



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

**POST GRADUATE DIPLOMA IN MANAGEMENT (2018-20)
END TERM EXAMINATION (TERM -IV)**

Subject Name: **Sales and Distribution Management**

Time: **02.00 hrs**

Sub. Code: **PGM02**

Max Marks: **50**

Note:

- 1. Writing anything except Roll Number on question paper will be deemed as an act of indulging in unfair means and action shall be taken as per rules.**
- 2. All questions are compulsory in Section A, B & C. Section A carries 5 questions of 2 marks each, Section B carries 2 questions of 10 marks each and Section C carries 2 Case Studies of 10 marks each**

SECTION - A

02×05 = 10 Marks

- Q. 1 (A): Why are samples used as a tool of consumer promotion in Sales lead generation BTL activities? Give examples with advantages.
- Q. 1 (B): How Consultative selling is different from the Retail transaction oriented selling? Give examples.
- Q. 1 (C): Describe briefly the steps involved in logistics for delivery of goods by online grocery company like Grofers or Big Basket?
- Q. 1 (D): What are the sales quotas and why it is important for sales manager to set quota for sales executives?
- Q. 1 (E): What are the methods used to determine the optimum size of sales team and number of sales executive? Explain any one method briefly.

SECTION – B

10×02 = 20 Marks

- Q. 2: What is 'Sales Force Automation (SFA)'? Why is increasing number of companies using the SFA? Give some example of organizations who are offering SFA application solution to Sales Organizations? Also take example of any FMCG company (HUL/P&G/ Patanjali) and explain the advantages of using SFA.
- Q. 3: Suppose you are faced with the following problems as sales manager: 1) Sales executives are not spending the adequate time to develop new customers and 2) Sales executives are selling easy sales and less profitable products more than the more profitable product. Suggest the suitable Target Setting plan and Compensation plan to solve this problem.

SECTION - C

Q. 4: Case Study: Advanced Measuring Devices (AMD)

5×02 = 10 Marks

Mr. RS Gupta(RSG), Head- Sales and Marketing of AMD was in the serious discussion with respect to channels responsibilities and closely working with their channel partners to exploit the exciting marketing opportunities before AMD. Sales and Distribution progress of strategic business unit of AMD is under review. There is unease between sales people and their channel partners. The problem is reached at stage where it requires immediate attention otherwise it would seriously affect the company sales results.

About the company

AMD is an MNC and internationally leading laboratory process and measurement equipment provider covering chemical and biotechnology sectors.

The AMD measurement division manufactures weighing measurement and automation technology for industrial and laboratory applications.

AMD Biotech is a leading provider of cutting edge equipment has two kinds of product: Capital Equipment and Consumables. Consumables have three product categories- filtration, purification and filter papers meant for laboratories and service for the biotechnology and pharma industry.

- Capital equipment is sold to customers either directly or through dealers.
- For consumables, the sale is through dealers to end customers and each product category has a separate distributor who may sell the product directly or through dealer appointed by him.

AMD has production facilities in America, Europe and Asia. It has sales units and agencies in over 100 countries.

Key Customers

The AMD has customers from pharmaceutical, food, chemical, and beverages industries. They have also some customers from research and educational institutions.

Channel Structure and Problems

The key members of the sales and distribution structure are AMD sales team, the distributors and the sealers. For each product category there is one national distributor. Some features of distributor are as follows:

- He has national responsibility and handle 500 stock keeping units(SKU)
- He imports the products directly from the parent company in Germany.
- Order value of the products varies from \$100 to \$1000 each.
- Single distributor is kept to minimize the inventory, avoid payment delay in collection and easy filing for government taxes.

Currently the business from all the national distributors for AMD was below expectations.

Sales and Distribution at AMD

There are certain issues with distributors which are summarized as below:

- Distributors don't keep adequate inventory of the products and its affects the deliveries in process business and in order to keep relationships intact for other businesses of the company, the company has to supply directly to the dealer directly.
- Distributors do not have adequate salespeople to cover their territories.
- At times, local dealer information is not shared by the distributor with AMD sales team.
- Some customers do not like to deal with either the distributor or the dealer and want to do business directly with the company.
- The sales and distribution team is not fully aware of the retailer's sales (Secondary Sales) and do not know how to support retailer's sales if there is no information.

Distributor's Viewpoint

Distributors have their own view point and they wanted company to take note of and take corrective action:

- The AMD sales team does not support the distributor's sales team. Company sales people never visit customers with distributor sales people.
- The company violets the agreements by selling directly to the customers. Wherever the order value is high, the company does direct selling.
- The distributor makes the pre-sale efforts like giving product samples but when the order matures, the company directly sales to customer.
- Product prices are high as compared to other competitor.

Dealer's Viewpoint

The dealer has been appointed by the distributor and has to work closely with him. Dealers also had their own issues which they raised with the company:

- Distributors delay the delivery of the products and it affects the dealer's customer service
- The distributor favors certain dealers at the cost of others.
- The dealer does not get support from either the distributor sales team or the company sales team.
- Dealers find it easier to deal directly with the company than with the distributor.

During review of first 6 months of financial year, Mr. RS Gupta (RSG), Head- Sales and Marketing came across the above issues. He now wants to find a solution to the problems so that company salespeople, the distributors and the dealers work together to achieve the target with good customer services for higher sales performance.

Q4(a). What key channel management issues and channel conflicts is being currently faced by Mr. Gupta in the sales and distribution?

Q4(b). You need to suggest action plan Mr. RS Gupta(RSG), Head- Sales and Marketing of AMD so that he can resolve the channel management issues and conflicts to achieve his sales objectives.

Q. 5: Case Study: Gemni Industrial Systems Ltd

Mr. Kamlesh has joined Gemni Industrial Systems Ltd as a sales manager for Industrial Bearing products and services. This company was recently selected as authorized distributor of British Motors and Compressors Ltd(BMCL) for their motors & compressors. BMCL has philosophy simply stated: "Give the customers what they want, when they want it, and at a price they can afford." As distributor, Gemni Industrial Systems Pvt. Ltd. is required to perform various tasks such as prospecting, promoting, preparing technical offers, negotiating and getting orders, executing orders, collecting payments, giving pre and post sales services and maintaining excellent customers relationship. Gemni Industrial Systems Pvt. Ltd is required to operate in Maharashtra and Gujarat territory.

05×02 = 10 Marks

Q. 5(a): What are your suggestions to Mr. Kamlesh on different lead generation methods to increase the order book for Gemni Industrial Systems Pvt. Ltd. in short period of time?

Q. 5(b): What kind of the sales negotiation strategies Mr. Kamlesh can plan to win for big sales orders for BMCL Ltd.?