Seat No.: _____ Enrolment No._____

GUJARAT TECHNOLOGICAL UNIVERSITY

MBA. Sem-III Regular Examination January 2011

Subject Code: 830103

Subject Name: Sales And Distribution Management

Date: 08 /01 /2011 **Time: 10.30 am – 01.00 pm**

Total Marks: 70

Instructions:

1. **Attempt all questions.**
2. **Make suitable assumptions wherever necessary.**
3. **Figures to the right indicate full marks.**

Q.1 Read the given case and answer the questions. **14**

MARICO'S VIRTUAL OFFICE BEEFS UP DISTRIBUTION NETWORK

Marico is a leading FMCG company with popular brands like Parachute, Saffola and Sweekar under its wing – each occupying leadership positions with significant market share. In the FMCG business, distribution is a key to success. With nine brands to sell across a vast and geographically diverse country like India, Marico's distribution systems needed to be constantly fine-tuned to a perfect pitch. Recognizing this intrinsic business need, Marico has invested substantially in the development of its distribution network and it is acknowledged as being one of the best in the industry.

Marico has 6 factories, a network of 30 depots, 1000 distributors, 100 super stockists and a sales team of 250 direct and 2500 indirect sales people. Its products reach consumers through an intricate network of 16,00,000 retail outlets spread across towns with a population of over 5,000. The constant challenge is to track the movement of products at the distributor and retail levels and ensure that retail store shelves are re-filled as quickly as possible.

LEVERAGING THE 24X7 INTERNET PLATFORM:

In its constant endeavour to keep the distribution system agile, Marico management identified the need to leverage the Internet. Wipro was entrusted with the task of creating a single virtual office on the Internet that could be accessed by Marico's field sales team as well as the distribution partners. To make the entire system work like a virtual office it was required to integrate the company's SAP R/3 system and Dealer Software with the MI-Net portal. This ensured that there was constant flow of data between these systems. The solution was built on a Microsoft ASP platform with back-end integration to SAP R/3, APO (Advance Planning & Optimization) and BIW (Business Intelligence Warehousing). Wipro's 11-member team completed the task of building and integrating the portal over a period of five months. Wipro carried the project through design, development and implementation and continues to support the system.

ACHIEVING DISTRIBUTION EFFICIENCY:

This integrated solution has helped streamline distribution and shorten cycle times by bringing the following functionality online at Marico:

- Capture and analysis of secondary sales data in terms of daily sales and stock availability for every distributor, distributor sales team performance, outlet monitoring, merchandising monitoring, new product performance monitoring etc.
- Capture and analysis of information related to planned orders, primary sales invoicing, dispatch details and claims from SAP.
- Sales force reports

INFORMATION AT THE FINGERTIPS:

The distributor and employee-facing portal (MI-Net) has proved to be a boon in many ways. Marico sales employees can now get useful sales and stock related figures by accessing the portal from wherever they are. Sales and stock levels, targets and achievements can all be tracked easily and effectively through e-mail and SMS alerts.

EXTENDING THE VIRTUAL OFFICE:

The virtual office on the MI-Net site provides Marico's direct sales team with features such as:

1. Employee Self Service modules like loan application, leave application, employee profile etc.
2. Community features like chat, bulletin board, greetings, classifieds, calendar scheduling etc

Wipro and Marico plan to take this successful project further. The plan is to extend the portal beyond distributors and dealers to retail outlets. Down the road the team also plans to wireless-enable the portal so that employees and distributors can use mobile devices to access and update the system. This will take the Marico distribution network several notches higher and give the company the ammunition and agility to checkmate its larger competitors.

Questions:

1. Outline the optimum logistic functions in-line with Marico.
2. Explain the pros and cons of using technology for managing supply chain of FMCG sector. Justify your comments in light of Marico.

Q.2	**(a)**	What are the major reasons of channel conflicts? Explain the techniques of handling channel conflicts.	**07**
	(b)	Explain factors affecting the selection of channel members.	**07**
		OR	
	(b)	"Distribution is an integral part of sales management and it plays a major role in all the tasks performed by sales management." Do you agree? Why?	**07**
Q.3	**(a)**	How does the relative importance of advertising and personal selling vary across the different stages of consumer buying process? Explain.	**07**
	(b)	Critically evaluate qualitative sales forecasting methods.	**07**
		OR	
Q.3	**(a)**	What is a sales budget? Explain the process of setting sales budget.	**07**
	(b)	Define selling and sales management. Narrate essential qualities of a sales person and a sales manager.	**07**
Q.4	**(a)**	"Sales managers ensure proper territorial coverage by efficient routing, scheduling and time management."- Comment and explain each of the three activities.	**07**
	(b)	Why 'Approach' and 'Pre-approach' are essential steps in selling process? Prepare a checklist for 'Pre-approach' and briefly describe approach techniques.	**07**
		OR	
Q.4	**(a)**	Elaborate on methods of sales presentation and their implications.	**07**
	(b)	Explain the types of sales quotas in detail.	**07**
Q.5	**(a)**	"Sales analysis is described as a detailed inspection of a company's sales data and considered as one of the most effective tools for controlling salesforce" – Comment and justify.	**07**
	(b)	Describe various internal and external sources of recruitment utilized by the sales managers.	**07**
		OR	
Q.5	**(a)**	How would you decide training needs of sales people if you are appointed as a Sales Trainer for a consumer durable company? Suggest a systematic plan.	**07**
	(b)	Which are the methods used to determine optimum size of the sales force? Do you think the type of sales organization structure affect sales force size?	**07**

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