

CASE A-6: SALES ANALYSIS AT THE CHEMGROW COMPANY* -- Evaluating Sales Performance

Case Objectives:

The major leading objectives of the case focus on:

1. The importance of organizing sales information for effective use in making management decisions;
2. The analytical issues relevant to summarizing sales information, and the impact that different points of view in this regard can have on the decisions which are made based on the analysis;
3. The difficulty of evaluating salesperson performance when the manager must consider differences in territory, sales of multiple products, changes in sales trends over time, different gross margins for different products, and performance relative to other sales representatives as contrasted with absolute performance levels;
4. The usefulness of evaluating different customers and the purchases that they make over time, and the gross margins which their purchases contribute to the firm;
5. How aggregation of sales data in different ways (i.e., at the customer, salesperson, or territory level) may provide different perspectives on the performance of the sales force and the firm in its markets.

Questions:

1. What decisions would you make with regard to which is the most productive region, who is the most outstanding salesperson, and who are the most valuable customers?
 2. What computer reports should be generated on a regular basis to assist the managers in their evaluations?
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