

## Case study

### Scotia Ltd

Scotia Ltd (name disguised) have been suppliers of packaging materials, that is, cardboard boxes, paper board and carding, for 50 years. Their works occupy a site owned by the company adjacent to vacant land also owned by the company and cleared for industrial development. At present, this land makes no contribution to the income of the company.

Analysis of the company's present sales show a dominance by traditional customers in a 50-mile radius of their works. Market penetration tends to decrease noticeably as distance from the base increases. There are no exports.

Although the company has a large turnover in its own regional area, this is relatively small compared with other UK suppliers. Scotia does very little advertising, what is done being confined to Yellow Pages and a once every two years small stand at the Printing and Packaging trade exhibition. There is no publicity manager, and any promotional activity is handled by the managing director or sales director. The company has no branding, all material being supplied printed for the particular user or unmarked.

Sales representation is well below that of competitors of equivalent size, but the company considers that this is offset by the regional location of the representatives. Of the ten-strong sales force, about half are within ten years of retirement, and all are male. The company has no systematic programme for training salespeople, sales manuals as such do not exist and new inquiries are dealt with by the sales manager and inside service personnel using the salesperson as liaison. Any contact after the initial enquiry is usually made informally between the representative and inside production personnel.

The firm has never been a product leader, and there are no unique product advantages. There are relative weaknesses in that the company is unable to produce the newer packaging materials sought by many of its customers, although an investment in shrink-wrapping machinery lies underutilised. Competitors have always led on innovations in materials and printing techniques.

The company's products are competitive on price and sales have been increasing steadily in absolute terms. At present, the competition seems to be increasingly active, and in the last financial year sales volume for Scotia fell. The current managing director, son of the founder of the business, has called you in for advice on their sales operations:

- 1 In your evaluation of the sales function of Scotia, what would you wish to know in addition to what is stated?
- 2 Consider the strengths and weaknesses of this company, and discuss how Scotia can hold its own and even increase sales. Consider how the company can meet the challenge it now faces.
- 3 In particular, what are your proposals for improving the effectiveness of the salesforce?