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Sales Planning

For Internal Circulation and Academic
Purpose Only

Programme Educational Objectives

- *Our program will create graduates who:*
 - *1. Will be recognized as a creative and an enterprising team leader.*
 - *2. Will be a flexible, adaptable and an ethical individual.*
 - *3. Will have a holistic approach to problem solving in the dynamic business environment.*

Sales and Distribution Management

Course Outcomes

- CO1- Given a situation of Festival, student manager will be able to identify appropriate Sales Forecasting method to be adopted by a company.
- CO2- Given a situation of opening a new outlet, student manager will be able to draft a sales plan.
- CO3- Given a situation of Selling products / services, student manager should be able to explain Personal Selling Process.

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- CO4-Given a criteria of newly launched company, student manager should be able to design an effective Sales Compensation Plan for Sales Executive.
 - CO5-Given a criteria of distribution channel of a company, student manager should be able to outline different levels of Marketing channel used by the company.
 - CO6-Given a situation, student manager should be able to explain the process of Reverse Logistics.

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- Do you do detailed planning before going for vacation? Why?

Sales Planning

- A **sales plan** is a strategy that sets out **sales** targets and tactics for your business, and identifies the steps you will take to meet your targets.
- According to Stanton, “Without sales planning, a company’s sales performance have no objective and have no directions, there can be no orderly procedure in management’s pursuit of its goals.”

Sales Planning

- A plan containing an **assessment of current sales** for a product in a given region or market, a statement of sales objectives, strategies for achieving the stated sales objectives, and resources available for achieving this goal.
- A sales plan may also **assign particular sales representatives or other staff to particular roles or territories**, and may include a breakdown of who will focus improving sales for which product.

Creating a Sales Plan

A sales plan will help you:

- Define a set of **Sales targets** for your business.
- Choose **Sales strategies** that are suited to your target market.
- Identify **Sales tactics** for your sales team.
- Activate, **Motivate** and focus your **Sales team**.
- **Budget** and clarify steps you'll take to achieve your targets.
- **Review your goals** periodically and improve your approaches to sales.

Objectives of Sales Planning

- **Determination of Sales Objectives:** Sales planning gives clear, defined objective to the sales department. These objectives work as basis for defining various policies, procedures, programmes, etc.
- **Dealing with Uncertainties:** It enables the organisation to face uncertainties by incorporating possible changes in the marketing environment in the plan.
- **Reducing Wastage:** It helps the firm to utilize the resources optimally and minimize wastage which ultimately reduces cost.
- **Coordination:** It develops the coordination between different departments like production, purchase, finance, etc.
- **Better control:** A sound planning process needs a continuous monitoring device which will help the management to control its operations timely.

Objectives of Sales Planning

- **Management by Exception:** It helps to segregate the important and routine work.
- **Customer Satisfaction:** While making sales plan, the sales manager studies the consumer behavior. On this basis, the sales manager plans different selling activities for achieving customer satisfaction.
- **SWOT:** A sales plan helps identify the company's strengths, weaknesses, opportunities and threats and selling strategies are designed accordingly.
- **Sales force:** Sales planning set a platform for the sales force who actually has to perform the selling function. It makes their work simple, and easy. They know their targets, policies, strategies to follow, etc. Thus, a plan prepares them mentally for their future work.

Sales planning process

- Bombay Dyeing wants to Increase the Market Share in Tier 2 & Tere 3 Cities.

Sales Planning Process



Sales Planning Process

Analyze the Organization's situation: Planning process starts with the analysis of the situation where the organization exists. It includes the analysis of following aspects:

- **Market:** Potential customers, their profile, attitude, taste, buying patterns.
- **Competitors:** Number of competitors, Their strength and weakness, their advertisement policies, products, their features, market share.
- **Data:** Organization's own data according to the product, market, territory and time.
- **Promotion:** Advertisement budget, strategy, promotional mix, personal selling, sales promotion tactics.
- **Distribution:** Storage facility, transportation, channels of distribution.

Sales Planning Process

- **Setting objectives:** It specifies what is to be done. It highlights the key areas to be emphasized. It spells out targets to be achieved. It provides direction to the sales force.
- **Determining market potential:** The sales manager studies the consumer behaviour, buyer motives to identify any untapped potential in the market.
- **Sales forecasting:** It is a procedure for **calculating the quantity of product** which can be sold into the market with the proper implementation of marketing program.

Sales Planning Process

- **Strategic planning:** It is a process of setting the organization's broad objective, allocating total resources in an efficient manner and outlining wide course of action for achieving the sales target.
- **Prepare detailed plan:** to prepare a detailed plans or sub plans, activities which focus on the overall objective of the organization. Sales manager must identify that the sub plans should be compatible with the market environment and the company strategy.

Sales Planning Process

- **Allocation of resources:** The resources like finance, material, man power, etc. should be allocated timely to the sales force once detailed plan have been developed.
- **Implementation:** Proper implementation of plan is necessary for achieving success. Goals, objectives and strategies should be effectively communicated to the sales force for proper implementation.
- **Sales Control:** A sound planning process needs a continuous monitoring device which will help the management to control its operations duly on time. Regular check process should be implemented to find out any deviations so that remedial actions can be taken.