

**NATIONAL UNIVERSITY OF SCIENCES & TECHNOLOGY  
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**FINAL THESIS REPORT:  
“LAFARGE PAKISTAN SALES INITIATIVES”**

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# INTRODUCTION

A lot of research nowadays is being conducted to study the banking, FMCG, Petroleum and Telecommunications industry of Pakistan. These industries in recent years have grabbed everyone's attention with their strong branding and many success stories. One very strong industry that has barely been touched upon for study is the cement industry of Pakistan. It's a robust and high potential industry with an average production of 9.403 million tons against a local demand of 20 million tons (figures of year 2007-2008). Recently Pakistan has also started exporting cement to its neighboring countries and even South Africa. The industry primarily consists of local players with an exception of one Multinational; Lafarge. The entrance of an MNC brought a lot of changes to this industry. For once it pushed the dormant industry to a realization that muscular International players might enter and capture the much ignored Pakistani market. This got the local competitors on their toes and they have been experimenting with out-of-the-box techniques for increasing and retaining their market share for past few years.

We can delve into the various dimensions of innovations that Lafarge Pakistan has introduced and inspired in its short life span in Pakistan but that would highly broaden the scope of this research. Thus, this report mainly focuses on the recent initiatives taken by Lafarge Pakistan's Sales division. Lafarge Pakistan is currently the only Multinational Company functioning in Pakistan's cement industry. Even though Pakistan's cement industry is mature and highly competitive it remains till date an unstructured industry widely distinguished from a FMCG industry.

The industry still has room to adopt many FMCG techniques in Customer centricity. The norm of cement industry of Pakistan is to focus primarily on the distributors. Lafarge with a strong global exposure has introduced a globally appreciated norm of direct route to market. This company with its risk-taker approach has tried bridging the gap between the manufacturer and the customer thus eliminating the need of a middle-man (the distributor). This shakes the very core of the industry whose norm for last 100 years was to be distributor-centric. This pilot project of Lafarge Pakistan is called "Project Transformer". It began in the markets of Rawalpindi and Islamabad and an expansion is under consideration for other lucrative markets. This is further discussed in detail in the following report.

Apart from the Project Transformer, Lafarge Pakistan has also kicked off a Customer Call Center (CCC) to give voice to the end users and distributors. Cement industry isn't as dynamic as the FMCG industry thus Lafarge Pakistan is taking the first step in bringing it at par with the developed and structured FMCG structure. It is well anticipated that Lafarge Pakistan is paving way for the other players of the industry to follow. Following the success of some of Lafarge Pakistan's initiatives the industry rivals are mimicking the innovations and hence the industry is on a path to change.

# LITERATURE REVIEW

## Best customer centric practices in companies across the globe

### Customer Service Center:

A customer service center is a call center that is equipped with supporting technology to effectively and efficiently handle large amounts of incoming phone requests for an organization. It may also in addition be handling other customer communications such as letters, e-mail, and live chat from this single facility. In addition to this it acts as a bridge in connecting customers to relevant employees to resolve their queries. It is not just another division within the organization but is a crucial part of an organization's overall CRM (Customer Relationship Management) strategy.

The call center station is usually a work space where a call center representative is stationed with a computer and a telephone set/headset connected to a telecom switch. This entire service center setup is automated on a computer to achieve less turnaround time per call and maintain digital customer database. This one person running the computerized station is the central point from where customer database is managed and important information about company is dispersed to callers. So we can easily say this is the point from where customer centricity comes at the forefront.

*"A contact center can be defined as a coordinated system of people, processes, technologies and strategies that provides access to information, resources, and expertise, through appropriate channels of communication, enabling interactions that create value for the customer and organization"(Cleveland, 2012)*

The majority of large companies use contact centers as a means of managing their customer interaction. These centers can be either be operated internally by the organization responsible or outsourced to a third party agency.

Customer Service Center is as the name suggests must be created keeping the customer in mind; therefore, it important that explicitly defined goals be established for call handling operations to ensure that the best possible service is provided. Also, performance based to these goals should be tracked and reviewed on a daily, weekly and monthly basis by the call services team.

The first step in understanding and serving the customer is essentially listening to the customer. This trait has picked up popularity in the customer services of 21<sup>st</sup> Century. Customer data helps figuring out the needs and preferences of the customer before they even initiate conversation on the call. Thus customers are surveyed on the basis of their recent transactions and interaction with the company. This further helps provide a clearer picture of what the customers expects from the company. Such information plays crucial role in shaping focus of Customer Service Center.

*The Customer Service Center is dedicated to exceeding the expectations of customers and realizing its vision of being a*

*premier provider of customer service. Through listening to customers and acting on what is important to them, this vision will be reality. (Exceeding Customer Expectations, 2014)*

### Popular examples globally:

- **Amazon**

Amazon is a name that stands synonymous with outstanding service. They carry a reputation in customer services that exceed many top players of the world. The CEO, Jeff Bezos, has established a tradition of Amazon managers attending a two day call center training every year. The CEO himself is no exception to this. He is known saying that everyone in his company should be able to work in a call center. This way he has ensured that customer service is part of company's culture not just a separate function under the umbrella. The purpose of this activity is to enable employees from every division to develop understanding and empathy for the customer. Jeff Bezos strongly believes that employees should find out the needs or pain points of the customers and from this knowledge move backwards in helping develop products that fit the need. (Anders, 2012)

This shows the importance of customer services in Amazon's culture and business strategy. The CEO strongly believes in getting an in-depth understanding of the customer's preferences, needs and behavior which can later be used into making new products that best fit the customers.

- **Zappos**

Another global giant that has encompassed customer services in its business processes is Zappos. Zappos use this division to build strong relationship with its customers. They have over 500 employees only working in the customer call center. Its employees' receive a vigorous 7 weeks of training before they are fully equipped to deliver customer delight. Zappos proudly shows off its corporate culture of Customer Relationship Management. (Edwards, 2012)

*"Zappos uses call center technology to track average call time per agent. But the goal isn't to reduce this average... 'It's more important that we make an emotional connection with the customer, rather than just quickly getting them off the phone.' (Gregory, 2013)*

Zappos has properly structured its customer services division with a measuring tool in place to assess its effectiveness and whether the goals of the division are achieved or not. They call this as Happiness Experience Form which motivates the call center agent to create a bond with the customer and create a "wow" experience for them. This center also serves the purpose of collecting customer data and identifying underlying customer needs.

This added a 5% improvement in the call center's Net Promoter Score. With all this, their top level customer satisfaction turned into being their company's asset and their main marketing power in attracting new customers.

Paul Graham, a venture capitalist, said that a business should not only make extraordinary effort in acquiring customers but also in keeping them happy. The new customers should have a sense of delight in signing up with your company. And the company also in turn should be concerned and working towards in creating new ways to make the customers happy. (Gregory, 2013)

### SMS Alert system

In the old days the call center were structured to be a single channel performing restricted functions. But today it has evolved into a multichannel contact point for the customers. Manager must now invest their budget to handle complex new channels and data points. As it's a relatively new and abstract concept, it is hard to know if the capital invested in the call centers is reaping the benefits expected or not. It's a long term investment and requires time before it matures and shows any positive figures. One emerging channel in the call center is of SMS/text messaging. This channel is picking up popularity due to the convenience and real time updates it provides.

A SMS campaign has the potential to build strong bond with the customers. A survey was conducted that showed the customers are interested in texting as part of customer service. Of the total respondents 52% replied that are more likely to use the SMS/text feature of the customer centre. Similarly, 52 % respondents said they are most likely to switch their current mode of communication to texting with the customer service agent. Approximately 31% of respondents said texting should be offered as an option and 47% shared that texting option can help in improving customer satisfaction with the service centre. It's the convenience and on-the-go facility that messaging provides in solving their issues. Hence, here lies an emerging opportunity for companies to increase their customer satisfaction by adding this little feature. (Eddy, 2014)

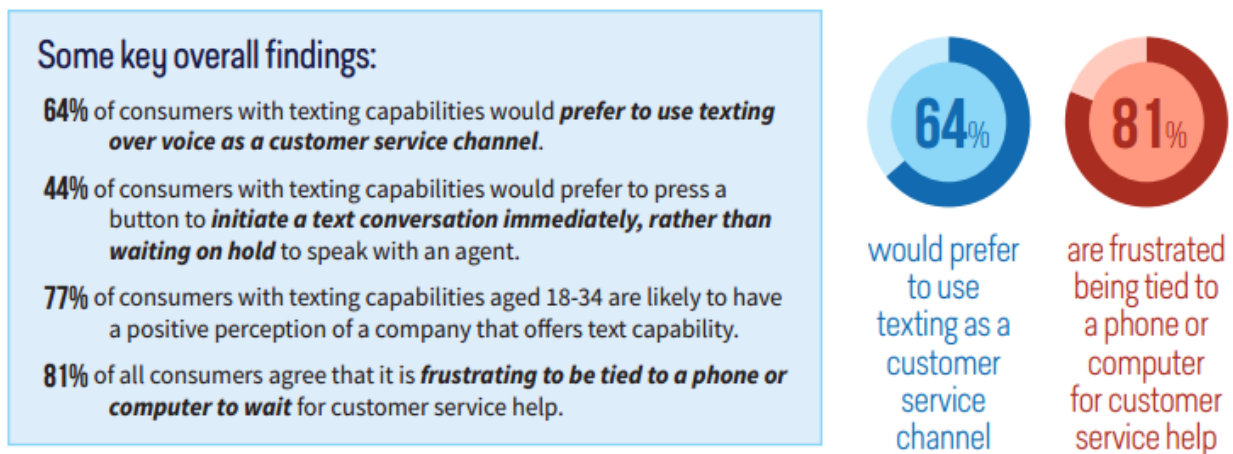


Diagram 1: Survey key findings for customer service communication media preference.

*"In today's world, consumers increasingly prefer texting in both their personal and business lives, and they are clearly seeking text conversations as a fast, efficient customer support option,"*

*Meredith Flynn-Ripley, founder and CEO of HeyWire Business. (Eddy, 2104)*

The survey respondents aged between 18 to 34 years were more inclined towards the textual customer support. In the survey conducted 53% of the respondents said they prefer electronic media of communications such as web, social media, SMS etc. Also, the trend even in professional industries is of conducting businesses via text messaging. Customers' today want a more personalized and private response to their queries. The respondents shared that even though social media is a very effective platform to vent out their concerns, text messaging with its flexible response adds a more personal connection to the conversation.

The survey also touched upon customers' pain points when it comes to customer services. The results were that 79% were unhappy and irritated with the available customer contact options. Also, 89 % demanded more choices of media to contact customer support. (Eddy, 2014)

### **Route-to-market (RTM) ideas**

Route to market is a concept that aligns three divisions of a company namely; sales, distribution and marketing in optimizing the cost/expense in these areas. This added to the profitability of the company. Cutting costs and optimizing investments make sure that the company is making the most of its departments potential and resources.

Some common benefits obtained from Route to Market are:

- With this company sells more while spending less.
- Provides the best fit products and services to the customers, at the best time.
- It helps retain current customers and also secure new profitable customers.
- Optimize the three critical divisions of the company; marketing, sales and distribution to maximize revenue and profitability throughout the product life cycle.
- It helps align product management, customer service, marketing, sales, and distribution to provide maximum results.
- Ensure optimal level of expenditure for each division, for each product, and for each market segment.( Raulerson, Malraison & Leboyer, 2009)



# RESEARCH

## Lafarge Global

Lafarge is a world renowned name in cement industry. They specialize in three main products namely; construction aggregates, cement and concrete. Its foundation was laid back in 1833 and with decades the company has risen to being a global leader in building materials.

Lafarge currently has 155 plants globally spread over 56 countries. They boast 1481 production sites with sales division in 37 countries. It is present in 64 countries and has over 65000 employees.

### **Highlights of Lafarge:**

Just 30 years after its inception, Lafarge took over an international contract of 110,000 tons for the Suez Canal construction project. Couple of years later Lafarge joined hands with Coppée, in providing Belgian coal, coke and fertilizer. Since then Lafarge has been expanding via mergers, and acquisitions. They have spread far and wide and tapped into several lucrative markets.

Skipping forward to 21<sup>st</sup> century, Lafarge in 2007 December purchased Orascom Cement Group which was an Egyptian cement producer with market spanning over Middle East and Africa. With this acquisition, the subsidiary of Orascom functioning in Pakistan turned to become Lafarge Pakistan.

Just next to year to that Lafarge acquired Larsen & Toubro Ready Mix-Concrete (RMC) in India thus taking control of a large chunk of subcontinent market.

In year 2010, Lafarge joined STRABAG to cover the market of Central Europe.

In 2011, Lafarge invested in building a cement plant in Indonesia with an investment up to \$585 million. Lafarge also launched plants in Nigeria, Hungary and Syria. In United Kingdom it entered through a joint-venture with Anglo American Company.

Later in years the group consolidated its operations in keeping the most profitable divisions and letting go of others. Thus under this the Lafarge Group sold most of its global gypsum operations across any continents.

Lafarge rejuvenated its brand with a new slogan in April 2013. It introduced a brand tagline of “Building better cities”. The tagline not only reflects group’s aim in building improved and innovative cities but also highlights Lafarge’s contribution on addressing the challenges of urbanization. Some of Lafarge’s contributions are mentioned below:

- Provide facilities for more house construction in the cities;
- Contribute towards building more compact cities,

- Share ideas and innovation to creating more sustainable cities;
- contribute to more linked cities;
- Add to providing more aesthetically sound cities.

It's the efforts of decades that the company today is moving towards a historical merger with Holcim to become unparalleled in the global industry.

### **Lafarge/Holcim merger:**

In the April of 2014, the world witnessed the announcement for the merger between two leaders of global cement industry. It was as the announcement read "the merger of equals". The merger was on equal parity basis thus Lafarge stock to Holcim was on 1:1 basis. The Holcim owns 53 % of the new entity created by the name of LafargeHolcim. The headquarters of new entity is to be Switzerland. LafargeHolcim boasts a production capacity of 427 million tons a year. This would push the company ahead of the industry leader, Anhui Conch, by a margin of 200 million tons a year. The new Chairman of the company is Wolfgang Reitzle from Holcim, with Eric Olsen from Lafarge as future CEO.

The calculated saving from this merger is estimated at .4 billion Euros (US\$1.9 billion) annually. This merger boasts in creating a group that's stands as most advanced in building materials industry. This group would be operating with about 1000 subsidiaries. About Eight-tow percent of these subsidiaries are consolidated. The two parties involved have divested most of their gypsum assets and are now focused on their core offerings such as cement, concrete and aggregates. Hence, there is a strategic shift anticipated towards growth and innovation. LafargeHolcim has a decentralized system of operations with strong sub departments that carry out strategic planning and decision.

The most recent updates in this merger is that new Board of Directors (BODs) are being decided upon which will be an amalgamation of both companies current BODs. The merger process in total spanned over a year's time. Which considering the humungous size of the merger in terms of operations and production is quite an achievement.

## Cement industry of Pakistan

Though it has not received much spotlight like the other FMCG industries, Cement Industry of Pakistan is a very important industry contributing a significant share in country's economy. The two main raw materials for cement namely; gypsum and limestone are found in abundance in Pakistan. There are two pockets, one in upper Punjab near Kallar Kahar and second in south of Pakistan. This accessibility of raw material and strategic location of the country means that it cannot only produce ample for local demand but it's also attractive to export to neighboring countries. Pakistan cement industry has been exporting cement to the neighboring countries like U.A.E, Afghanistan, Tajikistan, India, Iraq and Russia.

At the time of 2008 there were about 22 cement plants functioning in Pakistan. The total capacity of the industry was near to 9.403 million tons. 17 of these 22 plants were privately run while the other 5 were public entities. A plan of having 11 new plants was underway which will in turn increase the capacity of the industry to about 12 million tons of production. At the year 2008 the industry showed a growth of 32% and even the domestic demand was increasing nearly 24%. The export shoot up to 111.86% in the ratings of year 2007. The country's excess capacity and high quality of raw material meant that it could very well export. Pakistan has experimented with even exporting to the African nations apart from its immediate neighbors'.

Pakistan's cement industry is predominately divided into two regions; the north and the south. The division is mainly due to the availability of raw materials. Cement is such an item that requires a plant to be established close to its raw materials due to transportation cost and hassle involved. The northern region takes the lead in term of volume of production. It produces approximately 4 times the amount produced in the southern region. With new developments in place and high technology incorporation into this industry these figures might change.

Some nations calculate the development pace of the country via its per capita consumption of cement. In this regard Pakistan lags far behind with only 131 kg per person consumption annually where as the world's average stands at 270kg. The low figures highlights how this industry is neglected in the region though in recent years the commercial activities and infrastructure construction has picked up pace.

Pakistan has been exporting for a very short time but still enjoys a global reputation of high quality cement producer. This means there is a huge potential for this country in expansion and development of this industry. In just 2008, the export brought the revenue of around 459 million dollars.

## Lafarge Pakistan

As mentioned before, Lafarge Pakistan is a subsidiary of a multinational group called Lafarge. It came into existence via acquisition of Orascom assets in the country. This company has seen many change of ownerships in very short span of its existence. It started off as Chakwal Cement Ltd then later turned into Orascom and then to Lafarge Pakistan. It is soon again changing hands to become a subsidiary under Bestway Group. At Lafarge it's not just about the products and sales but also the customer delight and building a better community.

Lafarge Pakistan is the only multinational cement manufacturer currently functioning in Pakistan. Innovation is the pivotal point of its processes. Lafarge the group has 5 key values that they hold very close to their heart; Health and Safety, Leadership, Integrity, People and Customer focus. The same values have been passed on to the Lafarge Pakistan and have turned into an example for the industry to follow. These values are woven into their corporate culture.

Lafarge Pakistan values human resources far above any products or technology it utilizes. It is committed to bring a positive change in the community. They welcome diversity and opportunities for growth in professional and personal domain. The company has also recently structured itself and begun employer branding campaign to come at par with the nation's leading choice as employers. Lafarge Pakistan's culture encourages its employees to work their optimum and give great output. Thus the employees display talent, leadership and willingness to put in extra effort to achieve excellence.

### Lafarge Pakistan's acquisition by Bestway Group.

As part of the global merger between Lafarge and Holcim, the Lafarge group has divested many of its subsidiaries globally for net debt reduction. Lafarge Group is facing a debt of around 8 billion Euros and hence with the global merger happening decided to let go of Lafarge Pakistan. Hence, it went up for anonymous bidding with Bestway coming out as victorious buyers. Bestway has agreed to pay \$217.79 million to obtain 75.86% share in Lafarge Pakistan. The remaining percentage ownership resides in individual investors and Bestway plan to buy out those shares also. As per Kalim Ashraf, the company secretary of The Bestway Cement, the total valuation of the company was at \$329.45 million. With this deal in place, Bestway becomes the largest cement producer of Pakistan.

Subject to Legal and Governmental approvals, Bestway was to take over management of Lafarge Pakistan by December '14. This date has been pushed back till April '15.

This acquisition would add a production capacity of 7500 tons and then the total capacity of Bestway would become 27,500 tons per day. Hence Bestway will become the biggest producer in this country.

# FINDINGS

## Project Transformer

### The Concept background

Market is primarily dominated with approximately 97% bagged consumption while adapting a passive distribution model, which has certainly led emergence of powerful buyers and non-exclusive multi brand handlers.

All cement brands are considered almost homogenous by the consumers with only slight preferences for a few brands who are perceived as relatively better quality. Also, price sensitivity is high as market is saturated and very less differentiated. Thus, it is important to have a differentiation point & unique business model to stand out from the others and to build a long term and sustainable market share.

This concept will create a brand pull by approaching the end users directly and establishing a two-way communication via brand building activities. This will in turn curtail the reliance on existing distributors and will help the company escape from price driven selling to volume based day-to-day selling.

### The Project

The idea is to deploy company controlled retail outlets - terms as SOTS (Sale-on-the-spot) - through an exclusive business partner. The pilot project has been launched in twin cities i.e. Rawalpindi & Islamabad. These markets have fast pace construction activities, and are the closest high potential urban market from Lafarge Paksitan's plant site in Chakwal, Kallar Kahar.

The mechanics of the Project are to bi-furcate the twin cities in 20 territories based upon significance and saturation of on-going construction activities. The project will establish a container based, Lafarge branded, SOTS within that vicinity. The benefits offered include the following:

- Offering the customers convenience of on call ordering
- immediate delivery
- Providing the promised high quality cement.

The existence of SOTS closer to customers' construction site will help engage them in various brand activities and keep their confidence in the brand. Each SOTS is run by one SOTS Supervisors and two Market Development Officers (MDO). The MDOs will be surveying the vicinity, exploring any potential customers and engage the influencers.

The sales pitch of these MDO includes;

- i) introduction of Group & Company
- ii) product portfolio
- iii) Competitive advantage & benefit of the products.

The ultimate objectives of these MDOs are to generate sales at a premium price positioning as is the objective of Lafarge Pakistan.

The supervisor present is to deal with walk-ins, stock management, order deliveries and overall achievement of desired ambitions of a respective SOT.

The focus of the SOTS team will be to create a direct customer to company interaction, offering the customer a personalized, one to one purchase experience and after sales services to the customer satisfaction. For sure, the satisfied customer will act as referral by generating positive word of mouth, which will elevate brands equity resulting in increased sales and profit.

The 1<sup>st</sup> aim is to gain & maintain 25% market share through direct selling to end-users. While, it is anticipated that over time the established brand equity will create a pull for retailer segment. Therefore the Project in 2<sup>nd</sup> phase has a leverage to entertain retailers provided they buy on Lafarge's terms.

### Challenges & Hindrances:

This concept of Project Transformer is challenging the conventional norms, which are established in cement industry since decades. The business proposition of such sort has never been exercised neither in cement business nor in construction material or commodity market. Thus there was no precedent or pattern available to benchmark. The mixed and match of back selling & order taking approach applicable to FMCG industry and hit & trial method aided us to improve our operational strategies.

### External Challenges

Month	# of SOTS	Description
June	4	Weather remained extremely hot
July	3	Construction activities remained on Slow Pace due to Ramadan & Eid Holidays.
August		Labour Shortage due to extended Eid holidays. Political distress. Strike called off by Tahreek-e-Insaf (third biggest political party of Pakistan) in Islamabad.  Due to the strike the entrance of Twin Cities remained closed for heavy good moment resulted in shortage of construction material.
September	4	Moreover, there has been series of heavy rain fall during the month.  September comparatively remained stable - but the impact of Political strike of Threek-e-insaf continued and impact movement of construction material.
October		The Eid-Adha holiday, and extended holidays resulted shortage of Labour in the market and construction activity remain slow.

November	9	Although the no. of working days were less due to Muharam holidays yet the month of November comparatively remained good. There is a price adjustment
December		The efforts to gain maximum volumes by competitors (year/half year closing) the price witnessed huge pressure.

### **Internal Challenges:**

- Land & Acquisition Issues
- High HR Turnover
- Delay in Container Fabrication

### **Outcome and Benefits**

- Lafarge leadership in launching an exclusive modern trade selling model in a conventional commodity selling market.
- A chain of established company controlled sales outlets vs distributor driven sales model
- Introducing concept of “Brand & Brand equity” in a market where cement/construction solutions are perceived as homogeneous products.
- Deployment of a long term, sustainable business model: a step to withdraw the industry from day to day selling and control of none-exclusive distribution network.
- Becoming Customer Centric - directly approaching the end-user
  - Creating a two-way communication will provide us an advantage to comprehend better the consumer preferences & buying behavior and will enable us to develop product & services trailer to meet the real needs & wants.
  - One-to-one basis interaction will enhance customer satisfaction and satisfied customer act as an asset in spreading word of mouth.
- Better brand equity means premium brand positioning, eventually resulting high sales and higher profits
- The Project Transformer’s established SOTS will serve Lafarge to launch, showcase and sell new products.

## Call center services:

### **Introduction:**

Call centers have become an integral part of any business which is involved in sales. It will help the customer to launch their complaints and also entertain any queries regarding the product, services. It will help the company to maintain a proper log regarding all the customer's complaints or queries, which will ultimately help the company to improve its business.

### **Objectives:**

1. To resolve customer queries, complaints and problems.
2. To guide customers in case of any issues relating to dispatches, customer balances, payments etc.
3. Dedicated help line for all the customers and stakeholders.
4. One stop solution.
5. To enhance efficiencies.
6. Timely management of complaints

### **Scope:**

Establishing and operating an inbound call center, to serve our customers,

1. All customers calling at 0800-11722 will receive a welcome greeting, the call will then be forwarded to an available CSR. In case there is heavy call traffic, a recorded message for waiting will be played and the call will be set in queue.
2. All calls will be integrated through our CRM (Customer Relationship Management) model.
3. If the call is an inquiry, the agent will be able to reply with prices, products and services using the information from the script available.
4. If the call is a complaint, the agent will open a ticket and register the problem.
5. The customer will be given the ticket number, a reference for any future disputes or complaints and in order to follow up.
6. In case the customer is satisfied with the outcome of the call, the agent will close the ticket and the system will update the client history record instantaneously.
7. In case the customer has a complaint which cannot be solved over the phone, the CC agent will route the complaint through the proper process described below.



## **Flow:**

CRM consists of 7 parts as mentioned below. Call landed on 0800-11722 will be answered as per caller requirements;

### **1-General Inquiry:**

Complete information regarding Lafarge as an organization, products offered (local and export), export markets, addresses of offices and plant etc, can be given in this portion of CRM.

### **2-Product Info:**

Product wise MRP, product classification, tests reports of all brands along with pictorial of the brands is available.

### **3-Sales Team Info:**

Sales team information along with their contact numbers, email addresses and mapped distributors /districts information is available. Any customer calling in and inquiring about anything related to sales u/m route will be followed;

1. Location (District) of the customer along with his contact number will be punched in.
2. As the district name is entered, sales person's details will pop up before the CSR.
3. When the inquiry is logged a system generated alert will be sent to concerned sales person along with his line manager and sales operations team.
4. Sales person is supposed to call the customer within one hour and confirm it through CRM.

### **4- Customer Inquiry:**

Customer's dispatch details and ledgers are available in this portion which is available online 24/7.

### **5-Product Complaint:**

Product complaint is categorized in 2 types;

- a) Material complaint
- b) Packaging complaint

Whenever product complaints are logged, an auto generated email will be sent to the Board of Directors for information. .

An email for material complaints will be sent to its handler - Optimization Team and for packaging complaint will be sent to its handler - Packing Team.

An email copy of all product complaints will be sent to Head Of Sales, National Sales Manager, Export Manager, concerned Brand Managers, Marketing Manager and Sales Operations Manager.

Concerned Sales person will visit the location and fill the first investigation report. It will be forwarded to optimization and brand Manager.

Ownership of complaint will be shifted to concerned Brand Manager after FAR( First Assessment Report) is received.

Optimization team will visit the complaint and update through CRM within next 48 hours depending upon the nature of complaint.

After the visit complaint will be closed in next 48 hours. Snap shot of customer satisfaction survey (duly signed by customer) will be posted at CRM.

Customer satisfaction survey (CSR) and FAR formats have be designed by Sales Ops, Marketing and Optimization.

In Order to prevent Reoccurrence, Brand Manager will share his findings and history of the related complaints within three days of the CSR received mutually agreed with Sales Ops and optimization.

**Types of Complaints, Handlers, with Turn Around Time (TAT);**

<b>1) Material Complaint</b>	<b>2) Packing Complaint</b>
OPC, XTREME BOND, STALLION HES	OPG, XTREME BOND, STALLION HES
1) Setting Time	1) Bags Burstage
2) Lumps	2) Accidental Damages
3) Slump	3) Damaged Corners
4) Cracks	4) Less Weight
5) Oil	5) Others
6) Hardened Cement	
7) Others	
<b>Handlers</b>	<b>Handlers</b>
Quality Assurance Manager & Optimization Team	Packing Plant Team
Concerned Brand Manager	Concerned Brand managers
Marketing Manager	Marketing Manager
Sales Operations team	Plant controller
Head of Sales	Sales Operations
Ex-com	Head of Sales
Concerned Sales In-charge	Concerned Sales In-charge

<b>TAT 5 Working Days</b>	<b>TAT 2 Working Days</b>
After 5 working days if issue still persists Reminder will be sent to Handler with final TAT of 2 days	After 2 working days if issue still persists Reminder will be sent to Handler with final TAT of 1 days
After 2 working days if the issue remains unresolved a reminder to all will be sent	After 1 working days if the issue remains unresolved a reminder to all will be sent

### **6-Service Complaint:**

In this tab we can register complaints related to our process, team members & services. There are 2 types of service complaints;

- 1) Payments, Tax issues, Invoices, Deposits, Timelines:  
After Complaint is launched, handler will receive the alert with TAT of 1 hour to respond. If the response is not received, concerned departmental head will receive an email and alert to resolve the issue on immediate basis. Department-wise /complaint nature-wise handlers are defined in the CRM.
- 2) Employee Complaints:  
After Complaint is launched, handler will receive the alert with TAT of 1 day to respond. If the response is not received, concerned department head will receive an email and alert to resolve on immediate basis.

Call Center team will share an efficiencies report for complete call log bimonthly.

### **7-Supply Chain:**

It caters 2 types of inquiries;

1. Potential vendors can share their products and services with supply chain team.
2. All payment related inquiries are routed to the concerned buyers and their line managers who have to record their response /update on the payment status.

Complaint and inquiries are routed to the concerned buyers in supply chain team with a TAT of 48 hours. In case TAT is over with no response, auto generated alert will be sent to the head of department for immediate action.

## CONCLUSION

Lafarge Pakistan for the brief period that it was in Pakistan has brought a lot of changes in the cement industry. They are the first of the few who have developed sustainable CSR initiatives. Lafarge Pakistan right next to its Chakwal plant has established a free medical clinic. The company also supported construction of the bypass road to solve logistic department's transport issue near plant. Also, they conducted Health & Safety trainings and sessions in nearby schools. Thus, they contributed to the community around them by not just providing employment in a safe and progressive environment but also adding positive feel to their lives.

Lafarge Pakistan's achievement spans over many domains hence I focused on only the most recent developments and strategic shift in Sales division of the company. Most notable initiatives as discussed previously in detail are the call center and Project Transformer. With these two the company has challenged the norms of the industry. With call center in place, Lafarge Pakistan brings customer centricity to the businesses forefront.

With the acquisition Bestway has openly shared that it plans to learn about innovation and new development strategies from this foreign player of the industry. Hence, it can be said that the industry had a keen eye on Lafarge's ideas as they could tell this would be the next big thing in the industry.

Pakistan's cement industry will also see a change with the Lafarge Pakistan's acquisition as it inclines the power to one player in the industry. This will disturb the industry's dynamics and will once again push the rival players to their optimum performance and pressure to bring innovation to stay ahead of the competition.

# APPENDIX

## Project Transformer - SOTS



## 1) LAFARGE - A GLOBAL LEADER

Lafarge is the world leader in building materials: cement, aggregates and concrete.

As a key player of urbanization through different markets - housing, roads and railroads, infrastructures, and public/private buildings - Lafarge offers innovative and environmental friendly construction solutions using cement, concrete and aggregates.

Lafarge places Health & Safety, innovation and sustainable development as its top priority. Its global presence and strong R&D ensures that it is always equipped to cater to all types of construction needs.

In 2050, 70% of the world population will live in cities - twice as many as there were in 1970. Whether large, medium or small; whether in mature or emerging countries, cities are central to the challenges facing the planet.

To improve cities, Lafarge contributes to the construction of cities across the world, through its global mission of Building Better Cities by providing innovative housing solutions that are more compact, more durable, more beautiful and better connected.

### i) LAFARGE INTERNATIONAL KEY FIGURES – 2013

<b>€15.2 Billion</b> Posted Sales	<b>64,000</b> Employees	<b>62</b> Countries. Operating in
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## ii) GLOBAL STANDING

World Leader  
in Cement

No. 2 in  
Aggregates

No. 4 in  
Concrete

## iii) % BREAKDOWN OF SALES BY BUSINESS (2013)



■ 1. Cement	63.5%
■ 2. Aggregates and Concrete	35.9%
■ 3. Other	0.6%



### 3) LAFARGE PAKISTAN

**Corporate Vision:** To be the preferred construction solution provider with sustainable leadership in Health & Safety, People Development and commitment to all stakeholders through Lafarge values.

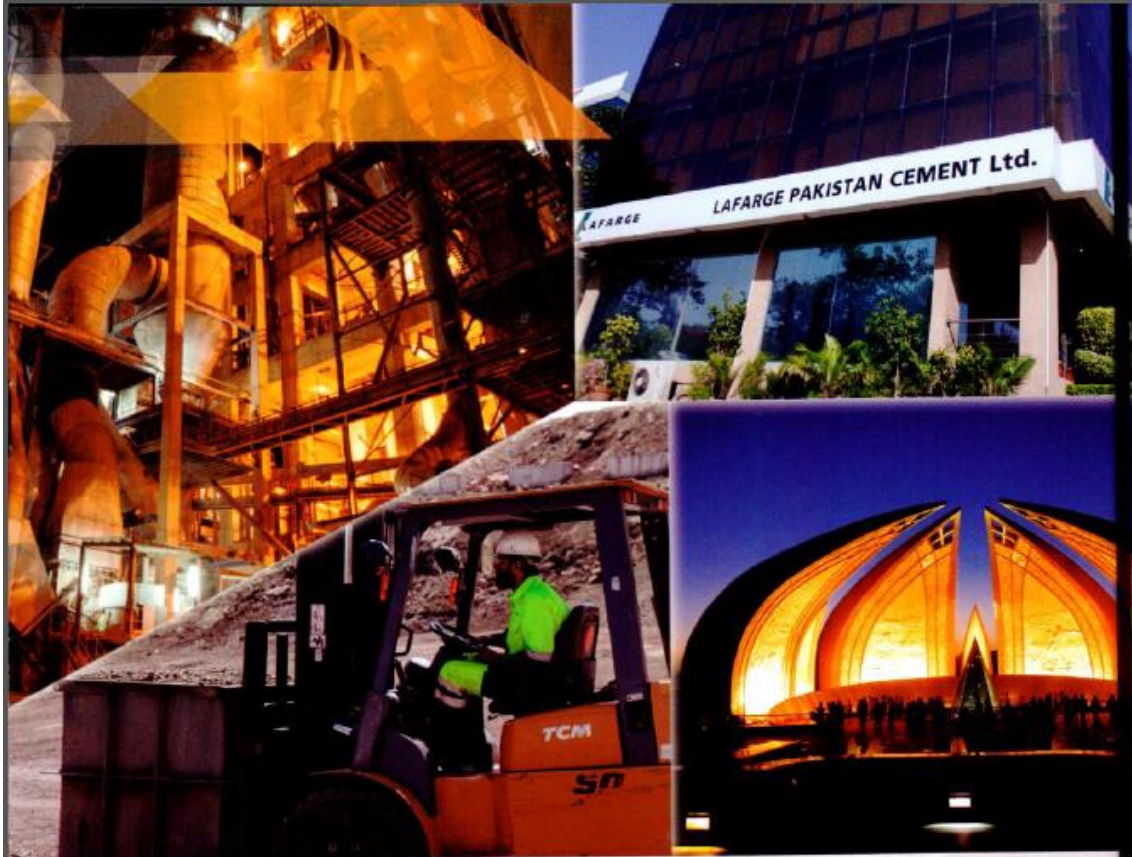
Lafarge Pakistan is part of Lafarge Group - a world leader in building materials. The state-of-the-art plant commenced its commercial operation in December 2006 with an annual cement production capacity of 2.6m tons, thus it became one of the largest production lines in Pakistan.

The plant is located at Kalar Kahar, District Chakwal in the province of Punjab, an area rich in Limestone reserves. The quality of Limestone in this area is considered to be the best in the region.

Lafarge Pakistan is currently producing **Ordinary Portland Cement (OPC)** with the packaging options of 50 kg bags and bulk carriers in domestic market, and offer 1.5 tons and 2 tons jumbo bags for the international markets.







The plant is capable of producing specialized products. The advanced plant laboratory is the most sophisticated in the industry and ensures consistent high quality of cement.

Apart from domestic sales, Lafarge Pakistan exports its products to Afghanistan, Tajikistan, India and via sea.

The company is renowned for its high quality products and exceptional services in all markets. Following the Group's philosophy, Lafarge Pakistan ensures Health & Safety of all its employees and stakeholders.

The company is thriving on innovation and working on new products and solutions to contribute to the Group's ambition of "Building Better Cities".

Lafarge Pakistan presents itself not just as a cement manufacturer but a construction solution provider catering to the needs of all segments.



# LAFARGE PAKISTAN

## PRODUCT PORTFOLIO

### 4) PAKCEM



**PAKCEM** (OPC) is well established in the market for its quality and strength. It was the first product in Pakistan's cement industry to deliver up to 10,000 PSI strength, catering to the needs of housing, industrial buildings and infrastructural requirements.

**Assured Compliance With:**

<b>European Standard</b>	<b>EN 197-1 CEM I 52.5 N</b>
<b>Indian Standard</b>	<b>IS12269 Grade 53</b>
<b>Pakistani Standard</b>	<b>PS 232/2008 (R) 53</b>

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