Business Data Management
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Lecture 10
Region Wise Revenue and Sales Agent Planning Presentation

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G Venkatesh: This Siva, basically responds to your question on breakdown of the revenue by region, northeast western south, you are trying to compute the total revenue for 19, for that quarter, we have only one quadrant data, so we have done it for that one quarter.

And relating, you have given us the data, and then we have seen how to compute from there, potentially the number of agents. I mean, we did a very simple thing, the absence of any rule, we just put a target for each of the agents in terms of sales, sales targets, and then based on that we computed the number of the agents.

That gave us some agents. Except four agents for the North, four agents for the east, two for the west, and four for the South. For some reason west seems to have lower revenues, you can see that in the next figure also.

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West has lower revenues, considering that what you mentioned Pune, Bombay being one of the clusters. Maybe you can respond to these charts?

Siva Padmanabhan: Yes.

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Siva Padmanabhan: Yes, absolutely. And it is a good analysis where we are looking at regional revenues and the focus, we can see that on those three months of the quarter definitely, it appears like a eastern region is quite high and so it is the northern region.

And this depends on the mix of customers for this company Ace Gears they do a lot of business with some of the OEMs that have big manufacturing persons in the east, like Jamshedpur cluster, and in Uttarakhand in the Pantnagar auto cluster.

That is why you see, somewhat higher, and of course, they do have supply to the south, they do not particularly have a strong customer base in the West, although it is an important sector for auto industry. So that is something they must work on.

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ARCHANA'S CURIOSITY ANSWERED

1. Revenue Receipts of Each Region

Region	Oct-19	Nov-19	Dec-19	Total Revenue
North	62,76,200	6231575	45,57,600	1,70,65,375
East	71,08,150	7176550	34,40,800	1,77,25,500
West	26,90,550	4474400	35,37,500	1,07,02,450
South	66,62,990	7003840	66,41,510	2,03,08,340
Total	2,27,37,890	2,48,86,365	1,81,77,410	6,58,01,665

2. No. of Agents Needed and their Salary

Region	Oct-19 Volumes	Nov-19 Volumes	Dec-19 Volumes	Max	No. of Agents	Agent Salary/Month
North	16,230	16,645	11,815	16,645	4	80,000
East	17,135	17,695	8,295	17,695	4	80,000
West	5,985	9,640	7,485	9,640	2	40,000
South	14,308	16,691	13,907	16,691	4	80,000
Total	53,658	60,671	41,502	60,671	14	2,80,000

How do you calculate, how much revenue did each agent manage in a region on an average.

G Venkatesh: Here we have just simply divided the revenue by some number, target and we have got that 4, 2, 4 and 4. But strictly speaking, when you do planning, one would probably think that we should put more agents west, because that is where you want to increase the sales.

Siva Padmanabhan: Yes, I think this is probably, we could look at a different basis. I think the way that it was first worked out by the teamers they said, look, we will give, we will appoint agents based on the existing sales quantity to make sure the customer services is improved and all that. And I think, for every 4000 units, they wanted to appoint one agent, something like that. That is how the distributions…

G Venkatesh: I think, distribution of agents.

Siva Padmanabhan: The agent is to grow new business, not just take care of existing business, then we should probably focus more on the west where there is a good base for manufacturing, auto industry, and we do not yet have good enough sales. The sales agent should actually be higher.

But as this could be like customer service agents, or just taking care of existing business, like making sure that the shipments are reaching on time and logistic issues are worked out and invoicing assignment properly and collections are handled properly those types of things.

G Venkatesh: In sales, they use the term hunters and farmers.

Siva Padmanabhan: Yes, exactly.
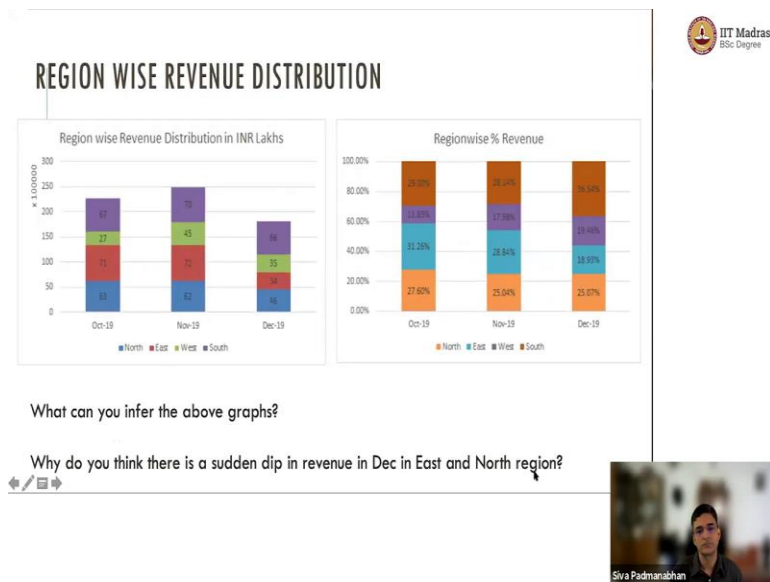
G Venkatesh: This is more like farming. This is like maintenance, maintenance of existing customers. Whereas if you want to hunt or want to find open new customers, then you need to add on top of this some additional agents in the West specifically for hunting.

Siva Padmanabhan: Absolutely, very good insight. And this can be a commendation to the management.

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REGION WISE REVENUE DISTRIBUTION

Region wise Revenue Distribution in INR Lakhs

Regionwise % Revenue

What can you infer the above graphs?

Why do you think there is a sudden dip in revenue in Dec in East and North region?

Milind Gandhe: We also Siva wanted your advice. We did look at this data in two different visual representations. A bar chart side by side or a stacked bar chart and which do you think makes more sense from a management perspective?

Siva Padmanabhan: I like this one that we are seeing right now, the stacked one because it, it is simpler for me to visualize there is not so many bars on the page. And it also gives me the insight into how it is broken down by region. Here you are using fewer objects in the chart, but still representing the same richness of information.

From a visual representation perspective, our goal is always to convey the most insight with the, with the least crowded chart. So, I always look very simply, but convey lots and lots of different insights by looking at a very simple uncluttered kind of a presentation of the data. I like this one versus the other one, which had, I think…

Milind Gandhe: This seems a little cluttered, this does seem a little cluttered.

Siva Padmanabhan: Exactly. In fact, if you see the total is also conveyed with the same, so you do not need a separate line because in this chart, they added the additive of all the four slices is clearly visible, whereas the top of each bar I can just see that versus looking for a line. It is very uncluttered.

Milind Gandhe: I think that is an interesting learning You know, when you are trying to visualize the data, it is important to play around with a couple of formats and try and select a format which is least cluttered but conveys the most information I think, that is a good learning from this slide.

Siva Padmanabhan: Absolutely and sometimes what you will find and what I have found from my experience is sometimes you get into complex topics, there is so much information to be conveyed and, and you may sometimes only get one slide to convey because it is a top management presentation, we have only five minutes.

We can only put in one slide, but you want to convey like, I do not know, five different insights or six different insights that is the science and the art, like how do you create a chart that is uncluttered, it uses very few structures right but at the same time manages to convey all of those insights in that one slide.

That is a very important skill that people in the data and analytics field need to need to pick up as a visual representation of information and how do we excel in that aspect.

G Venkatesh: Siva on the one with the percentages the stack graph with percentages and right one we can see basically that the North region the percentage contribution has been relatively stable Pantnagar cluster auto user

Whereas you see that some things have declared, some things are increased actual percentage wise. Absolute number we do not know I am saying percentage wise. If you look in some sense it looks like there has been some compensation between East and West. Some reduction has happened in the east and that has got compensated by an increase in west, or something like that.

Siva Padmanabhan: Yes, that is true. I think what has happened there is probably some kind of shutdown or labor issue or something in the east, which may have contributed in December to a much lower output there. You see only 18 percent, so it went from 71 to 34, from a quantity sense almost half.

And, in the West it went up, so probably you know maybe, some additional customers in the West may have happened and then some issues in the existing customer base may have happened in the East, which results in reduction of orders.

G Venkatesh: Or they may have prioritized one customer in one month and another customer in another month. Does it happen?

Siva Padmanabhan: Yes, but also remember another thing that is happened during this time is the reduction of BS6, BS4 rather the final, final leap of BS4, so there was a hump if you remember of BS4 components that the East based, probably the customer the one that were trying to pump as many ways as possible. If they need to sell by March, they need to probably need the components in October.

There might have been a rush of orders during that time that then slowed down by December. These are interesting, how these charts can really make us draw the equivalent and what happen in the business and why therefore the charts are showing the numbers are showing. These are excellent ways to prompt such discussions.