

## It's Ultimately The Salesman

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### It's ultimately the salesmen!!

"I shall go to have a coffee" Senthil convinced himself, he was in the mood of relaxing after squeezing his grey cells of the brain to find a solution for a tough problem given to him by a big MNC. At the age of 45, Senthil is a very sensible guy with a lot of brains and humour. He often used to hear others praising him "is that a brain or a supercomputer". Whatever is the business problem given to him, he just follows this: gives a smile first and a solution next. He parked the car outside the coffee shop and walked in. The coffee shop was otherwise empty except for a couple and a frustrated gentleman. He at once recognized the gentleman as Akshay, the young energetic salesman from WPC for Funfest biscuits, who also happens to be his friend. "What's the matter young man" said Senthil, "Oh Senthil it's you, thank god!, I really needed to have someone like you now, to handle the situation". "Really, It's surprising that a strategic guy like you should be worried" said Senthil with a giggle. "I accept that I am a strategic guy. I just take 5 to 10 minutes to close a sale in every retail unit as compared to the older generation salesmen in Funfest who take a lot of time in every retailer unit." boasted Akshay. Senthil was quietly listening with a smile. "But now the months of April, May and June is approaching, and I am all worried", said Akshay.

"Oh! April, May and June; that seems to be a big problem for you, but, er.. what's the problem" said Senthil with a big laugh. Akshay was relaxed by the comment, it seems like Senthil not only knows how to deal with problems, but also with tensed people. Akshay now wanted to share all the problems with Senthil. "April, May and June are the three hectic months in my life at Funfest, because it is in these three months that Funfest cuts down the schemes and discounts that it offers to retailers; the aspect which is considered as the most important

factor for salesman to have Funfest in their shelves. Because of this my strategic decisions are also not working, but to my surprise the older generation salesmen are able to put up a descent show" said Akshay. Senthil was listening to all this with his very own unique smile. Akshay continued "huh, because of this my incentives are cut, my name is spoiled, and also the title 'top salesman of the year' is also at stake. I wish the calendar din't have the three months April, May and June or I even wish that Lord Sun doesn't come around the earth for these three months". For this comment, both Senthil and Akshay burst into laughter. It was so loud that even the couple who were in their own world got alarmed.

"Akshay I can tell you something, You've got the basics wrong .." Senthil was suddenly interrupted by Akshay "what, do you mean to say that I am wrong somewhere?". "relax Akshay I meant to say that Mr. Lord Sun doesn't come around the earth, it's the other way around." Akshay smiled to this comment and he got relaxed. "Actually you are impatient too, anyways can you please tell about the problem in a detailed way, so that it will be easy for me to give a suggestion". Akshay replied "yeah, will it be ok if I give the details about the problem in a written way". "wow, I can't believe that you had that much time to write a report by yourself" replied Senthil. "A month back two M.B.A. students Vijay and Rahul Singh gave me some valuable information. They were actually doing a project with Funfest as a part of their summer project. From the information they gave, I developed a short report. I am a bit strategic and hence I like developing reports with information I gather" said Akshay. "Oh, that's great! Do you have a copy of it now?" asked Senthil. Akshay immediately started searching his carry bag. After couple of minutes of very hasty search he took out a neat report and handed it over to Senthil. By this time Senthil's cellphone was ringing, he picked it up and was talking over the phone, giving out his smile very often; finally he muttered something and kept the phone with a snap sound. "Akshay, I am sorry. I have to leave now, but don't worry, in couple of days I'll get back to you" saying this Senthil left the café

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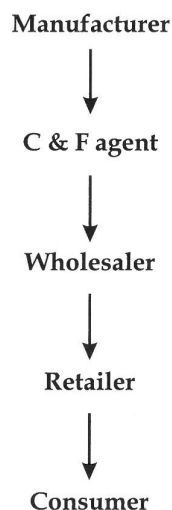
shop.

Akshay was quite relaxed now, he wanted to leave the place. He paid the bill, tipped the waiter and before leaving he just noticed the couple who by now seem to have forgotten the rest of the world, it seems like nothing can come between their relationship, not even April, May and June. Akshay noticed that he was now smiling at his own humorous thought. Akshay thought that Senthil had definitely made a change and he was now eagerly waiting for the 2 days to pass for Senthil's suggestion, more than eagerness, he was impatient.

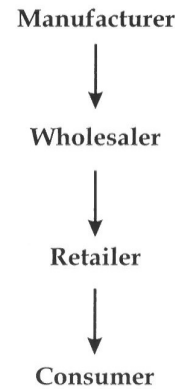
Meanwhile Senthil during his free time glanced through the report. He went through the exhibits in particular.

The report went as follows:

What can one say about Tastemania?! It's simply the best. Tastemania is a very old company . It was started in the late eighteenth century Over the years the company has established itself very strongly in the minds of consumers. Tastemania has a wide variety of biscuits. Tastemania Marie and Tilk Fikis are the most common. There are hardly bakeries and other shops which does not have Tastemania biscuits. Over the years Tastemania has grown on to become a market leader in the biscuits business. Tastemania works through a large distribution network.



WPC forayed into the biscuits business under the brand name 'Funfest' in the year 2003. WPC as such is an established company in India. A shift in momentum occurred as Tastemania faced a strong competition from Funfest. Funfest used the following distribution network.



The different aspects are discussed as follows

1. Area executives from Funfest directly monitor the wholesalers. Retailers say that Funfest are better in delivery. They even replace damaged pieces and expired pieces immediately. But all these credits are only on a comparative basis. For example, the usual norm of WPC goes like this: 'If a salesman takes an order from a retailer on Monday, the goods are to be delivered the next day and bill has to be settled by next Monday.' But goods do not always get delivered the next day. Distance, climate, roads, etc may not be favorable always to meet such a norm. Sometimes the wholesaler goes out of stock. A retailer, Mr.Arumugam from XYZ bakery argues: "When they are unable to deliver the biscuits on time, how can I settle the bill in a week?!" Delivery problems are encountered by most biscuit companies.
2. Recently a survey was done to find out the factors a retailer looks for in purchasing biscuits. These factors can be ranked in the order of priority as follows.

Rank	Factors
1	Schemes & discounts to retailers
2	Offers to consumers
3	Delivery
4	Credit period
5	Gifts & incentives to retailers
6	Relationship building

The survey was done with retailers as respondents. Retailers are very busy during working hours. It was not that easy to complete the survey.

Tastemania is dug deep in the minds of consumers. Consumers are used in seeing only Tastemania biscuits in retail shops. Shelf arrangement and shelf space is crucial in

consumer purchase. It is this area which Funfest targets. If only Funfest can capture the shelf space to a great extent, it will be a big competition to Tastemania.

- 3.) Funfest generally offers the best schemes & discounts to retailers. An example can be shown below.
  - A box contains 72 pieces. Out of 72 pieces, 2 pieces are offered free of cost.
  - For high income retailers who purchase Funfest biscuits in bulk, 3% discount is offered for any biscuit purchased.

In fact survey shows that retailers are very happy with the schemes & discounts offered by Funfest.

- 4.) Now let us consider the offers that Funfest and Tastemania gives to consumers. If Funfest

provides extra free content as offers to consumers, ex: Butter special, 20% free; Tastemania provides gifts like boxes, bags, kites, etc as offers to consumers.

- 5.) Mr.Ramesh, a manager of a medium income bakery says: "Tastemania is the best and it makes retailers happy by offering them gifts & incentives. What about Funfest? Survey shows the following result.
- 6.) To the retailer's happiness Funfest does not strictly follow a one week credit period unlike Tastemania.
- 7.) Sales strategy which I follow (Akshay) is very much according to the survey report. I(Akshay) use the retailer's priority table. I use the various factors ike schemes & discounts, offers to consumers, etc in the order of priority given by retailers to convince them to make the purchase.

Exhibit 1: Satisfaction level in schemes and discounts of Funfest

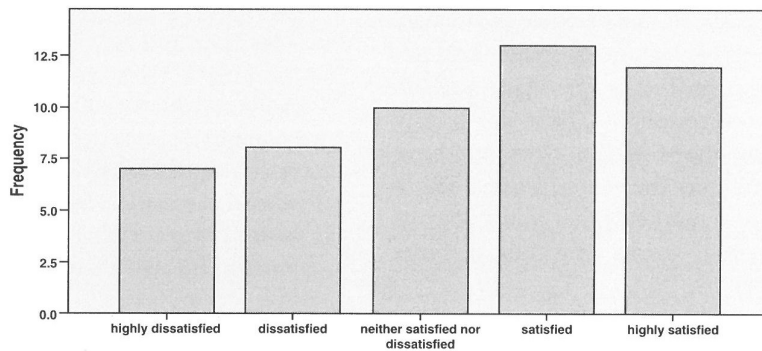


Exhibit 2: Satisfaction level in gifts and incentives of Funfest

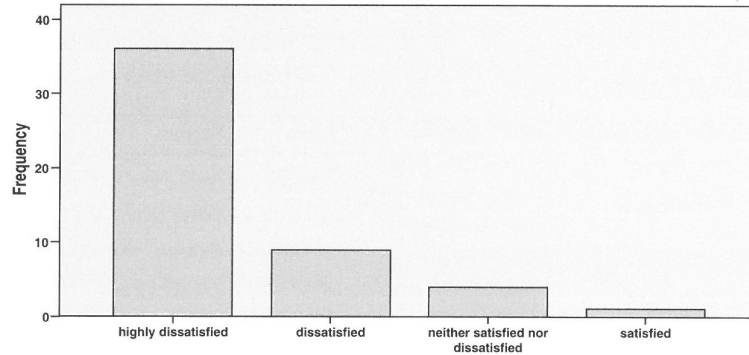
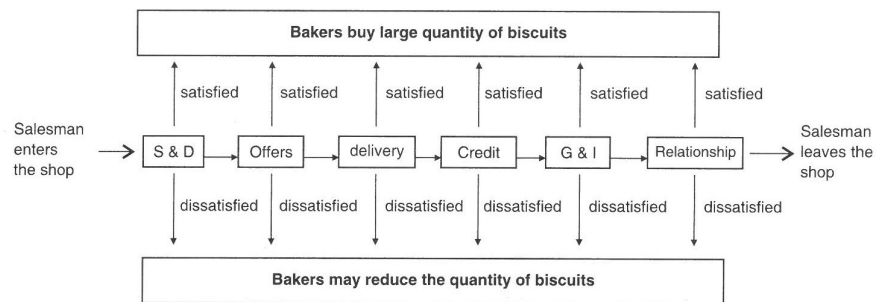


Exhibit 3: Strategical pattern followed by Akshay



In the previous diagram,

S&D – schemes & discounts to retailers

G&I – Gifts & incentives to retailers

Upward arrow – indicates that a retailer is satisfied

Downward arrow – indicates that a retailer is dissatisfied.

The report ended here

It was Sunday, the day that Akshay was anxiously waiting for. Senthil had a nice shower bath that day and went to the coffee shop in a rather relaxed mood. He sat down with the report, across Akshay who was still nervous and desperate to get a solution. They ordered two coffee and were waiting.

“The company will cut down the schemes and discounts during April, May, and June this year also. This is one area where Funfest has a major edge over Tastemania. Retailers always look for schemes and discounts for a better margin”, argued Akshay.

“April, May, June – no good schemes and discounts

Alas! Even if it rains cats and dogs, salesmen should sell.”

As usual Senthil smiled and then said, “ Well Akshay calm down, Lord Sun will not come around earth as you know”. Akshay looked quite confused, he replied “but do you mean to say..”, “Coffee sir” Akshay was interrupted by the waiter. “Drink the coffee first, I will tell you the solution then” said Senthil. Akshay sipped the coffee with a confused mind and was constantly thinking, “what will the suggestion be?”

## Questions

- 1.) How will you approach the case
- 2.) What are your suggestions to Akshay?

## References

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This is a real time case. While working on a project with a biscuit company, a young salesman was observed to face this problem. And the solution was given by a senior salesman. Based on this the case was developed. The company names, names of people mentioned are not original. The exhibits were data collected from the survey as a part of the

project. The case has not been published anywhere.

## Case Solution

### *Problem defined by Akshay:*

- Schemes and discounts is the most important factor a retailer looks for in purchasing biscuits
- Company cuts down schemes and discounts during April, May and June
- Hence he is finding it difficult to meet the sales target

### *Distractions to be avoided:*

- Do not be focused on what WPC offers to retailers or consumers( it is important but it is not the case focus).
- Do not be too focused on what Akshay feels about the problem, simply because he has not defined the problem correctly.

### *Case focus*

- Focus should be on what Akshay can do in the given situation.
- Focus should be on where he has failed or what he has missed.

### *Approach*

- One should understand from the case that Akshay is a salesman for Funfest.
- The distribution network clearly gives a hint of how Funfest is working.
- As Akshay goes to retail shops, it should be understood that Akshay is basically a salesman of Funfest working for a wholesaler.
- Hence Akshay is a salesman working in the lowest part of the distribution chain.
- Akshay may have developed a report based on the input from M.B.A students who did their project for Funfest
- But Akshay being in the bottom part of the distribution chain cannot voice out in such a way that the company will change their strategy.
- The approach is not to see whether Funfest(WPC) has gone wrong, by arguing that factors given are unfavourable, but the approach should be to find out what Akshay has not done in the existing situation that resulted in poor sales during April, May and June last year.

**Alternatives considered:**

Let us consider the six factors that retailers have ranked as influential in the order of priority

- Exhibit 1 shows that most retailers are highly satisfied with the schemes & discounts offered by Funfest. But schemes & discounts will anyway be cut again during April, May and June this year also. Akshay has no control over this factor. Akshay cannot promise better schemes & discounts in future, as this completely lies in the hands of the company. A false promise could result in loss of future business with the retailer. Hence let us go to the next factor.
- Can Akshay sell more by using “ offers to consumers' as a weapon. No, not possible. It is very clear that if Tastemania offers gifts to consumers as offers, Funfest offers extra free content as offer. So a retailer will not mind having Tastemania in their shelf as consumers will anyway buy.
- A lot can be discussed about delivery. But delivery is a must factor. Poor delivery may result in poor sales but good delivery need not necessarily enhance the sales . Akshay cannot use this factor as a weapon to convince the retailer to buy more
- Funfest offering a longer credit period to a retailer seems to be a juicy statement. One should understand that the movement of Funfest is not as fast as Tastemania. Funfest is forced to give longer credit period as it will take time for retailers to sell Funfest biscuits. Hence this factor also cannot be used.
- Exhibit 2 shows that most retailers are highly dissatisfied with the gifts & incentives offered by Funfest to retailers. So Akshay cannot use this factor to convince retailers to purchase more biscuits. And Akshay is not in a position which is high enough to make suggestions to company to offer gifts to retailers
- What happened to relationship building? There is no information in the report to support this factor. Can it be said that the whole problem lies here?!

**Akshay's mistake:**

- Consider the strategic pattern followed by Akshay.
- Akshay enters a shop and convinces the retailers to purchase maximum quantity. He uses the factors exactly in the order as in the survey to convince the retailers.
- But there is one mistake. Relationship building should not come as the last element. Rather relationship should built throughout the process.
- Akshay has been very sincere to the survey.

Key points to be noted in the case:

- “Retailers are very busy during working hours. It was not that easy to complete the survey.” – This shows that the survey may not have been accurate. Relationship building is such an intangible element that retailers may have neglected to notice. But as a sales person relationship building is the key.
- “I just take 5 to 10 minutes to close a sale” as said by Akshay . It is also seen that Akshay is smart but impatient. – Experienced salesmen (older generation) have understood the importance of relationship building. They do not just make sales but spent a few minutes to build relationship with the retailers by discussing things other than just business.

**Solution:**

- If Akshay can develop a relationship with the retailers, and win their loyalty towards him, then during April, May and June Akshay may not face such a huge loss in sales.
- While it is evident that sales will anyway be less when schemes & discounts are cut ( as Tastemania has a better brand name) than the other months, it will not go to the verse if relationship is built.
- In fact relationship is an intangible factor which plays an important role in winning shelf space in retail shops.
- Akshay failed to notice this as it was intangible during the other months. But the impact of relationship building will be felt strongly, when schemes & discounts are cut.
- Build relationships, win customers – sales mantra