



Param Pujya Dr. Babasaheb Ambedkar Smarak Samiti's

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# **Sales Planning & Control**


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.

# UNIT II - SALES ORGANIZATION

## Objectives:

- Criteria & Factors of Setting up a sales organization,
- Understanding Personal Selling & its different steps.
- Concept of Sales force – Its Management, Recruitment & Selection, Training, Motivation and their Compensation.
- Understanding Territory Management, Sales Budget & Sales Quota.

Ref. Book - Sales & Distribution Management

**By Panda & Sahadev**

# SALES ORGANIZATION

- A sales organization is a organization of individual either working together for the marketing of products and services manufactured by an enterprise or for product that are procured by the firm for the purpose of reselling.
- A sale organization structural body through which the function of sale management are carried out.

# PRINCIPLES OF SALES ORGANIZATION

- Span of control
- Centralization & Decentralization
- Integration & coordination of function



# FACTOR INFLUENCING SALES ORGANIZATION

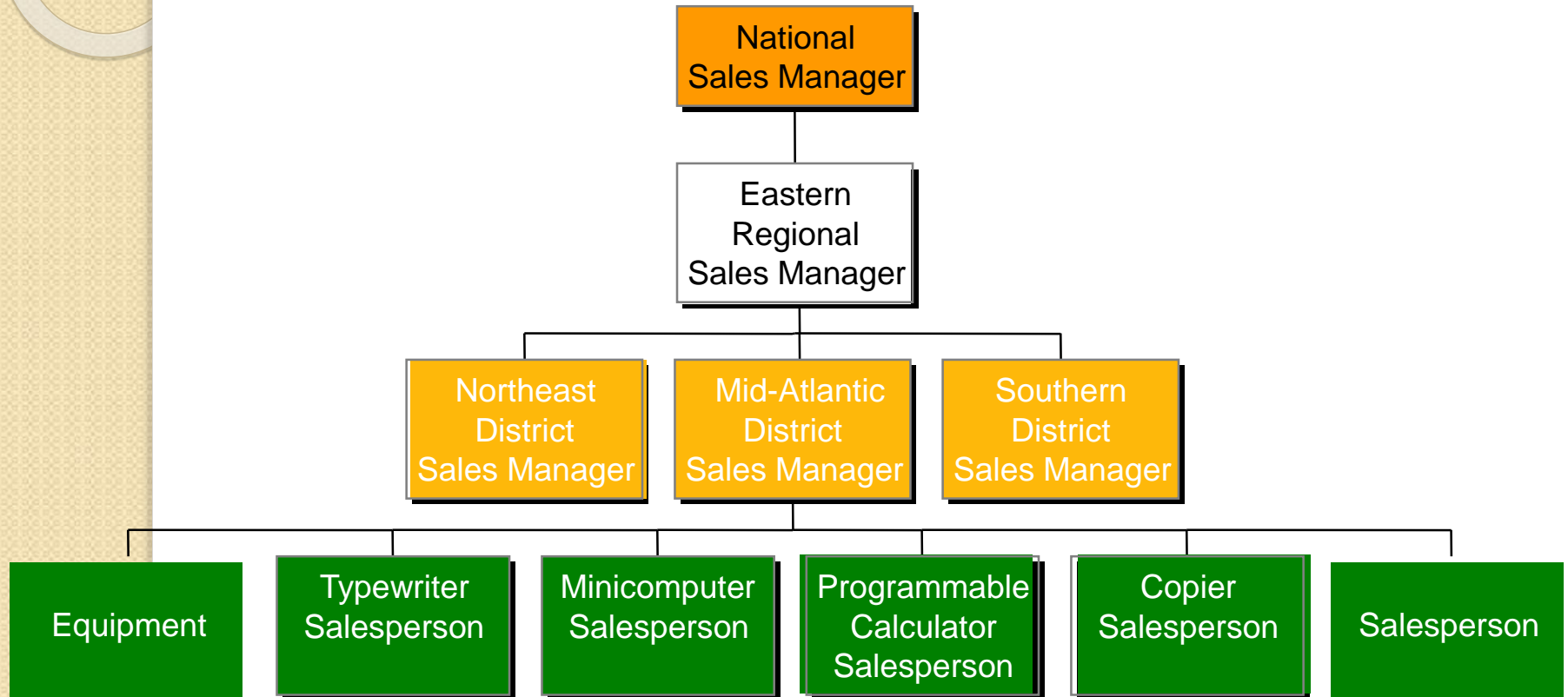
- Product & service related factor
- Organization related factor
- Marketing mix related factor
- External factor



# ORGANIZATION DESIGN

- It refers to the formal in cordination task of assign territories & establishing flows of communication & responsibilities of sales group & individual to serve customer effectively.
- It helps in-
  - Enhancing productivity
  - Reducing conflict
  - Improve an individual quality of work

# PRODUCT ORGANIZATION DESIGN



# PRODUCT ORGANIZATION DESIGN

- **Advantages**

- Allows focusing of sales effort
- Expertise developed in limited number of products

- **Disadvantages**

- More expensive to operate
- May result in duplication of sales calls to clients

# LINE ORGANIZATION

- ❑ Oldest & simplest structure
- ❑ Widely used in smaller firms or firms with small numbers of selling personnels, limited geographical area or narrow product line
- ❑ Chain of command run from top to down
- ❑ All executives exercise line authority & each sales person is responsible to next in the hierarchy
- ❑ No cross communication between persons at same level
- ❑ Greatest use in companies where all sales persons report directly to the chief sales executives

# LINE ORGANIZATION

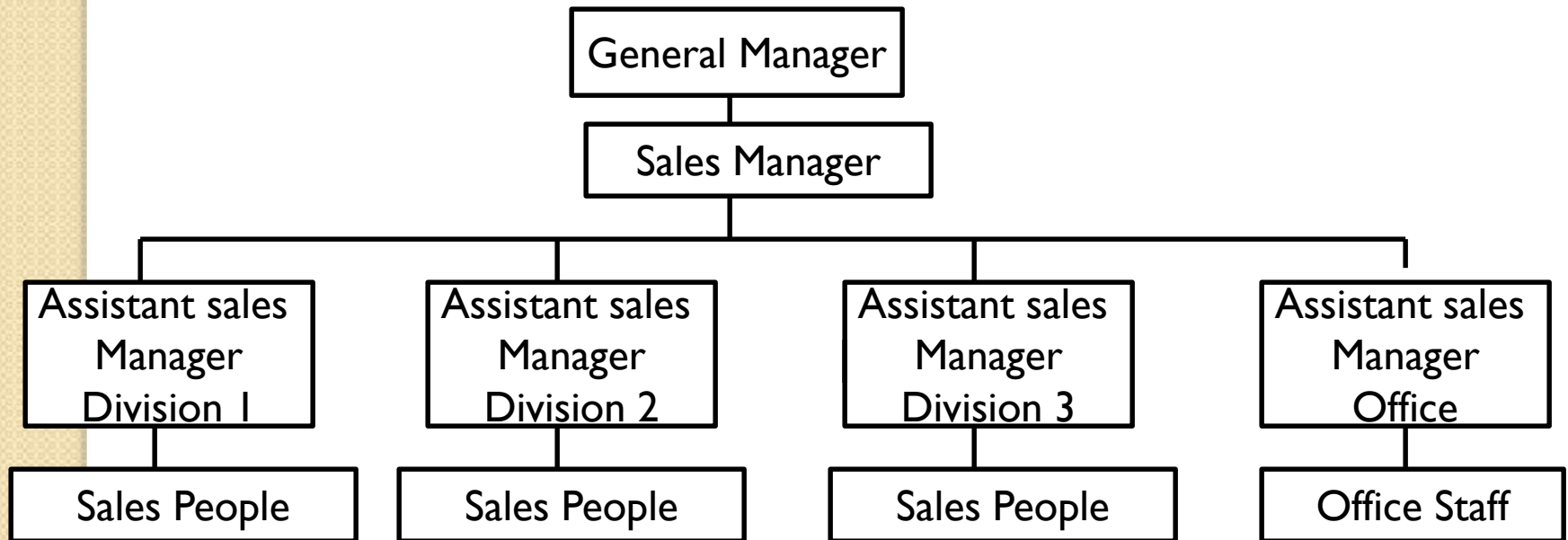
- *Advantages:*

- Problems of discipline & control are small
- Authority & responsibility are clear
- Saves time in making policy changes
- Development of close relationship between superior & subordinate
- Administrative expenses are low

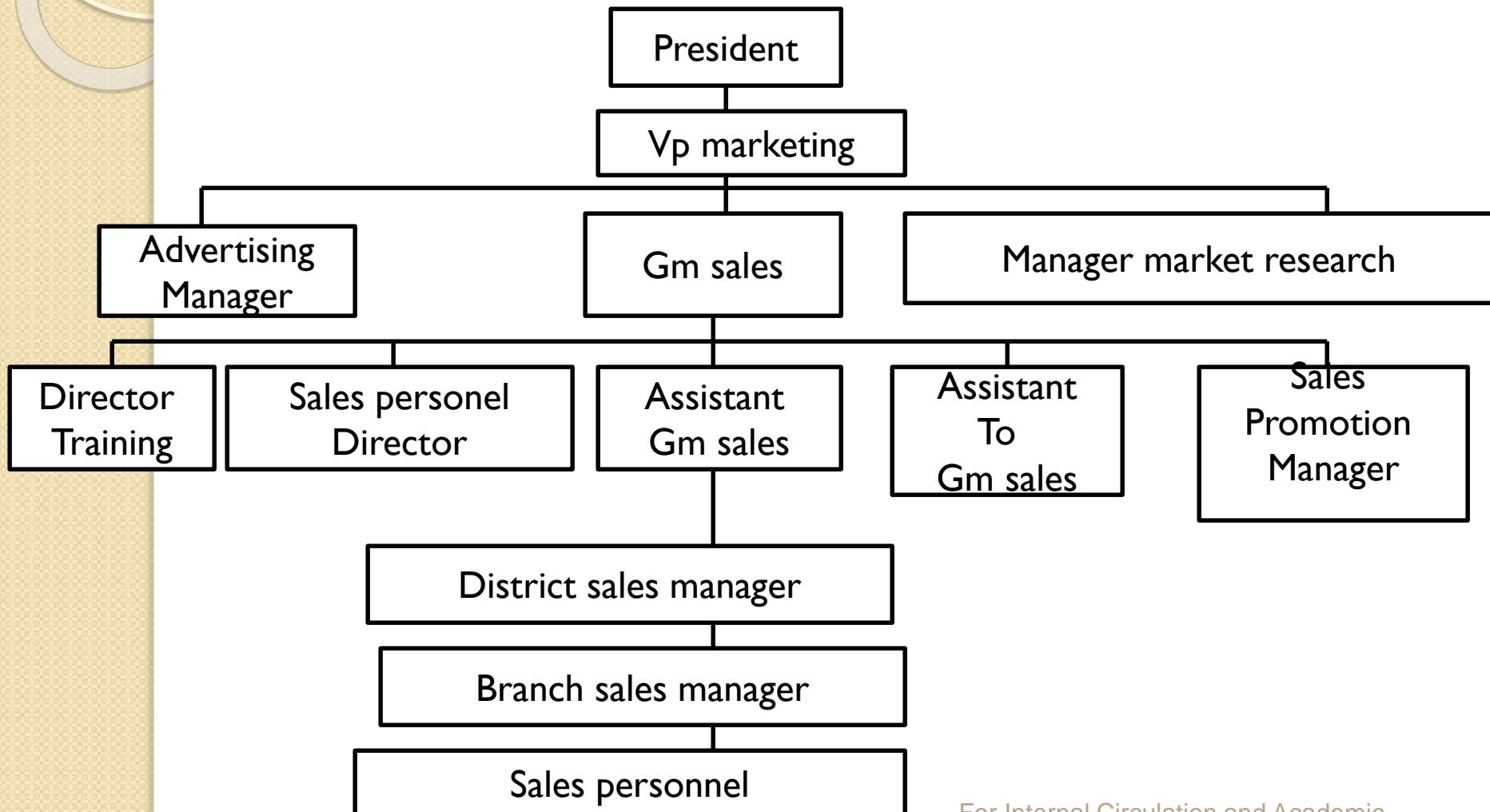
- *Disadvantages*

- Too much dependence on department head
- Insufficient time for policy making & planning
- Inappropriate for rapidly growing firms
- Offers little opportunity to subordinates to acquire management skills

# LINE ORGANIZATION




# LINE & STAFF SALES ORGANIZATION





# FUNCTIONAL SALES ORGANIZATION

- Each individual in an organization should have few distinctive duties as possible
- Principle of specialization is utilized to its fullest extent
- Sales people receive instructions from several executive but at different aspects of their work
  
- *Advantages*
  - Improved performance
  
- *Disadvantages*
  - Not feasible for small & medium sized firms
  - Suitable for large firms with stable operations & with opportunity for considerable division of labour

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- Qu. Outline the various factors influencing the designing of sales organization