



No. 27-9/2010-SM-CM (Pt.-II)

Date: 01.04.2010

To,

The Chief General Manager,
All Telecom Circles/ Districts,
BSNL

Subject: - Modification in the criteria of Migration of franchisees under Sales and Distribution Policy

Kindly refer this office letter no. 27-9/2009-S&M-CM (Pt.-II) dated 01.01.2010 regarding Sales and Distribution Policy-2009. In respect of migration criteria of franchisees and look after arrangement of vacant franchisee territories following have been approved by the competent authority.

Migration of existing franchisees needs to be done by 10.04.2010 as per guidelines provided in the Franchisee Sales & Distribution Policy-2009. For migration, performance of the existing franchisee should be assessed based upon their achievement in respect of targets given on following parameters during Dec-09 to Mar-10

1. Gross Adds (SIM activations)
2. Recharge Sales
3. No. of FoS appointed and active
4. No. of retailers billed on sancharsoft

As detailed in the Franchisee Sales & Distribution Policy-2009, franchisees achieving 70% of cumulative target (Dec-09 to Mar-10 for all territories under him) on each of the above parameter will be eligible for migration.

List A (first list of migration): Each circle should prepare a 'List A' based on the migration criteria (70% of cumulative target achievement on various parameters for months Dec-09 to Mar-10) as per guidelines provided in the Franchisee Sales & Distribution Policy-2009. All franchisees meeting the migration criteria should be allowed to migrate in the chosen territory for a period of three years, subject to the provisions mentioned in the Franchisee Sales & Distribution Policy-2009.

Criteria for provisional migration of existing franchisees:

In order to ensure sufficient number of Franchisees beyond 10.04.2010, the competent authority has further approved the following criteria for provisional migration of existing franchisees which must be implemented in all circles.

- a. Each circle should rank all existing franchisee (including franchisees in 'List A') in descending order based on average of cumulative percentage achievement on all parameters (For Dec-09 to Mar-10 for all territories combined). On 'FoS appointed and active' parameter maximum achievement should be taken at 100%. E.g. if a franchisee has achieved 30% of target on 'SIM activations', 40% of target on 'Recharge sales', 50% of target on 'FoS appointed and active' and 20% of target on 'Retailers billed on SancharSoft' then his composite score would be 35% (average of 30%, 40%, 50%, 20%) and will be ranked accordingly. Kindly refer to annexure-A to see detailed sample calculations.

- b. From the above ranked list, each circle should retain top 80% franchisees or the 'List A' franchisees, whichever is higher.
- c. **List B (second list of migration):** From this retained list of franchisees, a 'List B' is to be prepared by excluding all franchisees in 'List A'.
- d. All franchisees in 'List B' should be awarded provisional migration for next 12 months (April 2010 to March 2011). Further extension of franchisee agreements for franchisees in 'List B' for a further period of two years should be done subject to condition that *'Franchisee who is provisionally migrated for 12 months must meet all Performance criteria as per Franchisee Sales & Distribution Policy-2009 (Section N) and must meet cut-off scores on all performance parameters (stipulated in section N of the Franchisee Sales & Distribution Policy-2009) after 12 months on a cumulative basis (April-10 to Mar-11)'*. Any Franchisee who is provisionally migrated (as described above) and who does not meet the above condition should not be given a further extension of two years starting April 2011.
- e. Circles must ensure that franchisee should sign an agreement for provisional migration with the above condition. If any franchisee in the 'List B' does not wish to continue or is not willing to sign the agreement then best franchisee from the bottom 20% can be included into the 'List B'.
- f. Any franchisee who does not figure in either 'List A' or 'List B' shall not be migrated, however as per Telecom circle need in very special cases, CGMs are authorized to relax 80% benchmark upto 95%. And in such cases the provisional migration will be given upto 6 months and on meeting performance criteria a further one year migration may be granted.
- g. All other conditions of the Franchisee Sales & Distribution Policy-2009 shall continue to be applicable for all franchisees, irrespective of how they are migrated as per the criteria given above.

Look-after arrangement for vacant territories

On 10.04.2010, if no franchisee has been selected (through EOI) or migrated for any territory due to:

1. Failure to meet migration criteria by the franchisee who opted for that territory
2. No franchisee could be found eligible during the EOI process
3. The EOI process is not yet finalized in the circle
4. Any other reason

The competent authority has also decided that in these cases following guidelines must be followed to give the look-after arrangement of the territory.

- Priority order 1: Look after arrangement can be made with franchisee who has been **successful** in meeting the migration criteria from the **adjacent** territories (i.e. territories which share boundary with territory in question).

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- Priority order 2: Only if no franchisee is found under 'Priority order 1', look after arrangement can be made with **existing franchisee** of that territory. This option can be chosen only if the existing franchisee has met **at least 25%** of the cumulative target of SIM sales and Recharge sales from Dec-09 to March10. Existing franchisee is defined as the franchisee that controlled the majority portion of the new territory in question before the new territory demarcation was done.
- If there is no franchisee found under 'Priority order 1' and 'Priority order 2' then a franchisee should be chosen based on CGM's discretion and Franchisee's concurrence.

It is also approved by competent authority to temporarily increase the limit of look after arrangement of maximum one territory with a franchisee and for the period of 10.04.2010 to 30.06.2010 one franchisee can look after more than one territory during this period.

The look after arrangement mentioned above will be valid **till a new franchisee is selected** for that territory. Circle must ensure that EoI process and franchisee selection is completed before **30.06.2010** in accordance with the S&D policy.

Note:-

- A. Circles must complete all the calculations and prepare final list not later than 7th April, 2010 ('Sample Calculation Sheet' is attached as enclosed Annexure-A).
- B. Circles should also send soft copy of all calculations along with the final list to the corporate office.

This is issued with the approval of competent authority.

(Upendra Bakolia)
DGM (Sales & Mktg.-CM)

Sample Calculation for Franchisee Migration

S.No.	Franchisee Name	SIM Activations		Recharge Sales (Rs. Cr)		FoS Appointed & Active		Retailers Billed on Sancharsoft		Average performance achievement	Is Part of List A?	Outcome
		Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement			
1	Franchisee 5	2309	1887	29	23	62	61	431	333	87.3%	Yes	Migrated for 3 Years
2	Franchisee 6	2255	1732	17	17	50	50	383	271	82.1%	Yes	Migrated for 3 Years
6	Franchisee 4	1044	1001	26	25	66	62	284	113	81.4%	No	Provisional Migration for 1 Year
3	Franchisee 17	1126	912	14	11	50	45	414	314	76%	Yes	Migrated for 3 Years
4	Franchisee 10	1442	1187	26	21	57	42	226	178	78.9%	Yes	Migrated for 3 Years
5	Franchisee 7	1555	942	10	9	46	36	453	231	70.0%	No	Provisional Migration for 1 Year
7	Franchisee 2	2354	2272	21	17	54	33	423	117	66.6%	No	Provisional Migration for 1 Year
8	Franchisee 1	1243	411	29	27	41	24	541	262	64.5%	No	Provisional Migration for 1 Year
9	Franchisee 13	2055	890	15	10	49	40	235	154	63.9%	No	Provisional Migration for 1 Year
10	Franchisee 19	1146	501	18	16	31	19	556	344	62%	No	Provisional Migration for 1 Year
11	Franchisee 11	2400	1833	13	9	46	44	887	94	63.7%	No	Provisional Migration for 1 Year
12	Franchisee 18	1188	893	27	9	33	28	472	245	61.3%	No	Provisional Migration for 1 Year
13	Franchisee 15	2585	535	17	14	44	32	630	325	56.8%	No	Provisional Migration for 1 Year
14	Franchisee 12	2979	2413	25	6	33	25	564	114	50.2%	No	Provisional Migration for 1 Year
15	Franchisee 22	1081	571	21	13	61	31	527	180	49.9%	No	Provisional Migration for 1 Year
16	Franchisee 9	2419	1750	30	18	70	30	597	98	47.3%	No	Provisional Migration for 1 Year
17	Franchisee 8	1179	637	15	5	38	28	293	79	45.4%	No	Provisional Migration for 1 Year
18	Franchisee 20	1317	668	19	8	40	14	499	348	40.4%	No	Not Migrated
19	Franchisee 3	1538	469	23	5	50	25	346	206	33.4%	No	Not Migrated
20	Franchisee 16	2353	932	12	4	43	14	372	105	33.2%	No	Not Migrated
21	Franchisee 21	2996	1039	27	10	49	15	457	140	29.4%	No	Not Migrated
22	Franchisee 14	2828	453	30	7	37	25	659	71	29.4%	No	Not Migrated

Notes
 80% of all franchisees should be rounded off to nearest integer e.g. in sample calculation 22.80% - 17.6 is rounded off to 18
 Target and achievements are cumulative for Dec-09 to Mar-10, aggregated for all territories held by franchisee