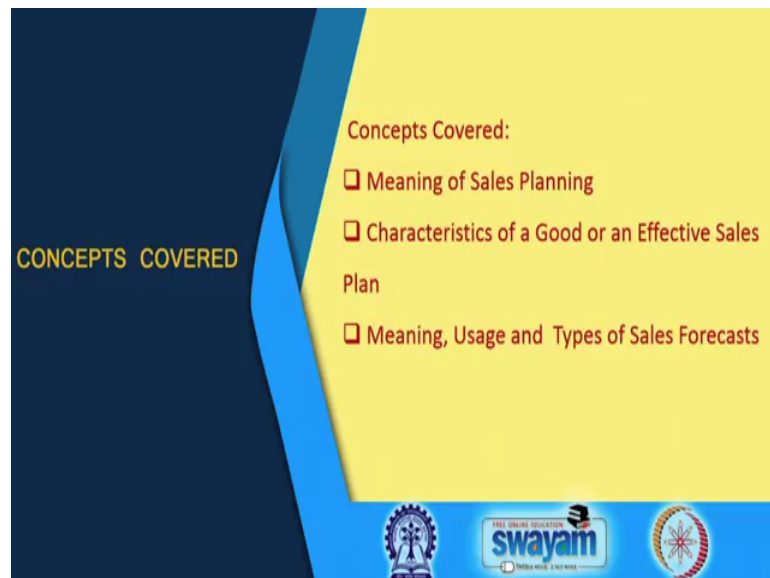


**Sales and Distribution Management**  
**Prof. Sangeeta Sahney**  
**Vinod Gupta School of Management**  
**Indian Institute of Technology, Kharagpur**

**Lecture – 13**  
**Planning, Sales Forecasting and Budgeting**

[FL] Today we will be beginning with our lecture 13 of our course on Sales and Distribution Management. And this is the third lecture in the third module and the subsequent two lectures as well, which is lecture 13, 14 and 15 we shall be talking about Planning, Sales Forecasting and Budgeting.

(Refer Slide Time: 00:43)



In this particular lecture which is lecture 13, the concepts that we will be covering will be one the meaning of sales planning; two, characteristics of a good or a effective sales plan and three, the meaning usage and types of sales forecasts. Subsequently we shall be dealing with the methods of sales forecasting and we will be talking about sales budgeting.

(Refer Slide Time: 01:01)



**Meaning of Sales Planning:**

- One of the key functions of sales management is planning.
- It involves making decisions about long term sales objectives of the company.
- It is usually the senior management of the company which is responsible for devising and assuring the execution of sales management planning of an organization.

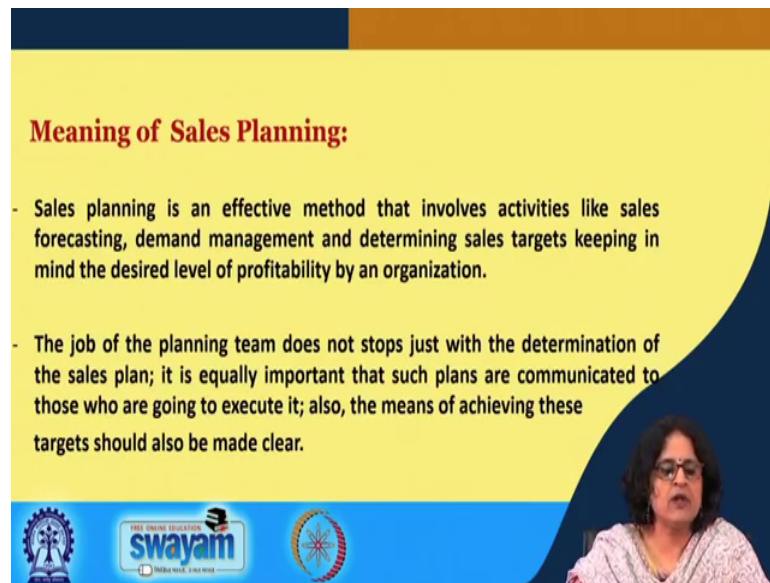
THE ONLINE EDUCATION swayam  
BROADEN YOUR KNOWLEDGE

(Contd.)

Now, let us first start and talk about sales planning. Now, one of the key functions of sales management is planning. Because as we have discussed in the earlier classes we start with a plan and then we must execute it with our resources and be able to reach our targets. And what is also important is the control function of the control mechanism, which we feel subsequently discussed as a part of the sales budget. Now what is sales planning? It involves making decisions about the long term sales objectives and the targets of a company. The sales planning typically is done by the senior management of the organization, which is actually responsible for devising and you know a plan and assuring the execution of the sales management planning of an organization.

So, when we talk about sales planning, it involves making decisions about the long term objectives of the company in terms of the sales to be earned, the profits to be generated, the market share to be earned etcetera and while it is usually devised and formulated by the senior management of the organization. The senior management is also responsible for ensuring and that it is executed as planned and so, the sales senior sales management is responsible not only for devising, but also assuring the execution of the sales management planning of an organization.

(Refer Slide Time: 02:26)



**Meaning of Sales Planning:**

- Sales planning is an effective method that involves activities like sales forecasting, demand management and determining sales targets keeping in mind the desired level of profitability by an organization.
- The job of the planning team does not stop just with the determination of the sales plan; it is equally important that such plans are communicated to those who are going to execute it; also, the means of achieving these targets should also be made clear.

The slide features a yellow background with a dark blue curved border on the right side. At the bottom, there are logos for 'THE ONLINE EDUCATION swayam' and 'INDIA WISE, LEARN WISE'. A small video inset in the bottom right corner shows a woman with glasses speaking.

Now, when we talk about sales planning we would further like to add that it is an effective method that involves activities like sales forecasting, demand management and determining sales targets keeping in mind the desired level of profitability of an organization. Now a sales team is the one which acts as the grass root level. It acts as the grassroots level it attains the targets and objectives, which have been laid out or formulated in a broader sense a long term by the senior management.

So, while the senior management lays down the long range objectives or the broad horizon, it is the people at the middle and the junior level who are responsible for attaining these targets. And, the sales planning is very effective you know in determining several activities or it involves itself in several activities like sales forecasting, demand management and determining the sales targets, keeping in mind the desired level of profitability by for an organization.

Now, why we are emphasizing upon profitability is that, this sales planning is not only it will take into account the sales to be generated which again would be based on the forecasting, but it will also take into account the expenses that will be allowed. Now we shall be talking about the selling or the sales volume to be earned as well as the expenses to be incurred or the allowable expenses, under another topic which we will talk which we will subsequently study in lecture 15 which would be the sales budget. But as for now

when we talk about the planning, the sales planning of an organization is done by the senior management as we have discussed.

A broad horizon is taken into account, the long-range planning is done, the long range targets to be achieved in terms of sales, in terms of market share etcetera are formulated and devised by them. But of course, this is done keeping in mind the grassroots realities or keeping in mind the challenges which are which may be faced or the resource constraints etcetera with the middle management and with the lower management especially with the sales team at the grassroots level.

So, while the sales planning is done at the long range, it is always done and has to be done very realistically keeping in mind the you know attainability or the you know of these plans at the grassroots level or at the you know district level or at the territory level so, that the sales are attained by the salespeople at the grassroots. Subsequently, its branch targets or the area targets are met; subsequently the regional or the zonal targets are met and so, the final long range plan is actually attained.

So, sales planning is an effective method which will involve activities like forecasting, demand management and you know the sales targets determining the sales targets to be achieved by the middle and the lower level especially the lower level sales team of course, keeping in mind both the sales volume and the you know selling allowable selling expenses so, that the net profitability of the organization can be attained. So, sales planning will involve one the determining the targets in terms of sales, in terms of selling volume, selling expenses allowed and two keeping in mind the resources keeping in mind the constraints which may be faced by a company or by the industry at large.

Now, the job of the planning team does not only stop at the determining the sales plan, it is equally important that such plans are communicated to those who have to execute it which will be the via the middle level it reaches the junior level. And so, the means of achieving these targets should also be made clear to the lower level and to the sales team at the grassroots level.

So, a sales planning is a holistic exercise, which will involve forecasting, demand management, determining the sales targets keeping in mind one the sales volume and the selling expenses, keeping in mind the resource constraints. And, also it is the job of the planning team to ensure that the objectives that have been laid out or the long range

objectives which have been spelled out, are actually broken down into short range objectives, targets, activities. And, these are percolated via the middle and the you know lower level right down percolated or filtered to the to the people at the ground level or at the grassroots.

So, that these activities are retained by the sales force in their respective territories and once these are attained by them the branch level objectives can be attained, similarly the zonal level objectives can be attained and the regional or the national level objectives can be attained. So, this is how sales planning is done.

(Refer Slide Time: 07:34)



**Characteristics of a Good Sales Plan:**

- A good sales plan must be aligned with the vision and mission of the company.
- It should be practical and achievable: Resources and Constraints.
- The objectives specified as a part of the planning process serve as directions for achieving the broader goals of the organization.
- The sales plan must specify a sufficient time line for achieving the goals of the organization.

(Contd.)

Now, what is a good sales plan? A good sales plan is one which has to be aligned with the vision and mission of the organization. We have already discussed earlier, that we start with the corporate planning and there the corporate plan is much guided by the vision and the mission statement. Also the good sales plan must be very practical, it must be realistic, it must be achievable when we talk about a plan, it is very important that resources and constraints are kept into mind or taken into consideration.

Now, while planning is done by the senior management, it is very essential that the senior management takes into account the challenges which can be faced by the sales teams all across the various territories. It could be you know the territory or it could be a it could be a you know a unit, a micro unit has a sales territory it could be challenges

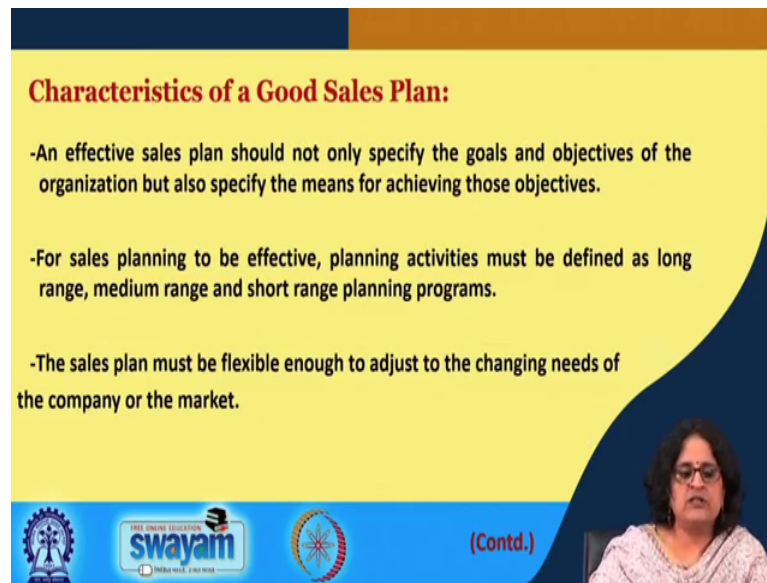
faced in the branch or in the zone or in the region. And resources or the constraints have to be kept into mind, while these objectives are spelled out or formulated.

Objectives have to be difficult yes, but they have to be realistic, they have to be challenging. But, again they have to be very very realistic keeping in mind the resources, that the salespeople are equipped, be it financial resources, be it time, be it other kinds of challenges which they may have to face as a company or as a element in the industry or as a constituent of the particular industry.

The objectives which are spelled out as a part of the planning process, serve as directions for achieving the broader goals of the organization and so, it is very important that the sales plan also clearly spells out the sufficient timeline for achieving the goals of the organization. We have also discussed earlier that planning always has to be something which is time bound and the time here acts as a constraint, it acts as something which act also acts as a control mechanism. We have also discussed earlier that until and unless there is a control mechanism, a plan is something which would be absolutely null and void; it will never be attainable.

So, planning and control go together as Siamese twins and so, it is very important that is the sales plan which is set out or laid out in terms of both sales volume as well as the expenses you know are clearly you know bound by time and there is sufficient amount of time, which has been you know demarcated for achieving the goals of the organization. So, what we are trying to say is that these goals should be something which maybe which have to be clear, that we precise, they have to be difficult and challenging, but they have to be very very realistic.

(Refer Slide Time: 10:16)



**Characteristics of a Good Sales Plan:**

- An effective sales plan should not only specify the goals and objectives of the organization but also specify the means for achieving those objectives.
- For sales planning to be effective, planning activities must be defined as long range, medium range and short range planning programs.
- The sales plan must be flexible enough to adjust to the changing needs of the company or the market.

(Contd.)

The slide features a yellow background with a blue and orange header. At the bottom, there are logos for 'swayam' and 'THE ONLINE EDUCATION' along with a small video feed of a woman with glasses.

Further it is in the sales plan should not only specify the goals and objectives, but also the means to achieve them broad range goals or long range goals and planning is good. But, then it has to be further broken down into short range plans, strategies, tactics action plans and so, the manner in which these goals have to be achieved should also be spelled out by the middle management and the low management.

For sales planning to be effective, planning activities must be defined either is long range or medium range and short range planning. And when we come to short range planning the long range has to be kept in mind, which has to be then further broken down into median level plans and short term plans. Short term plans would also involve you know short term strategies, tactics, day to day you know activities, which have to be you know done or performed. So, as to be able to achieve the long the medium range plans and the long range plans. Also the sales plan must be flexible enough to adjust to the changing needs of the company or to the market.

We have seen earlier that an organization or rates in an environment, which is a micro enema which is a micro and a macro environment and the micro environment gives substance and opportunities, the macro environment provides to an organization opportunities and threats. So, it is very important that the organization or the firm clearly studies its micro and macro environment and accordingly brings about a change in the policies and in their plans.

So, the sales plan must be flexible enough to adjust to the changing needs of the company or to the market. Yes they must not be change very frequently they should not be a very made very very flexible, because then that would you know dilute the control mechanism yet they must be provisioned for flexibility so, that the company can you know take advantage of the opportunities it can fight the threats, and it can devise strategies and tactical plans with respect to the four piece accordingly.

(Refer Slide Time: 12:19)

**Meaning of a Sales Forecast:**

- It is about estimating future sales.
- In case better sales forecasts are made, it enables companies to make better and much informed decisions.
- Estimated sales forecasts serve as basis for determining the short run and long run performance of a company .

(Contd.)

The slide features a yellow background with a dark blue curved border on the right side. At the bottom, there is a blue banner containing logos for 'swayam' (Free Online Education) and 'Umbrella Channel', along with the text '(Contd.)'. A small video feed of a woman with glasses is visible in the bottom right corner of the slide.

Now, let us move further and discuss something about a sales forecast. So, what is a sales forecast? Now a sales forecast here is about estimating future sales. You know in case better sales forecasts are made it enables a company to perform better, make more informed decisions and any kind of sales forecast serves as a basis for determining the short run and the long term performance of an organization.

So, it is very very important that there is a forecast because this forecast will give inputs into the kind of sales that are expected for a particular company or a various companies operating in the industry, giving in giving keeping in mind the micro and the macro environment, also it will give an idea and to other departments be it production, be it operations, be it in a purchase department or be it the HR or be it the sales team to organize itself or to get prepared for future requirements.

So, in this sense sales forecasts are extremely crucial, because they help estimate a future sales trends and gives an idea about the kind of strategies and the kind of tactics that



need to be employed not, and the kind of functional plans that need to be devised by the different departments so, as to be able to meet you know so, as to be able to take advantage of maximally of the sales forecast figures.

(Refer Slide Time: 13:52)

**Use of Sales Forecasts by other Departments:**

- A sales forecast helps formulate plans for production in case of manufacturing and production departments. It also helps assess the adequacy of production capacity of a firm.
- It is used by the finance department for managing cash inflows and outflows finance as well as for planning for profits.
- A sales forecast is utilized by the purchase department in planning purchases of raw materials, components, parts, supplies and business services.
- The sales forecast also helps in determining the manpower requirement for production, sales etc. This is useful to the HR department.

Thus, sales forecasts act as a precursor for planning a lot of activities in the organization.

(Contd.)

The slide features a yellow background with a blue and orange header. At the bottom, there are logos for 'swayam' and 'INDIAN INSTITUTE OF MANAGEMENT BANGALORE' along with a small video feed of a woman speaking.

Now, so as I said these sales forecast figures are also used by other departments one for example, for the production and operations department. Sales forecast helps them formulate the plans for production in case of manufacturing and production departments, it also helps assess the adequacy of the production capacity of an organization. So, a sales forecast will help them plan their production facilities, plan their production capacities in case they are short of certain resources be it machines or be it manpower, they can organize themselves better if sales forecasts are very positive in the future. They may you know buy new machinery or going for an up gradation of technology or go for automation or they may you know hire new more workers or they may have to plan their production facility such that they instead of working one shift or two shift, they may have to run the plant or run the factory for the in for three shifts.

So, accordingly they will be able to plan their production you know they will also be able to plan their you know inventory levels, keeping in mind the raw material required or the works in progress and things like that so, that and of course, the finished goods. So, that ultimately are the basic principle of logistics is met which is make making the right things available at the right time at the right place, at the right time.

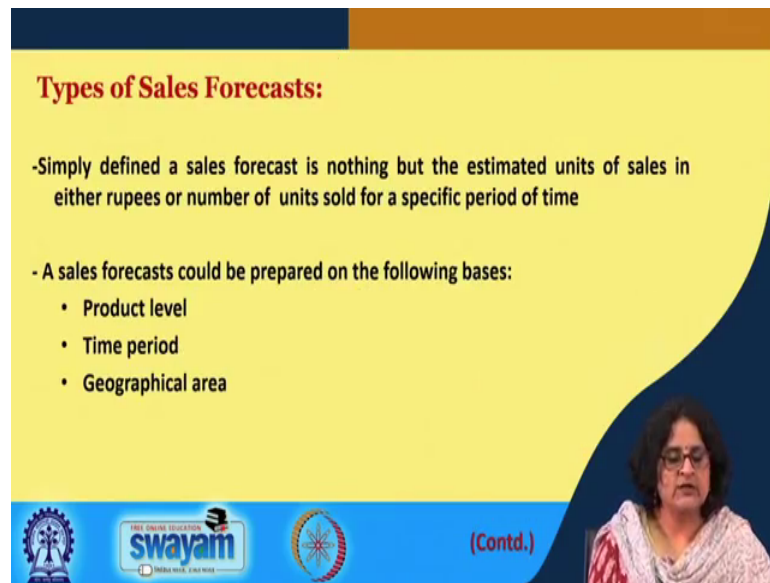
So, sales forecast helps the production department, helps your production and operations department. One in you know in terms of their production planning two, in terms of their production capacity planning inventory management etcetera. Sales forecasts are also used by the purchase department. The purchase department would get an idea about the kind of you know resources that must be immediately procured be at raw material, components, our parts or you know supplies business services. Also the sales forecast would be used by a finance department to manage its cash inflows and outflows you know and for planning for profits, planning for its working capital management capital planning, for long term investments.

Also it would help the HR or the human resource management department to determine the manpower requirements both in terms of adequacy and appropriateness. That is the number of people required and the kind of skills and capabilities and competencies and educational qualifications, that they must have. So, as to be able to you know the you know work effectively in the organization and the company then would be able to have enough manpower to be able to ensure that production and sales and marketing activities or you know, it can be done in an effective manner and there is no shortage anywhere because of dearth of you know trained manpower or because either it because the manpower is less or because the right kind of manpower is not available.

So, the HR department would also have an idea about manpower planning and you know did be able to determine the right kind of people required in the right number. So, as to be able to ensure that not only is production carried out unhampered, but also sales and marketing activities are done in the best possible manner. So, that the organization is able to gain advantage of the positive sales forecast, which is there in the future.

Now, moving beyond the. So, the sales forecast here; that means, act as a precursor for planning a lot of activities for the organization.

(Refer Slide Time: 17:44)



**Types of Sales Forecasts:**

- Simply defined a sales forecast is nothing but the estimated units of sales in either rupees or number of units sold for a specific period of time
- A sales forecasts could be prepared on the following bases:
  - Product level
  - Time period
  - Geographical area

(Contd.)

Now, let us move further and talk about the different kinds of sales forecasts. So, as we said a sales forecast is an estimated unit of sales in either rupees or number of units, which could be sold for a specific period of time. And a sales forecast could be prepared on the following basis it could be a product level sales forecast, it could be a time period base sale forecast, it could also be a job graphical area sales forecast. So, let us first start with what a product level sales forecast is.

(Refer Slide Time: 18:14)



**Types of Sales Forecasts:**

**Product level:**

- A product level sales forecast is basically product specific and could be made product wise as total sales, industry sales, product line sales etc.

**Time period level:**

- Sales forecast is done either as short term, medium term or long term.

**Geographical level:**

- In the case of a geographic level sales forecast, the forecast is done based on geographical units like countries, regions, districts etc.

(Contd.)

Now, a product level sales forecast is done for a product a specific product ok, it is very product specific and is made product wise as total sales or it could be made as industry sales or product line sales etcetera. So, the focus of study here is the number of units sold, you know expected to be in demand in the near future. So, number of units of product expected to be in demand in future. So, that is how we would be calculating a product level sales forecast. So, product level sales forecast we will talk about the forecast of a sales or forecast you know estimated demand in the near future, with respect to total sales you know the company or industry sales of the product or product line sales etcetera.

When we talk of time period a level, it is sales forecast which is done either as a short term or as a medium term or as a long term and when we talk of a geography level sales forecast you know we talk of, forecast done on basis of geographical units which could be countries it could be regions it could be districts. In fact, it could also be very broadly continents. So, if we kind of see for example, a particular company makes refrigerators and air conditioners and microwave oven. So, a product level forecast would be done product wise; that means, what would be the industry sales or the company sales for refrigerator, similarly what would be the company sales or industry sales for microwaves etcetera.

But when it is a time period it would be say you know sales for refrigerators estimated you know quarterly or half yearly or yearly or 5 yearly. So, that would be in terms of short term medium term or long term and when we talk of the geographic level, we are basically talking of whether the you know when these refrigerators or air conditioners and the sales forecast is done continent wise ok.

For example European market or you know the Asian market or it could be countries within you know for example, Asia it could be Asia or southeast Asia or SARK countries or it could be regions for example, if it is India, it is north west east and south or if it is districts and within north there will be several districts where each of the states further broken down into districts and sub districts and so, forth. So, that is how we determine the sales forecast whether at a product level or at a time period or in terms of geographical level.

(Refer Slide Time: 20:52)



Now this shows it little more broadly if you see, where you know we have the industry wise sales, company sales, product line sales or product variant sales or product item sales now let us take for example, a refrigerator. So, and all the kinds of different refrigerators would be the total sales. Industry sales could be again if you know broken down in terms of you know the refrigerators, which are say you know the more primitive technology used or the modern technology used. Company sales could be specific to a particular company, product line sales could be in terms of whether it is you know a one door refrigerator or a two door refrigerator or if it is frost free and non frost free.

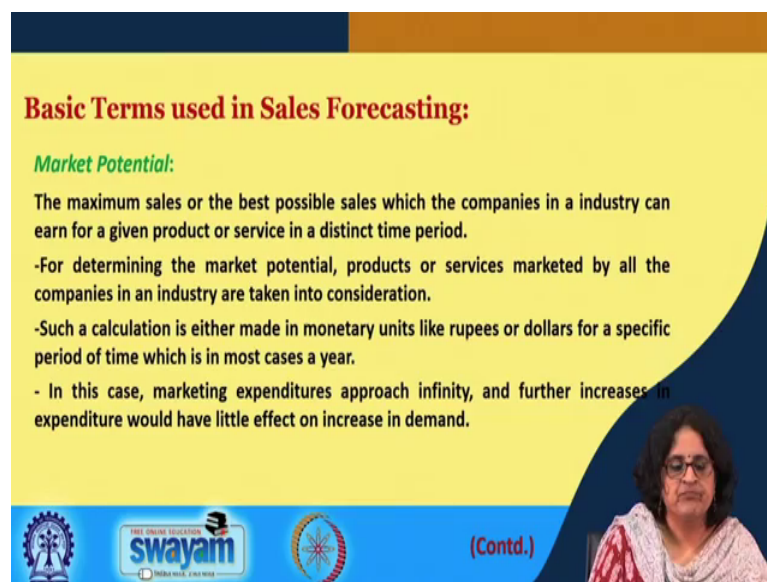
Product line could be you know sorry product variant could be in terms of one door or two door and within a two door, is it you know the is at the top which is the you know the icing unit or it is the bottom which is the icing unit which we see, in several you know kinds of refrigerators today. Where the bottom part is the cooling icing and cooling unit and the top part is the refrigerating unit and then you have product item sales which would be the stock keeping unit or the S key KU.

So, in this way we would talk of forecast the, you know prepare a forecast at the product level. So, a similarly it could you know if all the different companies have their respective demands it would constitute the total sales, and you know within the industry and then you have the company sales which would be specific to different companies which would mean company A has a separate sales you know product level sales forecast

and company B would have a separate product level sales forecast and then product line and product variant and product item sales. Similarly if we take it a time period it could be long range or long term and then medium range or medium term or it could be short range and short term. And geographic area as we said it could be the global market or the world forecast for refrigerators or it could be continent wise or nations or countries it could be region, north and south it could be territories which would constitute different branches or different districts and it could be at an individual level as well.

So, this is a different levels at which sales forecasts can be done.

(Refer Slide Time: 23:29)



**Basic Terms used in Sales Forecasting:**

**Market Potential:**

The maximum sales or the best possible sales which the companies in a industry can earn for a given product or service in a distinct time period.

- For determining the market potential, products or services marketed by all the companies in an industry are taken into consideration.
- Such a calculation is either made in monetary units like rupees or dollars for a specific period of time which is in most cases a year.
- In this case, marketing expenditures approach infinity, and further increases in expenditure would have little effect on increase in demand.

(Contd.)

Now, before we move further into forecasting, let us discuss a few terms very very relevant to the sales forecasting. So, first is a market potential. So, what is market potential here? When we talk of market potential, we say it is the maximum sales or the best possible sales which come which accompanies in a particular industry can earn for a for a given product or service in a distinct time period.

So, this is how we explain a market potential to be. It is the best possible sales which companies in a particular industry can earn for a particular product or a particular service in a given prime period or in a distinct time period. Now for determining the market potential, all the product and services marketed by all the companies in industry are taken into consideration and such a calculation could be made in monetary rupees,

monetary units like rupees or dollars for a specific time period, which in most cases is a year. Now in this case what we assume is that the best possible or the maximum sales is happening, because marketing expenditure have actually reached infinity and any further increases in my getting expenditure will not have an impact on the demand ok.

So, what we mean as marketing expenditures here means, marketing expenditures here in terms of promotional, in terms of territory management or in terms of you know would say selling activities. So, here the marketing expenditures approach infinity and as they approach infinity, as they are the maximum possible that can be assigned what will be the maximum amount of sales, which all the companies in a particular industry would be able to generate for a particular market and in a particular time period, this is what we explained as the market potential ok.

(Refer Slide Time: 25:27)



**Basic Terms used in Sales Forecasting:**

**Market Forecast:**  
The market forecast depicts the anticipated industry sales for a given product or service in a defined span of time in a given market at the specified marketing expenditure.

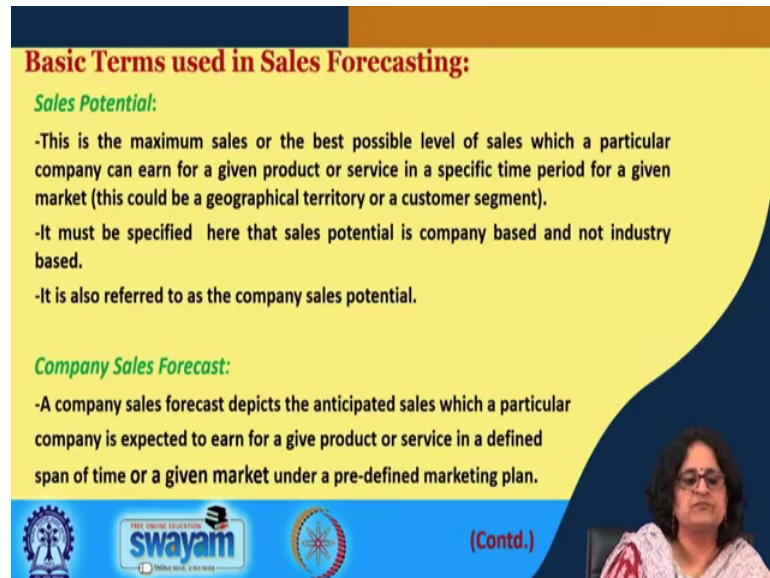
The slide features a yellow background with a dark blue curved shape on the right side. At the bottom, there is a blue banner containing logos for 'swayam' (Free Online Education) and 'INDIA RISE, INDIA RISE', along with the text '(Contd.)'. A small video inset in the bottom right corner shows a woman with glasses speaking.

Now, is the second is market forecast. Now the market forecast here is the anticipated industry sales, while the market potential is the maximum the market forecast is something which the industry expects to earn or anticipates to earn for a given product or a service in a defined time span, in a given market and again within a marketing expenditure.

So, again here we speak that this marketing expenditure is specified; keeping in mind the marketing expenditure, keeping in mind the fact that there is a distinct time period and a market segment or a market which is being studied, maximum possible sales which the

industry anticipates will happen is the market forecast. So, the maximum sales becomes the market potential, but the anticipated becomes the forecast. So, the market forecast here depicts the anticipated industry sales for a given product or service in a defined time span, in a defined market and with a stipulated marketing expenditure. So, this is what we explained as market forecast.

(Refer Slide Time: 26:35)



**Basic Terms used in Sales Forecasting:**

**Sales Potential:**

- This is the maximum sales or the best possible level of sales which a particular company can earn for a given product or service in a specific time period for a given market (this could be a geographical territory or a customer segment).
- It must be specified here that sales potential is company based and not industry based.
- It is also referred to as the company sales potential.

**Company Sales Forecast:**

- A company sales forecast depicts the anticipated sales which a particular company is expected to earn for a give product or service in a defined span of time or a given market under a pre-defined marketing plan.

(Contd.)

The slide features a yellow background with a blue and orange header. At the bottom, there are logos for 'swayam' and 'Vidya Vahini' along with a small inset image of a woman speaking.

Now, let us come more macro sorry micro we were talking about the first two which was the market potential in the market forecast, which was more macro in nature. Now let us come to something which is more micro, where we are going to talk about the sales potential and the company sales forecast. Now, what is the sales potential? Now, the maximum sales or the best possible level of sales which, a particular company can earn for a particular product or service in a specified time period for a given market. Now this particular market here could either be a geographical unit or a territory it could also be a customer segment. So, the maximum sales or the best possible sales that a company feels it can earn in for a particular product or service, in a time period, and for a given market be the market a geographical unit or be the market a customer segment is referred to as a sales potential ok.

Now, here it must be specified that the sales potential is something which is company specific, it is company based not industry based market potential is industry based. Company says put this will come because it is company specific, the sales potential is



also referred to as the company sales potential. So, the company sales potential and the sales potential is the same. The second is what we refer to here we will refer to is a company sales forecast. Again while the sales potential is the maximum sales which a company can earn for a given period for a given market for a particular product or service what it forecasts are what it anticipates which will earn actually comprises the sales forecast.

So, company sales forecast depicts the anticipated sales which a particular company is expected to earn for a given product or a service, in a defined time span under a predefined marketing plan or a marketing program and for a given market. So, this is what we just call as the company sales forecast. So, if you see the company sales forecast and the come and the company sales potential is micro, they are very specific to the company. But when we talk of the market potential or when we talk of the market forecast it is more it macro because it is industry specific it is not company specific.

(Refer Slide Time: 29:03)

**Basic Terms used in Sales Forecasting:**

**Sales budget:**

- A sales budget is a description of a company's expected volume of sales either in units (either physical or monetary) along with the estimation of the expected selling expenses.
- It usually goes into complete details of expected expenses on selling on a product.

**Sales Quota:**

- A sales quota is a performance goal which is set for a marketing unit.
- To put it simply, it is the number of sales in units or rupees which a marketing branch or zone or any unit is expected to make .
- A marketing unit could be in any form like a salesperson, a branch, a region, or a member of the trade channel.

(Contd.)

The slide features a yellow background with a blue and orange header. At the bottom, there are logos for 'swayam' and 'UPEACE' along with a small video inset of a woman speaking.

Now, the next is what we refer to as a sales budget and the sales quota. Now what is the sales budget? The sales budget is a description of a company's expected sales volume either in units again either you know in monetary units or in physical units, along with the estimation of the expected selling expenses. So, it is the company's expected volume of sales in units either monetary or physical units. Physical units would be in the number of units monetary units would be either in rupees or in dollars along with the estimation

of the expected selling expenses. So, it will basically give you complete details on the expenses or the expected expenses on selling of a particular product ok. So, one it talks about the volumes taken it talks about the selling expenses.

And in a way it talks about the kind of selling expenses, which can have which will one should incur or will incur to earn a particular level of sales volume the next thing is the sales quota. Now the sales quota or the sales target is the performance goal which is set for a marketing unit. We can refer to it as a sales target it is a performance goal, it is the number of sales in units or rupees which are marketing branch or a zone or any unit is expected to earn now what is this marketing unit? This marketing unit could either be a salesperson, it could be a branch, it could be a zone, it could be a you know the national level. The marketing unit could be again a salesperson or a branch or a region or a zone or a national level or a member of the trade channel.

So, any and all of these could be marketing units and the sales quota here is the performance goal which is set for any of these marketing units. A sales quota would mean the goal to be achieved by a salesperson or to be achieved in a you know branch or in a region or in a zone or at the national level or by members of the trade channels. So, this is what we refer to as a sales quota.

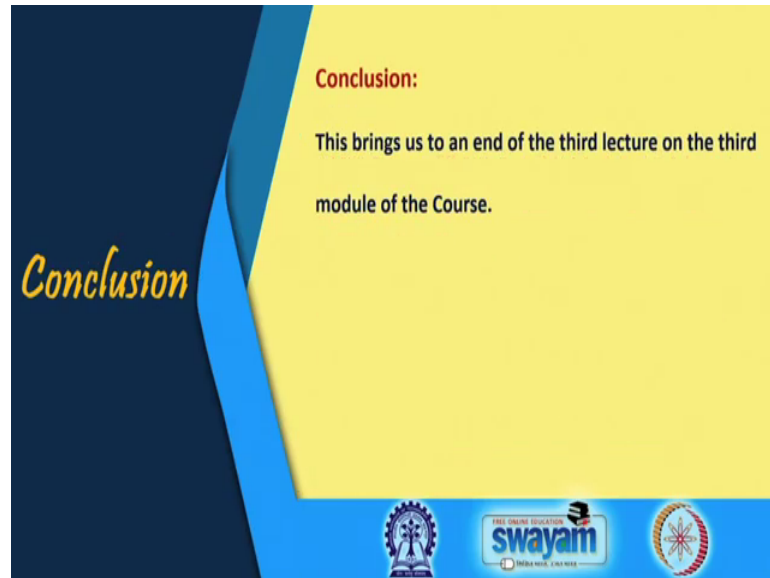
(Refer Slide Time: 31:20)



So, with this we come to an end of this particular lecture, the references are still Cundiff Govoni and Puri Sales and Distribution Management Pearson India Education Service,

Havaldar in Cavale Sales and Distribution Management Texts and cases McGraw Hill Education, 3rd Edition in 2017. And, Havaldar in Cavale 2007 to 2008 Sales and Distribution Management Tata McGraw Hill New Delhi India.

(Refer Slide Time: 31:44)



So, this brings us to an end of the third lecture on the third module of the course, I hope you have found this lecture beneficial.

Thank you.