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| **C:\Users\ADMIN\Desktop\j.png** | **JAIPURIA INSTITUE OF MANAGEMENT, INDORE**  Post Graduate Diploma in Management (Batch 2022-24) |
| **Course Title: Sales Management & Business Development, (Course Code: 40103)**  **End-Term Improvement Examination, Term - III (July, 2023)** | |
| **Time Duration : 2 Hours Total Marks: 40** | |

***General Instructions*:**

1. *Answer the questions as directed. The break-up of the marks is given wherever necessary.*
2. *Marks against each question is indicated to its right.*
3. *Answer all the questions of a ‘Section/Question’ at one place in continuation.*
4. *Answers should be brief and to the point.*
5. *Do not write on the question paper except your roll number.*

**Case**

Ramesh Kulkarni, regional sales manager, western region, of PI Foods was discussing with his area sales managers about the complaints of shortage of supplies by some of the distributors and non-receipts of company's products by C and D class retail outlets. These complaints were received by Ramesh directly from the distributors and the retail outlets. Ramesh expressed his total dissatisfaction that none of the three area sales managers had informed him about these problems earlier. PI Foods' product-mix consisted of baby foods, dairy products like milk powder and ghee, chocolates and confectionery and beverages. For households and individual consumers, the company's distribution channel consisted of distributors and retailers, and for business (or institutional) customers, the company had distributors and its own sales workforce.

Each distributor's salesperson was given a geographic area (or a sales territory) to cover all types (or classes) of retail outlets located in his territory, as per the norms of frequency of visits shown in Table 1.

Table 1: Norms of Frequency of Visits to Retail Outlet Types

|  |  |  |  |
| --- | --- | --- | --- |
| **Type/Class of Outlets (Retailers)** | **Sales Potential (Rs. per month)** | **Number of outlets to visit in a month** | **Frequency of visits per month (Numbers)** |
| D Class | Pan Shop (Less than 1000) | 30 | ? |
| C Class | Small Shop (1000 – 2500) | 30 | ? |
| B Class | Midsize Shop (2500 – 7500) | 70 | ? |
| A Class | Large Size Shop (more than 7500) | 70 | ? |
| Super A | Super Markets, Chain Stores (more than 15000) | 30 | ? |

The time taken for A or 'Super A' retailers was much more and also their sales potential was high. "Hence, the natural behaviour of the salespeople was to achieve the weekly and monthly sales targets by spending more time with super A, A and B Class retailers. Only if the time permitted, they visited C and D class retailers, and therefore, sometimes these retailers were not visited. Ramesh told the area sales managers that he came to know from C and D retailers that the distributors' salespersons did not visit these outlets on a regular basis. He further said that not only it affected the company's sales and leadership position in the market, but also the satisfaction levels of retailers. Ramesh asked the sales managers what were they doing about these problems. The area sales managers responded that regarding irregular visits of distributors' salespersons, they would revert after talking to their sales officers. However, regarding shortage of supplies to the distributors, the main reason was incorrect sales forecasting by distributors, factory production constraints and misallocation of the dispatches from warehouses to distributors due to lack of information on the differences in the estimated the factory production figures. The area sales managers said they needed suggestions to talk to various persons before making any suggestions to solve the problems. Ramesh agreed to give a week’s time to the area sales managers and said he could not give more time, as the issues involved were important and were to be resolved on priority.

Ramesh wanted to evaluate his salespersons performance and he introduced a combination quota for his employees. The data for three employees was before him and he wanted to rate them based on their efficiency (Refer Table 2)

**Table 2**

|  |  |  |  |
| --- | --- | --- | --- |
| Type of Quota | Quota | Actual | Weight |
| **Salesperson Sudhir** | | | |
| Sales Volume (Rs) | 4,50,00,000 | 4,27,50,000 | 4 |
| Selling Expenses (Rs) | 4,50,000 | 4,95,000 | 2 |
| New Customers (Nos) | 24 | 29 | 3 |
| Receivables (Days) | 30 | 45 | 3 |
| **Salesperson Maanav** | | | |
| Sales Volume (Rs) | 4,25,00,000 | 4,46,25,000 | 4 |
| Selling Expenses (Rs) | 4,25,000 | 4,46,250 | 2 |
| New Customers (Nos) | 30 | 24 | 3 |
| Receivables (Days) | 30 | 40 | 3 |
| **Salesperson Maansi** | | | |
| Sales Volume (Rs) | 4,00,00,000 | 3,95,00,000 | 4 |
| Selling Expenses (Rs) | 4,00,000 | 4,45,000 | 2 |
| New Customers (Nos) | 30 | 35 | 3 |
| Receivables (Days) | 30 | 40 | 3 |

**Questions**

**Q1.** If you were the area sales manager what would be your suggested plan of action to resolve the problems. **(5 Marks)**

**Q2.** Discuss the basis on which you would prepare a beat plan for the salesfor**ce (5 Marks)**

**Q3.** You had to visit the stated number of outlets each month mentioned in 3rd column of Table 1. Complete Table 1 and elaborate upon your logic and assumptions for your beat plan.

**(6 Marks)**

**Q4.** State the information which could have helped you to better prepare your beat plan.

**(6 Marks)**

**Q5.** Calculate the efficiency of all the three salespersons and suggest who should be promoted

**(10 Marks)**

**Q6** You are required to design a compensation for the sales force. On what basis would you design the same. Discuss some motivation theories that can be applied in your organization

**(4+4 Marks)**