

# Sales and distribution

Business



GMSI 409| Sales and Distribution | World Wide Equipment | Kunjalik Balwani  
3/4/2013 | Introduction – World Wide Equipment is UK based multinational in the heating air conditioning and ventilation industry, it has been rated as one of the most innovative companies in the particular sector, and the company majorly deals in B2B, like hospitals shopping malls, hotels. As mentioned above World Wide Equipment is a multinational company so it has one of its branches situated in China and the firm has had an enormous growth in the p of 20 years going from an ordinary US\$6 million to a staggering US\$ 70 million.

World Wide Equipment relished a premium brand image in China and had priced its chillers on a higher note , not only were they selling higher than the local manufactures and the joint venture companies , but 10% higher than their international counterpart. The unique selling point of the products are they are the most energy efficient products amongst all its major competitors both locally and internationally and to its advantage company had a much larger customer base as compared and the reason being that they were early entrant.

World Wide Equipment China was part of the Asia –Pacific area office located in Hong Kong and within China they had three sales offices in mainland china namely Beijing, Shanghai and Guangzhou. Frank Wang the regional sales manager of the Beijing office had received a fax of the half yearly sales performance for the three offices and it was seen that Beijing office ranked third in the list and it was a reason to worry as the Beijing office had always been rated as one of the most consistent out of the three.

The Decision Dilemma - Frank Wang the regional sales manager has a task in front of him, and those are the decisions that he has to come up with in order to put his sales team right on track. Wang has a few immediate and long term issues that have to be addressed. The immediate issue that he has to address is the low sales performance of his employees, the drop in the sales performance was due to losing large tenders on trot and it was just not about losing, it was about coming very close to the deal and losing it out at the last moment, this was somehow tampering the morale of the whole sales team.

Generally there are two options for any team which loose the close calls, either they are motivated to do better or their morale go down like in the case of sales team in World Wide Equipment. If the reports are to be believed, the major cause offailurehas been courtesy Li Weimin. Li Weimen was suggested by Frank Wang's boss Frank Yu and was recommended because of his experience in the textile industry since textile was the genre that the company wanted to venture into.

However the inclusion of Weimen was less on his merits and more because of recommendation, Weimen had more of contacts rather than skills and his inclusion was not much of help as it was witnessed later on, that the inclusion had taken a toll on the overall performance of the sales team, though it would be unfair to blame him all alone, because one individual does not create a sales team, but one individual is enough to spoil a going on deal, which was the case with World Wide Equipment.

Weimen was one of the, major reasons for the failure of two of the most important deals. One of the major decisions that Wang has to make here is

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that what he does with Weimen, who was a recommendation from his boss, what Wang needs to decide here whether he would want Weimen to shift to Guangzhou where actually all recourses can be put to work because of his influence in that region, where as he had no influence in Beijing what so ever.

Since Wang had never got the need of firing any of his sales persons, so he would want to shift Weimen out of the Beijing office, as it had been bothering the rest of the staff as well. So his first major decision is to get Weimen not fired but shift him to the office where he would have been of some use, because losing him could cost the firm potential resources and business in other part of mainland China because the bonus system of the company depended on the overall performance, so that would mean if the influential side of Weimen worked that would also benefit the employees of Beijing.

After solving out the problem above the next issue that has to be addressed is the long term issue, that is of how to get into the Textile industry market and according to Yu, World Wide Equipment does not really have any hold or influence in the market situation, the reason why Textile industry was being target was because it was the new industry that was coming up and that too with a good potential, whereas on the contrary the electronic industry did not have any room for growth. So the task here is to develop a strategy a long term strategy which would actually help them capture the market as soon as possible.

Another Decision that Wang needs to address that too an immediate is related to the Textile industry, whether to train his sales team in the textile industry or hire someone who had knowledge about the industry. Core

Competencies for Textile Industry – The textile industry was considered to be the next big thing in the Chinese market and was a potential market. Wang had estimated that out of the 2000 odd textile firms at least one third were looking out for an up gradation and in order to achieve that certain skills are very important to possess.

It is important for the sales team to build up their Core Competencies which would eventually help them achieve their targets in the new growing textile industry. Since it was noticed that the textile companies were not looking out for expensive chillers, they rather focused on creating better products, so chillers from joint venture companies were preferred over the imported ones, even though knowing the fact that World Wide Equipment chillers were more efficient, people hesitated on paying a 30% premium one time price.

So in order to overcome this situation the sales force team has to develop some skills in order to tackle these circumstances. Knowledge In Textile Industry – the employees need to develop and grasp knowledge about the textile industry, since the industry is growing and the company is targeting a major chunk of it, so a good idea is very important because eventually it is the knowledge about the industry which would help them crack the deals.

Presentation – A good presentation is backed by the fact that first impression is the last impression, so the employees should develop the skill of putting up a good presentation in front of the client. As mentioned in the case study Weimen wore a suit and with that sport shoes, so this kind of impression spoils the firm's image resulting into losing potential clients.

So very important it is to make a good Presentation Negotiation Skills – all the employees were technically very good and did have the knowledge of what they had to with their product and they were the best in their jobs, but one thing that they lacked as the sales people was on their negotiation front, they rarely know how to negotiate a price or even try to put a price according to the orders, so it was important to learn how to negotiate with the client, because a good negotiator can always get a good business to the firm.

Decision Making – Another important skill that the employees need to render to is that of decision making, it is very important for any employee to learn how to be decisive about the deal, as we know the quicker the decision the quicker it is for the deal to go through and as there is more delay in the decisions, there are higher chances of the client to move away. So it is important to know the decision making process.

Quoting Tenders – As we know that in the textile industry there was an important element of quoting tenders, so to develop the skills of quoting tenders, the better the quoting then the competitors the better are the chances of getting the deal through. The above are few of the skills or the Core Competencies that the sales force team has to develop in order to capture the textile industry.

The sales team of World Wide Equipment is not one of the easiest to join, the recruitment procedure of the company has been a very rigorous one and it is a task to get into the job, the sales team of the company has to cover a lot of ground and do a lot of various things in order to continue the selling.

Overall the sales force has been an effective and an efficient one for the company, before entering the textile industry the employees have been efficient with their work, getting continues sales effectively putting them in a consistent second position, but however they were not the most effective sales team as compared to the three offices as, Shanghai as been in top all the years , though one added advantage that it had was of being the first office in Mainland China, but if we notice the sales , year on year Beijing has tried to come close to Shanghai , that means that year on year the performance of the sales team in Beijing has been very consistent, but something more needs to be added in order to beat the leading sales team in Shanghai. So if we overall look at the performance of the sales team, we can say that they are not the most effective out of the three, but they are on their way on becoming the most effective team, a few alterations in their approach or a little amount of prior learning about their future ventures could account for a considerable change in their future performances. Frank Wang was a regional sales manager; joined World Wide Equipment in the year 1995, Wang had been a very impressive sales person and has been a very fast growing employee for the company, after 18 months he was promoted to the senior sales manager and in further 16 months he was promoted to the post of regional sales manager making which made him the first Chinese national to hold a managerial position. Wang was accountable for 1) Creating the region's sales forecast and budget fulfilling that budget 2) Sales engineer recruiting , training and organizational development 3) Sales performance evaluation and coaching ) Daily sales /sales leads management and job assignment 5) Contract negotiation and management of contract execution Looking at the responsibilities of Wang, it can be said that he did <https://assignbuster.com/sales-and-distribution/>

have a lot of task and had to cater to all the different departments in the organization in order to keep the firm fit and fine. Commenting if Wang has been a good sales manager , what we can see in the case study is that he has both pros and cons in his approach to run the Beijing sales team. Wang had created a very effective sales team under him, educating his sales team how to go about their business, It was under his supervision that sales team of Beijing started inching closer to the shanghai sales team. He had helped create two of the promising employees under him Liu Hongyuan and Jiang Li. Wang had another impressive characteristic of being the person who saves the company's money and he was successful in installing this behaviour in his other employees.

When all the other offices would spend money lavishly and bill it on to the company where as Beijing office was a complete contrast of the situation, they would look out for the minimum way possible this feature was instilled by Wang into his employees. Wang what it seemed was a very honest person when it came to recruiting, he would recruit the best out of the lot, his eye for the talent has always been an accurate one. Wang somehow felt that owed his success to Yu that is what made him go against his policy of not recruiting people on the basis of recommendation, but he had to take Weimen in the firm. This somehow showed that he could not stick to his hiring policy and even after repeated failure from Weimen; he could not report his senior to take him off the Beijing office, so yes Wang did have some cons.

Overall Wang was a valuable asset to the firm and he was some or the other way a good regional sales manager and he did create some good business



for the firm, one bad half yearly result does not prove that he was bad manager, he had the rest of the other years of sales to prove that he has been a success in the Beijing office and had cultivated a great sales team a good environment for them and has made them perform consistently. If put under such circumstances what I would have done is that, taken a few measures in order to shake things a little bit and take it uphill from the recent downfall it has gone through, I would have to make some stern decisions in order to put things back to action. Weimen Situation – Instating Weimen had caused somewhat of a headache to the World Wide Equipment Beijing branch and some or the decision had to be made.

If the onus was on me I would go for Weimen's background check and with the contacts and influence that his uncle was a very resourceful individual in the city of Guangzhou, so losing Weimen would mean that losing good business in the city that has always been number three in the list and would be over all bad for the business, so what I would do is shift Weimen to Guangzhou, a city where he would have some influence in the market causing and could bring in a lot of business to the firm and eventually making an overall profit, though still a little bit of training would be required too and a little bit counselling on how to go about the whole situation, but losing him would actually mean that losing somewhat of a potential chance of losing out a chance of enhancing the business in laggard place in like Guangzhou. Textile Industry Entry – The next issue would be of entering the upcoming textile industry and entering the industry in a convincing manner, so what I would do is train the staff in the textile industry or even recruits a

few people who would have expertise. The chunk of the textile industry is quite big to let go off.

Look Into Sales – As the sales have been dipping down, I was a regional sales manager I would actually get into the sales myself and handle the big clients myself and by the senior sales managers who are the cream of the company, because it is the 80 – 20 in every business, which means that 80% of the business comes from the 20% of your clients. Boosting Morale of the Employees – If the onus would be on me I would try and increase the morale of the sales team, because that is a very integral element, without a good morale or state of mind it would not be possible to conduct sales in the best possible manner. In a company it's always the sales team which brings in the money and it is important to have them maintain a healthy morale.