GL BAJAJ
Institute of Management & Research
Approved by A.I.C.T.E., Ministry of HRD, Govt. of India

Roll No…………

Plot No. 2, Knowledge Park-III, Greater Noida (U.P.) – 201306

# POST GRADUATE DIPLOMA IN MANAGEMENT (2019-21)
## END TERM EXAMINATION (TERM -IV)

| | |
|---|---|
| Subject Name: **Sales & Distribution Management** | Time: **02.30 hrs** |
| Sub. Code: **PGM02** | Max Marks: **60** |

**Note:**
**1. All questions are compulsory in Section A & C. Section A carries 8 questions of 2.5 marks each, Section B carries 5 questions of 04 marks each and Section C carries 1 Case Study of 20 marks.**

## SECTION - A

Attempt all questions. All questions are compulsory. **2.5×08 = 20 Marks**

**Q. 1 (A):** Define and differentiate between in-bound and out-bound logistics management with example.

**Q. 1 (B):** "Handling existing customer's objections is more important than convincing a new customer to buy your product." Discuss about your agreement / disagreement with the statement.

**Q. 1 (C):** Define the concept and importance of sales budgeting in business organizations.

**Q. 1 (D):** Discuss the meaning of ethics in sales business. Why business ethics are important for long term survival in the market?

**Q. 1 (E):** How personal selling is better than mass advertising? Explain with an example.

**Q. 1 (F):** How ERP software can help to improve distribution management? Discuss with relevant example.

**Q. 1 (G):** Spin Selling Technique could to be used as an effective medium of objection handling especially in B2B sales." Comment on the Statement. Give suitable examples to explain and support your arguments.

**Q. 1 (H):** Discuss the importance of relationship marketing in customer satisfaction with an example.

## SECTION - B

Attempt any five out of six questions **04×05 = 20 Marks**

**Q. 2:** As being sales manager of one of the leading FMCG brands, how you will design sales territories and set sales quotas for different sales teams/representatives? Also, what corrective plan of action you will follow, if targets are not achieved by sales teams/representatives?

**Q. 3:** What do you mean by sales force training? Which sales objectives a manager can fulfill with the training to his/her team members? Also, discuss various training methods a manager may use for the training of sales advisors for Health Insurance Policies.

**Q. 4:** Discuss the meaning, objective and techniques of sales forecasting with suitable examples.

**Q. 5:** What do you mean by channel conflict in sales management? How a sales manager can resolve the conflicts arise among different channel partners? Answer the question with one relevant example.

**Q. 6:** What is the meaning of sales force in business management? Discuss various sources of sales force recruitment. Also, define which steps a manager will follow in the selection of sales force team members?

**Q. 7:** How you will define the term warehouse management? Discuss various types, functions and advantages of warehousing.

## SECTION - C

Read the case and answer the questions **10×02 = 20 Marks**

**Q. 8:** Case Study:

## Revamping the Supply Chain - The Ashok Leyland Way

### Introduction

V Ramachandran, (Ramachandran) deputy general manager, Corporate Buying Cell, Ashok Leyland (AL), the Chennai based manufacturer of medium and heavy commercial vehicles was surfing the Internet at midday in his office. A closer look at the screen showed that he had logged on to an auction site. But this auction site was different. Ramachandran was looking for suppliers of some specific tyres in the global market. At a price of $350, five suppliers were interested. He then lowered the price by $5. Now three of them were willing. Ramachandran kept lowering the price, each time by $5. At $325, there was only one response- the seller asked for an hour's time to confirm.

Within one hour, the Czechoslovakian company confirmed it could supply the tyres. Both parties then signed up by e-mail and the deal was struck at $325, saving Ashok Leyland Rs 14,700 per set. Known as reverse auction, this was one of the many ways AL was reducing materials cost, which accounted for nearly 70 per cent of its product cost. For AL, whose business was directly dependent on moving material, goods and people across distances, this had come as a severe blow. AL's supply chain had gone haywire under the recession which had eaten away 17.62 per cent of its revenues in one year forcing the company to helplessly allow inventories to build up. The results were showing on working capital. It had climbed from 33.34% of sales in 1993-94 to 58.81% in 1997-98.

### 'Together We Can'-Beat the Recession

AL did not seem to succumb to the 'uncertainty gloom' that was playing havoc to its business environment. It decided to meet the challenge by re-gearing its systems, be it material order, procurement, material handling, inventory control or production. AL conducted brainstorming sessions inviting ideas on cost cutting. Quality Circle teams were formed for this purpose. Said Thomas T. Abraham, deputy general manager, Corporate Communications, "Our Quality Circle teams were very helpful at this juncture and the worker involvement made it easier to address cost cutting." AL took every employee's ideas into account and figured out a way to keep things going and reduce production without inflicting pain.

The recession saw AL waging a war on wastage and inefficiency. AL took many initiatives ranging from tiering its vendor network to reducing the number of vendors, and consequently, moving to a just-in-time (J-I-T) ordering system, to joint-improvement programmes (JIP), which were essentially exercises in value-engineering undertaken in association with key vendors.

It set up different tier-levels to improve the quality of the suppliers. Tiering formed the basis of the vendor-consolidation drive. Till 1998, Ashok Leyland used to source the 62 components that went into its front-end structure of its trucks and buses, from 16 suppliers. In 2000, one tier-I vendor sourced the products from the other vendors and supplied the assembly to the company. This saved cost and time provided the vendor network was well coordinated with AL's own manufacturing operations. At AL, Vendor Development and Strategic Sourcing were handled by Corporate Materials Department (CMD).

CMD identified the vendors, rated the vendors based on feedback received from Supplier Quality Assurance Cell, send drawings/specifications, called for quotes with detailed breakup of operation-wise costs, and negotiated the price at which the parts would be supplied. In addition to CMD, there were Materials Management Departments (MMDs) for scheduling based on unit production plan.

**Revamping the Supply Chain**

AL seemed to realize that cost cutting would work only if the supply chain was smooth. Thus, in 1999, AL launched Project OSCARS (Optimising Supply Chain and Rationalising Sourcing). OSCARS identified two methods to reduce costs in the inbound supply chain: reduce material costs and through optimum inventory levels reduce the invisible inventory carrying costs.

**Single Window System**

The Strategic Sourcing and Corporate Quality Engineering (CQE) teams jointly formed the single window vendor management agency, bringing with them specialised commercial and technical knowledge. Within the centrally negotiated price and share of business, unit material functions interacted with the approved panel of vendors to "pull" materials in line with their production plans. For the suppliers, this had created a convenient single-point contact with AL, for sharing drawings, for negotiating prices and long-term business volumes, and for assistance and consultancy on quality to management issues.

**Supplier Tiering**

AL pruned its panel of direct suppliers through tiering and system buying. Under tiering, AL dealt directly with tier-one suppliers who, in turn, were supported by tier-two and tier-three suppliers. The benefits of system buying could be illustrated with the example of the tool kits that accompanied every vehicle.

**Oscars II**
After revamping the **inbound supply chain**, AL went out to revamp the **out-bound supply chain**. The revamp of the out-bound supply chain (code named OSCARS II) had the twin objectives of improving customer satisfaction and reducing finished goods inventories, and reaching improved service levels with optimum pipeline inventory levels.

**The Comeback**
In the first half of 1999-2000, AL recorded a net profit of Rs 1.9 crore on sales of Rs 1,092.8 crore, against a Rs 36.7 crore loss for the corresponding period in 1998-99.

**Question**

**Q 8(A):** On the basis of above case, what you think, how Ashok Leyland, which was reeling under the weight of recession, staged a comeback by reengineering its in-bound and out-bound supply chain which resulted in huge cost savings.

**Q8 (B):** How Ashok Leyland has handled the issue of cost management in this case? If you consider yourself as general manager of the company, what plan of action you would recommend for overall cost savings?

**Mapping of Questions with Course Learning Outcome**

| Question Number | CLO |
|---|---|
| Q. 1 (A): | **2** |
| Q. 1 (B): | **4** |
| Q. 1 (C): | **1** |
| Q. 1 (D): | **3** |
| Q. 1 (E): | **2** |
| Q. 1 (F): | **1** |
| Q. 1 (G): | **1** |
| Q. 1 (H): | **3** |
| Q. 2: | **2** |
| Q. 3: | **1** |
| Q. 4: | **3** |
| Q. 5: | **1** |
| Q. 6: | **1** |
| Q. 7: | **2** |
| Q 8(A): | **4** |
| Q8 (B): | **4** |

**Note:** Font: Times New Roman, Font size: 12.