

STRATEGIC SALES MANAGEMENT

Session 3: Breaking the Myths and Learning the Basics (Continued..)

UNDERSTANDING SELLING FROM A STRATEGIC PERSPECTIVE

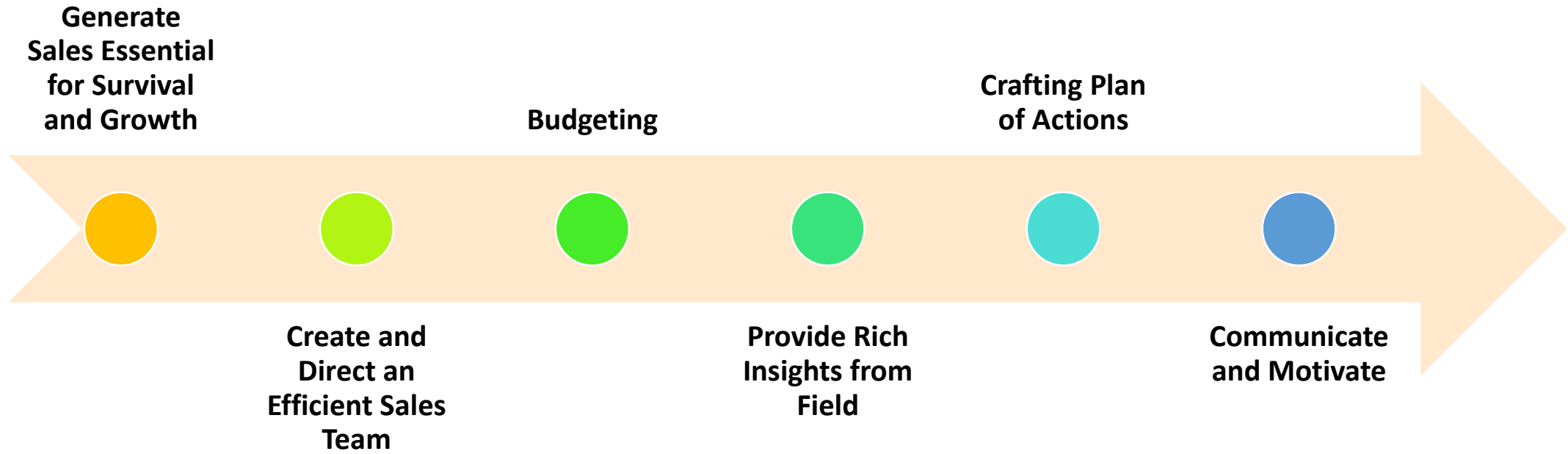
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MANAGEMENT STUDIES, IIT ROORKEE

Learning Objectives:

After going through this module, you should be able to:

- Dispel the Myths about Selling and Sales Management
- Understand the Meaning, Nature and Role of Sales Management
- Evolution of Sales Management
- Know Why Tata Ace was recognized as the Most Yogya Wahan and its context in Selling
- Objectives of Sales Management and Much Beyond



Generate Sales for Survival and Growth

- In order to keep going and for growth, an organization indeed needs resources that come from sales

Create and Direct an Efficient Sales Team

- Sales team for customer vs. business markets, Working towards the efficient mix

Provide Rich Insights from Field

- As sales personnel work in fields, they certainly have information that could be magical, Too much reliance on Data ?

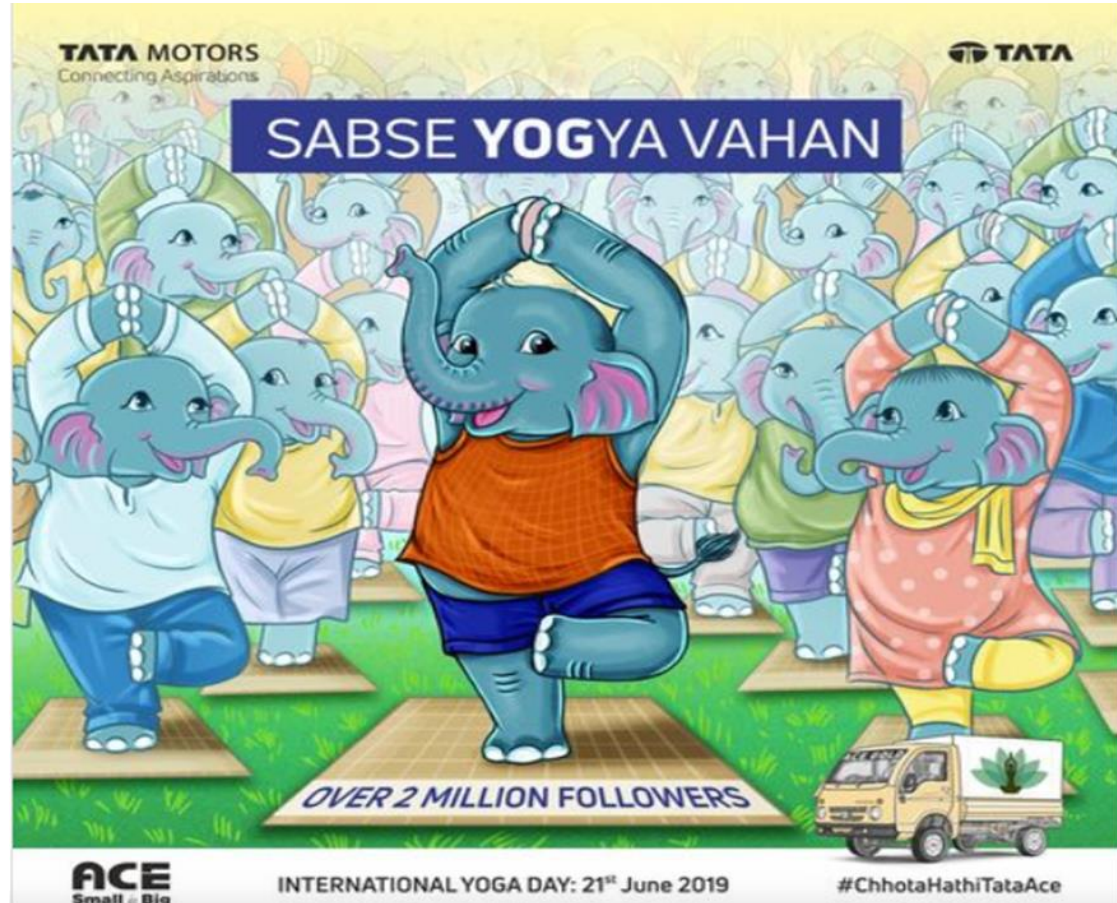
Crafting Plan of Actions

- This is about answering how tactical plans will be achieved, if in a particular territory the target is to increase sales by 5 %, how that will be done?

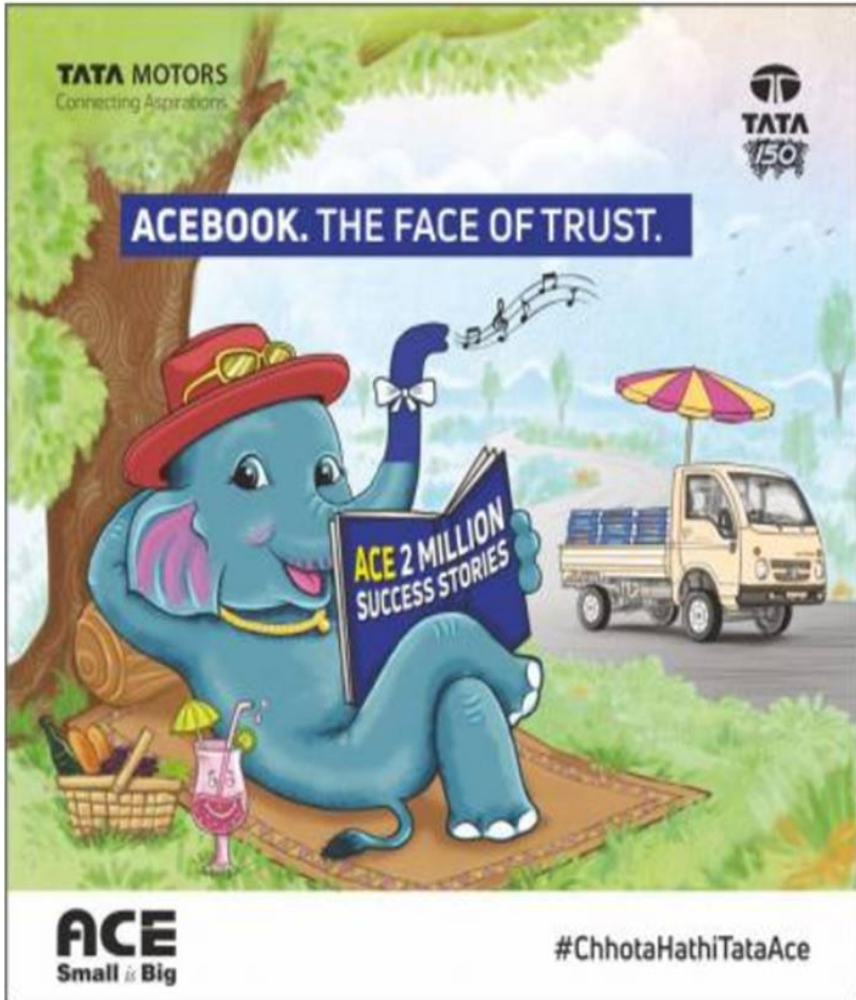
Communicate and Motivate

- Communication is the key, one size may not fit all when it comes to motivation

Some Extra Fodder for Thought : Resounding success of Tata Ace



Source: <https://www.facebook.com/TataAceChhotaHathi/>



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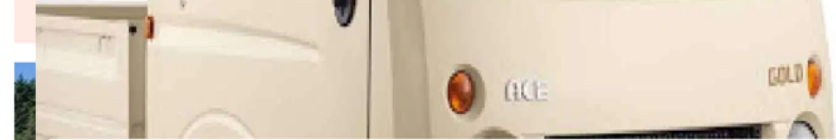
Business News > Industry > Auto > LCV & HCV > Tata Ace to come in a new avatar, crosses 2-million-milestone in 12 years

Tata Ace to come in a new avatar, crosses 2-million-milestone in 12 years

By Ketan Thakkar, ET Bureau • Last Updated: Dec 20, 2017, 12:44 PM IST

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Synopsis
The company claimed that every third minute, an Ace targeted at the last mile



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Tata Ace (Chota Haathi): The History of India's Favourite Mini Truck!

By [Rithvik Gupta](#) • July 9, 2020 • 10804 • 0

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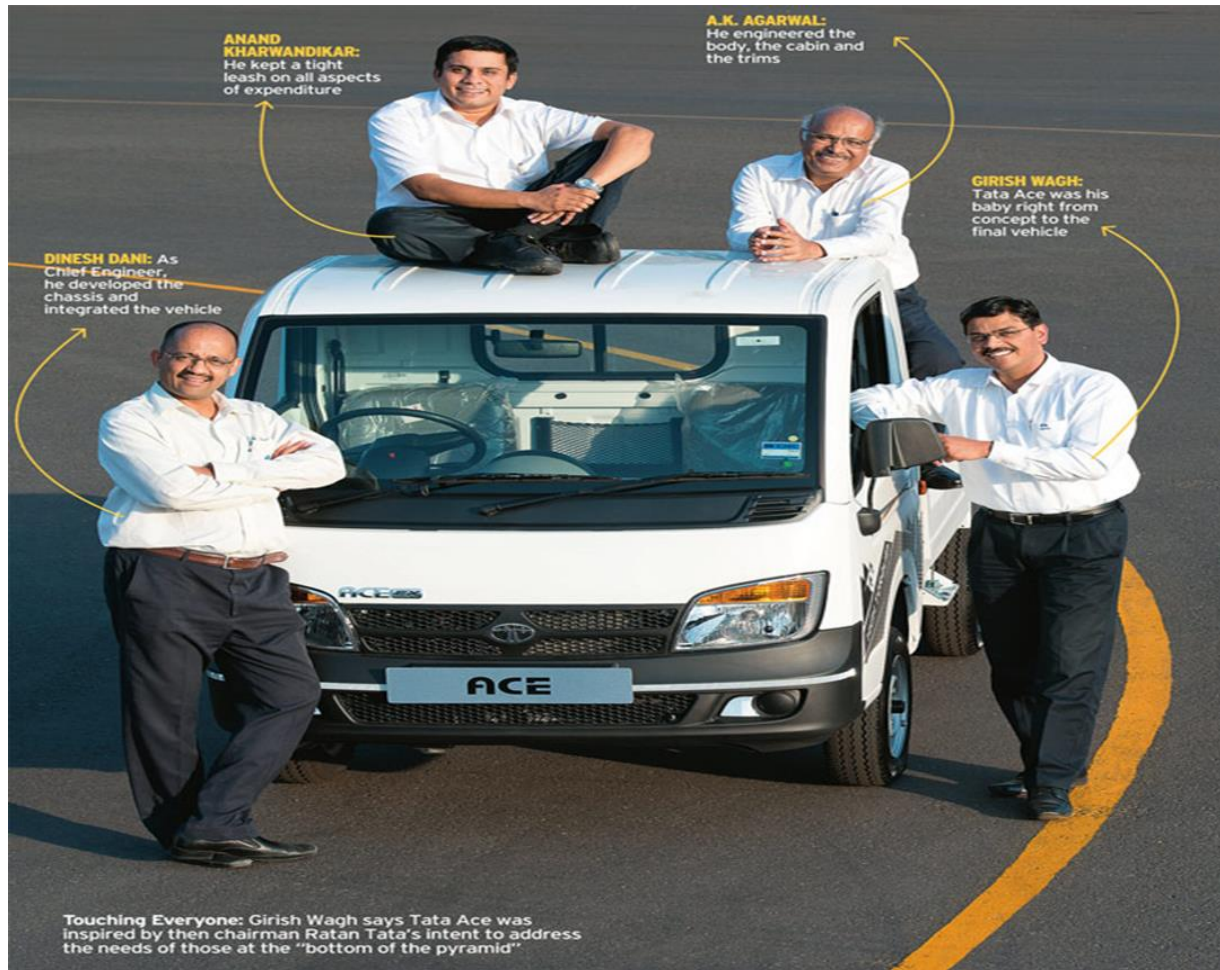
An entrepreneur dreams to reach his customers in the most possible with the country's first mini-truck back in 2005. You has tread on to become India's most favoured mini truck? Le Tata Ace a.k.a Chota Haathi started!

ChhotaHathiTataAce has something Big to say every moment

MARKETING



Tata Ace, fondly called India's 'Chhota Hathi' which



The team that created the magic vehicle and revolutionized the commercial vehicular market

Source: <https://www.businesstoday.in/magazine/cover-story/story/biggest-indian-innovation-tata-ace-46694-2014-05-08>

Tata Ace which was introduced in 2005 stands credited for revolutionizing the concept of mini-truck in India. As per 2017 notification by the Tata Group, in terms of sales, the Tata Ace which can be considered as the **India's best mini-truck** has overlapped the important milestone of **20 lakh vehicle sales**.

“Over the past 12 years, every 3rd minute, the Tata Ace has given rise to new business, generated employment and inspired entrepreneurship opportunities thus transforming lives in the remotest areas in India”

- Press Note by Tata Group*

Source*: <https://www.tatamotors.com/press/tata-ace-crosses-20-lakh-sales-milestone/>

Highlighting the success of this path-breaking innovation, *Girish Wagh, Head, Commercial Vehicle Business, Tata Motors said,*

“It is a moment of great pride and a testimony from our customers that India’s first mini-truck, our small wonder – The Tata Ace celebrates the significant milestone of 20 lakh vehicles on road in just 12 years of its remarkable journey”

Leading the market with a 65% market share, the Tata Ace has proven to be the most versatile small commercial vehicle in the industry.

Source: <https://www.tatamotors.com/press/tata-ace-crosses-20-lakh-sales-milestone/>; <https://economictimes.indiatimes.com/aceing-its-way-through-the-crowd/articleshow/1924279.cms?from=mdr>

But the question is how did this happen?

or

To be precise, How Tata Ace proved to be the game changer for Tata Motors as regards beating the recession cycles in automotive sector ?

or

*How are Sales so superfluous
in case of Tata Ace?*

Recession in the automotive sector in 1998/99 was persistent and deep. Recovery was sought to be a distant dream. And what made it worse for Tata Motors was their large manufacturing capacity. They were approximately reaping a loss of 500 crores.

It was almost nearing the end of 2000 when Mr. Ravi Kant, who was heading the commercial vehicles business at Tata Motors formulated four cross-functional teams to get to the fields and analyze how consumer needs were changing or evolving given the slump in the vehicular demand.

Source: <https://www.tatamotors.com/press/tata-ace-crosses-20-lakh-sales-milestone/>; <https://economictimes.indiatimes.com/aceing-its-way-through-the-crowd/articleshow/1924279.cms?from=mdr>

Mr. Ravi Kant selected Mr. Wagh, 29-year-old mechanical engineer to study the sub-four-tonne market, which was at that time captured by three-wheelers primarily being manufactured by Piaggio, Bajaj Auto and Mahindra & Mahindra.

Wagh along with his team spent approximately six months in taking interviews across the streets interacting with over 600 customers encircling owners, drivers, mechanics, end-users as well as opinion makers - across the country.

Source: <https://www.tatamotors.com/press/tata-ace-crosses-20-lakh-sales-milestone/>; <https://economictimes.indiatimes.com/aceing-its-way-through-the-crowd/articleshow/1924279.cms?from=mdr>

Mr. Wagh indeed mentions that he considered interacting with customers as an eye opener for someone who was always behind doors as an engineer. This indeed allowed them to get rich insights:

It was in a meeting with a Tata 407 owner that Wagh got the idea of a mini truck as the owner complained three wheelers were killing their market by charging less and delivering goods faster. He wished for a mini truck half size of Tata 407, a 2.5 tonner.

In a Tamil Nadu village near Coimbatore, a young man said, “If I have a four- wheeler, then better marriage proposals will come.” This specified that a 4-wheeler was seen as aspirational and more of a status symbol.

Source: <https://www.tatamotors.com/press/tata-ace-crosses-20-lakh-sales-milestone/>; <https://economictimes.indiatimes.com/aceing-its-way-through-the-crowd/articleshow/1924279.cms?from=mdr>

When Tata-Ace projected was presented for the first time to Mr. Ratan Tata, a 10 minute presentation went for 45 minutes as he was so intrigued with the idea and felt that this could be a game changer for BOP (Bottom of the Pyramid) markets.

Despite by nod by Mr. Tata and support of top management, the path was certainly challenging as regards engine. Without engine project would be a non-starter. The team decided to develop a two-cylinder version of the four cylinder version of Indica engine in-house. However, on launch in 2005, Tata Ace just swiped off the markets.

Source: <https://www.tatamotors.com/press/tata-ace-crosses-20-lakh-sales-milestone/>; <https://economictimes.indiatimes.com/aceing-its-way-through-the-crowd/articleshow/1924279.cms?from=mdr>

On its launch, the pricing for product was set within the range of Rs 2,25,000-Rs 2,40,000 in comparison to 3-wheelers which were priced at 1,80,000 and 4-wheelers priced at 2,40,000.

But it was the design and status that came with possessing a 4-wheeler that played the magic trick in conjunction with the efficiency of the vehicle.

Also, the creation of Suvidha for providing after sales - Services amplified the trust in Tata Ace.

Source: <https://www.tatamotors.com/press/tata-ace-crosses-20-lakh-sales-milestone/>; <https://economictimes.indiatimes.com/aceing-its-way-through-the-crowd/articleshow/1924279.cms?from=mdr>

Lessons Learnt From TATA Ace:

As regards Sales: Marketing and Sales Perfect Balance: Right mix of Research + Customer Participation + Value driven approach can be magical, Selling just doesn't stop at transfer of possession, Quashes the idea of Sales being forceful

As regards Innovation:



Source: <https://www.tatamotors.com/press/tata-ace-crosses-20-lakh-sales-milestone/>; <https://economictimes.indiatimes.com/aceing-its-way-through-the-crowd/articleshow/1924279.cms?from=mdr>

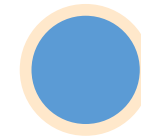
Objectives Sales Management



Sales Volume



Profitability



Growth

Is it...? Or there is more to it?