

Case study: -

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Modfin Stock Co. is into financing of Home Appliances. It has its office in Wazirpur Industrial Area, Delhi. The modus operandi followed by the company is that it had identified Home Appliances dealers in North East Delhi and had informed these dealers that, when the consumers are looking for buying Home Appliances and asking for financing facilities, then Modfin Stock Co. can be contacted.

There are almost 20 dealers in North East Delhi covered by Modfin Stock Co. As the consumer requirement for financing comes, the dealer approaches the Modfin Stock Co. for financing requirements.

To cover the dealers' network, the Modfin Stock Co. has kept a team of salespersons one team of salespersons to look after credit verification and another for credit recovery.

The company has a system of remuneration which combines a fixed salary, say Rs. 3,000 per month, and then a variable component of commission on every case finalized by the salesperson. To cover the territories the company has provided motorcycles with petrol and mobiles to their salespersons at company cost.

Despite its efforts the Modfin' Stock Co. is not getting the desired results....

Questions:

- a) As a Sales Manager, discuss the methods to motivate the salesperson so that they become performers.
- b) What better compensation system can be designed for them?