UNIT 16 SALES BUDGETING AND CONTROL

Objectives

After studying this unit, you should be able to :

- understand importance of sales budget and control in sales-management
- examine methods and approaches used for preparing sales budget
- discuss various methods of sales control.

Structure

16.1 MEANING AND IMPORTANCE OF SALES BUDGETING

A sales budget is a financial plan depicting how resources should best be allocated to achieve the forecasted sales. The purpose of sales budgeting is to plan for and control the expenditure of resources (money, material, people and facilities) necessary to achieve the desired sales objectives. Sales forecast and sales budget are therefore intimately related as much as that if the sales budget is inadequate, the sales forecast will not be achieved, or if the sales forecast is increased the sales budget must be increased accordingly. Sales budget by relating sales obtained and resources deployed also acts as a means for evaluating sales planning and sales effort. It aims at attaining maximum profits by directing the emphasis on most profitable segments, customers and products..

16.2 PURPOSE OF THE. SALES BUDGET

A sales budget generally serves three basic purposes.

1). Planning
2). Coordinating
3). Controlling

1) A Planning Tool : In order to achieve goals and objectives of the sales department, sales manager must outline essential tasks to be performed and compute the estimated costs required for their performance. Sales budgeting, therefore, helps in profit planning and provides a guide for action towards achieving the organisational objectives.

2) An Instrument of Coordination : As we all know selling is only one of the important functions of marketing. To be effective it needs support from other elements of the marketing mix. The process of developing realistic sales budget draws upon backward and forward linkages of selling with marketing and in turn brings about necessary integration within the various selling and marketing functions, and co-ordination between sales, finance, production and purchase function.

3) A Tool of Control: The sales budget on adoption becomes the mark against which actual results are compared. For example look at the following figure:

Figure 1
Budget Variance

(in '000 Rs.)

	Budget	Actual	Variance Favourable	Variance Unfavourable
Sales	Rs. 7000	Rs. 8900	Rs. 1900	
Expenses Direct Selling	2500	2375	125	
Sales promotion	1500	1650		Rs. 150
Advertising	997	1075		78
Administrative	875	775	100	
Total expenses	Rs. 5872	Rs. 5875		03
Profit (before tax)	Rs. 1128	Rs. 3025	1897	

The above figure is self explanatory and points out to both the favourable and unfavourable variance. The analysis of the factors causing variance enables the sales manager to quickly spot potential problem areas or better plan for unexpected outcomes such as higher than budget sales.

The budget variance analysis approach thus helps in improving insights of sales manager and enables him to refine and develop realistic sales budgets in future with minimal variance.

16.3 METHODS OF SALES BUDGETING

A variety of methods ranging from the sales manager's gut feeling to application of management science models are used for determining the sales budgets. The popular methods are as under:

- **What is affordable:** This method is generally used by firms dealing in capital industrial goods. Also, companies giving low emphasis to sales and marketing function or having small size of operation make use of this judgemental method.
- **Rules of Thumb:** Such as a given percentage of sales. Mass selling goods and companies dominated by finance function are major users of this method.
- **Competitive parity:** Large sized companies whose products face tough competitions and need effective marketing to maintain profits make use of this method. The use of this method presumes knowledge of the competitors activities and resource allocation.
- **Objective and Task Method :** A systematic method help in determination of the sales budget by identifying the objective of sales function, and then ascertaining the selling and related tasks required to achieve each objective. Later, the cost of each task/activity is calculated to arrive at the total budget. The finalisation of the budget may require adjustment both in the objectives as well as in the way the task may be performed.
- **Zero based budgeting :** It is relatively a new approach to budgeting. It involves a process in which the sales budget for each. year is initiated from Zero base thus justifying all expenditure and discarding the continuation of conventions and rules of thumb. The method suffers from. practical limitations which relate to a very - elaborate and time consuming process required by it.

In practice, companies make use of a combination of the above methods and Sales

Budgeting and Control depending upon the experience gained sales budgeting approach stands refined. The status of the sales and marketing function within the organisation determines the extent of sophistication used in the approach to sales budgeting.

16.4 PREPARATION OF SALES BUDGET

preparation of sales budget is one of the most important elements of the sales planning process. Generally three basic budgets are developed, the sales budget, the selling expense budget and the sales department administrative budget. Mostly sales organisations have their own specified procedures, formats and timetables for developing the sales budget. While all sales budgets relate to the sales forecast, the steps taken in systematic preparation of budget can be identified in the following sequence.

Review and Analysis of Marketing Environment: Generally companies prepare sales budget on the principle of bottom up planning with each echelon. To prepare a tentative budget of revenue and expenses, depending on the organisational structure of the sales department, each departmental head is asked to predict their sales volume and expenses for the coming period and their contribution of overhead. For example, in a leading tyre company each District sales manager prepares his/her district budget and submits to the Regional or Divisional office, where they are added together and included with divisional/regional budget. In turn these divisional budgets are submitted to the sales manager for the particular product or market groups. At the end of this chain of subordinates' budgets, the top executives in the sales department scan and prepare a final sales budget for the company. Now the marketing budget is combined with the budgets of the sales department and the staff marketing departments, to give a total of sales revenues and of selling and other marketing expenses for the company. Some of the common items in each sales budget include the following:

- Salaries, sales persons, administrative support etc.
- Direct selling expenses - travel, lodging, food, entertainment.
- Commissions on sales, Bonus.
- Benefits packages covering medical insurance, gratuity and retirement contribution
- Office expenses-mailing, telephone, office supplies and other miscellaneous costs.
- Advertising and promotional materials, selling aids, contest awards, product samples. catalogues, price-lists etc.

This review of past budget performance helps the sales manager to minimise variances in the coming period.

Communicating Overall Objectives: Sales executives at the top level must communicate their sales goals and objectives to the marketing department and argue effectively for an equitable share of funds. The chief sales executive of the firm should encourage participation of all superiors and managers in the budgets process so that, as a part of its development, they will accept responsibility for it and later enthusiastically implement it

Setting a Preliminary Plan for Allocation of Resources and Selling Efforts to Different Activities: Particularly products, customers and territories, so that revisions can be made in this initial sales budget. The sales manager must emphasize that the budgets should be as realistic as possible at each stages of its development, so that it can maximise its favourable impact on the firm. When budget goals are achieved through a co-operative team effort, a strong feeling of organisational confidence is created. In case of failure to stay within budgets, sales manager should stress on rewards and public commendations to encourage positive attitudes towards budget goals and pride in their achievement.

Selling the Sales Budget to Top Management: The top sales and marketing executive must visualise that every budget proposal they are presenting to the top management must remain in competition with proposal submitted by the heads of other divisions. Each and every division- usually demands for an increased allocation of funds. Unless sales managers rationally justify each item in their budgets on the bass of profit contribution, the item may not get due consideration by the top management.

16.5 BUDGET IMPLEMENTATION AN ESTABLISHMENT F FEEDBACK MECHANISM

Actual budgetary control features go into operation, as soon as the approved budgets have been distributed to all units of the firms. Each item in the budget serve as quotas or standards against which management measures performance. In case of actual performances showing a variance from budgeted performance, two courses of actions are available to the organisation.

1). To ascertain whether the variance is a result of poor performance by the sales group - necessary steps should betaken to ensure that sales persons organise their selling efforts more carefully, so that budgeted expenses can be brought back into line.

2). To revise the sales budget by incorporating the changed allocation of the item For example, if it is discovered that travel expenses have increased because of the necessity of calling on new customers not previously covered, action should be taken to revise the budget to reflect changed conditions.

Sales persons are generally trained to be budget conscious, it is the responsibility of the sales manager to ensure that sales revenue and cost ratios `remain within reasonable budget limit. Figure 2 shows quarterly sales budget form that sales manager might consider using to monitor budget variances and taken timely corrective action to rectify it if need be.

Figure 2

Quarterly Sales Budget

Line Items	January Budget	Actual	Variance	February Budget	Actual	Variance	March Budget	Actual	Variance
Sales									
Expenses									
Salaries									
Commissions									
Bonuses									
Medical Insurance									
Retirement									
Travel									
Lodging									
Food									
Entertainment									
Office Expenses									
Mail									
Telephone									
Misc.									
Promotions									
Samples									
Catalogues									
Price-lists									
Advertising									

Source: Professional Sales Management by Anderson, Hair & Bush Page 104

Experiences bring out the following main items on which variance between budgeted and actual costs often arise, are

- salaries and fringe benefits
- direct selling expenses
- maintenance of company vehicles

– sales and other product/business promotional costs
– promotional allowances including discounts, rebates, etc.

the sales manager must give attention through in varying degree , to each of the above and other items .It is wise to tighten control over expense especially under circumstances when sales forecasts are not being met or sales budgets are being exceeded A general attitude of caution before incurring an expense is considered prudent .A leading material handling equipment company has a norm that not more than forty per cent of sales expense budget will be spent unless more than fifty per cent of the forecasted sales have been realized.

All shortfalls in budgeted sales that affect gross profit contribution must at least make a case for a thorough review of the sales and marketing programmes of the firms. Researches reveal the causes of shortfalls as: production stoppages, distribution problems, shift in market mood, competitive activity, wrong pricing, undermanning of sales staff or inexperienced sales staff, delays in new product launch, etc.

16.6 FLEXIBILITY IN BUDGETING

Flexible sales budget is an alternative to overcome the rigidity of the traditional sales budget which makes the sales manager merely an analyser of the financial performance of the company. Flexible budgets make use of standard costs (based on past records or managerial judgement) for different revenue forecasts. It allows the sales manager to continuously monitor financial performance in terms of standard cost ratios. For example, the standard cost for promotion materials (brochure, display samples etc. might be Its. 5 for every Rs. 100 sales or a ratio of 0.05. After nine months Rs. 400 has been spent on promotional materials while Rs. 2400 worth of revenue has been generated. The sales manager observed that the ratio has risen to 0.166. In this case expenditure on promotional materials need to cut back reasonably. In the past use of flexible budgeting was limited to large sized companies, but now small companies also are adopting flexible budgeting technique.

There is one more dimension of flexibility in sales budget and this arises out of the very, nature of sales budget As we all know that a sales budget is an estimation relating to the future period under assumed market conditions. In the event of change in market conditions necessitating a change in the firm's expenditure of efforts the sales budget should carry flexibility of inter-item reallocation of expenses and other resources e.g. sales allowance to additional sales persons to display contest to fast cargo movement to cash discount etc.

Activity 1

A) Check whether the following are true or false :

Statement	True/False
1) The sales budget is a projection of what a given sales programme should mean in terms of sales volume and profits	....
2) The primary orientation in sales budgeting is toward control	....
3) Historical cost data is of no value in the sales budgeting process	....
4) "Top-down" approach to sales budgeting is superior to "bottom-up" approach because most sales people tend to dislike work and prefer to be told what to do	....
5) Although there is competition for the available funds, the sales department should always get what it asks for since the most basic ingredient to success is sales	....

B) Tick the most appropriate answer :

1) Preparation of the sales expense budget is primarily the

responsibility of

a) Finance Manager ☐
b) Chief Executive ☐
c) Marketing Manager ☐
d) Sales Manager ☐

2) The sales budget is developed with a view toward obtaining the forecasted volume of sales, and

a) a maximum net profit ☐
b) an optimum net profit ☐
c) a target market share ☐
d) a minimum amount of expense ☐

3) The sales budget uses the .... as a point of departure
a) Sales quota
b) territory objective
c) sales forecast
d) market potential

4) When the budget is in error because of faulty sales forecasting one should ideally :

a) Secure a new sales forecast ☐
b) alter the various estimates by applying standard ratios of costs to the adjusted sales volume figures ☐
c) Maintain close watch over current sales and expenses on a day-to-day basis ☐
d) discard budgetary estimates and use figures from previous years operations. ☐

5) The sales budgetary procedure ultimately leads to :

a) the setting of goals for company net profits from selling operations ☐
b) better defined sales territories ☐
c) establishment of quotas ☐
d) all of the above. ☐

Check Your Answers
A) 1 (T), 2 (T), 3 (F), 4 (F), 5 (F)
B) 1 (d), 2 (b), 3 (c), 4 (b), 5 (a)

16.7 INTRODUCTION AND PURPOSE OF SALES CONTROL

One of the most important responsibilities of a Sales Manager is to exercise control over the sales results and the performance of the selling activities. In order to ensure that the sales targets are achieved, sales need to be controlled both on an on-going basis (or continuously) as well as overall at a fixed periodicity. The sales control function assists the sales manager to ascertain what level of sales results have been attained, why there has been a variance, if any between actual and budgeted results, and what remedial action be taken to achieve the targeted results. .

Purpose of Sales Control

By comparing the actual sales results with the objectives set and diagnosing the causes for the variance between the two, sales control assists the sales manager :

- to initiate remedial steps
- to revise the sales policy and the strategies followed.
- to implement steps for improving the productivity of the salesforce.
- to improve the quality of target setting, sales planning and budgeting functions, and
- to increase sales profitability.

16.8 SALES CONTROL SYSTEM

A sales control system can be set-up by a firm by instituting action on the following five steps:

1). setting detailed objectives (at least around key result areas)
2). Establishing standards for appraising performance.
3). Gathering information on actual sales activities and results.
4). Comparison of actual results with established standards.
5). Taking remedial actions (need based).

The existence of a comprehensive sales information system in the firm is a pre-requisite for an effective sales control system. Such an information system can be built by regularly recording sales by unit, by value, by customer, by sales person, by territory, by distribution outlet, by cash or credit. In addition to invoice, other important information sources include despatch notes, credit notes, customer call reports, daily activity (and time spent) reports, journey plans, sales quotation slips, sales expense forms, discount and allowances records, customer complaints, warranty claims settled, market intelligence including sales promotion special reports sent by sales person. In short, only comprehensive sales information system can lead to timely and meaningful sales control.

16.9 METHODS OF SALES CONTROL

Three most commonly used methods of sales control are:

1) sales analysis, 2) marketing cost analysis, and 3) sales management audit. These methods are discussed below:

Sales Analysis

Sales analysis is a detailed examination of sales volume by territory, sales person customer, product line, etc. It works on a basic principle that the trends of the total sales volume conceal rather than reveal the market reality. Researches point out that in most sales organisations a large percentage of the customers, orders, products or territories bring in .only a small percentage of the total sales volume as well as net profits. This situation is popularly referred as 80-20 principles i.e. 80 per cent of the orders, customers, territories or products contribute only 20 per cent of the sales or profit. Conversely, 20 per cent of these selling units account for 80 per cent of the volume or profit. Likewise, there are examples of Iceberg principle which show that the total sales volume may reveal only about ten per cent of the real market situation which is above the surface and the mighty 90 per cent may remain unknown. It is, therefore, strongly recommended that for unearthing the reality and gaining meaningful insights regarding company's selling strengths and weaknesses sales must be analysed on the bases discussed below :

Sales Analysis by Territory

In this method sales managers scan the total sales on territory basis. It assumes that each quota assigned to sales person was based on, air and sound measurement of potential. In addition, any unusual conditions in the individual territories such as intense competition, strike by labour union or transportation etc. which made an adverse effect. on sales of the company's product was considered in order to guide further sales analysis. The following example will further throw light on the aforesaid discussion.

Sales Analysis based on Territory

Territory	Quota	Actual	value in '000 Rupees Performance
East	825	850	103%
West	750	750	100%
North	890	870	98%
South	850	920	108%

Adapted from Professional Sales Management by R.E. Anderson, Joseph F. Hair and Allan J. Bush - Page-483.

This example shows that almost all the territories achieved or exceeded their quota except north region which achieved 98 per cent of quota. It will thus help the sales manager to investigate the reasons for shortfall in north territory and of best performance in south territory.

Sales Analysis by Sales person

Concentrating on the north territory, the Sales Manager should see the sales performance of all the sales persons working in the territory. From the figure below it is crystal clear that out of eight sales persons working in the territory, four have made or exceeded their quota, three others barely missed, only one i.e. (Gulani) fell significantly below his sales quota with a performance of only 82 percent:

North Territory: Sales by Sales persons

Sales person	Quotas	Actua	Performance as % of
Mukherjee	95	93	98%
Singh	115	117	102%
Singa	110	109	99%
-	106	110	104%
-	108	107	99%
-	110	112	102%
Gulani	130	106	82%
Reddy	116	116	100%
Totals :	890	870	98%

Sales Analysis by Product Line: Before asking for any explanation from Gulani for his poor sales performance, the Sales Manager should see his sales performance based on product line:

Sales Person: Gulani s Sales by Product Line

Product Lane	Quotas	Actual	Performance. as % of quota
Computers	22	23	104%
Portable Typewriters	28	28	100%
Manual Typewriters	30	06	20%
Electronic Typewriters	24	24	100%
Spares and Consumables	26	25	96%
Total :	130	106	82%

It is clear from the above table that Gulani did an excellent job of reaching product quotas with the exception of manual typewriter, where he achieved only 20 per cent of quota. With total sales of manual typewriter running slight ahead of the last year in all other territories and no unusual situation in Gulani's territory, the sales manager should look into Gulani's customer-wise details for detecting the causes of the shortfall.

Sales Analysis by Customer:-Customer-wise break-up of manual typewriters sales attained by Gulani showed that one important account i.e. Government department was responsible for Gulani's poor performance on that product line. Government Department was Gulani's biggest customer and has been targeted for 80 per cent of his entire sales- quota for manual typewriters. With an entry of another office automation company, the customer had switched over to the same. Gulani did not feel the gravity of situation, as the sales to Government department was taken for granted by him. If he had foreseen the alarming situation in time, he could have asked for assistance by the sales manager. Analysis of Gulani's sales by customer also validates the existence of 80-20 principle referred above.

Sales Person: Gulani's Sales of Manual typewriter

Accounts	Quota	Actual	Performance as % of quota
Banks	2	2	100%
Financial	I	1	100%
Educational	1	1	100%
Govt.	24	0	0%
Industrial	1	1	100%
Private Parties	1	1	100%
Total	30	6	20%

The above illustration clearly brings out the importance of conducting detailed sales analysis. It also leads the sales manager to diagnose the factors responsible for variance between targeted and actual performance. Sales analysis thus makes a good beginning in the sales control function of the Sales Manager.

16.10 MARKETING COST ANALYSIS

Attainment of targeted sales volume is only one part of fulfilment of the sales objective of the firm, the other important part being the level of selling costs incurred to attain the given sales volume. It is not mere sales rather sales with budgeted profits or expenses that really matter.

Marketing cost analysis is a detailed examination of the costs incurred in the organisation and administration of the sales and marketing function and its impact on sales volume. It is a fact finding analysis which relates costs to sales volume and resultant profitability. ,

It pre-supposes the existence of a good costing and financial accounting system in the firm. By relating sales, cost and financial dimension of each selling transaction and activity it can generate:

- Cost of goods per rupee of sales
- Profit per rupee of sales.
- Profit per segment, channel, territory, product pack, sales person, etc.
- Sales volume and turnover of receivables.
- Turnover of stock and profitability.
- Average value of orders.
- Average cost per orders.
- Total value of orders.
- Inquiry - order conversion ratio and cost.
- Number of inquiries generated say in response to advertisement, sales person call, Direct mail etc.
- Total operating and functional cost - product-wise, region-wise, etc.
- Sales to call ratio.
- Expense to sales ratio.
- Profit contribution, on various bases, etc.

It would be worth repeating that the above listed valuable information can only be generated by systematizing the cost accounting system in the firm. This costing system among other, dimensions should be set up sales function-wise, cost centre-wise and as a criteria for allocation and absorption of selling marketing and other general management costs.

16.11 USEFULNESS OF MARKETING COST ANALYSIS

Successful conduct of marketing cost analysis benefits the sales manager in ascertaining:

relative cost and profitability of sales operations.

- profitable, not so profitable and not profitable-territories, products, pack size, market segments and distribution channels.
- minimum order level quantities.
- productivity of sales persons
- profitability of different sales promotion techniques.
- profitability of different marketing mix programmes..

Trends in marketing cost analysis cover a period of time within the same firm and cross comparisons with leading competitors and the average norm of the industry provides a valuable advantage of knowing the relative strength of the firm in the industry.

16.12 SALES MANAGEMENT AUDIT

Though important, the previous two techniques focus only on routine and operational aspects of sales control. This third technique of sales control relates to the strategic dimensions of sales control.

Sales management audit is a comprehensive, systematic, independent and periodic audit of the sales policy, objectives strategies, organization and procedures followed by the firm.

The purpose of sales management audit is to evaluate the soundness of the sales management of the firm. It examines the validity of the very basis and assumptions on which the sales function is planned and managed. It appraises the suitability of the prevailing sales management system in the emerging market environment of tomorrow. By critically evaluating the strength of the sales management against the changing market environment it points out to the emerging areas of opportunity as well as the areas which need intervention.

Some of the aspects covered in the sales management audit include:

- Appropriateness of selling function objectives;
- Role of the selling function in the promotion-mix and sales-marketing integration
- Organization and work-norms of the sales force and its size.
- Recruitment, selection, promotion policy, compensation and motivation of salesforce.
- Basis of sales quota, sales budget, territory allocation and their market need suitability.
- Quality of salesforce, appraisal criteria and training and development of sales personnel.
- Productivity of the sales function.
- Sales planning and control system
- Commercial procedures and sales promotion method used, etc.

Sales management audit, is relatively a new technique of sales management control. • Its conduct and format is yet to be standardized and so is its coverage. From the limited experience it is felt that if conducted by outside professionals it benefits the company immensely. In the case of a leading consumer durables company this audit inter alia resulted in the re-organisation of its sales department from the functional system to product manager system, as also a change in its selling system from selling through distributor to retailers. This change carried out two years ago has improved the market share as well as profitability of the company. In the case of another company dealing in vanaspati and edible oils, the sales audit brought out the redundancy of the position of Assistant Sales Officer between the sales supervisor and regional sales manager.

Activity 2

A) Check whether the following are True or False

Statement	True/False
1) Sales analysis consists of a detailed study of sales volume performance to detect strengths and weaknesses	....

2) The original source of data for sales analysis is sales forecast ....

3) Sales analysis are especially effective at explaining why strengths and weaknesses exist ....

4) Sales management audits, sales analysis and marketing cost analysis are not ends in themselves ; rather they are a means to achieve greater efficiency and effectiveness in the personal selling function ....

B) Tick the most appropriate answer :

1) The sales manager can assure that sales efforts are continually focused on objectives through the use of :

a) sales management policies ☐
b) sales planning ☐
c) sales control techniques ☐
d) sales quota ☐

2) Through regular sales analysis, management seeks insights on matters such as :

a) The sales territories, where it is strong and where it is weak ☐
b) The products responsible for the most and the least sales volume ☐
c) The types of customers who provide the most satisfactory and the least satisfactory sales volume ☐
d) All of the above ☐

3) The general objective of marketing cost analysis is to :

a) Obtain cost data for the selling expense budget ☐
b) Determine relative profitability of various sales and marketing operations ☐
c) Keep expenses in line with sales operations ☐
d) Analyse costs by territory ☐

4) In marketing cost analysis selling expenses are allocated according to :

a) size of order ☐
b) customers ☐
c) territories ☐
d) any of the above ☐

5) Which of the following statements about the sales management audit is false :

a) The sales audit provides a basis for evaluating overall selling strategy ;
b) Each sales manager should design the type of sales audit most appropriate to fit the needs of firm.
c) Proponents of the sales management audit stress the importance of fucusing on the overall selling strategy and the methods used in implementing it rather than examining individual components in a piece meal fashion.
d) There are several standardized formats for making sales management audit and, one of the top management's job is to select the correct format.

Check Your Answers

A) 1) (True). 2 (False), 3) (False), 4) (True)
B) 1) (c), 2) (d), 3) (b), 4) (d), 5 (d)

16.13 SUMMARY

The sum of money required over a specified period to run a sales department is u..: sales budget and how much should we spend on the sales function is essence of a sales budget. The process of developing a sales budget deals with identifying ways of optional resource allocation to various selling activities. A sales budget aids in sales planning, and acts as both a standard of. performance and a tool of control. While sales budget acts as a tool of salesforce evaluation and control, there is certainly a distinct need for continuous monitoring and control of the total sales function. The other methods used for controlling the sales function are-sales analysis, marketing cost analysis and sales management audit. For obtaining best return, from the scarce resources budgeted for the sales function, it is essential that a sales control system be established in the company. The effective use of a sales control system requires the existence of both a comprehensive sales information- system as well as an elaborate cost accounting system, the systems which generate information for control purposes.

16.14 KEY WORDS

Budgetary Control: The processes by which an organisation ensures that a close watch is kept on the organisation's progress towards achieving its annual budget - its revenue and profit goal.

Natural Expenses: The traditional expense categories (salaries, rent, depreciation etc.) used in accounting statement.

Cost vs. Expenses: Two terms that are often used interchangeably in describing marketing cost analysis. But costs tend to be specific and directly related to volume output, while expenses are more general or indirect expenditure.

Sales Analysis: The process of interpreting the pattern of sales orders obtained in the market place. This term may also refer, more widely, to the interpretation of all data - including sale orders from the market place.

Standard Costs: Predetermined costs based on experience and research studies for achieving certain levels of volume.

16.15 FURTHER READINGS

Richard R. Still, Edward W. Cundiff, Norman A.P. Govaoni (1996) *Sales Management: Dectlrthns, Strategies and Cases,* Prentice Hall of India Pvt. Ltd. New Delhi

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