

## Western Oil India



**Brand:** Mehta Solutions

**Product Code:** case266

**Weight:** 0.00kg

**Price: Rs500**

**Short Description**

**Western Oil India**

**Description**

## **Western Oil India CAST STUDY solution**

**Read the case given below and answer the questions given at the end.**

Western Oil India, is a regional producer of oil products located in Gujarat state selling gasoline, fuel oil and related products under the Swift brand. Total sales during 2007-2008 were in excess of Rs.100 crores. The company's sales organization comprises of full-line sales personnel who sold in two states of western India. The full-line sales people sold to oil wholesalers, distributors, commercial users and domestic fuel oil consumers. The sales force was responsible for developing all new accounts. The sales personnel were evaluated according to a single criterion, sales volume.

District sales managers determined each salesperson's volume from the weekly sales reports. Each report showed the previous week's sales, both in amount and percentage of total purchases by name of account. The district managers summarized the sales reports into monthly and annual summary sales reports. The amount and percentage of gain or loss was shown on both the monthly and annual reports. In addition, each salesperson's sales volume performance was compared with that of other sales personnel in the district and region. Finally, each salesperson's sales volume was compared with his output the previous year and the trend of this sales volume was shown over the past several years.

Mr. Kumar, had recently been promoted from manager to vice-president of sales. When he was a manager, he had believed that the method of evaluating sales performance based solely on sales volume was an inaccurate appraisal of a person's effectiveness. He felt it was especially unfair to the salespeople who spent a portion of their time assisting dealers with problems such as special promotions, inventory control, merchandising and administration activities that had no direct effect on sales. He also believed that evaluation based on sales volume alone ignored some fairly wide differences in the sales potential of individual territories.

As a result of the deficiencies he saw, Mr. Kumar suggested that the present method of personnel evaluation should be supplemented by a merit-rating plan. This plan would incorporate such factors as work habits; effectiveness in merchandising work, cooperation with management, dealers and other sales personnel and difference in territory potential.

The managers would rate the salespeople semiannually, then Mr. Kumar would review the ratings. The numerical scores assigned to each performance factor (which had not yet been determined) would be totaled to yield a merits score for each salesperson. Finally, managers would discuss this appraisal with each salesperson, counselling on strengths

and weaknesses and making suggestions for improvement. And before the plan was put into operation, each manager would explain the new evaluation method to the salespeople in the district.

Reaction to Mr. Kumar's proposal was mixed and was strongly opposed to the idea and opined that the new method of evaluation was too complex in nature and also time consuming for the manager. It was also felt that the sales personnel would be unhappy with an evaluation system that was based on so many subjective factors. The argument that salespeople would feel that ratings were based on personal favouritism and other non-objective factors over which they had no control.

### **Questions**

(a) Is the Western Oil company's present method for evaluating sales personnel performance adequate and fair ?

(b) Explain. How can Mr. Kumar answer other manager's objections. Substantiate.

### **Details**

**1. Case study solved answers**

**2. pdf/word in 24-48 hrs**

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