INDIAN INSTITUTE OF MANAGEMENT, AHMEDABAD

Managing Customer Value Delivery (MCVD)

PGP-II, (1.25 Units)

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Course Assistance: TBA

Introduction and Objectives:

Ramkumar, the Sales Officer at a leading marketing company, was given a Blackberry 9000 Bold with 3G capabilities, under the new sales automation programme. Ram would be the first among his friends to have a PDA. He was excited about it. He opened the courier pack. The packet had the phone and a letter from President (Sales). It was gratifying for Ram to know that he was among the chosen ones to have received the pack. The letter was stimulating till he reached the third paragraph. The Blackberry came with a clause that Ram would now be handling 20% more clients from next month and his territory and targets have been revised.

The changing business and sales environment have been throwing up many unprecedented challenges. The businesses are focusing on devising strategies focused to discover and deliver and communicate desired values to the customers to achieve organizational objectives. There is sea change in the environment of sales over time: information flow is faster, money flow too is faster, accounts are getting larger, retailers are gaining power, new channels are gaining importance, and sales, distribution and service channels are getting separated. These changes require a new way of managing the sales and distribution function for delivering customer value. The major paradigm shift is being witnessed in terms of considering the sales and distribution function not only as pushing the product through the channel, but enhancing the value delivered to the customers who would buy the product at the point of sale and expect service during buying, using and disposing the offer (product and or service).

This course has been designed to address the issues in Managing Customer Value Delivery (managing the sales and distribution function) keeping in mind the new realities.

The course would prepare the participants to:

a. Understand the role played by the sales and distribution function in delivering customer value and achieving organizational objectives
b. Design and manage a distribution system
c. Design and manage a sales force
d. Understand emerging issues in designing and managing delivery of customer value.

Contents:

The course would include the following topics:

- o Understanding the Value Delivery System
- o Designing the Value Delivery System
- o Managing the Value Delivery Process
- o Strategic Direction for Future

The course content would include cases, readings, industry presentations, and a group project (group of 5-6 participants). The *cases* would cover a variety of business situations, both global and domestic, for understanding the concepts and frameworks as applicable in practice. *Readings* would provide exposure to frameworks for understanding, designing and managing the value delivery system along with the strategic direction for future. Two /three senior *executives from industry* would be invited to share their experiences.

The course material consists of following key resources:

(i)   Course pack of cases and readings from case unit,
(ii)   Books - 1. Sales Management- Jeff Tanner*,* Earl D. Honeycutt*,* Robert C. Erffmeyer –
                Prentice Hall, 2008.
            2. Marketing Channels- Louis W Stern, Adel I. El Ansary, Anne T Coughlan ,
            Erin Anderson -Prentice Hall of India, 7th Edition.

Pedagogy

The pedagogy would consist of in class sessions and a group project. The class sessions would utilize a combination of learning methods: lecture cum discussions, case discussions, presentation cum discussions by participants. Interactions with industry professionals would be included for the live and current direction adopted by companies in various fields. Participants would be encouraged to take up projects, in groups of 5 to 6, from the real world and would be required to share the same in the class.

Guidelines for Assignment:: There would be two group assignments on readings and/ or cases on specific areas of management. Specific assignments would be announced later.

*Guidelines for Group Project***:** Thrust of the group project could be the delivery of customer through dealers (distribution management) or through sales force (sales management) or the value deliver as a whole (sales and distribution management).   The topics may include study of branch/field management problems and/or dealer-distribution management problems. Each project could fall in any of the following categories.

1. A decision area within sales/distribution management across organizations, e.g. dealer selection, dealer evaluation, salesman compensation, sales control etc. This can be within the same industry or across industries.
2. In depth study of a branch in the area of sales and distribution management.
3. Management problems of one or more channel organizations, i.e. study of regional agent, study of reseller behaviour in an industry, etc.
4. A tailor-made study for the specific problem(s) in distribution or sales management from the view point of an organization.
5. Study of international value delivery systems, particularly of Indian organisations.
6. Study of recent events: Direct Marketing, Internet Marketing, Impact of acquisition/merger/restructuring.

The group project in the course would use a combination of secondary and primary data sources. The project would entail a workload of about 30 hours per participant.

Further details may be clarified with the instructors.

Evaluation

Class Participation	:	20%
End Term	:	40%
Project	:	40%

Submissions/Discussions/Presentations:

1. Topic and Group Membership : **07.09.2013**

2. Interim Report (IR) submission : To be decided

3. Discussion on IR : To be decided

4. Presentation and Final Report : **12.10.2013**

Session Schedule

Session No.	Case(C), Reading (R), Suggested Reading (SR),Guidelines for Preparation (GP)

1-2	**Topic: Introduction to the Consumer Value Delivery Process**
	Case: Ingersol Rand (A)
	Readings:
	    1. Chapter 1 : Introduction to Sales Management -(T,H,E)
	    2. Chapter 2 : The Sales Function and Multi-Sales Channels (T,H,E)
	    3. Chapter 1: Marketing Channels-Structure and Functions(C, A, S,E)
	GP:
	    1. Enumerate the challenges before the company
	    2. Draw a plan to harness the opportunities opened by the new product

	Designing the Value Delivery System

3	**Topic: Structural Issues – Assigning Quotas and Territories**
	Case: Nutricia Middle East
	Reading:
	    1. Chapter 11: Setting Goals and Managing the Sales Force's Performance (T,H,E)
	GP:
	    1. Understand the market allocation strategies of the company.
	    2. Suggest the way forward for achieving company's goals with efficiency.

4	**Topic: Structural Issues – Deciding the Channel Design**
	Case: Lubol India Limited (A)
	Readings:
	    1. Chapter 3 : Supply Side Channel Analysis-Channel Flows and Efficiency Analysis (C, A, S, E)
	    2. Chapter 5 : Gap Analysis (C, A, S, E)
	GP:
	    1. Where should the depot be located?
	    2. What should be the structure in terms of number and location of retail outlet?

5–6	**Topic: Managing the Sales Process**
	Case: Eureka Forbes Ltd.
	Reading:
	    1. Chapter 10 : Supervising, Managing, and Leading Salespeople Individually and in Teams (T,H,E)
	GP:
	    1. Should the company change its decision?
	    2. What would you do to ensure that companies do not get trapped?

Session No.	Case(C), Reading (R), Suggested Reading (SR),Guidelines for Preparation (GP)

7	**Topic: Alliance Arrangements with Channel Members**
	Case: Dunkin Donut (E) : 1988 distribution strategies
	Readings:
	  1. Chapter 8 : Strategic Alliances in Distribution (C, A, S, E)
	  2. Chapter 13: Franchising (C, A, S, E)
	GP:
	  1. Suggest arrangement that Dunkin Donut should enter into. Support your choice of arrangement with rationale.

8	**Topic: Selection, Training and Development of Channel Members**
	Case: BMW Project Switch (A): Importers vs. National Sales Companies
	Readings:
	  1. Chapter 2 : Segmentation for Marketing Channel Design(C, A, S,E)
	  2. Chapter 11 : Retailing(C, A, S, E)
	  3. Chapter 12 : Wholesaling (C, A, S, E)
	GP:
	  1. Should the dealership be awarded to the importer's son?
	  2. How would you go about implementing the Project?

9–10	**Topic: Managing Channel Conflicts**
	Case: Gino SA: Distribution Channel Management
	Readings:
	  1. Chapter 6: Channel power: Getting it, using it, Keeping it (C,A,S,E)
	  2. Chapter 7 : Managing Conflict to Increase Channel Coordination (C, A, S, E)
	GP:
	  1. Should the company go direct as OEM by passing the distributors?
	  2. How would you balance the control of the channel members and access
	    and service to customers?

11-12	**Topic: Analyzing Channel Performance**
	Case: Verklar Austria
	Readings :
	  1. An Integrative marketing channel performance measurement framework
	  2. Satisfaction in Marketing Channel
	GP:
	  1. How do you think the channel is performing?
	  2. Analyse the problems being thrown up by the channel?
	  3. How should the company enhance performance of the channel?

Session No.	Case(C), Reading (R), Suggested Reading (SR),Guidelines for Preparation (GP)

13	**Topic: Selection, Training and Development of Sales Team**
	Case: Digital Think – Building a Sales Force
	Readings:
	   1. Chapter 8 : Recruiting and Selecting the Right Salespeople (T,H,E)
	   2. Chapter 9 : Training and Developing the Sales Force (T,H,E)
	
	GP:
	   1. Chalk out a plan for building the sales team?
	   2. Would you hire the candidate?
	   3. How would you ensure high performance levels?

14	**Topic: Analysing Sales Performance**
	Case: Worldwide Equipment (China) Ltd. – A Sales Performance Dilemma
	Readings:
	   1. Chapter 14 : Assessing the Performance of the Sales Force and the People Who Comprise It (T,H,E)
	   2. 2.Chapter 15 : Internal and External Cultural Forces That Affect a Firm's Sales Performance (T,H,E)
	GP:
	   1. How would you enhance the sales performance?
	   2. Develop a system for measuring sales performance.

15	**Topic: Managing Sales Team - Motivating, Organising, Managing Conflict**
	Case: Biomed Co. Ltd. – Designing a New Compensation Plan
	Readings:
	   1. Chapter 12 : Motivating and Rewarding Salespeople (T,H,E)
	
	GP:
	   1. As given in the case.

16	**Topic: Structural Issues: Building a Sales Organisation**
	Case: Spectrum Brands, Inc. – The Sales Force Dilemma
	Readings:
	   1. Chapter 7 : Designing and Organizing the Sales Force (T,H,E)
	
	GP:
	   1. What are the challenges being faced by the company?
	   2. Why is reorganization complex and risky?
	   3. How should the company go ahead with reorganization?

17	**Topic: Integration of Technology**
	Case: General Motors : Building a Digital Loyalty Network
	Reading:
	   1. Chapter 6 : Leveraging Information Technologies (T,H,E)
	   2. Chapter 13: Turning Customer Information into Knowledge (T,H,E)
	   3. Why is My SFA System Failing?
	GP:
	   1. Will the new system help in generating desired value creation
	   2. Suggest the implementation plan to GM

Session No.	Case(C), Reading (R), Suggested Reading (SR),Guidelines for Preparation (GP)
18	**Guest Lecture**
19-20	**Topic: Key Account Management** Case: Becton Dickinson & Co.: Multidivisional Marketing Programs Readings: 1. Chapter 5 : Business-to-Business (B2B) Sales and Customer Relationship Management (T,H,E) GP: Prepare the response of Becton Dickinson & Co to the client
	Strategic Direction for Future
21	**Guest Lecture**

22	**Topic: Capstone**
	Case: Veritas 1999 (A) – Integrating Sales Forces
	Readings:
	    1. Chapter 2: The Sales Function and Multi-Sales Channels(T,H,E)
	    2. Chapter 3: Leadership and the Sales Executive(T,H,E)
	    3. Chapter 15: Internal and External Cultural Forces That Affect a Firm's Sales Performance (T,H,E)
	GP:
	    1. What challenges do M&A throw for sales and distribution?
	    2. Is the suggested plan sustainable?
	    3. What are the major hurdles in implementing the plan? How should the Companies overcome these?

23–24	**Presentations on Project and Course Review**