



**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).

## Sales & Marketing-CM

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(A Government Undertaking)

- 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            | 1867          | 29                      | 23            | 62                     | 61            | 431                             | 333           | 87.3%                           | Yes                | Migrated for 3 Years             |
| 2     | Franchisee 6    | 2255            | 1732          | 17                      | 17            | 62                     | 50            | 235                             | 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           | 81.4%                           | 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                     | 34            | 544                             | 265           | 64.3%                           | No                 | Provisional Migration for 1 Year |
| 9     | Franchisee 13   | 2055            | 890           | 15                      | 10            | 49                     | 40            | 235                             | 154           | 64.3%                           | No                 | Provisional Migration for 1 Year |
| 10    | Franchisee 19   | 1146            | 501           | 18                      | 16            | 31                     | 19            | 556                             | 344           | 63.9%                           | No                 | Provisional Migration for 1 Year |
| 11    | Franchisee 11   | 2400            | 1833          | 13                      | 9             | 46                     | 44            | 687                             | 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            | 2473          | 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            | 47.9%                           | No                 | Provisional Migration for 1 Year |
| 17    | Franchisee 8    | 1179            | 657           | 15                      | 5             | 38                     | 28            | 293                             | 79            | 47.3%                           | No                 | Provisional Migration for 1 Year |
| 18    | Franchisee 20   | 1317            | 668           | 19                      | 8             | 40                     | 14            | 499                             | 348           | 45.4%                           | No                 | Provisional Migration for 1 Year |
| 19    | Franchisee 3    | 1538            | 469           | 23                      | 5             | 50                     | 25            | 346                             | 206           | 40.4%                           | No                 | Not Migrated                     |
| 20    | Franchisee 16   | 2353            | 932           | 12                      | 4             | 43                     | 14            | 372                             | 105           | 33.4%                           | No                 | Not Migrated                     |
| 21    | Franchisee 21   | 2996            | 1039          | 27                      | 10            | 49                     | 15            | 457                             | 140           | 33.2%                           | 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 22.60% - 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