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Sales Quota


For Internal Circulation and Academic
Purpose Only

Programme Educational Objectives

- *Our program will create graduates who:*
 - *1. Will be recognized as a creative and an enterprising team leader.*
 - *2. Will be a flexible, adaptable and an ethical individual.*
 - *3. Will have a holistic approach to problem solving in the dynamic business environment.*

Sales and Distribution Management Course Outcomes

- CO1- Given a situation of Festival, student manager will be able to identify appropriate Sales Forecasting method to be adopted by a company.
- CO2- Given a situation of opening a new outlet, student manager will be able to draft a sales plan.
- CO3- Given a situation of Selling products / services, student manager should be able to explain Personal Selling Process.

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- CO4-Given a criteria of newly launched company, student manager should be able to design an effective Sales Compensation Plan for Sales Executive.
 - CO5-Given a criteria of distribution channel of a company, student manager should be able to outline different levels of Marketing channel used by the company.
 - CO6-Given a situation, student manager should be able to explain the process of Reverse Logistics.

Sales Quota


- Individual sales target figure assigned to each sales unit such a sales person, dealer, distributor, region, or territory, as a required minimum for a specified period (month, quarter, year).
- Sales quotas may be expressed either in figures (monetary terms) or in number of goods or services sold (volume terms)

TYPES OF QUOTAS

- Sales volume quotas.
- Profit quotas.
- Expense quotas.
- Activity quotas.
- Quota combinations

Objectives

- To provide quantitative performance Standard
- To obtain tighter sales and expense control
- To motivate desired performance
- Controlling Sales Persons' activities
- Quotas provide an opportunity to direct and control the selling activities of sales persons.
- If the sales person fails to attain the quota the company can take corrective actions to rectify the mistake.

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- Management must make sure that the sales personnel understand quotas and quota setting Procedure. Conveying this understanding is a critical step in securing acceptance of quotas.
 - It is important that sales personnel understand the significance of quotas as communicator of “how much for what period”. It requires:
 - Keeping sales personnel informed: Effective sales management keeps sales personnel informed of their progress relative to quotas. It permits them to analyze their own strong and weak points.

Methods for setting sales quota

- Territory potential
- Past sales experience
- Total market estimates
- Executive judgment
- Sales person estimates
- Compensation plan

A GOOD QUOTA PLAN IS **SMART**

- **Specific**
- **Measurable**
- **Attainable**
- **Realistic**
- **Time specific**