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Case Study

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RFM: A Pharma Industry Case for Sales People Performance Analysis

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“Hi Arun, you are now officially in a wonderful world, you joined us, babu moshai”...said Saikat Chakraborty, the Regional Manager - East to Arun. He knew that the Bhubaneswar market was assigned to him, a tough one to sell the Ciprofloxacin in the crowded market. His performance in Kerala earned him a promotion as a state leader of Odisha. His experience of over 6 years in the same company ‘Centrium Pharma’ has been nothing short of a dream. His performance has been superlative and last two years, he was country leader in the growth and total sales.

Introducing the Bhubaneswar market, that gives almost 40 percent of the entire sales from Odisha, Saikat offloaded first project to Arun to develop Account Planning and a submit a report in two days. Arun agreed to assignment and out of his experience in the company reflected that Odisha market had similar distribution structure as in Kerala (Figure – I). He liked the company for couple of reasons. Obviously, the company paid well above the industry standards. Secondly, the culture of positivity in the organisation primarily due to its easy to approach lean organisational structure (Figure – II).

Arun recently attended a management program at IIM Kozhikode, a premier management institute where he was taught about a well time-tested tool to manage customers – RFM Analysis (Figure – III). He was so fascinated with the technique that he implemented last three years in his territory in Kerala. A secret for his achievements over the last three years.

He asked his Bhubaneswar sales rep to provide certain basic data about the doctors in the city. Table I through Table IV is what he got by the evening.

Arun sat down to develop account plan using RFM (Recency, Frequency and Monetary) Analysis. He was confident to submit the report in time.

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