



The Q&A roundup series 7: Customer management – respond, recover and thrive in an era of a ‘new normal’
 You asked, we answered.

Here are our responses to the questions you had in store for us, during our webinar on ‘Customer management – respond, recover and thrive in an era of a ‘new normal’.



Considering the nationwide lockdown, how do companies supply to their customers, when inventory is available?

Based on the detailed guidelines issued by the Ministry of Home Affairs, Government of India (MHA) on 15 April 2020, the following is permissible from 20 April 2020. We’ve highlighted some key aspects, which could make delivering products feasible:

- **Industries operating in rural areas** (outside the limits of municipal corporations and municipalities, would be allowed to operate)
 - In the case of manufacturing and other industrial establishments with access control in Special Economic Zones (SEZs) and Export Oriented Units (EoUs), industrial estates, and industrial townships, these establishments shall make arrangements for stay of workers within their premises as far as possible and/ or adjacent buildings and for implementation of the standard operating protocol

(SOP). The transportation of workers to their workplace shall be arranged by employers in dedicated transport by ensuring social distancing.

- **All goods traffic will be allowed to ply** (including operations of railways, airports and related facilities, operations of seaports and inland container depots (ICDs) and operations of land ports for cross land border transportation.
 - **Movement of all trucks and other goods/carrier vehicles**, with two drivers and one helper, subject to the driver carrying a valid driving license; an empty truck/vehicle will be allowed to ply after the delivery of goods, or for pickup of goods.
 - **Shops for truck repairs and dhabas (roadside eateries) on highways**, with a stipulated minimum distance as prescribed by the state or union territory (UT) authorities.
 - **Movement of staff and contractual labour** for operations of railways, airports or air carriers, seaports, ships, vessels, land ports and ICDs, is allowed by way of passes being used by the local authority on the basis of authorisations issued by the respective designated authority of the railways, airports, seaports, land ports and ICDs.
 - **Companies need to focus on Annexure I and Annexure II** of the document that details the national guidelines and associated standard operating procedures (SOPs).
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What do you consider imperative for an agriculture equipment manufacturing company to keep their customer's trust intact?

Several agro-equipment companies have already started taking action to improve connect with their customers, as well as their competition's customers. One advantage that agro machinery companies possess, in the COVID-19 situation, has been the Rabi output and prices and the upcoming Kharif crop (rice). Initiatives are therefore more focussed around indirect financial support, product availability and relaxation of terms. For example, rent-free asset usage for customers (i.e. farmers); extension of warranty or service periods; and standby equipment for farmers during harvesting.



How can one encourage cement manufacturers to function during the COVID-19 situation?

Here are a few areas that may be appealing enough to prompt them to work:

- **Sales**
 - Demand
 - **Institutional demand:** As construction activity **was allowed** from 20 April 2020, there will likely be a spike in demand, particularly from the Non-Trade channel first.
 - **Consumer demand:** 35 per cent of the cement industry's demand comes from the individual home buyers (IHB) segment in rural areas (which is served

by their trade channel).¹ Given that personal savings and expenditure are likely to take a hit in the current situation, this level of demand may take much longer to return to normal. It is most likely that the demand may only return to its prime levels after the monsoon. Additionally, as the necessary labour may be more easily available in rural areas due to migration, those areas may recover faster.

- Channel
 - Companies could consider supporting the trade channel by considering sales till 21 March 2020, on a pro-rata basis, for their monthly incentives.
 - They could also enable credit availability to channel partners once operations resume.
- Salesforce
 - Increased focus may need be placed on non-hotspot districts to improve presence. Construction activities will be greater in non-hotspot areas and companies should look to increase their share of activities in such areas. counter share in those areas.
- **Manufacturing**
 - Labour availability
 - Typically, about 50-60 percent of the labour in cement plants is migrant labour, engaged on contractual basis. Hence there have been challenges in restarting operations from 20 April 2020, as most of the labour-force may not be able to return until a later date. Though operations have begun from 20 April 2020, the demand is expected to be slow to pick up. Hence, companies can utilise this lull period to get the labour to return.
- **Distribution**
 - Logistics: Deploy available drivers and trucks in demand generating lanes. This may require discussions with transporters to pick-up new lanes (at existing rates) as per the demand.
 - Inventory: Reduce inventory at depots and focus on direct dispatch from plants to customer sites, to save on logistics and handling costs.



Do you have any customer management tips for manufacturing companies during COVID-19?

- Customer outreach programmes will be critical to inform customers about the likely disruptions in supply, and about the revised timeframes when they can expect production and supply to return to normal.
- Build mindshare and trust by letting customers know how factories will be made more hygienic, safe and compliant by following social distancing norms.

¹ <https://economictimes.indiatimes.com/markets/stocks/news/cement-companies-are-likely-to-report-incremental-demand-from-rural-areas/articleshow/73842339.cms>

- Work with key clients to accurately forecast the likely demand and required production capacity for the future. Ensure the operational ecosystem is ready to meet the expected demand in the future.
 - Review payment terms and conditions, including prior outstanding rewards for customer loyalty.
 - Review post-delivery service and warranty models.
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While the webinar highlighted a lot of things to be done, is there something that companies should not do, during this time?

Yes, some of the prominent don'ts include:

- Don't boil the ocean: Differentiate between critical vs important. Focus on what is most critical to customers and allocate your resources to enable service continuity or product availability to meet those needs.
- Don't go out of sight: Focus on mindshare by consistently communicating with customers, even if they may not give you wallet-share in the long term.
- Don't lose sight of tomorrow: As always, this too shall pass, and companies need to be prepared for a 'new normal' when it comes into being.



With so much focus on digital, do we see any India specific challenges in scaling digital, as most of the examples covered in this webinar pertained to the western world?

The Indian consumer is unique in many ways and therefore companies will need to design their digital strategies with a more local context in mind. Some key elements that businesses should consider are:

- Enabling vernacular capabilities, for easier adoption.
 - Incentivising and educating consumers to shift to digital by investing in awareness programmes, and handholding customers through their learning journey on how to use digital channels for purchase, use and service.
 - Developing trust in online channels by re-imagining back office operations and ensuring a committed delivery when bookings take place through online mediums.
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