

**JAIPURIA INSTITUTE OF MANAGEMENTOMA IN MANAGEMENT**

**THIRD TRIMESTER (Batch 2018-20)**

**END TERM EXAMINATIONS**

**SET NO.: 1**

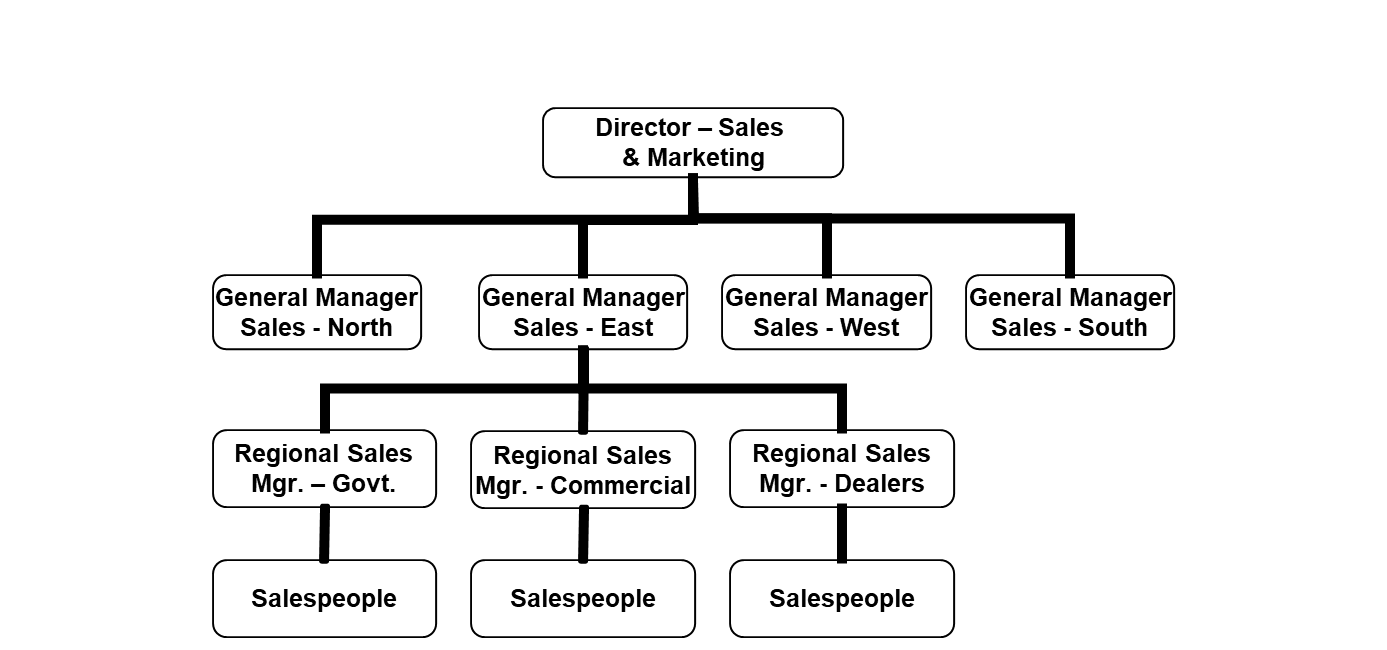
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| Course Name | Sales Management and Business Development (SMBD) | Course Code | MKT301 |
| Max. Time | 2 hours | Max. Marks | 40 |

Instructions: All the questions are compulsory

Q1. While going from local to regional, regional to national and national to transnational level of sales operations, an organization should intelligently leverage on experience in management practices, knowledge and skill, marketing mix, sales strategies, advertising appeals etc. The company needs to mobilize its resources to take opportunities for growth and expansion. With addition in product lines and expansion to different market segments such as Government, Original Equipment Manufacturers (OEMs) and customers in different geographies (both national and International) companies need to continuously monitor and improve their organizational structure.

As the chief executive officer of the company, how would you bring effective changes in organizational structure in order to facilitate continuous expansion of your operations from a micro-level geographical unit to global scale. Develop the optimum organizational structure and justify the structure developed. **(10)**

**ANS:** Students need to develop the organizational structure which would be line and staff structure which is further divided on customer segments, product types and geographies. An indicative structure would be :

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Q2. Following table highlights the annual sales volume of the three sales persons mentioned below:

|  |  |  |
| --- | --- | --- |
| Person/Individual | Sales Quota | Actual Sales |
| Mr. Deepak | 150,000 | 160,000 |
| Mr. Abhay | 190,000 | 160,000 |
| Mr. Suman | 160,000 | 110,000 |

2.1 Calculate each person’s performance index. **(3)**

**ANS:**

**Performance Index= Actual Sales/Sales Quota**

**PI (Deepak)= 160000/150000= 1.066**

**PI (Abhay)= 160000/190000= .842**

**PI (Suman)= 110000/160000= .687**

2.2 Analyse the performance index calculated and discuss your inferences with respect to sales person’s performance **(4)**

**ANS: Deepak is exceeding expectations. He is a good performer. Abhay has achieved 84.2% of the sales targets, while Suman has underperformed and is able to achieve 68.7% of the sales targets. However the students can also discuss the problems/issues related to setting up of quotas.**

Q3. “Our objective is to increase the sales in all the territories in next three months by making aggressive sales calls through improved relationship with customers and better communication with potential customers”

3.1 Does the above Quota statement qualify as a good Quota? Identify the parameters which are missing in the above quota statement? **(4)**

**ANS: The answer should be based on SMART principle of quota setting.**

3.2 Reframe the above quota statement so that it qualifies the parameters of a good quota setting**.(4)**

**ANS: The student should be able to apply the SMART principle while framing the statement for quota**

Q4 CASE STUDY

Tomas Benedict, the chief marketing officer of Faridabad-based Sundram Pipes Ltd, was totally non-plussed to find a remedy of the awkward situation in sales performance of his two trusted and efficient sale officers. He had the long cherished notion that experience positively reinforces performance. So if experience is any indicator of good sale performance, the results shown by two sales officers would speak otherwise. Astonishingly, the performance of the junior sales persons is quite satisfactory. So this is a sharp contradiction of the hypothesized relationship between years of experience in selling and sales performance.

Before going into the details of the problems, let us collect some useful information about the company. The company is in the manufacturing and marketing of PVC plastic pipes of various diameters to serve domestic and industrial sectors. The company has established its reputation in terms of the quality of its products and cost control in manufacturing, and the prices of its products are competitive.

The company has its marketing network in north and eastern regions. In north India, it has its branch office in New Delhi and in eastern region the branch office is located in Kolkata. Each city is treated as a territory.

The company has two pronged distribution channels to reach target customers. One, industrial and institutional customers consisting of automobile industries, hotel industries, block development offices, etc. that are covered by company salespeople and two distributors to cover domestic customers. Sales officers are in charge of dealing with distribution outlets in addition to overall supervision

The company till 2008-09 financial years was running its business in both the sectors- industrial and domestic quite satisfactorily but the sales results of 2009-10 showed somewhat a rosy picture of the industrial sector and a shadowy picture of the domestic front. Tables A and B clearly demonstrate that there is a steady rise in industrial sales and decline in domestic sales

**Table A Industrial Sector**

Sales (in Rupees) 2007-08 2008-09 2009-10

Target 670 750 820

Actual 635 728 800

**Table B Domestic Sector**

Sales (in Rupees) 2007-08 2008-09 2009-10

Target 345 412 456

Actual 336 389 375

The anomaly in sales brewed a storm in Mr Benedict's cup of tea. He felt pride with the sales results in industrial sector where a narrow variance was being maintained between target and actual sales steadily. But what worried him was the widening gap between the target and actual sales in the domestic sector in the year 2009-10. He convened a meeting with the sales officers and salespeople to discuss the problems. He sat separately with the sales officers. What transpired to Mr Benedict was the low motivation level of the sales officers unlike salespeople. The meeting with the salespeople separately furthermore, revealed lack of right leadership from the sales officers. Mr Benedict apparently believed in it. He knew that a post of a senior marketing officer was lying vacant and both the sales officers were aspiring for it. It might be so that ill competition between the two might sap the spirit of both. But he was not sure of it. Therefore, he made a subtle change by reshuffling the allocation of sales tasks and duties with a risk temporarily. He brought in salespeople to look after the domestic sector and sales officers to handle industrial sector.

After six months since April 2009, he reviewed the sales results of the two sectors and to his astonishment, the sales in the industrial sector somewhat declined whereas in the domestic sector, a sign of recovery got noticed. So, Mr Benedict became clear that the problems had its root in the mind games of the two sales officers that had adverse impacts on their motivation levels and consequently on the sales performance.

4.1. If you were Mr Benedict, discuss how would you handle this situation with the sales officers? **(5)**

**ANS: The answer should emphasise on the importance of giving clear sales targets to be achieved in order to be eligible for promotion. How Mr. Benedict can reallocate customer segments and territories needs discussion**

4.2. Given the present scenario, where there is only one post for senior marketing officer, discuss how would you get them motivated to perform? **(5)**

**ANS: The motivation can be worked on by allocating some percentage of points to achievement to team goals and organizational goals rather than just individual performance. Further some rewards can be announced on achievement of targets. The criteria for being promoted to next level needs to be clearly stated so that the officers are motivated to achieve targets to fulfil the eligibility criteria.**

4.3. Analyze the situation and come up with the reasons for success of salespeople despite poor leadership qualities of sales officers? **(5)**

**ANS: Sales people are always communicated their targets and their growth is dependent on the achievements of targets. Further salespeople are always under pressure from sales officers to perform. Therefore irrespective of the change in customer segment, the performance of salespersons was good. Also since the number of sales persons is more than sales officers, therefore there is stiff competition to perform for being rated highly during performance appraisal.**

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