

Sales management project report

[Business](#), [Management](#)



We were tasked with interviewing the sales manager of a firm, in order to analyze the working of their sales department. We chose Atlas Honda as our company for this project and secured an interview with their sales manager, and questioned him in detail about the operational procedures of the sales department of Atlas Honda. This report contains his responses that shed light on the workings of Atlas Honda's sales force, as well as our evaluation of their sales operations.

Selected Company

Atlas Honda is a joint venture between Atlas Group of Pakistan and Honda Motor Company of Japan. We chose Atlas Honda as it is the market leader of motorcycles in Pakistan, and thus conducts hefty sales of motorcycles every month, employing a number of effective sales techniques in order to make new customers and to retain old customers.

When asked why he chose to pursue a career in sales, he expressed his gratification in working to achieve a target of sales against his competitors, the incentives offered for achieving more than the target, and the freedom and travel opportunities that only a sales job could provide. His philosophy regarding his sales career resides in giving a proper product to the customer for the money spent by him, and to create customer lifetime value and build long-term relationships with customers.

Interview

Q1. How do you see the marketplace today-changes and trends? Ans. " In terms of motorbikes, there has not been much of a change in the market in reference to commuter bikes, hence little changes have been made to the

existing CD70 model as it is still used as a simple commuter motorcycle. The CD125 model has received a deluxe edition, giving it a sporty look to appeal to more image conscious segment.

The Pridor was introduced as a 100cc sporty bike, targeted at customers who wanted something in between the existing 70cc and 125cc motorcycles. The most significant change in the market has been the developing interest in sports bikes. To meet this new growing segment in the market, we have launched the Honda CBR150 and Honda CBR500 sports bikes. Atlas Honda closely observes market changes and trends and adjusts its product line accordingly.”

Q2. How do you view the importance of cultural diversity in the marketplace?

Ans. “ Here in Pakistan when we talk about cultural diversity, it is not particularly significant in terms of commuter motorcycles, as customers looking for commuting motorcycles generally have the same needs such as low price and economical fuel consumption, making the difference in culture largely irrelevant. However, diversity in culture has led to a new market of customers who want high-performance sports and are willing to pay more, a market that we have tapped with the launch of the CBR150 and CBR500.”

Q3. How do you define the role of sales support? How important are ethics?

Ans. “ Sales support forms an important part of the sales department here at Atlas Honda. They assist the salespersons by various means, such as market research, lead generation, making travel arrangements, scheduling meetings, sending out sales materials and review and reporting of sales. As

for ethics, we have always believed in serving the customer in the best possible way so as to cultivate long-term relationships.”

Q4. How do you expect sales force to follow a sales process? Ans. “ The sales process followed consists of an initial contact, an approach where needs of the customer is evaluated, followed by a presentation or proposition, finalizing the sale, and lastly follow up. Salespersons are encouraged to close sales using minimum amount of resources and with minimum sales calls.”

Q5. How do you organize the sales force-is it local or centralized? Ans. “ Organization of sales force is localized, that is to say that it is decided upon by the regional sales managers, who assign the number of salespersons to specific areas based in the amount of current and potential customers.”

Q6. How do you select salespersons when positions become vacant? Ans. “ Our Human Resource department is responsible for hiring of new salespersons. They prepare a list of candidates and determine which candidates are most suitable for the position through interviews. Salespersons with prior experience are naturally given preference, however we also take fresh graduates, in which case they undergo a short period of training before starting work.” Q7. How do you train new personnel? Train experienced salespersons?

Ans. “ Our training here is very strong because Atlas Group believes very strongly in development of human resources. The more effort is put into developing our human resources the more the company will grow. We generally avoid hiring people from the top universities. Instead, we take mediocre students who are willing to learn and work hard. In this company

there is much to learn and we provide training for new employees. As for training experienced personnel, every year we send our employees to study at IBA and LUMS.

Additionally, every year one person is selected to study at Harvard University. So training and development is constantly observed here. Here we have SAP system in our computers and for human resource we have HAY system. So every person is evaluated quarterly and then half yearly and then yearly. Then the company goes over their weaknesses and provides relevant training and coaching to overcome their limitations.”

Q8. How do you select and interact with partners? Determine sales force size? Ans. “ We have a system in which we divide Pakistan 7 regions. Every region has a head called Regional Manager. Then above him there is a National Manager. Then there is General Manager Marketing. Then Vice President Marketing. And then there is CEO. Every region has a geographical distribution in which there may be four or five territories according to that area. We make territories under the regions. In every territory under the Regional Managers there is a Head of Sales, a Head of Services and a Head of Parts.” Q9. How do you motivate the sales force? Use monetary and non-monetary incentives?

Perceived success of these actions? Ans. “ There is a monthly target which the salesperson has to achieve and upon achieving that target he gets an annual raise. We use a scale to classify how good a salesperson is at closing sales. If he is close to the target that means its fair. If he achieves his targets that means his is good. If he goes 10% above his target that means he is very good. If he goes beyond that then it means that he is outstanding.

So basically there are four categories on which a salesperson is evaluated for the raise in his salary; fair, good, very good, excellent. Additionally, the advantage for salespeople is that after a year or two there are foreign vacations awarded to them. They may win by achieving the most sales. They are sent to places like Europe, Brazil etc. They get extra money for it in addition to the vacation to enjoy and relax.”

Q10. How do you reimburse the sales force for expenses?

Ans. “ Laws are defined here for the reimbursement of expenses. No one is allowed to interfere whether it may be Vice President or General Manager. The laws defined here are working on two systems. The first is called Management Executive Committee (MEC). Then there is Group Executive Committee (GEC). Only GEC has the right to change laws because only high profile members are allowed in it. So everything is defined.

Every person has a grade wise allowance. Kilometers are standardized. Whether a General Manager uses it or may it be an ordinary sales representative. It is already defined that a particular amount per kilometer would be paid when travelled. If he has to stay overnight then there is hotel allowance. If there is no hotel then there is an independent allowance given to that person. So a healthy amount of incentives are given and they are clearly defined and no one can misuse them.”

Q11. How do you evaluate the sales force? Frequency and methods? Ans. “ As I have mentioned we have got HAY system in which objectives are defined. They are evaluated on quarterly, half yearly and yearly basis. After three months an analysis is done on the objective to check whether that

salesperson is achieving his target or not. We work on a PDCA format which is Plan Do Check Action. We see whether the targets are being achieved or not. If they are, then good.

If not, then we examine targets are not being achieved. What were the problems faced and how can we counter them? This is PDCA. Every person's job is defined. What he has to do, what he doesn't, and his responsibilities. He knows the result that he has to produce after a year. Hence, salespersons are evaluated on their achievement of target sales."

Q12. How do you play a role in forecasting? What methods are utilized? Ans. " For forecasting basically two methods are used. One of them is by using historical growth data. We take the data of last three years, sum it up and forecast the market growth. Then there are assumptions and usage of alpha. Factors like history, assumption and the economy are always studied closely when forecasting."

Q13. How do you contribute to the firm's strategies and annual planning? Ans. " As a sales manager, the forecasts that are generated by my department affect the company's strategies and operations. For example, new strategies may need to be formulated when attempting to penetrate new markets, or when introducing new products into existing markets. Forecasts of sales also affect the company, for example if forecasts show an increase in sales, then more salespersons may need to be hired."

Q14. How do you utilize CRM and practice relationship marketing? Ans. " It has been almost 50 years since people are related to this company. By this you can imagine the worth of the company. Atlas Honda has worked hard to

develop brand loyalty with its customers. We are providing our customers with services throughout Pakistan. There is hardly a single town where you cannot find a Honda service facility. Almost every city has got Honda's sales dealerships. At this very moment there are 650 dealers across Pakistan. Then we have developed the 5S concept as opposed to the 3S concept.

Normally companies provide only 3S that is Sales, Service and Spare parts. But in addition to that we also provide additional Second exchange which means you can trade in your old motorcycle for a new one. Then there is Safety. Then to satisfy the customers we have customer care department. There's a telephonic department which takes care of the customers. We are going to introduce new CRM software next month. If you buy a motorcycle today all your information will be entered. Previous issues will also be displayed in it. You would be greeted by your name upon calling the department and your picture will also be shown."

Q15. How have you successfully managed portfolio of products? Ans. " We currently have 7 models in production. Everything is controlled by the General Manager. We have a very big setup. A very vast one. There are many things under the General Manager which are being monitored by different people. We have a department of product planning. All the pros and cons of all models are discussed there. Then the marketing department is also related to them.

They decide the best way to sell the product. There are no bookish systems here in this company as you study in the university. Many of the books and theories that you have studied, you won't find them here. We have got a very straight system here. There's only one channel of distribution. The

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company makes the product and then gives it to the dealer. There is no such thing as sales dealer or this and that dealer. More than 90% of the planning done here is successful.”

Evaluation

Q1. How effective is this sales manager?

Ans. He is a very effective sales manager. He has effectively organized the sales force in such a way so that no territory is left out. He is vigilant about providing training to employees so that their skills may be developed and they are able to work to their full potential. He is a good leader and actively motivates his sales force to achieve their targets and instructs his sales force to foster long term relationships with their customers.

Q2. Which of his/her activities are reflective of what you learned in class and what activities differ? Ans. He organized his sales force and divided the market into territories in order to use his sales force efficiently. He instructs his sales force to use CRM to better manage and service customers and to retain their information about previous purchases and problems for easy access. He gives great importance to training and developing his salespeople so that they may overcome any weaknesses. And he gives great importance to generating customer relationship value rather than just making a one-time sale to a customer.

Q3. How do they differ and why do they differ?

Ans. There is hardly anything among his activities as sales manager that differs from what we studied in class, as he has organized and developed his sales force very effectively, hardly leaving any room for improvement.