

Outbound Sales and Inventory Management for an Office Furniture dealer

A Proposal report for the BDM capstone Project

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Declaration Statement

I am working on a Project Titled “**Outbound Sales and Inventory Management for an Office Furniture dealer.**”

I extend my appreciation to **U. Kandavel**, Director of **Ukan Furn**, for providing the necessary resources that enabled me to conduct my project. I hereby assert that the data presented and assessed in this project report is genuine and precise to the utmost extent of my knowledge and capabilities. The data has been gathered through primary sources and carefully analyzed to assure its reliability. Additionally, I affirm that all procedures employed for the purpose of data collection and analysis have been duly explained in this report. The outcomes and inferences derived from the data are an accurate depiction of the findings acquired through thorough analytical procedures. I am dedicated to adhering to the information of academic honesty and integrity, and I am receptive to any additional examination or validation of the data contained in this project report. I understand that the execution of this project is intended for individual completion and is not to be undertaken collectively. I thus affirm that I am not engaged in any form of collaboration with other individuals, and that all the work undertaken has been solely conducted by me. If plagiarism is detected in the report at any stage of the project's completion, I am fully aware and prepared to accept disciplinary measures imposed by the relevant authority. I agree that all the recommendations are business-specific and limited to this project exclusively and cannot be utilized for any other purpose with an IIT Madras tag. I understand that IIT Madras does not endorse this.

Signature of Candidate:



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Date: 03.02.2024

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Executive Summary

Proposed project is for **Ukan Furn**, an office furniture dealer of Featherlite Furniture based out of Coimbatore, Tamil Nadu. Featherlite is a well-known brand in the corporate customer segment; like most of its dealers, Ukan Furn services the needs of its customers who choose to buy Featherlite products. The dealer has traditionally relied solely on customer walk-ins to generate its sales and revenue. Given the increased competition from other brands (resulting in a fall in customer walk-ins), Ukan Furn wants to commence outbound sales and pitch suitable products to prospective customers. Additionally, to improve its profitability, it wants to streamline its inventory management process.

To address the issue systematically, Ukan Furn is seeking insights into the existing customer mix, product mix and revenue mix to optimally dimension the team and manage its inventory.

Proposed plan includes the following:

- i. Analyze historical sales and purchase data using data analytical tools to arrive at meaningful insights to direct the dealer's attention and focus on an optimal customer/ product mix.
- ii. Thereafter, help the dealer acquire profitable customers in a structured manner.
- iii. Analyze installation data and provide inputs to better manage inventory in line with sales.

It is expected that the project will help Ukan Furn identify corporate clients across various product categories and generate business by selling fast moving, high revenue generating office furniture products (in those categories). By putting in place certain key metrics to manage inventory and installations, the firm could improve its overall profitability.

Organization Background

Ukan Furn was established in 2013 as a wholesale dealer for Featherlite office furniture. Over the last 10 years it has evolved into a B2B firm dealing with premium range office furniture and houses a state-of-the-art display center for all Featherlite products. It has its office cum showroom in Coimbatore catering for clients in Coimbatore and Tirupur. It deals extensively in the office Furniture space with a wide range of workstations, ergonomic chairs, executive tables, etc.

The company has successfully delivered its products and services to over 5,000 customers including big corporates, small and medium enterprises in SEZs, Corporate and IT parks. The

company currently gets its orders based on walk-ins and telephonic enquiries only. It has a warehouse to receive the finished products from the factory and a small team to transport and install the furniture to customer premises.

The CEO of the company is Mr. Kandhavel U. Its yearly turnover is approximately ₹10 Crores. It has 25 employees on its rolls.

Problem Statements

I. Unable to increase customer base and have a consistent pipeline of leads.

Ukan Furn's current sales process is only based on inbound calls and enquiries including references. In recent times, it has been noticed that relying on this alone is not helping it to grow sales and is losing sales to competition. It needs some insights from the existing sales data about potential customer segments and product categories to direct its outbound sales team to focus on those that will contribute to overall profitability.

II. Overcome missed sales opportunities and stockouts.

Ukan Furn does not have a process of inventory management. It wants to move away from an ad hoc process which is causing stock outs, delay in installation at customer premises, loss of customers to a more organized method of stocking and tracking inventory.

Background of the Problem

In recent times, Coimbatore city in Tamil Nadu, has been expanding rapidly and many corporate offices are being set up. Corporates are increasingly looking for furniture solutions that cater to adaptable and dynamic work environments. Thus, the market for office furniture is significantly growing.

There are many big players in the office furniture market. The current sales process of the dealer starts through telephonic enquiries, existing customer references and walk-ins. They do not have a sales team to go out and sell their products. This has been the process for the past 10 years.

To cater to the increasing demand and not lose out on new customers to its competitors, Ukan Furn wants to have its outbound sales process in place. The firm has not analyzed its sales to understand what types of customers to focus on; it is seeking input on customer types, products that need to be pushed through its sales team, in line with contribution to overall profitability. This approach

would help the company to expand its customer base and increase its profitability. The analysis will help them to redesign their inventory process to cater to the demands of the new sales team without having to lose customers due to stock outs.

Problem Solving Approach

I. It is proposed to address the above problems by analyzing historical sales data and enable the firm to categorize customers and products that should be pursued under inbound and outbound sales. In line with the revised approach to sales, the inventory management process would be streamlined to meet customer expectations.

II. Data collection and analysis

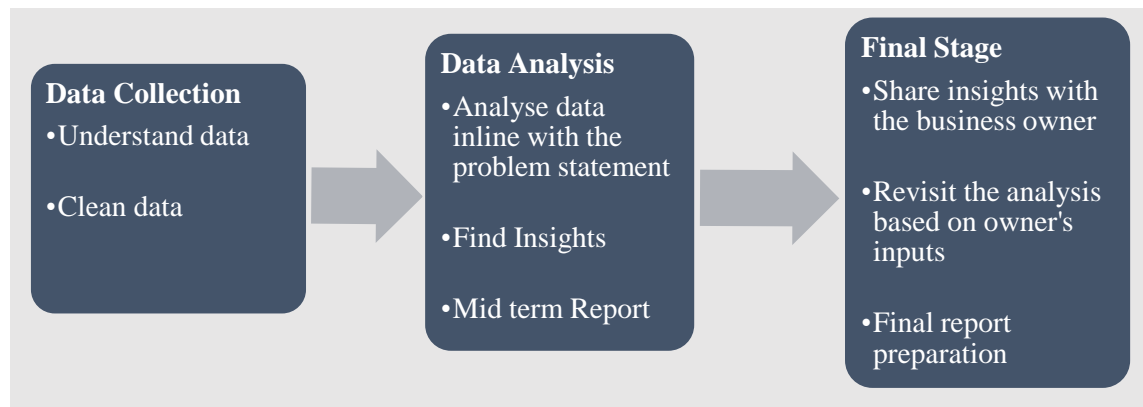
- a) Initial discussion with the dealer indicates that all data collection is happening in an unstructured manner. Such data to be first structured into certain sets before any meaningful analyses can commence.
- b) Analyze Enquiries and Sales datasets to give insights on high value customers, loyal customers, fast moving SKUs, high revenue generating SKUs, enquiries not converted to sales, revenue lost and the reasons behind it.
- c) Details like client's name, customer segment, product sold, type of product, sale and purchase price, dates of enquiry, purchase and installation, reason for non-closure of the order shall be captured.
- d) Arrive at overall revenue generated month wise; lead time taken, identify high value products and help the dealer maintain a stock of fast moving, most revenue generating products in their inventory to prevent stock outs. This will help the dealer get an idea to allocate funds for the same.
- e) Analyze one-year sales data, give inputs on quarter-wise sales trend, seasonality (if any). Check whether any insightful trends emerge for various product / customer types.
- f) Create a feedback form to collect inputs from clients to improve win/loss sales ratio. Provide inputs to the dealer on top reasons for sales loss.

III. Analysis tools

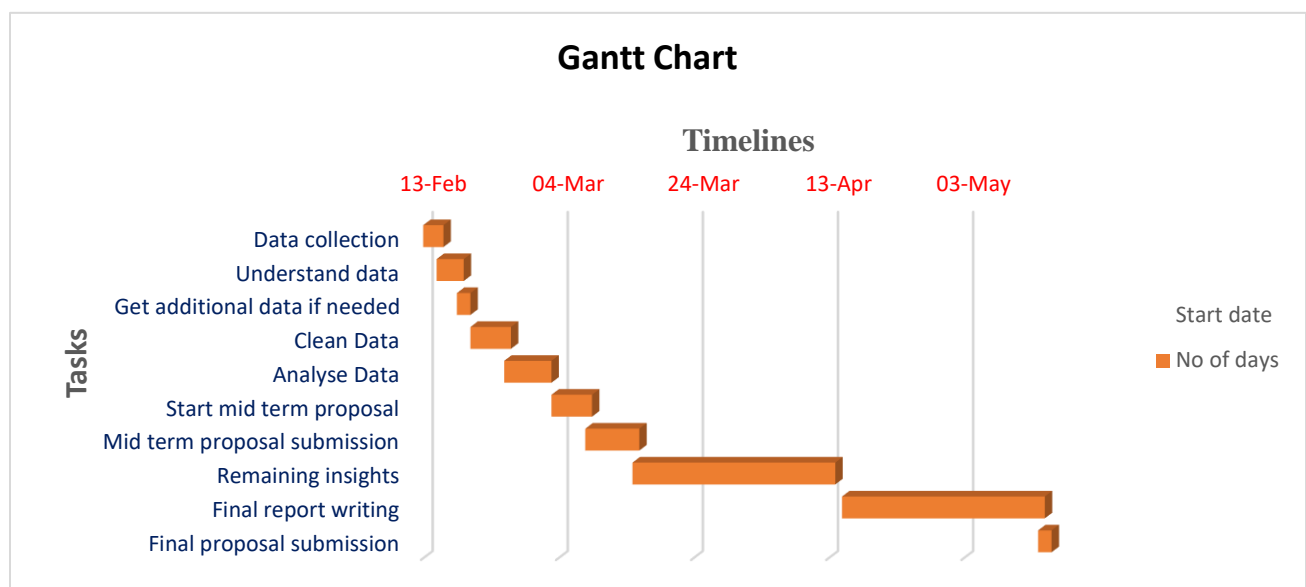
Pivot Table to summarize data based on certain details like customer segment, product category, revenue. Graphs like Scatter Plots, Bubble Charts, Line Graphs to visualize data better.

Expected Timeline

1. Work Break Structure:



2. Gantt Chart:



Expected Outcomes

1. Provide list of customer types for Ukan Furn, highlight fast moving and profitable SKUs.
2. Highlight what type of customers to be qualified for outbound sales and inbound sales.
3. Help the dealer to overcome missed sales opportunities, stockouts.
4. Based on feedback from customers, assist the dealer to make improvements in the overall sales process.