

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER -II– EXAMINATION – WINTER 2021

Subject Code: 1529403**Date: 19-02-2022****Subject Name: Lean Sales Strategies****Time:02:30 PM TO 04:30 PM****Total Marks: 50****Instructions:**

1. **Attempt all questions.**
2. **Make suitable assumptions wherever necessary.**
3. **Figures to the right indicate full marks.**

Q. No.		Marks
Q.1	Define the terms (a) Motion (b) Lean thinking (c) Motivation (d) Value Based Selling	08
Q.2	(a) What specific problems are we trying to solve in sales through Lean?	07
	(b) Explain role of 3p's to Influence others.	07
OR		
	(b) How to identify Root cause and implement countermeasures in lean sales?	07
Q.3	(a) Explain Negotiation with its Counter-Intuitive Process.	07
	(b) Customer Profiling is playing important role to define sales process. Discuss.	07
OR		
Q.3	(a) What is role of sales compensation as Motivation? Explain with types of compensation Plan.	07
	(b) Discuss various elements of lean sales process.	07
Q.4	Smith suggested that ABC enact an enterprise-wide transformation program to improve sales and profits using Lean Sales Strategy. The key areas of focus of this transformation would include team rationalization, review of operating cost bases, a review of the current delivery methodology and reporting. In each of these areas, Smith applied the LSS filters to identify and eliminate waste as well as improve the quality at each stage – all contributing to an increase in the overall throughput. In the end-to-end value chain of ABC, there were 10 different teams. When looked at with a Lean filter, it was obvious that a significant amount of handoffs, rework and motion contributed to a low throughput. Smith recommended forming cross-functional teams by identifying the groups with similar objectives	

The rationalization resulted in a 40-percent reduction in the number of individual teams. This was a significant step for ABC as it reduced the number of non-value-added steps in the overall process and facilitated

greater collaboration among team members. The reduction in the number of teams resulted in fewer handoffs, leading to a seamless flow of information. The existing delivery approach in the IT department of ABC was a traditional waterfall methodology, a sequential design process used in software development in which progress is seen as flowing steadily downward (like a waterfall) through the phases of conception, initiation, analysis, design, construction, testing, production/implementation and maintenance. In the initial scenario with up to 10 teams, following a waterfall delivery created an issue with the speed to market. Apart from speed to market, most of the supposed value propositions seem to become outdated by the time they were delivered.

With fewer steps and teams in the value chain, the speed to market will improve, but further improvement is still needed. In the ideal state, ABC would deliver against a prioritized set of feedback items (prioritized against such considerations as value, risk, cost of implementation and speed to market) that are not already outdated, using a seamless feedback loop.

A key limitation with the waterfall process is the expectation that all of the best ideas have to occur at the beginning of a project. In reality, good ideas can appear at any time. A rigid, change-resistant process (even if leaner) tends to produce mediocre products, sometimes at a point in time after the customer has moved on to another company. Achieving maximum throughput, even in a Lean organization, requires each step to deliver as much value as possible at regular intervals all along the process.

By adopting an agile delivery approach, which is more flexible than the waterfall approach and follows an iterative process to deliver value quickly, the productivity of each ABC team was further increased. Using agile meant that the cross-functional teams worked collaboratively to prioritize the items that were identified by the market research team and started to deliver upon those priorities in chunks. The teams delivered more value incrementally and were able to respond to market changes dynamically. The other key benefit of this approach was that an item identified in the most recent customer survey could jump onto the priority list if it was deemed to have the potential to deliver greater value than other priority items. Introducing new changes were easier and the products became more relevant to the customers of ABC at a faster pace.

Lean helps reduce non-value-added steps in a process by eliminating rework, handoffs, motion, etc. Six Sigma works relentlessly to improve the quality of the value-added steps, which contributes to reliability at the enterprise level.

The other key recommendation to ABC was the acknowledgement that each team has a different cost of operation and, therefore, a different associated cost of failure or rework. By creating cross-functional teams with representatives from each of the departments, the total cost of failure was also reduced.

LSS provided a structured approach to eliminate waste, reduce the cost of failure, and improve the throughput yield and speed to market of the overall processes for ABC, resulting in higher end-customer satisfaction. LSS also helped to deliver products in a manner that optimizes resources and increases value to meet customer expectations. This is exactly how

Lean and Six Sigma in combination can drive greater benefits at the enterprise level than either alone. For ABC, the number of handoffs and rework were significantly reduced and contributed to an increase in individual team yields. The pace and relevance of value delivered by ABC also increased as the teams worked against a prioritized set of feedback items, focusing on producing incremental value. Customer satisfaction increased and so did the sales.

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| | (a) | Explain Lean sales strategy of ABC. | 07 |
| | (b) | LSS provides power to ABC. Explain | 07 |
| | | OR | |
| Q.4 | (a) | Identify various waste identified through LSS in ABC | 07 |
| | (b) | Compare and contrast Waterfall approach and agile delivery approach. | 07 |
