

Chemgrow inc case study analysis essay



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1. What decisions would you make with regard to which is the most productive region, who is the most outstanding sales person, and who are the most valuable customers? The major issue for Mr. John Kee is to decide on the various incentives that include 1. The special bonus plan for the most productive region? 2. A 10-day vacation for the best sales person? 3. A list of the most valuable customers? As per the various exhibits we can decide on the best productive region, sales person and customer. The sales representative and their average percentage is shown in exhibit 6. 3 also lets us know the overall contribution of the best sales representatives. According to the exhibit 6. 2 the gross margin of each product is given, the decision on the best sales representative can be calculated comparing the average of the sales representatives with gross margin for each product.

The best salesperson is by far Dow even though his contribution is limited to one product. Since the gross margin of Ammonia is way higher than the rest, contribution of Dow has exceeded the rest and is the best sales figure among all the sales representatives. The next best sales representative would be Thums contributing again heavily on ammonia and a small amount on Phosphates. Based on Exhibit 6. 4, 6. 5, 6. 6 and 6. 7 we can decide on the best region and customer. The exhibit shows us the various sales figures and customer figures. The best region can be calculated based on the sales figures for the various quarters compared with the past data. The best production region is by far the central region who have done exceedingly well in the past and in 2000.

The total sales in 2000 for central region were 170793 and have exceeded the other regions. The best customer can be calculated based on the past

sales and the sales in 2000. According to the exhibits the best customer is RGC from the central region who have always been a valuable customer with Chemgrow, has accounted to 25721 sales in the year 2000. 2. What computer reports should be generated on a regular basis to assist the managers in their evaluations? The sales analysis report will not only identify the best region, salesperson and customer but also give a sales-related metrics called key performance indicators, for a specified time-period.

Sales analysis reports will provide a record of the past performance and can be used as a tool to predict future business performance. Sales person can use these reports to closely track their performance against sales goals and to plan and prioritize sales activities. This will not only help them to understand their goals but also gives the company a view of all the sales related activities. The various computer reports that would help the managers evaluate performance of the sales representative are top line sales revenue, net sales revenue, sales goals or quotas, performance as a percentage of sales goals, sales profit, sales pipeline and the type of products sold (also called product mix).

This information is often available at an individual sales representative level, a team level and at the department level. Most sales organizations provide sales analysis reporting that is updated daily, weekly, monthly, quarterly and annually. With the use of automation tools, ChemGrow can also leverage “real time” sales analysis reporting. It is mission critical that the data used to create and calculate sales analysis reports is extracted from a trusted source or database. If poor quality data are used, then the sales reports will be

inaccurate. This will cause many immediate and downstream business problems.