

JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA**PGDM/ PGDM (SM)/ PGDM (M);****FOURTH TRIMESTER (Batch 2019-21)****END TERM EXAMINATIONS, OCTOBER 2020****SET - 1**

Course Name	Sales Management & Business Development	Course Code	MKT 404
Max. Time	2 hours	Max. Marks	40 MM

INSTRUCTIONS: Read both the cases and answer all the Questions.**Q1: Read the following case carefully and answer the questions given at the end of the case.****(5+6+9= 20 Marks)**

Immunity has become a popular catchphrase during the Covid-19 crisis and maintaining the body's defense through food and herbal concoctions or even serious lifestyle changes is the number one priority among Indians these days. The Covid-19 pandemic has made us realise the importance of eating healthy and immunity boosting food. The consumption of immunity boosting foods has shot up by 20-40 per cent, demand for such products has increased six-fold, particularly for vitamin C and Ayurvedic home remedies. The 'GrandMa Secrets', is a mid-size company in food and beverage industry with specialty in ready-to-cook home recipe and traditional spices. It has recently launched its specially curated herbal-health category homemade products that are 100% natural and organic products rich with vitamins and minerals and made with age-old recipes besides the existing home-made traditional spices which were shared from generation to generation. The company has a wide range of 50 products to choose from which includes ethnic spices to Chyawanprash to specialty teas to Organic Health Flour and festive gift hampers. It presently caters to Northern and Eastern part of India but wishes to expand next year to pan- India and plans to reach to NRIs settled abroad in coming years. The company has specially curated Chyawanprash named "Pro-Immune", which provides that much-needed extra boost to immune system. The brand Pro- Immune, a natural immunity booster made from Amla, Tulsi, Haldi and honey, is diabetic friendly and filled with Vitamin C, antioxidants and helps in digestion. It also has a variant, "Elder Immune" that can be used by diabetic individuals as it does not contain sugar. The new range variant has a blend of over sixty herbs and spices which include Amla, Ashwagandha, Giloy, Bhrami, Neem, Shatavari and is an ancient remedy to boost the immunity. They also have specially formulated gluten and sugar-free tea, Fresh-me Chai which is made with all-natural ginger, tulsi, elaichi, clove and Amaranth, for the tea lovers, that not only rejuvenates the body but also helps build immunity. The current range of products is quite diverse and will cater to all age groups. With the surge in demand for health food, the company is witnessing a bright demand for a plethora of products from spices to chyawanprash to herbal tea to other food items like health flours, daals, rice and sprouts and soy milk.

The company's NCR regional sales manager, Soumya is a high-performing sales leader who wants to get the new festive season off to a great start. The company sees her a potential zonal sales manager when the company launches in other parts of India. She is an experienced and a successful sales manager who could work in any industry and for any company. She has a reputation of being a performance-driven professional, a very good coach and a people person. She has joined the company since its inception after her post graduate management degree. The company is a mid-sized company that has had some tough years but has turned the corner. It pays its Territory Sales Officers (TSOs) a combination of salary and bonus for achievement of targets. This year the bonus plans have a super bonus portion which accelerates when a TSO is 5% over quota. Soumya wants to get the festive season off to a great start. However, she is frustrated with one of her most tenured TSO. Soumya took over an under-performing region last year after being promoted as RSM and has helped lead the team to be in the top 3 of regions in the northern part of country. Her goal this year is to reach the top of the table and she is quite focused. Her key area of focus is on finding innovative ways to grow the business. She wants her team to develop new business opportunities for lagging product lines within spice range of products as well as make a mark with the new line of herbal health category. As she reviews her team, she finds that one of senior TSOs, Mr. Roy has been with the company for over 8 years and has worked with previous 3 District Sales Managers (DSM). He has been on 2 personal improvement programs (PIP) and has won several sales contests in the last few years. Mr. Roy knows his stuff, he knows his customers and he knows how to get others in the office to do his work. She decided to work with him in Noida territory as lockdown got relaxed. When Soumya worked with Roy in his territory to call major clients, he picked her up at 9:30 am sharp from hotel and dropped her off around 7:30 pm. The day was well planned and Roy seemed to have a good rapport with his major customers. Yet, Soumya wondered whether he worked full days when she is not with him. During the day in between the client calls, Soumya had invested a lot of energy trying to motivate Roy. She gave him positive feedback on his skills, customer service, and business plans. He was asked to prepare his sales plans for the festive season and she even prompted for a positive year-end review as she finished her post call short interview with him that evening itself. Next day, when reviewing Roy's business plan, she found that he had not included any new target customers or innovative approaches for current business and the new health range to drive the district business further. She got frustrated with Roy's lack of initiative and drive. She felt that his sales productivity could be two or three times higher if he'd just put in a little extra effort. Roy is an example of a TSO that has all the talent but lacks consistent effort to be a top performer. The classic talented slacker. She suggested him to revise the sales forecast and mail her the final version by this evening as she returned to main office. Soumya just remembered her mentor's words that we need to remember as managers that it is our primary job to motivate our representatives on field. However, her experience told her that the external motivation is short-lived. It is not necessarily sustained when you are not with your representatives. Another way for her to approach Roy is to encourage him to focus on developing new business for the launching products while retaining the current list for the existing products. Soumya feels that Roy has a high sense of job-security which is making him take things for-granted. She should give Roy a positive reinforcement only when he demonstrates that he is driving new business and initiatives. She knows that though she can continue to invest in Roy's development but will get limited returns for the time she invests. He knows he will have a new manager in time (as she gets promoted as ZSM) and will put most of his effort into outlasting Soumya. With other TSOs, Soumya will achieve a better ROI on her time by investing in them that put out a consistent high level of effort and are self-motivated.

- Analyze Soumya's job. What managerial skills are described in this case and which skill is more important for Soumya to possess? (5 Marks)
- Should Roy be fired from the company? Justify with reasons. If he is not fired, then how should he be motivated to change his attitude towards the job and put in the extra effort required to be a top TSO? Forward your suggestions for motivational tools. (6 Marks)
- 'GrandMa Secrets' is operating in select markets of India in North and East. If it has to enter the national market with the current and product portfolio, what kind of sales organization should it design for proper market coverage. Will the company require a change in structure after it decides to enter the international markets with high population of Non-Resident Indian (NRI) Community? Justify. (9 Marks)

Q2 (A): Following the self-care guidelines and recommendations issued by the Ministry of Ayush as preventive health measures for boosting immunity amidst the coronavirus outbreak, Kwalitiy Foods, has launched its new range of healthy muesli. The brand has taken the initiative of introducing unique muesli with turmeric, honey and ginger among two other launches - crunchy muesli with almonds, raisins and honey and muesli mixed fruit. All three variants have no added refined sugar coupled with the goodness and immunity-boosting capabilities of age-old ingredients and 100 per cent natural contents.

What factors would you take in consideration for forecasting sales of the new range of healthy muesli launched. Justify. Also, what method of forecasting would you suggest to the company, rationalizing the robustness of your model? (10 marks)

Q2 (B): "Why is your performance disappointing"? asked Vijay Dhawan (District Sales Manager), to Ashok (TSO) after looking at the computer printout of his district's performance. The four territories are by and large similar in market potential and competition. Vijay, therefore, had set monthly quotas for the four territories by dividing the district quotas equally to the four territories as follows:

Monthly Performance analysis (Dec, 2005): District Mirzapur

Performance Criteria(Rs.)	Quota	Alok	Suresh	Ashok	Pradeep
Net sales product 'A'(Rs.)	2,00,000	2,10,000	2,05,000	1,58,000	1,95,000
Net Sales product 'B'(Rs.)	3,00,000	3,20,000	3,01,000	2,78,000	3,10,000
Net sales total	5,00,000	5,30,000	5,06,000	4,36,000	5,05,000
Number of new customers	2	3	2	1	2
Number of calls	140	170	150	125	145
Sales expenses(Rs.)	5000	5300	5100	4800	4900

Analyze Vijay's district performance and write your observations. What actions you suggest to Vijay to make the situation better? (10 marks)

Approved by:

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REAPPEAR EXAMINATION, NOVEMBER 2020 SET - 2

Course Name	Sales Management & Business Development	Course Code	MKT 404
Max. Time	2 hours	Max. Marks	40 MM

INSTRUCTIONS: Read both the cases and answer all the Questions.

Q1: Read the following sales situation “Showroom Story” carefully and answer the questions given at the end. (10+10= 20 Marks)

Sales Situation 1

A man and wife of about 50 years of age come into medium price automobile salesroom

Man: Saw that convertible in the window

Salesman: Yes, isn't that a beauty? It really catches people's eyes as they go past.

Man: Of course, we wouldn't want anything quite that flashy; I'd feel a little foolish. But it does remind me of a car I had once. Only then....

Wife: A little too daring for us. That's more the kind of thing that our 22-year old boy would want. He likes the sun and the air and well....

Salesman: I know how you feel. Inappropriate. Now, take a look at this conservative 2-door.....

Wife: But I don't like that upholstery. It's so drab.

Salesman: Madam, this is the finest nylon-plastic, guaranteed to outwear iron; all the cars are coming with it this year. Why, only yesterday, Mrs. Jones came in and...

Man: What would my trade in be on this one- more than on the convertible, I guess, not to mention the wear and tear every time you put that top up and down.

Salesman: Don't worry, we give you what your old car is worth, no matter what you buy. Actually, this one would run you a little less, net. This is a real buy for dependable

transportation.... (The salesman goes on talking about the ruggedness and horse power of the car; economical gas mileage; future trade-in value, and so forth....)

Man: Of course, with my present car I can still....

Salesman: Let me call the appraiser, and while he's looking at your car -- it's a 1967 model, isn't it ?

Man: No, a 1968.

Salesman: Well, those old ones all look a little alike, I think..... Particularly when compared with the 1991. See, how it.....

Wife: John, I think we'd better be getting along. I've got to get dinner started.

Man: Haven't you got any of the new economical compacts'?

Salesman: Why yes, let me show you.....

Man: No, don't bother now. We can't really afford a new car this year. We'll be back again later.

Sales Situation 2

Next week or so, same man and woman are in another salesroom - this time, foreign cars

Man: What do you call that little midget, in the window?

Salesman: That's a Bentlinger Bentam, so called because, though it's little, it has a lot of get-up-and go..... Are you interested in a small car, or a foreign car?

Wife: Well, not particularly, but it does look a little unusual, doesn't it?

Man: And I guess it's economical too.

Salesman: Yes, it is economical on gas, and oil, but I think the most attractive feature is, well, the fact that it looks distinguished, different.....

Wife: Our 22 year-old son is more interested in the sporty kind.

Salesman: My, you have a son that old? I'll bet he does a lot of dating, doesn't he?

Man: Too much, much too much, ought to do more studying.

Wife: Now, John.

Salesman: I think I know how you both feel, though my problem-and-pride-is a 18-yearold girl. And I must admit she does like the boys who come for her in a nice-looking car. As a matter of fact, I've learned a lot about cars just from listening to how she feels.

Wife: Does she like these little foreign cars?

Salesman: Oh yes. She says most of the boys have either the conventional, unimaginative cars their families own, or one of those beaten down and souped-up old wrecks and it makes her feel grown-up and important to be called for something like one of these Bentlingers.

Man: You did say it's economical?

Salesman: Oh yes, and not just gas and oil....



The salesman goes on to talk about maintenance, repairs.

Man: But you don't have any model on which you can put the top down, do you?

Salesman: No, the Bentlinger people have found that adds too much expense to the initial price and the maintenance, but they give you the same values with this roof panel, and don't forget how easy this is to park, particularly for the ladies.

Wife: But I don't drive, John, and of course Johnnic, take care of all that....

Salesman: But you do like your men folk to be happy and proud, don't you?

Man: Let's see what the trade-in is on my car.



Salesman: My, you've taken, good care of your car, haven't you? I can see you're the kind of person who takes pride in a good car. Now, you understand, don't you, that I can't give you the big allowance you might get toward a big, conventional car - we don't price up our cars artificially just so we can impress you with a big trade-in.....

Note: 'Trade-in' means a thing given or taken as part payment for something else. An automobile buyer may be able to get a substantial discount for a new car by trading-in his old car.

Questions:

- (a) Analyse both presentations in the light of the two salesmen's insight or lack of insight in persuading the consumer to buy.

- (b) What are the personal qualities for successful selling in the kind of sales situations displayed in this case?

Q2: Read the following case “Karadi Tales” carefully and answer the questions given at the end of the case. (20 Marks)

Karadi tales is one of the leading children’s entertainment and knowledge products selling company in India. It sells compact discs, books and educational materials, including computer games, in the Indian market. The company plans to open a chain of retail stores specializing in creative toys and innovative leading materials for children. The company plans to target the upper middle class and upper class Indians living in metro cities and focus on customer service for competitive advantage. It plans to conduct workshops and seminars for parents and children on such topics as learning with computer programs by parents for children, and conducting craft classes ranging from paper mache to pottery for the kids.

The company plans to cover 10 Indian cities, namely Mumbai, Bangalore, Chennai, New Delhi, Kolkata, Hyderabad, Cochin, Indore, Lucknow and Chandigarh in the coming year. The company is planning to recruit around 300 people and wishes to hire and retain the best talent. The goal is to design a hiring process that will accomplish the ambitious goals of the organization.

The children’s market in which Karadi Tales plans to operate demands service personnel who are very patient and knowledgeable about children, toys and computers. They are expected to be very sociable, engaging and enthusiastic. The top priority for the company is to create a network of excellent customer service. Obtaining the desired result from the new recruits means a major investment in training. The attrition rate in the industry is very high and it is seen that almost every worker recruited by a company toys and books leaves the company in a year’s time. This means that the company may get adequate return on investments it makes on the employee training, if the worker does not leave the organization within a year of joining. One of the important factors for the high turnover rate is the demanding nature of the job in the industry. They are planning to set up sales teams than taking individual salesperson as the unit of performance for the new chain stores. The sales teams will contribute towards improving the quality of the service, identifying and solving any problems in service delivery, and also brain storming new opportunities in the market. This approach of team selling is quite new to the industry and the company expects that this will deliver the desired results.

Analyze the given case. Apply principles of sales force management and (10 marks)

- a) Design and justify sales organization structure for the company
- b) Determine sales target for FY 2021-22.

Q2 (B): Do you agree with the following statements? Why / Why not? Justify. (5+5= 10 marks)

- i. A straight salary plan is often a solace for inefficient people, a straight commission plan paves the way for such parasites to leave the organization.
- ii. Non- financial incentives are for exceptional people and it leads average people to expect nothing beyond the financial compensation.