**JAIPURIA INSTITUTE OF MANAGEMENT, INDORE**

**PGDM**

**THIRD TRIMESTER (Batch 2021-23)**

**END TERM EXAMINATION, MAY-2022**

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| **Course Name** | **Sales Management and Business Development (SMBD)** | **Course Code** | **40103** |
| **Max. Time** | **2 hours** | **Max. Marks** | **40** |

Instructions: All the questions are compulsory

“It is becoming almost impossible to keep track of product and sales policies of 31 products from six product divisions” said U K Gupta, regional sales manager (industries) of Eastern region of Electrical Products Company Limited. The revised customer oriented organization structure was in operation for over a year, and the sales engineers as well as regional sales managers, handling industrial customers were finding it very difficult to remember technical specifications, pricing and discount policies and customer benefit points. In the revised sales organization structure, all the 31 products of the company were sold by three groups of salespeople- one group serving industrial (private sector) customers, second group selling to dealers who sold company products to small sized customers and the third group of salespersons looked after government customers like State Electricity Boards and Railways.

This customer based organization structure was implemented from the earlier product-division based selling organization on the recommendation of a professor from a management institute, Prof. Satyamurthy “In fact”, said Gupta, “the earlier product based organization was much better, as sales engineers looked after only 5 or 6 products and therefore became experts to give correct advise to customers.” The problem in the earlier organization structure was that some customers were getting irritated with 2 or 3 sales engineers calling on them from different product divisions of the company.

Both type of organization structures were having some merits and a few drawbacks. However, despite these problems faced by sales engineers, the sales and profit performance of all the four regions showed marked improvement. The question was whether other factors, such as general improvements in economy and company’s marketing strategies have contributed to the increased sales and profits or was it due to the change in sales organization structure.

* 1. Was the decision to make a change in the organization right? **(5 Marks)**
  2. Are there any alternative sales organization structures available to the company? **(5Marks)**
  3. If you were the general manager of the Eastern Region to whom U K Gupta reported, how would you respond to his problem? **(5Marks)**

1. Following data is presented to you for 4 salespersons reporting to you.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Rohan | Rishabh | Ritesh | Ranjana |
| Sales Target/Quota | 3,00,000 | 5,50,000 | 4,00,000 | 3,50,000 |
| Actual Sales | 2,75,000 | 6,00,000 | 4,15,000 | 3,65,000 |
| Receivables target/Quota (in days) | 40 | 40 | 40 | 40 |
| Actual Receivables (in days) | 35 | 55 | 45 | 50 |
| New Customers Target /Quota | 10 | 10 | 10 | 10 |
| Number of customers made | 7 | 8 | 10 | 15 |

The weightage assigned to various tasks to be carried out by the salesperson are as follows:

Sales = 0.5; Receivables = 0.3; New Customers = 0.2

What would be your rating for each of the 4 salesperson? (The rating should be based on the calculations done for the data provided.  **(10 Marks)**

1. XYZ organization sells tiles used for construction. The industry sales for tiles is 80,00,00,000 (80 crores). It is estimated that the industry would grow by 5% in the next financial year. Your organization’s market share is 35%. Further your region-wise market share in the country is as follows:

North India (25%); South India (15%); East India (10%); West India (30%); Central India (20%)

* 1. What would be your Sales targets for the next financial year for each region? (Provide detailed calculation) **(5 Marks)**
  2. The sales potential of your salespersons is Rs. 25,00,000 worth of business annually. The salesperson turnover/attrition is 15%. How many salespersons would you deploy in each region? **(5 Marks)**

1. Reliance industries Limited is into varied product categories. Discuss and justify the basis upon which it would be setting sales targets for the sales employees of following businesses: **(5 Marks)**
   1. Reliance Digital (Dealing in electronic products where emphasis needs to be given to new launches having higher profit margins for the company)
   2. Reliance General Insurance
   3. Footwear
   4. Reliance Petroleum
   5. Reliance Textile

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