

CASE TWENTY

Shah and Company: New Training Package for Sales Personnel

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Case Objectives

- To understand the importance of good sales training.
- To explore the roles of industrial salespeople.

Case Synopsis

- Shah and Company is one of the leading players in the field of automobiles in India. The company is one of the market leaders in the automobiles spare parts sector and is one of the pioneers in the country's auto components manufacturing industry.
- The company has two divisions: the gears division and the foundry division. The gears division is India's largest manufacturer of complete gear systems for automotive applications while the foundry division is India's largest manufacturer of permanent mold ferrous die-castings. It manufactures grey and ductile iron as well.
- Shah and company has its production units in many parts of India and enjoys 40 per cent market share in the domestic segment, alongside its exports to 25 countries worldwide.

Case Questions and Answers

Question 1

What are the tasks of industrial salespeople such as those employed by Shah and Company? What is the most important task of these salespeople?

- Industrial salespeople had to know the products in the product line inside out, they had to sell their products to their customers, who are mostly automobile manufacturers, and they had to work with suppliers to ensure that they can produce sufficient goods when customers want it.
- The most important task of these salespeople is to sell (order getting and order taking) in order to increase the company's profits by increasing their sales revenue.

- Salespeople must also follow up on their sales and make sure customers are satisfied with the company's products and services. They must coordinate sales support efforts provided by the company in the area of transportation and delivery, installation, technical advice, maintenance and servicing and problem solving when products are not working.

Question 2

Why are the suppliers important in the job of the salespeople? How can the supplier coordinate efficiently with the salespeople?

- To achieve Shah and Company's new vision, a strong supplier base is required, so as to have a "just-in-time" manner of providing products and services to customers at competitive prices. The suppliers need to coordinate well with Shah to ensure that the JIT manner of providing products and services is being carried out.
- The salespeople come into the picture because they can provide inputs regarding Shah's customer requirements in terms of delivery quantity and timing so that the company's JIT production and procurement plans can be meaningful and effective in servicing these customers.
- By improving communication between the supplier and the salespeople, efficient coordination between the supplier and the customers through Shah is possible. The salespeople are an important component in the value chain from suppliers to Shah to the customers.
- Maintenance of good long-term relationships with the suppliers is crucial to achieve JIT production and delivery which Shah seeks to fulfill.

Question 3

What is the role of training for industrial salespeople? What are the different types of training for industrial salespeople and how can these training programs be organized?

- The role of training for the industrial salespeople was to equip and update salespeople with selling skills and knowledge, technical and product knowledge, and knowledge and awareness of market and industry developments.
- Training programs can be organized into training for new industrial salespeople and training for the current industrial salespeople. Training for the new industrial salespeople can include classroom and individual instructions by experienced salespeople and on-the-job training. The training is to equip

them with selling skills if they are new to selling and equip them with technical knowledge and market knowledge if they are new to the products and/or industry.

- Training for current industrial salespeople includes those equipping them with technical knowledge of new products the company is offering to customers and to update them on new and improved sales techniques and to brief them on new market developments.

Question 4

What should be the evaluation criteria for good sales training? How would you evaluate the training outcomes in Shah and Company and the comments by the salespeople? What suggestions do you have for improving the training programme? One criterion to use for evaluation of sales training is whether the training brings about an improved sales performance from the salespeople. If sales volume and revenue increase, then the sales training would be good.

- The training at Shah and Company made no improvement on the salespeople's sales performance. Hence it would not be considered good sales training.
- Another way to evaluate sales training is to get feedback from participants. The younger salespeople did mention that the training only focused on them and nothing was done on the suppliers' side to inform them of the new changes. Hence it did not help them in improving their sales performance. Because of this, the training outcome was not ideal and hence it did not bring about any improvement in their sales performance.
- Like what the younger salespeople mentioned, it would be good to involve the suppliers in their training, as that will make them aware of the new vision and mission of the company so that they can work together to achieve Shah and company's goals. The older salespeople also did not provide good feedback on the training program.
- Another way to evaluate the sales training is to test participants on the information, knowledge and skills they are supposed to acquire from the training program. Such tests were not conducted by Shah.