT TAKES MORE THAN GOOD FLAVOR AND a hearty crunch to sell the salty snacks churned out at Frito-Lay. Corporate executives knew that capturing best practices and corporate information would give employees something they could sink their teeth into. But information was scattered around the company in disparate systems, and there was no easy way for the geographically dispersed sales force to get at it.

"We had knowledge trapped in files everywhere," says Mike Marino, vice president of customer development at Frito-Lay, an $8.5 billion division of PepsiCo in Plano, Texas. Marino says that he knew if the 15-member sales team could only access the same information, it would solve its ongoing problems with information sharing and communication.

For example, multiple salespeople would ask the corporate sales, marketing and operations staff for the same types of information and data, such as current private-label trends in their snack category or research on people's shopping behavior, he says. The result? Frito-Lay's support staff ended up performing the same tasks over and over. If that information lived in a central, easily accessible spot, the salespeople could access it as needed.

Additionally, Marino says, much valuable knowledge was squirreled away on each salesperson's system. There were many idiosyncratic methods of capturing information, "none of which were terribly efficient," he says.

Marino says the sales team also lacked a place for brainstorming and collaboration online. "If somebody got a piece of research and wanted to get input from account executives in Baltimore and Los Angeles, the ability to collaborate [online] just wasn't there," he says.

The answer, Marino's group realized, was to build a knowledge management portal on the corporate intranet. A KM portal is a single point of access to multiple sources of information and provides personalized access. Companies are starting to pay attention to portals because they offer an efficient way to capture information, says Carl Frappaolo, executive vice president and cofounder of the Delphi Group, a consultancy in Boston. A KM portal at Frito-Lay would give the sales department a central location for all sales-related customer and corporate information and cut down on the time it took to find and share research. In addition to different types of information about the team's customers—including sales, analysis and the latest news—the portal would contain profiles on who's who in the corporation, making finding an internal expert a snap.

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Built from Scratch
Marino chose this sales team as the portal pilot because it was working with a Frito-Lay client that Marino says is an industry leader in marketing, product promotions and merchandising. The sales team was dispersed across the country, making it ideal for determining whether the portal would succeed in bridging geographic boundaries when it came to sharing internal information.

Based on input from the pilot team, Marino’s group established three goals for the Frito-Lay portal: to streamline knowledge, exploit customer-specific data and foster team collaboration. He brought in Navigator Systems, a consultancy based in Dallas, which has worked with Frito-Lay in the past and had some experience building knowledge management portals. Navigator built a prototype in about three months using technologies previously approved by Frito-Lay’s IS department, including Lotus Domino, BusinessObjects’ WebIntelligence, Java and IBM’s DB2 database. Since there was no advanced search engine in use at the company, Navigator’s consultants recommended a tool called Autonomy, a natural language search engine that allows users to search information in different repositories such as intranet sites, PowerPoint presentations and spreadsheets, says Todd Price, the principal consultant at Navigator who worked on the implementation. “The search engine enabled the person to get to all the disparate data sets through one view,” explains Marino.

Marino and Price essentially had to start from scratch when it came to populating the portal. "Never before at Frito-Lay had they tried to capture expertise systematically in one place," notes Price. Marino and Price did an audit within the company and then created expertise profiles on the portal so that sales staff in the field would have an easy way to learn who’s who at headquarters in Plano. That way, people who have expertise in areas such as promotion planning, activity planning, costing or new product announcements can be readily tracked down and contacted for information. "In a large organization, that’s critical, because there’s a wealth of knowledge. But for someone new in the field it takes a lot of tries to figure out who they are," Price says.

Security was also a big concern because the pilot team would be working with confidential client information. The particular customer supported by the pilot team "had custom information about sales performance that they shared with members of the Frito-Lay team, but we were contracted not to let that information get outside the team that worked with that customer," says Marino. His group built the portal so that different sections of it were password-protected, ensuring that only the pertinent users could get to the confidential information.

The portal went live in January 2000. Since then, three additional sales teams, or customer communities as they are called internally, have been given access to the portal with different content—including research abstracts and what Marino calls performance scorecards, which evaluate account performance. "If somebody in sales or market research did a study in a particular area like private-label trends, [the user] would be able to click to that abstract and get a summary of that study." Users access the portal, known as the Customer Community Portal (CCP), through a Netscape Navigator browser and enter their name and password on the Frito-Lay intranet.

Results
The CCP has paid off with increased sales. "What we expected to see was that the pilot team would outperform others in terms of sales and profitability," Marino says. While he declined to give figures, he says the test team doubled the growth rate of the customer's business in the salty snack category. "The retailer is happy because they’re doing more business in their market, and we’re doing business at a faster growth rate with this customer than with other customers," Marino says.

It also made the sales team happier. For example, the pilot team members reside in 10 different cities, so "the tool has become extremely valuable for communication" and helps cut down on travel, says Joe
Ackerman, a customer team leader in the sales division based in Portland, Ore. A year after implementing the portal, the pilot group has been able to share documents concurrently instead of having to send faxes around the country to different offices. "We have to manipulate large amounts of data, and now we can look at it online versus having to have somebody physically travel to the retail customer. It's almost a distance learning tool as much as anything else," he says.

The CCP has also helped foster a sense of camaraderie and relationship building. For example, the portal homepage lists the team members' birthdays. People can also share best practices—on anything under the sun. If someone developed an effective sales presentation for a potential customer in Boston, a salesperson in San Francisco could co-opt the information. Salespeople can also find the latest news about their customers, and there's an automatic messaging feature that informs team members who is online.

For Ackerman, the portal has also been an invaluable tool for helping him assess employee skill sets, because each salesperson is required to catalog his or her strengths and areas of expertise. "As a team leader, it helps me analyze where people's gaps might be without having to travel to another member's location," he says.

The portal has also helped boost employee retention rates, says Ackerman. Turnover used to be terrible, he says, because salespeople felt pressured to find vital information and communicate with the rest of the team. Marino adds that salespeople felt frustrated and disconnected because there was no way to efficiently collaborate with the rest of their group unless they flew into a central location.

Since the portal has been in place, not one person on the 15-member team has left. Part of that can directly be attributed to the portal, says Ackerman, "because it helps build the connection." In company surveys, salespeople previously complained about geographic constraints and how they didn't feel connected and part of a team, he says.

The portal has proven so successful that its use has now become a PepsiCo initiative, says Marino. That means it will soon have added functionality so that employees across all three divisions—including Tropicana—can take advantage of product performance information on a jointly shared customer like a supermarket, he says. Marino says the different PepsiCo divisions will have the ability to copromote and comerchandise multiple products that are consumed together—such as carbonated beverages and salty snacks—to drive greater sales internally, naturally and for its customer. That's talking more than just peanuts.
It's good to see Frito-Lay back in the IT saddle again. Almost two decades ago, the company pioneered the use of handheld computers by the sales force. After that, the corporation did little in the way of innovative IT for a good 10 years. Legendary IT innovators such as Charlie Feld left. Now this portal application is again targeted at the sales force—not surprising in a company where the longtime motto at headquarters is Service to Sales.

But is there anything revolutionary going on in the current era at Frito-Lay? Not really, in that more aggressive companies built sales portals five years ago (for example, Hewlett-Packard’s Electronic Sales Partner). But that doesn't mean the Frito-Lay portal isn’t a good idea. Sales is usually where the money resides in an organization’s value chain, and too many companies have ignored this function when it comes to knowledge management applications.

Frito-Lay has always spent considerable effort understanding and analyzing the sales role. In this case the company is typically ensuring that the technology fits the salesperson's job by implementing a pilot before the full rollout. While some of the positive benefits from the pilot (higher levels of employee retention, for example) may not hold up over the broader rollout, it's clear that the portal provides a valuable way of distributing knowledge and expertise to the field.

The portal application neatly illustrates how the job of the salesperson has evolved. With Frito-Lay's handheld system in the early '80s, the company's salespeople primarily entered and received transaction data and worked as individual route salespeople—usually driving a delivery truck in addition to their information roles. Today the Frito-Lay salespeople are knowledge workers. It's their job to harness the analyses and subdue the data that will persuade retail category managers to give Frito-Lay an extra foot of shelf space. Using the portal, sales reps access knowledge—not just data—and work collaboratively in teams. Perhaps the next logical step will be for the sales reps to become knowledge managers themselves, packaging up what Frito-Lay knows about direct delivery of fresh knowledge to retailers along with fresh bags of Fritos and Doritos. The differences over time are a microcosmic illustration of the rise of the knowledge economy.

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