SUMMER PROJECT AT BEAUTY COSMETICS LIMITED

INDUSTRY SURVEY ON SALES REPORTING SYSTEM

A REPORT

SUBMITTED TO

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PRAKHASH N.
PGP (1995-97)
IIM BANGALORE

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MADRAS

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THE COMPANY:

Beauty Cosmetics is a deemed public limited company incorporated in April 1990 under the Companies Act 1956. Its main activities are limited to the haircare products. Presently its products are synthetic and herbal shampoos, body perfumes and herbal powder.

As a result of fierce competition in the market started by the multinational companies like Hindustan Levers and Procter & Gamble, small companies find it difficult to cope up in the market with its limited ability to spend in advertising war and in organising its distribution activities. The big players have the ability to absorb huge expenses in advertising and they are able to bear the expenses when the product is being launched. Even then there are small companies in the market who have faced these competitions and have been able to retain a huge portion of its original customers with improvements in its products.

Beauty Cosmetics Limited is one of them, which has been able to retain a name in the market with its superior quality and lowcost products like Chik shampoo.

The company's Registered Head Office is at Pondicherry, with four regional offices at Madras, Calcutta, Delhi and Mumbai. The production units are situated at Pondicherry itself. The Corporate & Administrative Office is at Madras.

Most of the distribution is done from the company depots located at various places. For distant places like the Northern region, the goods are sold to agencies called Clearing & Forwarding Agencies. These agencies buy the products from the company and store it in their own godowns and distribute them latter.

The company holds second position in India in the haircare products next to Hindustan Levers Limited. It has some strong brands like Chik shampoo and Meera Herbal Powder Shampoo. The product range of the company with their variants are described below.

Chik Conditioner Shampoo: This is the second largest selling sachet shampoo in the Indian market next to Clinic Plus. It comes in 8ml sachets and also in 100ml bottles. It comes in five variants: Jasmine, Rose, Black, Lime and Egg. Out of these, Jasmine and Rose variants are the most popular. This brand is strong in the South Indian market. This is the product of the company since its beginning in the early 80s and it brings in maximum revenue to the company.

Meera Herbal Powder Shampoo: Its a herbal shampoo in powdered form. Its the strongest brand in its category in the Indian market. It is very popular in South India. It comes in four variants in two packages (5 gms sachets and 100gm container):
Shikakai, Reetha, Amla and Hibiscus.

Nyle Herbal Shampoo: It comes in liquid form. It comes in 12ml sachets, 200ml and 500ml and 1 litre bottles. It has four variants: Reetha & Amla, Tulsi & Amla, Shika & Amla and Heena. This product was launched in 1993.

Spinz body perfume: It comes in 2ml minipack and 60ml bottle. It has three variants: Storm, Mist and La Rose.

Karthika Shikakai Powder: It comes in three packs: 10gms, 100gms and 250gms.

The Team at Beauty Cosmetics: The company gives direct employment to around 2000 people all over India. At the top of the organisation is the Managing Director of the company who is also the owner.

The whole country is divided into four regions: North, South, East and West. Each of these regions is headed by a Regional Manager. Each region is composed of Area offices and each Area office is headed by a Area Manager. There are 14 Area Managers at present. In sales activities each region is looked after by a group of Sales Officers. There are 44 Sales Officers employed by the company in the whole country. These Sales Officers are helped by another 144 Sales Representatives to keep contact with its distributors. There are around 1400 redistribution stockists working for the company.

The company caters to around three lakh retail outlets in this country. It has a market share of around 22% according to the 1995-96 figures.

There has been lots of activities going on in the company. Presently the company has several diversification plans including introduction of one more perfume brand. The company also has plans to enter the aftershave and cold cream market.

THE PROJECT:

The systems and procedure adopted in any sales office will depend on the type of goods being handled and the size of the company. It also depends upon the responsibilities and authority of the personnel involved in the sales team.

Keeping these things in view, the company wants to compare its present system vis - a- vis other FMCG companies and based on this the company plans to develop the career path for its SRs and Sos. The project involves an extensive study on sales reporting system in Fast moving consumer good companies and make comparisons with the system prevailing in Beauty Cosmetics Private Ltd. which in turn will help the company to develop a system (Career path for sales representatives and sales officers)

OBJECTIVE:

The objective of the project is to study the existing sales reporting system in Fast moving consumer good companies and compare it with the system in Beauty cosmetics Pvt. ltd. and to suggest for any improvement in the present existing system, which in turn will help the company to develop a career path plan for its sales representatives and sales officers.

SCOPE:

The main thrust of the project is to see the number of layers existing from the sales representative level to All India sales manager level and to recommend for any addition or deletion in the number of layers.
The company as of now does not have any career plan for its sales Representatives and sales officers, the main focus with regard to the project has been restricted to its sales representatives and sales officers.

METHODOLOGY:

Identify the factors to be evaluated for developing a career plan. This will be done by administering an open ended questionnaire to the sales managers of FMCG Companies.

Sales officers and Sales Representatives of these Fast moving consumer good companies will also be interviewed.

On the basis of the responses from these personnel, the existing system will be evaluated and improvements , if any will be suggested.

SALES REPORTING SYSTEM IN BROOKE BOND LIPTON INDIA LIMITED

MANAGING   DIRECTOR

↑

VICE — PRESIDENT (Sales)

↑

BRANCH   MANAGER

↑

BRANCH   SALES   MANAGER

↑

AREA   SALES   MANAGER

↑

SALES   OFFICER

↑

SALES   REPRESENTATIVE
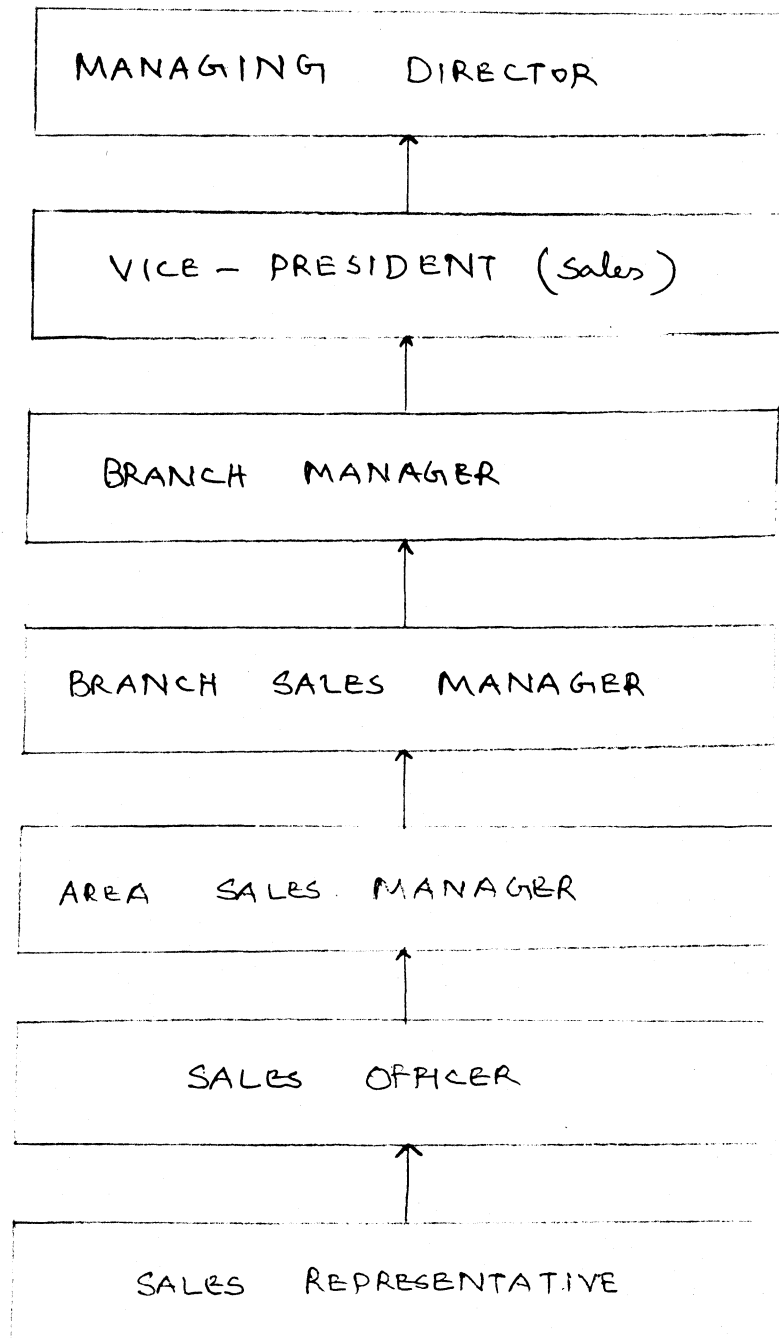
SALES REPORTING SYSTEM IN BROOKE BOND LIPTON INDIA LIMITED

Entry norms for Sales Representatives :

1) Graduate in any discipline.
2) Preferably 2-3 Years selling experience.
3) Young, fresh and enthusiastic.
4) should be outgoing etc.

It takes 5 to 6 Years for an Sales Representative to become an Sales Officer provided he is an excellent performer.

Norms for Sales Officers

1) Should have strong conceptual understanding.
2) Good analytical skills.
3) Good verbal/written communication skills.
4) Should have the ability to lead a group of people.
5) Importance is given to extra-curricular activities.

Generally there is no direct recruitment for sales officers, only people who join as Sales Representatives get promoted as Sales Officers, and they should have the above prescribed skills to be considered for promotion as Sales Officers.
For an Sales Officer to become an Area Sales Manager it takes around 4-5 years.

CAREER PATH FOR MBA's

Fresh MBA's i.e. previously without work experience join as Management Trainees and undergo training for a period of 18 months. After 18 months of training they are confirmed as area sales Managers.

It takes around 12-15 years before an Area sales Manager becomes an Branch Manager. For a Branch Manager it takes 5-7 years before he aspires to become Vice-President Sales.

SALES REPORTING SYSTEM IN JOHNSON & JOHNSON

Organizational chart:

- BOARD
- SALES / MARKETING DIRECTOR
  - ADVERTISING AND PROMOTION
  - MARKETING RESEARCH ANALYSIS
  - RM (N)
    - BM BM BM BM
  - RM (E)
    - BM BM BM BM
  - RM (W)
    - BM BM BM BM
  - RM (S)
    - BM BM BM BM
      - SALES ADMINISTRATION
      - SALES SUPPORT GROUPS
      - SALES SUPERVISORS
      - SALES SUPERVISORS
      - SALES SUPERVISORS
        - Group leaders
        - Group leaders
        - Group leaders
          - T. Sales Men
          - T. Sales Men
          - T. Sales Men
          - Field Sales Men
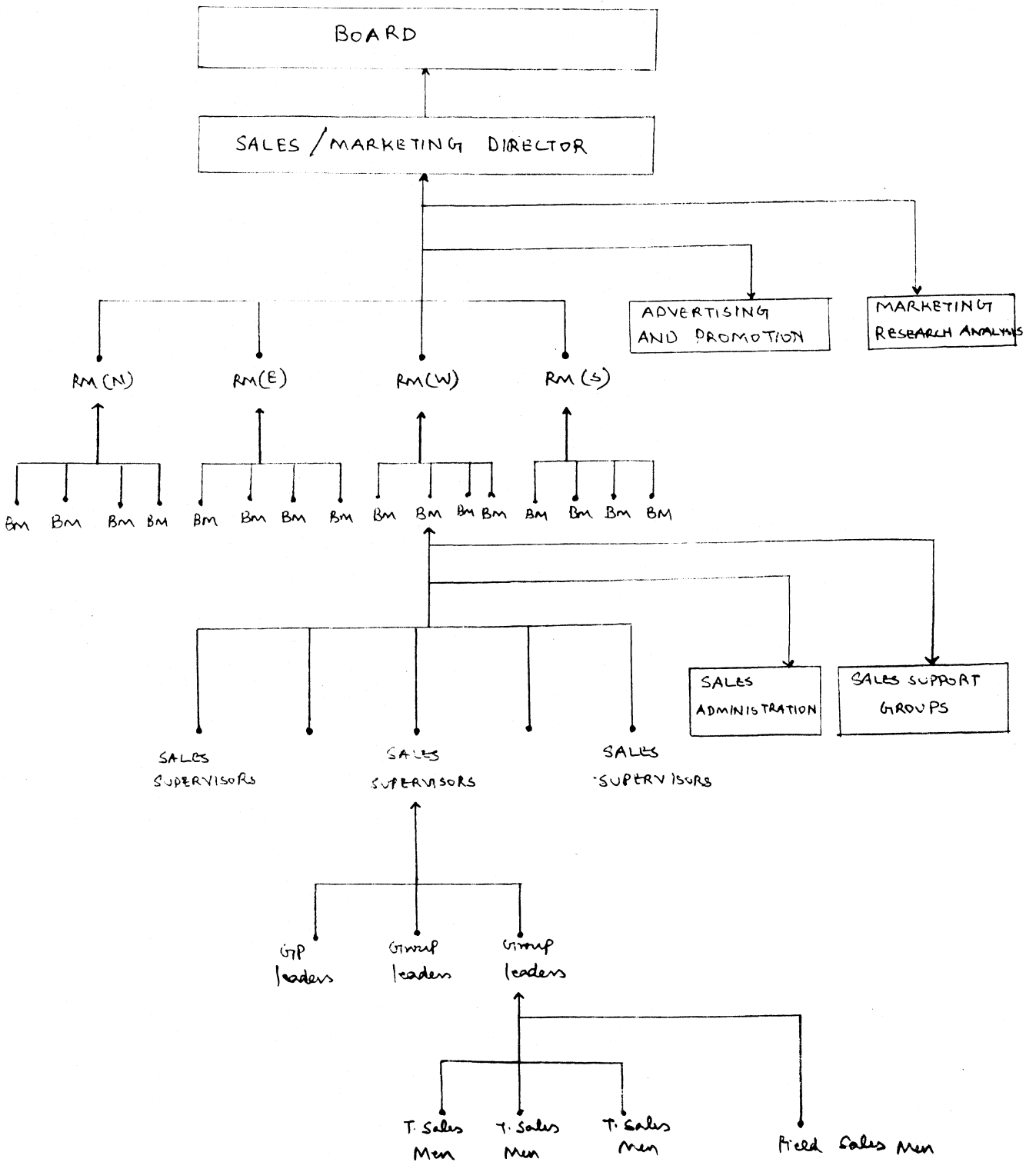
SALES REPORTING SYSTEM IN JOHNSON & JOHNSON

Entry norms for Trainee Field Salesmen

1) Graduates generally in Chemistry/Natural Sciences are preferred.

2) Should have 2-3 Years of selling experience.

3) Should be willing to travel extensively and work hard.

MBA's undergo training for a period of 2 Years and are confirmed as Branch Managers. More importance is given to Job responsibility than job designation.

Above Branch Manager's level reporting tends to be budgetary and less formal in nature. Sales support groups are used for merchandising, for opening up new accounts and for special projects.

SALES REPORTING SYSTEM IN NESTLE

| ALL INDIA SALES MANAGER |

RM (N)   RM (E)   RM (W)   RM (S)

BM   BM   BM

ASM   ASM   ASM

SR   SR   SR   SR   SR
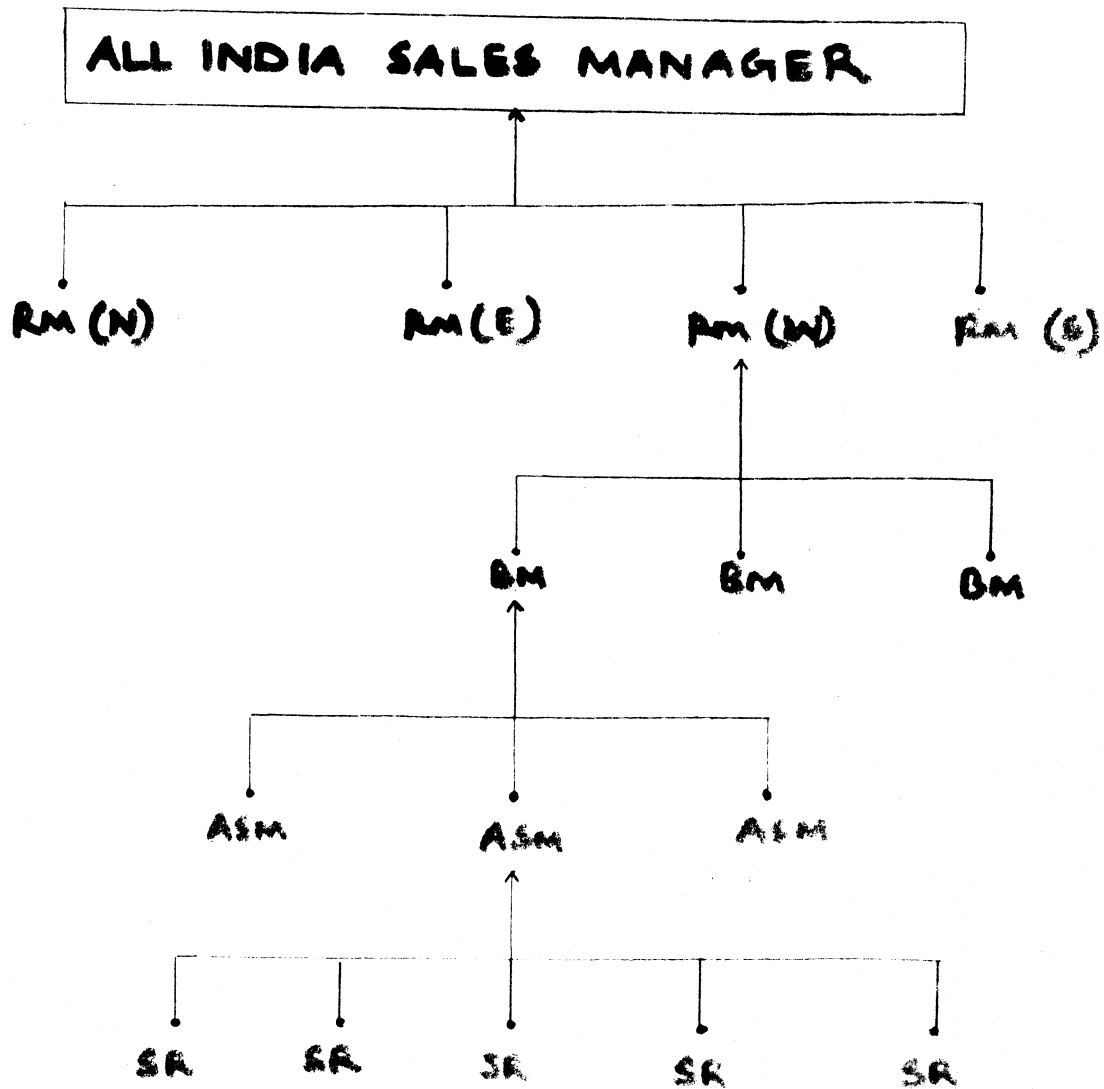
RM → Regional Manager
BM → Branch Manager
ASM → Area Sales Manager
SR → Sales Representative

SALES REPORTING SYSTEM IN NESTLE

<u>Entry norms for Sales Representatives:</u>

1) Recruitment is made through by advertising in leading News papers.

2) Graduates with good communication skills in English and a local language are preferred.

Entry for Management cadres is by Campus Recruitment from reputed Management Institutes. (Generally IIM's). An MBA joins as Management Trainee and becomes an Area sales Manager after 18 months. He can aspire to become an Branch Manager in six to Eight years.

SALES REPORTING SYSTEM IN I.T.C.

EXECUTIVE VICE-PRESIDENT (TRADE MARKETING AND DISTRIBUTION)

- TM Training Manager
- TM Development Manager
- TM Information Manager
- Programming Manager
- DISTRICT MANAGERS
- DM's
- DM's
- DM's

BM · BM · BM · BM · BM · BM · BM · BM · BM

BRANCH FINANCE SUPERINTENDENT

TRADE MARKETING AND PROMOTION MANAGER

- ADMIN. STAFF
- ADMN. STAFF
- ADMIN. STAFF

ASM · ASM · ASM

- Area Sales Executive
- Area Sales Executive
- Area Sales Executive

WHOLE SALE DEALERS

- WD SUPERVISOR (TM&D)
- SWD
- MERCHANDISING

DISTRIBUTOR SALES STAFF
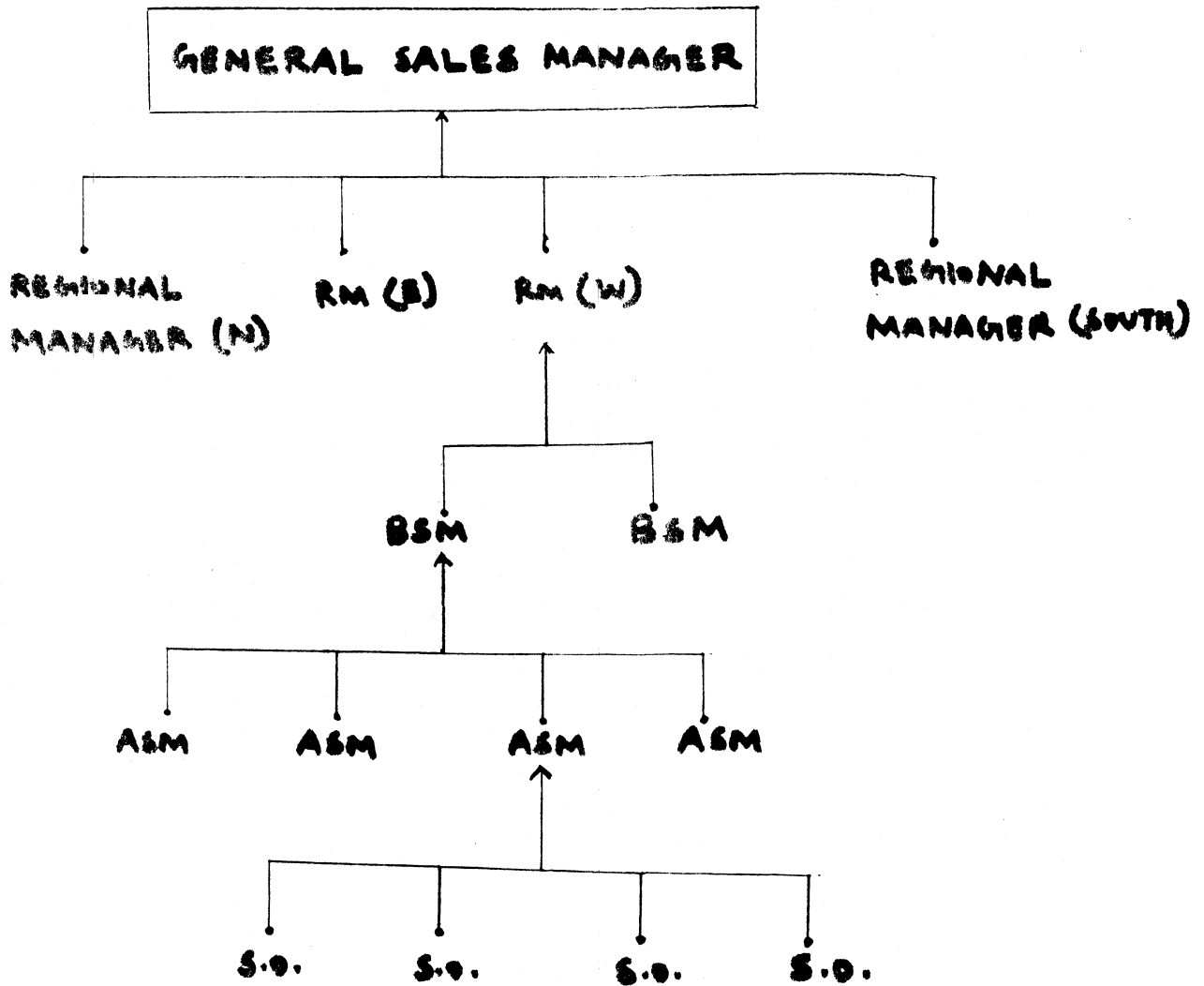
SALES REPORTING SYSTEM IN I.T.C.

Each wholesaler Depot is called a market. Each market is sub-divided in to location by strata. Daily sales is looked as Town/village and within each as Retail/SWD. Daily sales Register is maintained at whole-sales Depot point. Town Daily sales is communicated to the branch. Weekly sales by Brand/packing is reported by all Whole sale dealers to the Branch. Historical Data is available in a format for the current year by months with Quarterly average, previous year by Quarters, previous three years by annual average.

Sales reporting is in millions of sticks/cigarettes. At whole sale dealer point by month, by brand/packaging sales data is available by population strata of markets. Competitor sales are reported every month. There is no Sales report on DSS.
I.T.C. is in the process of developing a call card for its whole sale depot supervisors. Area sales executives send a report after covering each market or town which includes Sales analysis, stock review, whole sale depot funds, Merchandising and outdoor advertising, competitors activity, progress on key action areas etc. Area sales managers send a similar report for each Area sales executive area which is a combination of markets.
Branch Managers have an overview of Business/progress on action areas, new conceptual ideas, opportunities and threats.

GENERAL SALES MANAGER

REGIONAL MANAGER (N)   RM (E)   RM (W)   REGIONAL MANAGER (SOUTH)

BSM   BSM

ASM   ASM   ASM   ASM

S.O.   S.O.   S.O.   S.O.

- -

WHOLESALER SALES MEN

BSM → BRANCH SALES MANAGER

ASM → AREA SALES MANAGER

S.O. → SALES OFFICER

Contd.....

RM

BGM — SALES ADMINISTRATIVE MANAGER

ASM

ADMIN·STAFF   A·S·   A·S·   ADMIN·STAFF

S·O.   S·O.   S·O.   S·O   S·O.

FACTORY &
PACKAGING

S.A·M·

ASM — DEPOT EXECUTIVE

DEPOT ASSISTANT
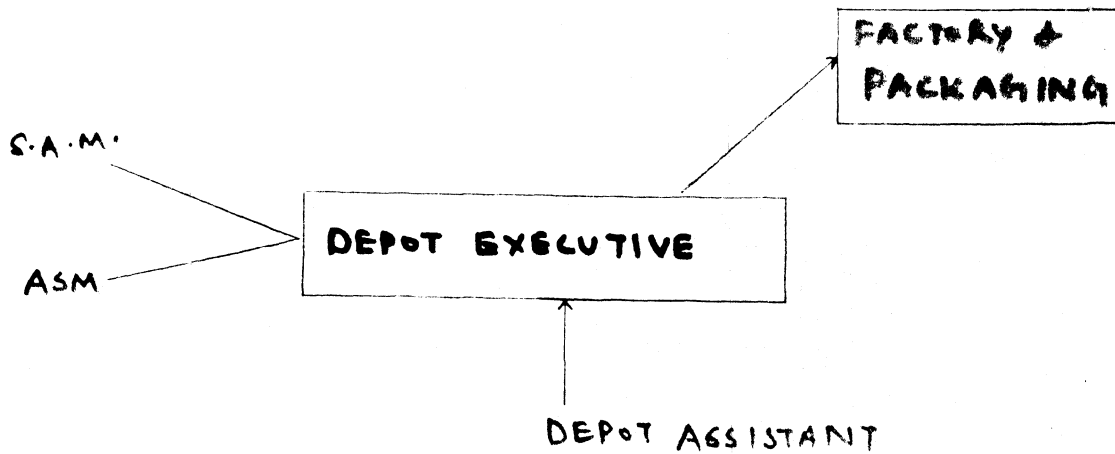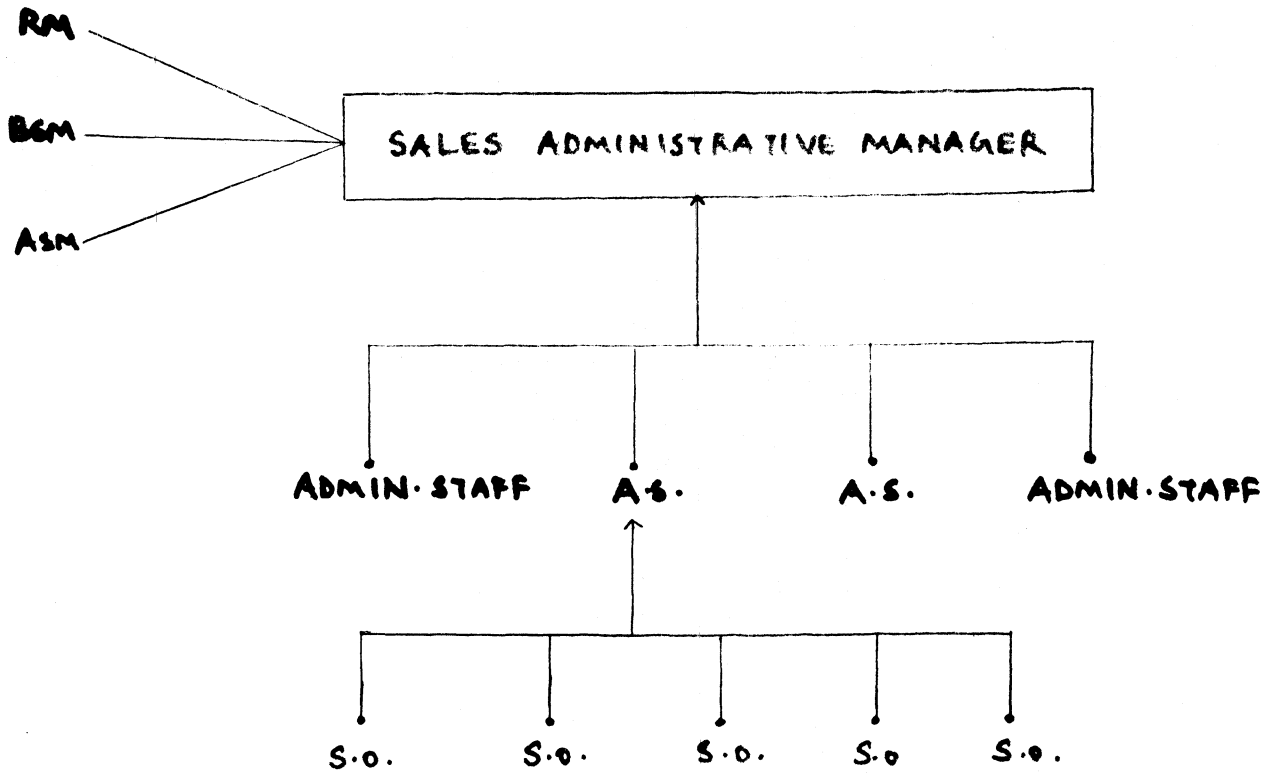
SALES REPORTING SYSTEM IN SMITH KLINE BEECHAM

The sales department is headed by the General sales Manager, with four Regional Managers under him. The four Regional Managers are designated as Regional Manager North, south, East and West. Each Regional Manager has two Branch sales Manager under him. The number of Area sales Manager under each Branch sales Manager varies from area to area i.e. depending upon the market. Same way the number of Sales Officers under each area sales Manager varies from market to market. One Sales Officer may control between two to eight stockists.

Regional Manager (South) has Seven Area sales Manager under him.The seven area sales Manager look after the following seven markets. (1) Madras metro, (2) Coimbatore and Trichy, (3) Madurai, (4) Andhra Pradesh - North, (5) Andhra Pradesh - South, Kerala and Karnataka.

There are six grades in the sales hierarchy. They are as follows:

M1 - Management Trainee

M2 & M3 - Area sales Manager

M4 - Branch sales Manager

M5 & M6 - Regional Manager

The sales administrative manager is equivalent to a Branch sales manager i.e. M4 grade. Regional Manager, Branch sales Manager, Area sales Manager, and Sales Officer have to interact with the Sales administrative Manager to carry out the day today activities. In addition to this there is an Depot executive who is either an Management Trainee or Area sales Manager.

Part - B of this project is an secondary study of systems in Blue chip FMCG MNC's. Part - B of this project focusses on the techniques and methods adopted by many of the FMCG companies in identifying potential and developing a career path for its employees. some of the information presented in Part - B of this report has been drawn heavily from secondary study i.e. mainly from books, literatures and journals.

INGREDIENTS OF A CAREER DEVELOPMENT SYSTEM:

One can possibly identify two types of careers:

1. an external career with a norm defined or identified by society or by an organisation; and

2. an internal career i.e. an individuals own perception of his progression within an occupation or on a career path.

The problem is that of matching internal and external career.

CAREER DEVELOPMENT AND THE INDIVIDUAL:

People have varying levels of aspiration which may rise or fall depending on situations in the work environment.
An high rate of unemployment may force an individual to scale down his aspirations. On the other hand, an expansion of activities of an organisation may raise the level of expectation of the individual.

In assessing the progress on a career path various individuals have different time horizons; some set shorter time limit than others for aspiring to the same goals.

Most people appear to be more able to assess their career potential later in life. In progressing on a career path an individual passes through a series of rather distinct stages an entry stage(Honeymoon stage), an establishment(make or break) stage, a maintenance stage and a decline stage, or a change of careers stage where he may shift occupations, progressing vertically, horizontally or diagonally.

Because an individual needs to regulate his aspirations and his potential with stages of progression and with available opportunities, he requires an assessment of his potential, guidance on available opportunities and assistance in Training and development so that he may utilise his potential better and looks forward to the organisation to provide such an service.

CAREER DEVELOPMENT AND THE ORGANISATION:

Corporate planning can provide the platform for personnel planning, with wide time horizons, can encompass shorter plans of more limited duration. These plans particularly the parts of them that affect the personnel in an organisation if made public can help an individual to assess his own opportunities in relation to his aspirations. Several organisations and enterprises possess such personnel plans and announce vacancies ahead of time.Other elements of a career development scheme in an organisation are counselling or helping the individual to carry out self-appraisal, a performance appraisal which tends to assess the potential of a person, and finally the training and development activity.

Another issue is the relation between career development schemes and the size of an organisation. The role of the personnel department in implementing a career development scheme is crucial. It does not consist in solely setting up self-appraisal, guidance counselling and performance appraisal mechanisms or the training infrastructure. The personnel department should above all get the commitment and involvement of all concerned particularly top management in the design and implementation of the scheme. Involvement in the formulation of personnel planning, succession or promotion planning, and the type of training that should be provided for this purpose are basic and essential ingredients of success. The training of managers in career planning and development is another important step in that direction.

The introduction of job enrichment or job enlargement schemes contributes to career development in two ways. It widens the job content and can contribute to the versatility of skill, consequently opening up new opportunities; and it can make many careers more attractive than others and therefore may influence career paths.

THE PROBLEM OF MATCHING INTERNAL AND EXTERNAL CAREERS:

The crucial problem in any career development system is that of matching an individuals perception of his career with the norms for careers existing at the organisation levels. The problem of matching is complicated by the fact that the time horizons are different at the three levels. At the organisation level some managers believe that they are unable to set up promotion or succession plans for period exceeding five years while individuals may have a varying time dimension in considering their careers.

Development plans provide the overall pictures of future manpower requirements. Personnel plans in an organisation give a more specific picture in a certain setting. The provision of self-appraisal system at organisation level coupled with testing, guidance, and counselling services enable an individual to adapt his aspirations to available and potential opportunities and career paths and allow him to set up more realistic time horizons. Such services are useful not only to facilitate entry into a certain occupation but also for midcareer shifts. Performance appraisal should aim essentially at assessing an individual's potential. Training and development through self-development methods or by utilising training institutions established by organisations help to build up potential in an individual and act as a driving force on the career path.

The problem of matching involves the following steps

1. Both the individual and the organisation have to gain more insight into:

   a) **The characteristics of the external career:** many organisations are not aware of their own promotion systems or progressions partly because such systems are often part of the informal organisation or are known to only a very few senior people.

   b) **The characteristics of the internal career:** most organisations are not aware of the needs, goals, and aspirations of their employees. Where counselling exists it is often limited to immediate job issues and does not get into career aspirations at all. Most individuals are also unclear about their own long-range goals and aspirations. Hence programs are needed to help employees at all level to think out what their goals and needs are.

2. The organisation must develop mechanisms for identifying mismatches. Once the external career opportunities, incentives and reward possibilities are known and once the patterns of goals, needs and aspirations of the employees is discovered, it is necessary to compare these external and internal career factors to determine the areas and degrees of matching or mismatching.

3. Once areas of mismatch has been identified, the organisation must develop mechanisms for dealing with the mismatch by any of the following alternatives:

   a) Encourage change in the external career structure by creating new career paths, new incentives, new rewards new challenges through job enlargement or enrichment.

   b) Encourage change in the employees internal career structure by creating new needs, new goals or new aspirations, or by helping the employee to scale down goals and aspirations that may be unrealistic or unattainable for various reasons.

   c) Seek new integrations, compromises or other forms of mutual change on the part of both employee and organisation through problem solving, negotiation or other devices.

STAGES AND CYCLES IN THE CAREER:

In order to design better programmes of career development we must understand the changing needs of the individual at different career stages.The organisational issues which have to be tackled with regard to each stage are as follows:

1) **Exploration stage: (Pre-career entry)**

(a) How to ensure that information about occupations and organisations which goes to young people is reasonably accurate and informative.

(b) How to ensure an adequate supply of potential talent by creating right kind of incentives and job for the people in the organisation.

(2) **Establishment stage: (Early career)**

(a) How to ensure that the process of recruitment identify the best potential talent for the organisation.

(b) How to manage the selection to ensure not only that the best talent will be selected but that a correct and positive image of the organisation will be conveyed to the new employee.

(c) How to induct and orient new employees in a manner that will create maximum learning and favourable attitudes towards the organisation.

(d) How to ensure that the first assignment will be optimally challenging and will give the new employee a genuine test on his abilities and skills. How to insure that the new employee will have a chief who is able to handle a new person without either giving too much or too little challenge.

(e) How to ensure that adequate feedback on performance is given to the new employee to permit him to realistically assess his strength, weaknesses and potential for the future.

(f) How to ensure that the employee who will have a future with the organisation there is formed a development plan which includes career oriented discussions with that employee, and identifies development needs, next career steps and long range potential.

MAINTENANCE STAGE: (Mid-career)

(a) How to ensure a continuing process of performance appraisal, feedback career counselling, and long range career planning with full involvement of the employee in order to keep the employee challenged, motivated and fully utilised.

(b) How to develop strategies and tactics for motivating or re-motivating the employee so that he continues to be productive even without further promotion.

DECLINE STAGE: (Late career)

(a) How to help people to adjust to their changing role as their career shifts from more active to more advisory roles.

IMPROVING THE CAREER DEVELOPMENT PROCESS- ELEMENTS OF A CAREER DEVELOPMENT SYSTEM

The topic of career development is of growing concern to organisations, both large and small.One of the prime reason for this is that the growth and productivity of organisations is more than ever dependent upon the effectiveness of human performance both at worker and Manager level. Therefore if organisations cannot create opportunities for career fulfillment, they will have an increasing number of unmotivated and ultimately unproductive workers.

Organisations must become more concerned about the career development of their employees in order to survive economically and to help their human resources to become more fulfilled. It is important that career development be viewed in the context of all of the human resources of an organisation not merely at the level of 'Manager Development', where most of the efforts have been placed.

External career refers to objective criteria, job titles, and some kind of visible progression through objectively defined stages or steps. The idea of stages or steps in a progressions towards culturally defined higher rewards is the essence of career development. If the company knows that its employees will work for period of twenty to thirty years, what kind of planning can it do to create a career progression that will be more attractive to their employees.

What employing organisations can do:

(a) **Improve manpower planning and forecasting systems**

An effective manpower planning system must consist of the following elements:

(1) A general forecast of the business in terms of future volume and mix of products on good marketing projections.

(2) A careful working out of the man power needs to meet the marketing forecast - manpower at all levels of management, and labour in terms of number of people.

(3) An assessment of the skills and characteristics that are likely to be needed in the various categories of employees.

(4) An assessment of the present pool of employees in terms of their present age, skill level and other personal characteristics which may be relevant to the needs of the future.

(5) An assessment of the career anchors of the present pool of employees and the likelihood of their being motivated and/or talented enough to progress in to the needed categories.

(6) Development planning for employees at all levels and generating of development programmes consonant with the plans generated.

(7) Monitoring systems that insure that the steps outlined above actually take place initially and continue to be implemented over a period of time.

(8) Review procedures to update the plan and improve the forecasting, assessment, planning and actual development activities on a continuing basis.

(b) **Improve dissemination of career option information**

The man power planning process will inevitably identify for the organisation some of the characteristics of the career path that past employees have followed and future employees will follow. As such information becomes available , even if it is only in generalised form, it will become increasingly important to share that information with the employees.

(c) **Initiate career counselling in connection with performance appraisal.**

Much has been said about how to make performance appraisal a more effective process. It is important to identify one crucial element of the process that should occur at least once in an year. The manager should sit down with each of his subordinates, review the entire year's performance and initiate a dialogue, which would consist of the following elements:

(1) The employees goals, aspirations and expectations with regard to his own career for the next 5 years or longer.

(2) The Managers view of the opportunities available and the degree to which the employee's aspirations are realistic and match up with the opportunities available.

(3) Identification of what the employees would have to do in the way of further self development to qualify for new opportunities.

(4) Identification of actual next steps in the form of plans for new development activities or new job assignments that would prepare the employees for further career growth.

If the employees have unrealistic aspiration he should be given a frank appraisal of where and how he falls short and should have an opportunity to explore how to rethink his internal career aspiration. This whole process may lead to the identification of a need for further assessment and counselling, which would then be made available by the organisation, either inside or outside.

(d) **Development of effective internal or external assessment centres:**

One of the most dramatic development in the fast moving consumer goods companies is the supplementing or displacing of psychological testing by assessment centres.

The essence of the concept is to replace the test with a situation in which the person being assessed has to behave in a simulated real life setting.

Instead of trying to infer future performance from personality traits revealed on projective or other tests, the assessment centres make the assumption that one can improve such inference by putting the candidate into a situation that simulates the actual job he will have to perform, and including among these evaluators people who are familiar with that job because they have performed it themselves.

Candidates spend one to three days going through various exercises in the simulations and they are observed throughout this time by

trained 'assessors'. Following this period there is typically a group meeting among the assessors to bring together all the information about a candidate, leading to summary and feedback sessions with the candidate. The feedback, typically given by some one who is trained in how to handle such a situation, emphasises observation that have actually been made and attempts to get the candidate to perceive himself more accurately by relating the conclusions about him to observed behaviour the candidate himself can remember.

The whole process is therefore more open and less threatening to the person being assessed.

When assessment centres are being used effectively, they not only become a tool for identifying and assessing employee talents, but serve also as a development tool for the assessors. Managers who are assigned for a period of time to the assessment centres learn how to observe human behaviour more accurately, how to make inferences from observations, how to communicate what they have observed to others, and how to give feedbacks to the person being assessed. Each of these skills makes them more effective as managers, especially in their own future performance appraisal activities. It also make them more aware of what is involved in the process of development, which gives them insights into their own career development.

(e)   **Support of educational and training activities for all levels of employees**

All employees become more familiar with available external career options and their own internal career needs, they will most likely identify areas of education and training that are prerequisite to further career growth. It is then important that the organisation have an explicit set of policies about time off and financial support for such activities.

(f)   **Job posting:**

Many companies have begun to experiment with making information available to all employees on openings that exists within the organisation. If all employees know what openings are available they can apply for those openings and learn first hand what qualifications they need and what qualifications they have. If the job-posting system is working correctly, it has the advantage of stimulating employee initiatives to develop their own career by actively seeking new assignments instead of waiting to be told about them, and the advantage of stimulating the organisation to do more honest performance appraisal because employees who do not qualify for a job must be told precisely why they do not qualify and what they would have to do to qualify. The use of job-posting and internal assessment centres are very congruent in that the employees can use the assessment centres to find out whether he is qualified for some of the jobs that may be available before going through the whole application procedures.

(g) Special Assignments and Job Rotation:

The organisation needs to know more about the patterns of talents, motives, and values of a given employees. One way to attempt to determine these is through assessment centres, but such centres are only simulations of reality. To provide real tests under real conditions and to provide a new range of experience for employees, the organisation must employ systematic procedures of rotating people through new kinds of jobs or special assignments. Job rotation can be a fairly formal process, i.e., a manager spending one or two years in each of the major departments of an organisation or it can be an informal process of spending one or two months in another department in order to learn what the work of that department is all about, how the employee would like it, and how good he would be at it.

Special assignments can be in the form of committee or task force assignments, where the employee is thrown into a new group around a new task, or can be a more formal project where the employee works for some period of time under another supervisor on a specific project, but with the understanding that he will eventually return to his original department. Such temporary assignments are usually justified by organisations on the ground that the particular skills of the employee are a scarce resource within the organisation. In order to make such activity successful, it is essential that a mechanism be built in for the employee to get good feedback and counselling after the temporary assignments so that there is an opportunity to digest and consolidate the learning that may have taken place during the assignment itself.

(h) Career Development Workshops:

Some companies are beginning to experiment with training and development activities that are specifically designed to explore career issues. Such programmes or workshops were initially concentrated on improving the process of bringing highly talented employees in to the organisation. These"joining up" work shops provided opportunities for groups of new employees and their supervisors first to meet separately to explore what they expected to give and receive in return. Then they focussed on a sharing of these expectations, which revealed areas of mismatched expectations, and finally, set up work groups consisting of both employees and supervisors to work out procedures for reducing the mis-matches by changing employee expectations or organisational procedures or both. One of the significant areas of learning which resulted from these workshops was that members of the organisation had very different views of what the organisation expected to get from new employees and what they expected to give in return. For many managers of fast moving consumer good companies the workshop opened up issues surrounding their own careers and the organisation's reward system, which had not been raised before yet which were crucial for any kind of career planning.

Mid-career workshops are a logical extension of the "joining up"

workshops and have been tried in a number of fast moving consumer good companies. The participants are typically a group of professional employees or junior managers and their supervisors. A central assumption of the workshop is the joint responsibility of the individual and the organisation for career development, hence the activities reflect self-diagnostic activities, diagnosis of the organisation , and a bringing together of these diagnoses toward the identification of potential mis-matches. Training people to make a life plan, to think about the role of their career within that plan and to develop concrete action steps toward implementing the plan may involve one to three days of focussed individual work.

Once the individual has gained some insight into his own needs, and once his chief has gone through the same exercise for himself, they are in a better position to begin the dialogue with each other. The concrete planning of future career steps may occur as part of the workshop or be planned for some future time, but the workshop builds the commitment to work on career issues explicitly.

Group sessions dealing with organisational diagnosis has led to the conclusion that there are more obstacles to career development in the form of organisational norms or practice.

(i) **Sabbaticals and other off-work activities.**

Some Fast moving consumer good companies are beginning to experiment with the idea of giving employees longer periods of time to pursue personal goals.The reasons may be several- at the senior executive level the pressures of day-to-day work accumulate to the point where a few weeks of vacation is not enough for the person to restore himself. For middle managers and the professional staff employees in mid-career there may be a problem of loss of motivation accompanying recognition that not many more promotions can be expected. For such individuals a period of time away from organisation may permit them to develop some new interests outside, to readjust their thinking to their career levelling-off, and to put their work into proper life perspective. The organisation is likely to continue to need the contribution of such people, and therefore needs to find vehicles that permit them to remotivate themselves. A period of timeoff can often serve that function. For junior levels of employees or supervisors, the concept of sabbaticals probably lies in most closely with continuing education and training to permit them to learn new skills, etc., which will make career development to higher levels more feasible.

(j) **Flexible Rewards and Promotion Systems:**

In terms of promotion, it is clear that organisations will have to develop multiple promotional ladders to reflect the fact that all employees do not want to be general managers. Organisations have developed "dual ladders" in an effort to reward the highest contributors. Many functional managers do not want to be general managers but want career growth within their function, which will require the invention of new titles and appropriate rewards to go

with such titles. Ultimately the cultures and norms of the organisations will have to shift to recognise that in an increasingly complex environment the organisation is highly dependent upon a wide range of human resources and that career development involves many paths other than the path into general management.

OVERCOMING ORGANISATIONAL OBSTACLES TO THE IMPLEMENTATION OF INDIVIDUAL CAREER PLANS

Career development problem thus concerns the effectiveness of a matching process how in practice do individuals and organisations strike bargains and produce compromises? How should the respective influences of individual and organisation be exercised for mutual satisfaction? which of the parties to the bargain bears primary responsibility at each of the key choice points in the process? What techniques are available to the respective parties which might enhance the effectiveness of the process?

ORGANISATIONAL STRATEGIES

The development of techniques for achieving a match between individual and organisation is almost universally viewed as the responsibility of organisational management. Personnel planning systems are being developed for use in a wide variety of organisations. Despite differences in context and in detail, a number of general features of comprehensive organisational strategies can be identified.

A central characteristic of advanced personnel systems is a view of the traditional personnel functions (e.g., recruitment, selection, placement, training and development, performance appraisal) as a set of interrelated components in an integrated and continuous series of strategic decisions rather than as independent activities. In addition to traditional personnel procedures, comprehensive personnel planning strategies are likely to include procedures for succession, or "backup" planning, continuing education opportunity programmes coaching and counselling facilities, and mutual goal setting as part of performance appraisal management-by-objectives programmes.

For some employees, some of these organisational strategies work to compel individual growth activities, independent of individual initiative.

The persistence of less than mutually satisfying career experiences has led managers to implement increasingly compelling and increasingly attractive programmes.

Many organisations are beginning to accept some responsibility for career development, and some are beginning to even implement quite complex and sophisticated human resource administration systems. The design and implementation of such systems represent major

investments in time, energy and money, and frequently require major changes in deeply ingrained organisational practices. Changes in compensation and fringe benefit systems, training programmes and strategic and manpower planning systems often require basic re-education processes at all levels of the enterprise. The results of these investments may not be positive many a times.

INDIVIDUAL STRATEGIES

As an extension of well-established career counselling and mutual goal setting practices, a mechanism for directing these individual efforts has been developed in the form of individual career planning exercises. In general, an individual career planning programme minimally requires the participant to sketch some of his or her interests, abilities, and strengths and weaknesses, state some goals and make an attempt to predict likely organisational tasks for which a match might eventually be made, and formulate a plan for development activities to meet predicted future needs.

In pursuing this general goal through ICP exercises, the primary assumption is that the process of clarifying their own goals and their expectations of future organisational requirements can aid individuals in making decisions about career development activities which are more realistically feasible than would be possible without that clarification.

A second goal appears to underlie the support which a number of organisations have given to sponsorship of ICP sessions for their employees. It is assumed that the decisions of individuals which result from the process will be consistent with organisationally defined career requirements. From the organisation's point of view, behaviour changes resulting from ICP will consist of career development activity consistent with long-term purposes of the organisation. Ideally, from the perspective of achieving mutually satisfying career patterns, the result of combing ICP with organisation - based strategies will be both individual adaptation to organisational constraints and organisation development through the innovative contributions of the individuals.

Even with the best available organisational procedures, effective career development depends ultimately on the motives, goals and abilities of the individual. Individual career decisions are made continually , within organisational constraints, by a more or less orderly trial and error process. For most individuals, most of the time, these decisions can be characterised more accurately as the results of a process of "muddling through" in reaction to perceived demands of the immediate situation, than as a result of comprehensive and rational analysis of goals and strategies.

The purpose of ICP programmes is to contribute to the effectiveness of the matching process by extending the degree to which individuals can and will act as "rational" decision - makers. If they can be assisted in articulating goals, analysing data and developing rational strategies, it is assumed that they will be

able to participate more actively in the determination of their own careers, and the likelihood of dissatisfying choices will be reduced.

MODEL OF THE INDIVIDUAL CAREER PLANNING PROCESS (ICP)

```
┌─────────────────────────────┐   ┌──────────────────────────────────┐
│ STEP 1. SELF ANALYSIS       │   │ STEP 2. ORGANISATIONAL ANALYSIS  │
│                             │   │                                  │
│ Career Review              │   │    Long - Range plans            │
│ Strengths & Weaknesses     │   │    Manpower information           │
│ Interests & Abilities      │   │    Policies & Procedures          │
│ (Psychological & Aptitude   │   │    Other Opportunities            │
│   Tests)                    │   │                                  │
└─────────────────────────────┘   └──────────────────────────────────┘
                │                               │
                ▼                               ▼
        ┌───────────────────────────────────────────┐
        │ STEP 3. GAP ANALYSIS                      │
        │                                           │
        │ Goal matching                             │
        │ Reality testing                           │
        │ Counselling, Coaching                     │
        └───────────────────────────────────────────┘
                            │
                            ▼
        ┌───────────────────────────────────────────┐
        │ STEP 4. ACTION PLANNING                   │
        │                                           │
        │ Areas of study                            │
        │ Learning priorities                       │
        │ Agenda                                    │
        └───────────────────────────────────────────┘
                            │
                            ▼
        ┌───────────────────────────────────────────┐
        │ STEP 5. IMPLEMENTATION                    │
        │                                           │
        │ Career development                        │
        │ activities                                │
        │ & Evaluation                              │
        └───────────────────────────────────────────┘
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PLANNING PROFESSIONAL CAREER OF EMPLOYEES:

1. OBJECTIVES

To ensure the development of people who constitute the enterprise, in order to achieve the firms objectives and to offer greater personal satisfaction to the employees by giving them the opportunity of knowing their own potential and future development.

2. BASIC ASSUMPTIONS

(a) It is the responsibility of every chief to know and to keep the organisation informed of the capacity of his immediate subordinates.

(b) Every employee has the right to know his future possibilities within the organisation in which he works.

(c) It is necessary to establish and maintain objective criteria, which implies an occasional necessity to break with obsolete styles of conduct.

(d) As well as being analysed in detail and accepted by the top men of the firm, the programme of planning of the professional career has to been seen as "necessary" and "their own idea".

(e) At any given moment the firm needs to know not only to what extent its employees will be able to confront the proposed objectives, but also the work it is capable of undertaking, bearing in mind the potential of its personnel.

(f) Planning the professional career forms part of the more ample programme of the development of the human resources and should be extended until it reaches the totality of the personnel of the firm.

(g) The functioning at the executive levels of a committee for the development of human resources is an important part of this programme.

3. SCOPE OF APPLICATION:

Although the ultimate objective is that the programme reach the totality of the firm's personnel, the first step would affect those persons occupying positions in the middle of the firm, and extend upwards to the highest levels of the organisation.

4. PROCEDURES:

Every chief who has direct control over employees will fill in a career planning form for each person under his charge, once a year, and will pass it to his direct supervisor, who, in turn, will give his superior a résumé that reflects the information referring to all the personnel in his area of influence. The information on those employees who are considered to be of high potential will be forwarded, through the normal channels, to the committee for human resources development.

The immediate chief of those employees who are not considered to be of high potential will be responsible for drawing up a plan of personal development for the year, which will form a part of the general plan for the development of human resources of the enterprise.

5. COMPOSITION AND FUNCTION OF THE COMMITTEE:

The committee will be composed of a director, the chief of Development of Human Resources, and the two last chief of the person whose potential is being evaluated.

Its function consists in exposition, commentary and evaluation of the person's characteristics, comparing them with exigencies of the position that he holds, and predicting the person's evolution, capacity and interests.

For this, the committee will rely on the analysis of his professional history, the qualifications obtained in the previous years, and the references received from his chiefs.

The chief of development of Human Resources will act as moderator, controlling the different interventions, bringing the difference in criteria together, and directing the different contributions towards a proper evaluation in such a way that the estimation will be up to date and effective.

Different criteria that must be evaluated in a person are following:

* technical competence;
* capacity for dealing with people at different levels;
* capacity for human relations;
* qualities of initiatives;
* creativity;
* autonomy; and
* qualities for 'executive' or 'staff' post.

Bearing in mind the firm's objectives and the evaluation of each person, the committee will determine the policy most appropriate to development making the respective immediate chiefs responsible for its execution. These chiefs have the specialized services of the organisation at their disposal to help them draw up the programme, individual as well as group, and achieve its fulfillment. Every chief will count on the Services of Development of Human Resources for following up the actions that have been decided on.

6. DURATION OF PLAN:

If the analysis and evaluation of human resources are constant, it is estimated that the intervention of the committee upon any given person will be once every three years, unless the rhythm of revolution of the firm's objectives and the need for the development of the employees demand that the cycle be shorter.

7. DOCUMENTS:

The forms to be used for the "Annual Planning of Professional Career" and the "Résumé" are as follows:

ANNUAL PLANNING OF PROFESSIONAL CAREER
****

1. **PERSONAL DATA AND QUALIFICATION**

Name: ....

Date of Birth: ....

Qualification: ....

Position in firm: ....

Workplace: ....

Assessment: ....

2. **ESTIMATIONS**

Outstanding in..

Need of development in ....

Potential:
Positions he/she is capable of undertaking
at the moment : ....
in the short run (1 year): ....
in the near future (3-5 years): ....

* Professional preferences: ....
* Advisable training in the firm: ....

3. **FORMATIVE ACTIONS:**

As previously planned	Fulfilled	Reasons why all were not fulfilled
....	....	....
....	....	....
....	....	....
....	....	....
....	....	....

PLANNING OF PROFESSIONAL CAREER

RESUME FOR THE SECTION..................... DATE..........

Names	Position in firm	Assessment						Potential					
		1	2	3	4	5	6	1	2	3	4	5	6

CODES:
******
ASSESSMENT:	POTENTIAL - POSSIBILITY OF PROMOTION
1 - INADEQUATE	1 - NIL
2 - INSUFFICIENT	2 - LOW
3 - SATISFACTORY	3 - FORESEEN IN THE LONG RUN
4 - NORMAL	4 - OUTSTANDING IN THE NEAR FUTURE
5 - OUTSTANDING	5 - HIGH POTENTIAL
6 - EXCELLENT	6 - VERY HIGH POTENTIAL

DEMONSTRATION IN INDIVIDUAL CAREER PLANNING

OBJECTIVES

This brief key exercise is designed to illustrate several key features of an individual career planning programme. This demonstration exercise focusses only on three central elements of the process namely:

1. Self analysis: skill and short term goal inventory
2. Organizational analysis: short-term opportunity inventory
3. Action planning: short term development strategies

The primary objective of this exercise is to demonstrate the potential utility of systematic career development planning in general terms. In addition, the exercise is designed to provide with a basis for pursuing further career planning efforts by one's self by providing an outline of the planning framework, suggesting areas for further self analysis and exploration and underlining key needs for additional data concerning organisational alternatives and development opportunities.

This demonstration consists of five phases.

PHASE I SELF-ANALYSIS
****

Individual: 20 minutes

Purpose: To assess personal preferences, strengths and weaknesses, and short-term goals in terms of specific work experience.

1. CURRENT SKILL INVENTORY: STRENGTHS AND WEAKNESSES

Career related strengths are those specific areas of competence, qualification, or skill which one could contribute confidently, without significant additional training to his job. Career-related weaknesses are those job-related areas which would require significant additional training or practice.

Skill or Qualification can be classified under several headings. The following list covers some of the most commonly cited areas.

A) Professional qualification and technical skills:

Management, Engineering, Finance, Law etc.

B) Social and interpersonal skills:

Ability to negotiate under pressure, ability to resolve inter-personal conflicts "human relations" skills (patience, sensitivity, openness), group leadership, etc.

C) Communication skills:

Writing, speaking, debating, knowledge of foreign languages etc.

D) Administrative skills:

Problem - solving skills, knowledge of standard operating procedures, planning, supervision, scheduling, etc.

E) Personal skills and reputation:

Independence, creativity, flexibility, maturity, "charisma" etc.

Briefly note two or three specific areas under strengths and weaknesses with regard to the current job:

	STRENGTHS	WEAKNESSES
PROFESSIONAL/ TECHNICAL SKILLS	1. 2. 3.	1. 2. 3.
SOCIAL/ INTERPERSONAL SKILLS	1. 2. 3.	1. 2. 3.
COMMUNICATION/ LANGUAGE SKILLS	1. 2. 3.	1. 2. 3.
ADMINISTRATIVE SKILLS	1. 2. 3.	1. 2. 3.
PERSONAL SKILLS	1. 2. 3.	1. 2. 3.
OTHERS		

2. WORK PREFERENCES, VALUES, STYLES, AND ATTITUDES

Consider each of the following characteristics of job situations, indicating the degree to which each is important or desirable to you. Circle the number which best reflects your current personal preferences, using the following scale:

1 = Very important or desirable characteristic: You would be very disappointed, dissatisfied, or unable to work effectively if this did not characterise your job; this is a central source of job satisfaction for you.

Circle the appropriate number	JOB CHARACTERISTICS
1 2 3 4 5	A. Autonomy: personal freedom to set your own work schedule, select your own projects, follow your own interests.
1 2 3 4 5	B. Security: stable long range career path, predictable income and retirement.
1 2 3 4 5	C. Affiliation: teamwork; close, personal relation ships with colleagues; social satisfaction through work, frequent interpersonal interactions.
1 2 3 4 5	D. Financial rewards: outstanding income and benefits, material success.
1 2 3 4 5	E. Variety: absence of routine, frequent changes in task demands, many different activities.
1 2 3 4 5	F. Recognition: status, visibility, reputation, titles, awards.
1 2 3 4 5	G. Creativity: demands for innovative solutions to problems, innovativeness, novelty.
1 2 3 4 5	H. Productivity: demands for high levels of concrete outputs, challenging short-term goals.
1 2 3 4 5	I. Managerial influence: control over others, significant impact on events, responsibility for significant leadership.
1 2 3 4 5	J. Clarity: well defined rules and regulations, and procedures, clearly measurable output goals.
1 2 3 4 5	K. Technical specialisation: need to exercise sophisticated technical and analytical skills.
1 2 3 4 5	L. Advancement: opportunity for promotion, path to higher levels of responsibility.
1 2 3 4 5	M. Self-development: learning opportunities, challenging assignments, personal and professional growth.
1 2 3 4 5	N. Others:

3. MOST AND LEAST REWARDING JOBS

Think about those jobs (titles, significant assignments) which you have held during your career. select the two which were most personally rewarding or satisfying to you, and write their titles or brief identifying descriptions here:

```
┌─────────────────────────────────────────────────────────────────┐
│   Most satisfying          Title:.........................      │
│        jobs                                                      │
│                                                                  │
│                            Title:.........................      │
└─────────────────────────────────────────────────────────────────┘
```

Select the two which were least personally rewarding or satisfying to you, and write their titles or brief identifying descriptions here:

```
┌─────────────────────────────────────────────────────────────────┐
│   Least satisfying         Title:.........................      │
│        jobs                                                      │
│                                                                  │
│                            Title:.........................      │
└─────────────────────────────────────────────────────────────────┘
```

Review the list of your strengths and weaknesses and your inventory of work preferences. In the appropriate spaces below, briefly note the most important of your strengths and weaknesses and the most and least desirable job characteristics which apply in common to your most satisfying jobs and to your least satisfying jobs.

```
┌─────────────────────────────────────────────────────────────────┐
│                    MOST SATISFYING JOBS                          │
│                                                                  │
│   STRENGTHS:                    MOST DESIRABLE JOB               │
│                                 CHARACTERISTICS:                 │
│                                                                  │
│                                                                  │
│   WEAKNESSES:                   LEAST DESIRABLE JOB              │
│                                 CHARACTERISTICS:                 │
└─────────────────────────────────────────────────────────────────┘
```

4. YOUR IDEAL NEXT JOB

Assume that you could now design an ideal job for yourself at this stage in your career. Based on the above assessment of your current skills, your current preferences, and your actual experiences in satisfying and dissatisfying jobs, develop an "ideal next job description", using the framework below. Try to ignore at this stage, constraints present in your actual world of work.

Primary skill requirements (Strengths):

Primary job characteristics (Preferences):

Scope of responsibilities:

Development needs (Potential weaknesses):

 Other considerations:

PHASE II. SHARED REVIEW

Small group discussion: 25 minutes

Purpose: To provide a non-threatening atmosphere in which you can test the clarity of your "next ideal job" description.

PROCEDURE

1. Form groups of three persons. This phase of the exercise will be most useful if the group consists of strangers - people who do not come from the same organisation.

2. Briefly introduce yourself to other members, and record the names of the three group members:

A................... B..................... C..................

3. Each member will take five minute turns in assuming the role of planner. The planner's task is to describe his "ideal next job" to the other two members as clearly and in as specific terms as possible. The planner may decide to share some information from his analysis of skills and preferences if this information is directly relevant to clarifying the "ideal job" description. The planner should focus on past or present job experiences only if they help to make the "ideal job" description more specific.

4. The other two members are to serve in turn as helpers or mirrors for each planner. At this stage the helper's role is not to give any advice or suggestions, but simply to listen carefully and ask questions which may help to clarify and make more concrete the planner's "ideal next job" description.

CHOOSE THE FIRST PLANNER, AND PROCEED WITH THE DISCUSSION. IN ABOUT SEVEN MINUTES, SWITCH ROLES AND PROCEED WITH THE SECOND PLANNER. SWITCH ROLES AGAIN AFTER ANOTHER SEVEN MINUTES.

Individual: 15 Minutes

Purpose: To assess likely short-term job opportunities and to outline their requirements.

1. MOST PROBABLE SHORT-TERM OPPORTUNITY

Consider the possibility that the job you will have two to three years from now may differ from the one you now hold.You may assume changes in the responsibility levels, task assignments or locations.

Apart from your own preferences and career choices, your job in the next 2-3 years will depend on your organisation's strategic and operational plans, promotion and transfer policies, structure and evaluation of your own potential. It will also depend on the availability of other opportunities.

Using the best information you now have regarding the influence of these conditions and trends, briefly describe the job you are most likely to have two to three years from now, stressing those skill requirements which you currently would not consider to be your strengths:

YOUR MOST PROBABLE SHORT-TERM JOB OPPORTUNITY

Title:
Responsibility level:
Additional technical skill requirements:
Additional administrative skill requirements:
Additional interpersonal skill requirements:
Other considerations:

---

2. LIKELY ALTERNATIVE SHORT-TERM OPPORTUNITIES

Consider at least one alternative short-term opportunity, and describe it as the 'most likely' one.

FIRST ALTERNATIVE JOB OPPORTUNITY

Title:
Responsibility level:
Additional technical skill requirements:
Additional administrative skill requirements:
Additional interpersonal skill requirements:
Other considerations:

PHASE IV. DEVELOPMENT PLANNING

Individual: 15 Minutes

Purpose: To establish priorities for self-development activities, by identifying gaps between likely short-term job requirements and current skills and preferences.

1. DEVELOPMENT NEEDS FOR YOUR NEXT IDEAL JOB

Review the results of your work on the self analysis, focussing especially on those areas of your next ideal job which you identified as development needs (Potential weaknesses).

Briefly describe two areas of skill or qualification in which you would need to have additional training or experience to perform effectively on Your ideal next job.

DEVELOPMENT NEEDS FOR IDEAL JOB
1. ....
2. ....

2. ADDITIONAL SKILL REQUIREMENTS FOR MOST PROBABLE JOB

Review the results of your work on Organisational analysis, focussing especially on those areas of your most probable short term opportunity which you identified as additional skill requirements.

Briefly describe three skill areas in which you would require additional training or experience to perform effectively in your most probable job.

DEVELOPMENT NEEDS FOR MOST PROBABLE JOB
1. ....
2. ....
3. ....

3. OTHER WORK RELATED DEVELOPMENT NEEDS

You may be able to identify some additional self-development needs related to your assessment of your strengths and weaknesses, your preferences, alternative possible jobs, or long term career goals. If this be the case briefly describe one or two such needs here.

```
┌──────────────────────────────────────────────────────────────────────┐
│                  OTHER CAREER DEVELOPMENT NEEDS                         │
│   1................................................................     │
│                                                                        │
│   2................................................................     │
│                                                                        │
└──────────────────────────────────────────────────────────────────────┘
```

4. CAREER DEVELOPMENT PRIORITIES

Review the above lists of development needs, and select the single
most important area, the one skill or qualification area in which
immediate action on your part would contribute most to preparing
you to achieve your own short - term career objectives. Describe
the area as specifically as possible here:

```
┌──────────────────────────────────────────────────────────────────────┐
│              HIGHER PRIORITY CAREER DEVELOPMENT NEED                    │
│   ..................................................................    │
│   ..................................................................    │
│   ..................................................................    │
└──────────────────────────────────────────────────────────────────────┘
```

5. ACTION PLANNING

Briefly outline your strategy, including a timetable, for meeting
your Highest priority career development need, stressing specific
action steps you must take immediately to meet this need.

```
┌──────────────────────────────────────────────────────────────────────┐
│                ACTION PLAN FOR CAREER DEVELOPMENT                       │
│   Information needed:  ...........................................      │
│                                                                        │
│   Assistance required:  ..........................................     │
│                                                                        │
│   Potential difficulties:  .......................................     │
│                                                                        │
│   Specific timetable; action steps:  .............................     │
│                                                                        │
│   ...............................................................      │
│                                                                        │
│   ...............................................................      │
│                                                                        │
│   Other considerations:  .........................................     │
│                                                                        │
│   ...............................................................      │
└──────────────────────────────────────────────────────────────────────┘
```

PHASE V. FEASIBILITY TESTING

Group Discussion: 30 Minutes

Purpose: To test the clarity and feasibility of your action plan for career development, and to increase your own level of commitment to your plan.

PROCEDURE

1. Meet again with the other two members of your discussion group.

2. Take ten-minute turns in which one planner uses the other two members as advisers and helpers.

3. In each turn the planner should first take about five minutes to describe his immediate development need area, and share his action plan to meet that need.

4. The advisers should listen carefully without interruption unless clarification is needed. After about five minutes, the advisers should help the planner by discussing whatever issues the group feels necessary to assure the accomplishment of the plan.

RECOMMENDATIONS

The Sales reporting system in Beauty cosmetics Limited consists of Sales Representatives, Sales officers, Area Managers, Regional Managers and the Marketing controller.(see organisation hierarchy for the setup in PART- A).

On comparison of Sales reporting system of Beauty cosmetics Limited with other Fast moving consumer good companies reveals that there is an extra layer between Area Manager and stockist which is quite anamolous, and which is not in tune with FMCG industry norms.

Consider Scenario "A" with Sales Representative/Sales Officers reporting directly to the Area Managers (Industry standard) versus Scenario "B" which is the existing system at Beauty cosmetics Limited.

COST-BENEFIT ANALYSIS BETWEEN SCENARIO "A" & "B".

Net Margin for the Year 1995-96 is 2%   (94/4615) and projected Net Margin for the Year 1996-97 is 3.3% (265/8000).
Assuming that the salary of an Sales Officer is Rs.3500/= the Salary expense works out to Rs.18.5 lacs P.A.
Net Profit is 60% of Gross Profit as 40% goes in as Corporate Tax. Therefore Net loss because of the extra layer works out to 11 lacs (18.5 * 0.6).

To achieve a 2% net margin, Rs. 5.5 crores of extra turnover to offset outflow of Sales Officer salaries. and to achieve 3.3% net margin, Rs. 3.8 crores of extra turnover is required. On the basis of 1995-96 figures, i.e., on a Rs. 47 crores turnover, 7% - 11.8% of extra turnover is required to justify Sales Officer's salaries. The company plans to become an Rs. 80 crore company by March 1997. Assuming a 15% increase in salaries of Sales Officers, the annual disbursements of salaries works out to Rs.12.6 lacs. (This figure of 15% increase has been arrived keeping in account of inflation and yearly increments.) There fore if the company plans to become Rs. 80 crore by March '97, Rs. 6.3 crores of extra turnover has to be achieved to get a net margin of 2% and Rs. 3.8 crores of extra turnover if 3.3% of net margin is to be achieved.
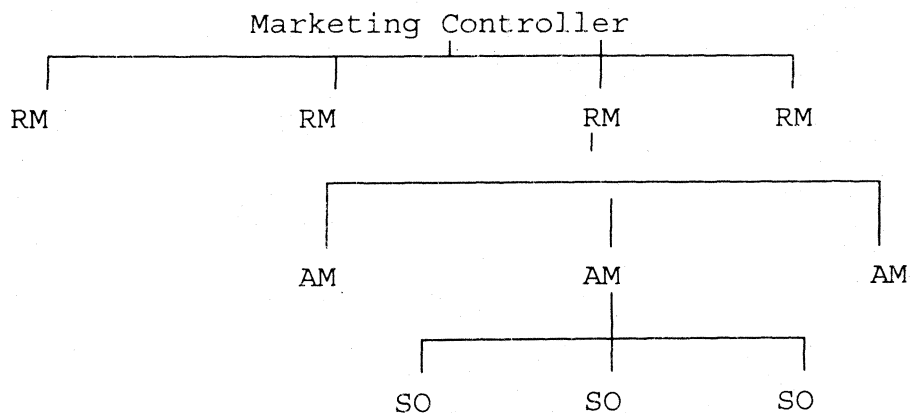
Even in the most optimistic scenario, the sales officers have to generate a 5% extra turnover to become an Rs. 80 crore company and to justify their role/presence in the hierarchy. The removal of this layer is being suggested as SO's functions are more administrative in nature as per the job description. I feel that the Sales Officers are replicating the managerial function of the Area Managers. His job is mainly an administrative interface between the Sales Representative and Area Managers, with no directly identifiable benefits in terms of sales or Sales Representative/ Stockist motivation. This job can be handled by the Area Sales Manager as under scenario A.

In my considered opinion and based on the advice drawn from senior sales personnel of FMCG companies an additional Sales Officer layer cannot generate so much sales. (See calculations above.) The administrative layer of Sales Officers cannot generate additional sales to the tune of 5% - optimistic scenario to 12% -pessimistic scenario.

(It is assumed that the travel expenses, bonus plus other allowances gained by the removal of the Sales Officer layer will be compensated by the increased expenditure on Area Managers, as the Area Managers will have to do a lot of travelling as compared to earlier.)

Now we have to ask ourselves the question of how to motivate the Sales Representatives and give them an opportunity to grow within the organisation.

I feel Beauty Cosmetics will be better off with Sales Representatives reporting directly to the Area Managers. Have three layers within Sales Representatives itself, like Sales Officers, Senior Sales Officers and Retail Distribution Salesman. The Senior Sales Officer and the Retail distribution Salesman will handle some occasional administrative function other than their regular duties. The Retail Distribution Salesman will become as Sales Executives which is equivalent to Area Sales Manager cadre. These Sales Executives will be on a probation for a period of one year after which they will be confirmed in their services as Area Sales Manager. Confirmation will be based on performances and not time bound. Some of the exercises which has to be carried out in this regard can be got from Part B of this report. So in my view, the new layer will be as follows:

```
                    Marketing Controller

    ┌───────────────┬───────────────┬───────────────┐
   RM              RM              RM              RM
                                    │
                    ┌───────────────┼───────────────┐
                    │               │               │
                   AM              AM              AM
                                    │
                    ┌───────────────┼───────────────┐
                   SO              SO              SO
```

Sales Officers — Senior Sales Officers — Retail Distribution Salesman — Sales Executives.

Assuming that the Sales Officer layer has been delayered, the number of Area Managers will increase from 14 to 18 and in turn each Area Manager will be controlling around 8 Sales Officers.

For a growing company like Beauty Cosmetics, the number of layers seem to be more and it is not in tune with the industry standards and norms. Only Brooke Bond Lipton India Limited seems to have two layers below Area Sales Managers, this is justified keeping in mind the size of the company.

It does a lot of good for the company if the organisation structure is flatter. As the company already has two layers below Area Sales Managers the reporting system tends to be more complicated and bureaucratic. Though job definition has been prescribed for Sales Representative and Sales Officers there seems to be an overlap in the duties performed by them. Sales Officer's job is more administrative and therefore I recommend for delayering of this vestigial layer.

Any change cannot come overnight, so this layer has to be phased out over a period of time. Oncethis delayering has been done, redesignate all Sales Representatives as Sales Officers and have three layers within the Sales Officers as mentioned above.