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INTERNSHIP REPORT  
ON  
*TRAINING & DEVELOPMENT  
OF THE  
MEDICAL SALES REPRESENTATIVES*

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PREPARED FOR:  
CHAIRMAN  
DEPARTMENT OF BUSINESS ADMINISTRATION  
EAST WEST UNIVERSITY.

PREPARED BY:  
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ID#1997-1-10-019

DATE OF SUBMISSION: OCTOBER 18, 2000

EAST WEST UNIVERSITY, DHAKA.

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October 18, 2000

To

Mr. Sadrul Huda

Senior Lecturer

East West University, Dhaka.

Dear Sir:

As per your instructions I am submitting the report on the proposed project that was assigned to me by The Department of HR Training & Development of **SQUARE Pharmaceuticals Ltd.** It has been a great pleasure for me to work on this project as it provided such unique opportunity for me to expose myself in the real life organizational context. The preparation of this report and the relevant study on literature also help me to gain new insights on the subject "Training & Development of the Medical Sales Representatives".

Sir, I tried my heart and soul to precisely follow the guideline you suggested and to include necessary explanations for each of the facts that would help you to evaluate the fruitfulness of this report as well as my efforts.

I will be pleased to answer any sort of query you think necessary as now and when needed.

With best regards,

Yours sincerely,

---

Shahrim Sanjeed

ID# 1997-1-10-019

## ACKNOWLEDGMENT

To

Mr. Sadrul Huda

Senior Lecturer

East West University.

For providing valuable guidelines and suggesting necessary modifications for the report and giving time-to-time feedbacks on my progress.

To

Mr. Nusrat A. Chowdhury

Head of the Department, BBA

East West University.

For being the All-time cooperative nature and for providing the guideline to improve the organization part.

To

Mrs. Parveen Huda

Assistant Manager

HR Training & Development

Square Pharmaceuticals Ltd.

For assigning me with such a valuable project work and providing necessary cooperation whenever needed.

To

Mr. Md. Ali Hossain

Senior Executive

HR Training & Development

Who, despite his tremendous workload, saved plenty of time for discussions, helped me to get information to complete the organization part, and gave me continuous support and encouragement.

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## EXECUTIVE SUMMARY

Salespeople of Pharmaceutical Companies, who are termed as the MPOs (Marketing Promotion Officers), are the central part of the promotional activities of the companies. Because, mass media advertising of life saving drugs is prohibited, these companies have to depend solely on their sales forces to promote their products to the Pharmacists, Chemists, Doctors and Medical Institutions -countrywide. In order to ensure the development of an efficient sales force, Square Pharmaceuticals Ltd., like the other dominant Pharmaceutical Companies, invests heavily toward the proper implementation of the training programs of MPOs. Because the job is very laborious and requires firm determination, MPOs are offered attractive salary packages and other benefits. Despite these attractive offerings, MPO turnover is a common headache for all the companies. MPOs leave for various reasons. The costs are high for the Companies in terms of both tangible and intangible costs.

This research covers the recruitment, selection procedures of MPOs prior to the initial training. Then the training contents and methodologies are considered. Finally the motivational aspects for MPOs are studied. The basic objective of this report is to suggest an ideal model for SPL that ensures the development of an efficient sales force base. Development of Communication Skills of MPOs and increase of motivational level and job preference is focused specifically.

The research is basically qualitative and the sampling units are: † SQUARE PHARMACEUTICALS LTD. † BEXIMCO PHARMACEUTICALS LTD. † NOVARTIS (BANGLADESH) LTD. † RHONE-POULENC-RORER BANGLADESH LTD. † REPHCO LABORATORIES LTD. † ESKAYEF BANGLADESH LTD. † RENATA LIMITED. † GLAXO WELLCOME BANGLADESH LTD. † INCEPTA PHARMACEUTICALS LTD. † ARISTOPHARMA LTD. † OPSO SALINE LTD. † ACME LABORATORIES LTD.

The “Literature survey” part includes significant studies on the Recruitment, Selection, Training, Sales Methods, Presentation style and Communication Skills. The Survey findings from the sample units are attached in raw form in the “Appendices”. The findings are presented in a summarized form in the “Summary of Findings” part. The “Analysis” part is included after that, where justification is given for the summery part and Square Pharmaceuticals’ strengths as well as weaknesses in terms of T&D are analyzed side by side.

The survey indicated that Presentation Skill, Positive Attitude, Academic Excellence,

Personality, Job Necessity, Smartness, and Physical Appearance—are the mostly sought criteria during recruitment for MPOs among which **Presentation Skill** and **Positive Attitude** are the two most important criteria. The survey revealed significant variations in the Selection Procedures among the companies, where SPL is the only company that undertakes the 'Job nature Introductory Test' prior to training which is found to be very reasonable and appropriate. Renata Ltd. has a distinctive test that assess the trainees' patience level. Eskayef includes a brainstorming session after the interview part to assess the participative skills of the applicants. Beximco follows standard methods of communication to develop the theoretical aspects of the trainees and for the practical part they implement innovative detailing methods. Developing Technical Skills, Handling Objections, Grooming and Manner, Presentation Style, Product Knowledge, Persuasion Skills, Knowledge of the Company and Policies—are considered to be important training contents by the Respondents among which **Developing Technical Skills** is considered to be the vital part of the training program. It was observed from the study that Most of the Respondents think that Training can have positive effects in increasing motivation.

Based on the research findings and literature survey, a model is developed which is presented in the "**Proposed Model**" part. Elaborated description of the model is given along with.

Finally, the following suggestions are prescribed in the "**Recommendations**" part:

- To Enrich the HR T & D department by increasing manpower.
- To Procure modern Vigilance Camera and other peripheral devices
- To Arrange for Guest Lecturers to conduct part of the communication skills classes.
- To Arrange for SMPO/FS/AMs participation in the training program.
- To Include Presentation Skill, Academic Excellence, Job Necessity, and Smartness—in recruitment criteria list.
- To Adopt the Job-Nature-Introductory test prior to the secondary interview.
- To take assistance from the proposed model in order to redesign the existing T&D procedures.

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## LIST OF ABBREVIATIONS

- ◆ MPO-----Marketing Promotion Officer
- ◆ SPL----- Square Pharmaceuticals Ltd.
- ◆ T&D-----Training & Development.
- ◆ AIDA-----Attention, Interests, Desire, Action.
- ◆ QSM-----Quality Management System.
- ◆ MDI----- Metered Dose Inhalation.
- ◆ SMPO-----Senior Marketing Promotion Officer
- ◆ FS----- Field Supervisor
- ◆ AM----- Area Manger.



# ORGANIZATION PART



# 1. THE COMPANY

## 1.1 PROLOGUE

The Name SQUARE--today symbolizes a state of mind, status and elegance. One of today's top most conglomerates in Bangladesh, was not in the same shape during its inception in 1958, when it was just a small partnership firm in a small village near Pabna. With its unique policies and continuous efforts of the devoted employees along with the guidance of the most innovative authority body—SQUARE has been able to surmount the long path of struggle for success. SQUARE Pharmaceuticals Ltd., the flagship company, is holding the strong leadership position in the pharmaceutical industry of Bangladesh since 1985 and is now its way to becoming a high performance global player. SPL has always been ahead in introducing new products in the market, and has been the pioneer in commencing several features in the Pharmaceutical Industry of Bangladesh. For example, SPL was the first to,

- ✦ manufacture and market Metronidazole, Ampicillin and Cotrimoxazole after the expiry of patents.
- ✦ export antibiotics and other ethical drugs overseas.
- ✦ develop sustained release technology locally.
- ✦ achieve an all time industry high record sales turnover of US\$25 million.
- ✦ locally produce high tech Metered dose Inhalation (MDI) formulations.
- ✦ locally produce diclofenac sodium in the chemical division.

42 years of experience in manufacturing pharmaceuticals, excellent product quality, advanced technology and a dynamic group of professionals, the microbiological lab with the latest technology, modern quality control and procedures—are the basic characteristics .

## 1.2 LEGAL FORM OF ENTERPRISE:

Square Pharmaceuticals Ltd. was incorporated on 10 November 1964 Under the Companies Act 1913 and it was converted into a Public Limited Company in 1991 and offered its share to the public with the approval of Securities and Exchange Commission in the month of December 1994. The shares of the Company are listed in the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd.



### 1.3 NATURE OF BUSINESS ACTIVITIES:

The Company owns and operates a modern Pharmaceuticals Factory and produces and sells pharmaceuticals drugs and medicines. The Company has a separate division to operate a modern Basic Chemical Factory and produces basic chemical products. The Company has also an AgroVet Division producing AgroVet products.

### 1.4 TYPE OF OWNERSHIP

Square made its debut as a proprietary firm in 1958 in a small house of the village of "Ataikula" near Pabna. Mr. Samson H. Chowdhury was the sole proprietor. In 1960 it was converted into a Partnership Company through accepting few people as co-owners. Square was converted into a Public Limited Company in 1991. The authorized capital of SPL is now TK. 1,000 million, which is divided into 10,000,000 shares of TK. 100 each. 2,000,000 ordinary shares of TK. 100 each was offered and subscribed in the manner as given in the following table:

Distribution of Shares			
Group	No. of Share	% of the total Share offered	Par value
1. Sponsors	1,000,000	50%	TK. 100,000,000
2. Foreign Investors	800,000	40%	TK. 80,000,000
3. ICB	40,000	2%	TK. 4000,000
4. SPL employees	10,000	0.5%	TK. 1000,000
5. General Public	150,000	7.5%	TK. 15,000,000

Source : Prospectus of SPL, 1994

### 1.5 SPLS' QUALITY POLICY

SQUARE is committed to ensure better life through quality medicine.

Square quality Policy:

Ensure strict compliance with WHO CGMP standards and local regulatory norms in every phase of manufacturing, quality assurance and delivery of medicines.

Ensure all activities through documented Quality Management System (QSM) complying International Standard requirements of ISO 9001 through continuously developing Human Resources by regularly training participation.

Ensure customer satisfaction by exceeding their level of expectations.

SQUARE will undertake appropriate review, evaluations and performance measurement of its operations to ensure compliance with Quality Policy.



## 1.6 GROUP PROFILE

The Square group presently has the following wings in its tally.

### SQUARE PHARMACEUTICALS LIMITED

- ▶ Pharma Division (Manufacturer of finished dosage form)
- ▶ Chemicals Divisions (Manufacturer of bulk Pharmaceuticals)
- ▶ Dhaka Unit (Pharmaceutical unit-II)

### SQUARE TEXTILES LIMITED

- ▶ Composite textile mills (Spinning Weaving and finishing unit)

### SQUARE TOILETRIES LIMITED

- ▶ Manufacturer of toiletries and cosmetics products
- ▶ Soap Plant ( Manufacturer Meril Beauty Soap )

### HEALTH PRODUCTS LIMITED

- ▶ Manufacturer of health and hygiene products

### PHARMA PACKAGES LIMITED

- ▶ Manufacturer of plastic packing materials

### BARNALI PRINTERS LIMITED

- ▶ Printing and packaging

### ASTRAS LIMITED

- ▶ Export, Import and Indenting

### FAIR TRADING HOUSE LIMITED

- ▶ Trading and Indenting

### SHELTECH (PVT.) LIMITED

- ▶ Real Estate and Construction
- ▶ Central Sheltech Hotel (Five Star Hotel)
- ▶ Sheltech Square (International Standard Shopping Mall)

### NEW DHAKA REFACTROIES LTD. (NDRL)

- ▶ Manufacturer of Quality Cement & High-tech brick

### SQUARE SECURITIES MANAGEMENT LTD.

- ▶ Deal with Capital Market Operations

### MEDIACOM LTD.

- ▶ Advertising Firm



## 1.7 PROFILE OF SQUARE PHARMACEUTICALS LIMITED

Corporate Headquarters	: "Square Centre" 48, Mohakhali C/A, Dhaka-1212, Bangladesh Tel: (880-2) 887729-38 Fax: (880-2) 888768, 888608, 888609 E-mail: <a href="mailto:square@bangla.net">square@bangla.net</a> Web: <a href="http://www.square-bd.com">http://www.square-bd.com</a>
Plant	: Square Road, Salgaria, Pabna-6600, Bangladesh Tel: (880-731) 6581 (5 lines), 6287 Fax: (880-731) 6047
Year of Establishment	: 1958 (Gregorian Calendar)
Constitution	: Public Limited Company
Chairman	: Mr. Samson H. Chowdhury
Managing Director	: Mr. Tapan Chowdhury
Details of Business	: Manufacturing and marketing of Pharmaceutical Finished Products, Basic Chemicals and AgroVet Products
Fixed Assets	: TK. 454 million
Authorized Capital	: TK. 1,000 million
Paid-up Capital	: TK. 250 million
Annual Turnover(1999-2000)	: TK. 2.31 billion
Total Products	: Pharmaceutical- 184 Basic Chemicals- 6 AgroVet- 9
Number of Employees	: 1,412
Awarded ISO-9001 Certificate	: 1998



## 2. HISTORICAL SUMMARY

### 2.1 Historical Background of Square Pharmaceuticals Ltd.

Square Pharmaceuticals Ltd.(SPL), the largest pharmaceutical company of Bangladesh, is a reputed name in the pharmaceutical industry of Bangladesh for manufacturing quality medicines for more than four decades. SPL made its debut in a humble way in 1958 from a small house of the village "Aataikula" near Pabna.

The first proprietary medicine was introduced in 1959 under the name of "Easton's Syrup", when the number of working people was 12, turnover was Tk. 55000/- and occupied a floor space of 3000 sq. ft. Mr. Samson Chowdhury, the owner of the company transferred the newly established company to Pabna where a few people were accepted as co-owners to accumulate more capital for smooth operation of the company. In this way, SQUARE was converted into a Partnership Company in 1960.

The first compressed tablet was introduced in 1962 under the generic name "Santonin". In the next year, the introduction of "Pathidine" injection accelerated the growth of the firm with a rapid expansion of business turnover rising to near Tk. 10 lac

1964 and number of employee rose to 50. In the same year, the firm was converted into a Private Limited Company with an authorized capital of Tk. 500,000 & paid-up capital of Tk. 400,000.

The company continued to engage itself in manufacturing of both official preparations and a range of proprietary items having an objective to meet the demand for drugs and medicines in the country. Simultaneously, the company had been in quest of acquiring pharmaceutical technical know how and expertise from outside manufacturing and marketing of more sophisticated products.

The turning point came in 1975 when the company entered into a technical collaboration agreement with M/s. Janssen Pharmaceutical of Belgium, a subsidiary of Johnson & Johnson International of USA. In the sequel, implementation of this agreement led to a radical change of the image and technical capability of the company in the marketing of new products as well in modernizing the manufacturing process & adoption of Good Manufacturing Practice(GMP), covering all the products of Square.

A similar technical collaboration agreement with 'F. Hoffmann-La Roche & Co. Ltd.' of Switzerland was signed in 1984, authorizing Square for manufacturing and marketing



ROCHE Specialties under license. Unfortunately this was not materialized due to intervention of Drug Ordinance 1982.

SPL was the first national company to market metronidazole, ampicillin & cotrimoxazole soon after the expiry of their patents in 1977.

Dedication to advanced technology and quick response to the changing business environment was the driving force for the economy. The company adopted necessary steps in implementing facilities to manufacture a wide range of essential drugs within the jurisdiction of WHO( World Health Organization) recommendations. This enabled the company manufacture and market a wide range of products and dosage forms to fill the gap created by the new Drug Policy, in 1982. This was another turning point for the company. As a result, in 1984, turnover reached over Tk. 240 million and number of people employed to nearly 400.

A new factory with all modern facilities and machineries was completed in 1987 with a view to enhance its production capabilities. The production facilities located at Pabna town presently occupies a total areas of 20,000 square meter.

SPL has entered the global market in 1986. Since then, it is exporting antibiotics and other ethical products to the international market. Taking a challenging mode toward diversification and expansion, the toiletries division was established in 1989.

From 1985 onward, the company topped the list of pharmaceutical companies in terms of sales. Square is enjoying a substantial growth rate over the years. The company has started growing with a tremendous pace from 1985, and by the 1988 the number of employees reached about 750 and annual turnover of Tk. 560 million. In this stage of growth, the company decided to increase its product line and length by enhancing both depth and width of the existing product-mix.

From mid 1990, SPL has started working on opening of its another new division, Square Chemical Division for producing pharmaceutical raw materials with an investment of Tk. 130 million. Currently, SPL's chemical division is producing 7(seven) pharmaceutical bulk raw materials to other pharmaceutical companies of Bangladesh.

To keep track with the pace of growth and to increase the authorized and paid-up capital for new investment, SQUARE was converted into a Public Limited Company in 1991 with authorized capital of Tk. 1000 million and paid-up capital of Tk. 200 million.



In 1992, SQUARE became the first pharmaceutical company with a turnover of one billion taka.

In 1994, a new 14-storied Corporate Headquarters office building was completed at Mohakhali, Dhaka. The Corporate Headquarters office was shifted in its building in July 1994. That year, with a view to accumulate capital for diversification in textile and other industries SPL offered 1000 million taka worth shares to the public.

In 1995, the company has been enlisted in the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. In the same year, the company has signed an agreement with M/s. Quality Institute of America of USA for implementation of ISO-9001 in Square Pharmaceuticals Ltd.

In 1996, the company has signed an agreement with M/s. TANVEC Ltd. of UK for implementation of its Dhaka plant.

In 1998, the company was awarded with the ISO-9001 Certificate for implementing Quality Management System (QMS) in all of its operation. In the same year, Agrovet division of SPL introduced its products in the market and SPL has signed an exclusive agreement with EISAI CO. LTD., Japan for the import and marketing of Eisai products. Eisai Co. Ltd. is a research-based human healthcare company which discovers, develops and markets products in more than 30 countries.

In 1999, SPL has joined hands with world famous pharmaceutical giant Bayer AG, to manufacture and market pharmaceutical products of Bayer AG in Bangladesh. Bayer is one of the multinational pharmaceutical and chemical giant, has its operation in nearly all countries of the globe.





## 2.2 SPL'S VOYAGE THROUGH TIME

1958

Humble debut as a partnership firm

1964

Transformation into Private Limited Company

1974

Technical Collaboration with Janssen Pharmaceutical of Belgium, a subsidiary of Johnson & Johnson International, USA

1982

Agreement for technical collaboration with F. Hoffmann La Roche of Switzerland

1985

Achieves leadership in the Pharmaceutical Market of Bangladesh

1986

First company to export pharmaceuticals from Bangladesh

1987

Setup new factory to meet expanding market demand

1991

Converted into Public Limited Company

1992

First Pharmaceutical Company to cross 1 billion Taka turnover

1995

Starts bulk production of pharmaceutical raw materials in Chemicals Division

1996

Agreement signed with a renowned UK based company to commission a new US FDA/UK, MCA standard formulations plant for SPL

1997

Commencement of production of high tech Metered Dose Inhalation (MDI) products first time in Bangladesh.

1998

ISO 9001 certification; Operation of new division for Agro-Veterinary products  
Agreement with Eisai Co. Ltd., Japan



1999

Agreement with Bayer AG, Germany. Technical know-how to foreign pharmaceutical company

2000

Operation of new factory with a view to get USFDA/MCA approval

### 3. MANAGEMENT

#### 3.1 MANAGEMENT APPARATUS

##### BOARD OF DIRECTORS

Mr. Samson H. Chowdhury	Chairman
Mr. Tapan Chowdhury	Managing Director
Dr. Kazi Harunar Rashid	Director
Mr. Samuel S. Chowdhury	Director
Mr. Anjan Chowdhury	Director
Mr. Kazi Iqbal Harun	Director
Mrs. Jahanara Chowdhury	Director

##### COMPANY SECRETARY

Mr. Md. Kabir Reza, FCMA

##### MANAGEMENT COMMITTEE

Mr. T Chowdhury	Chairman
Dr. A.R.Q. Baksh	Member
Dr. Jiben Roy	Member
Mr. Muhammadul Haque	Member
Mr. Md. Kabir Reza, FCMA	Member

**LEGAL ADVISORS**

1. Mr. Rokanuddin Mahmud, Bar-at-Law  
Walsow Tower 21-23, Kazi Nazrul Islam Avenue, Dhaka
2. Mr. Md. Moniruzzaman Khan, Bar-at-Law  
City Heart 67, Naya Paltan, V.I.P Road, Dhaka

**AUDITORS**

M/s. Chowdhury Bhattacharjee & Co.  
Chartered Accountants  
70 B/4, Indira Road, Dhaka

**INSURERS**

1. Pragati Insurance Co. Ltd.  
90-91, Motijheel C.A, Dhaka
2. Pioneer Insurance Co. Ltd.  
10, Dilkusha C.A, Dhaka
3. Reliance Insurance Co. Ltd.  
8, Rajuk Avenue, Dhaka

**BANKERS**

1. Janata Bank  
1, Dilkusha C.A, Dhaka
2. Citibank N.A  
122-124, Motijheel C.A, Dhaka
3. Standard Chartered Bank  
18-20, Motijheel C.A, Dhaka
4. American Express Bank Ltd.  
18-20, Motijheel C.A, Dhaka
5. Credit Agricole Indosuez  
47, Motijheel C.A, Dhaka
6. The Bank of Nova Scotia  
113-116, Old Airport Road, Dhaka



### 3.2 CHAIRMAN'S PROFILE

Mr. Samson H Chowdhury the Ex Vice-President of Metropolitan Chambers of Commerce & Industries. The founder of Square Pharmaceuticals Ltd. one of the largest successful companies of the past four decades, commanding a leading market share of 14 percent with an annual turnover in excess of TK. 200 crore was born in Faridpur and studied in Calcutta, completed the course of senior Cambridge.

At practicing physician, his father ran a small successful dispensary Ataikhola some 15 kilometers off Pabna town in the 1940s with little interest in holding down a regular job. Chowdhury says, he got his father's permission and went on to open a small pharmacy sometime in the 50s. He started the business career in a modest way at Pabna in 1952 in drugs and medicines.

Later, in 1958 he went on to set up a partnership company, Square Pharmaceutical Works, along with three of his friends. "We named it Square because it was formed by four friends and also because it signifies equality and perfection. The Chairman of Square Mr. Chowdhury is a successful man by any count, possessing the Bangladeshi entrepreneurial spirit at its best.

### 3.3 MANAGING DIRECTOR'S PROFILE

Mr. Tapan Chowdhury is the Managing Director of the Company. He has worked for 18 years in Square Pharmaceuticals Ltd. of which about 15 years as a director. Mr. Chowdhury is a science graduate from Dhaka University and stood 4<sup>th</sup> in the B.Sc. examination in 1973. He also holds a degree in marketing from the London University UK.

He is also the Managing Director of Square Textiles Ltd. and Director Square Toiletries Ltd., Health Products Ltd., Phrama Packages Ltd., Astras Ltd., Barnali Printers Ltd. and also Chairman Sheltech(Pvt.) Ltd. a property development company.

Mr. Chowdhury is the executive member of the world alliance of YMCA, Geneva, General Secretary, Bothers Union Club and Vice President of Bangladesh Badminton Federation and Bangladesh Volleyball federation.



### 3.4 Form of Organization

SPL is organized on functional basis, but the distribution network is organized on the geographical basis. Prior to June 1994 Square was operating as a sales-oriented organization. There was no separate department for performing marketing activities. But the management recognized the importance of marketing of SPL products in the face of competition from other companies.

In June 1994, Product Management Department(PMD) was introduced to carry out the marketing activities. In the year 1995, SPL went through a re-engineering process and a separate Marketing Division was created. Another new department "Medical Services Department" was also introduced to serve the medical practitioners, recognizing the importance of professional information to doctors. Another department, Market Research and Planning Cell was also created in 1999, which serves the purpose of auditing the activities of the field forces. In recent days, many changes occurred within SPL and it has created an opportunity for the professionals to extend their service to SPL by getting employed. The present organogram of SPL is shown in the Appendix.

Mr. Samson H. Chowdhury is the Chairman and Mr. Tapan Chowdhury is the Managing Director of the present organization. Recently, Dr. Ali Reza Quadir Baksh has been appointed as the Deputy Managing Director of SPL.

The Executive Directors of IT, Marketing, Operations, Research & Development and Finance & Accounts are directly accountable to the Deputy Managing Director(DMD). The General Manager, Dhaka unit, the Assistant Manager, Quality Management & Audit and the Company Secretary also report to the DMD directly.

The managers of Product Management Department, Medical Services Department, Sales Department, Distribution Department and the departmental head of the Marketing Research Department and the Market Audit Department directly report to the Marketing Operations Manager.

The Marketing Operations Manger and the Manger, International Marketing Department report to the General Manager, Marketing, who reports to the Executive Director, Marketing. The Manager, IT reports to the Executive Director, IT. The plant Manager, the Personnel & Administration Manager and the Commercial Manager report to the Executive Director(Operations). The Manger, Production Planning & Inventory



Control (PPIC), the manager, Engineering and the Production Manager directly report to the Plant Manager.

The Factory manager of Chemical Division, the Managers of Technical Services Department, Quality Control Department and the Assistant Manager of Human Resources training & Development report to the General Manager, Research Department, who reports to the Executive director R&D.

The Project Manager of Dhaka unit and the Manager of Quality Assurance Department of Dhaka unit report to the General Manager, Dhaka unit. The Managers of Accounts and the New Venture report to the General Manager, Finance & Accounts, who reports to the Executive Director, Finance & Accounts.

### 3.5 KEY FUNCTIONAL DEPARTMENTS AND THEIR RESPONSIBILITIES

As per the latest organogram SPL had 20 (twenty) functional departments for its operation. The names of the departments are as follows:

1. Information Technology (IT) Department
2. Medical Services Department (MSD)
3. Product Management Department (PMD)
4. Sales Department
5. Distribution Department
6. International Marketing Department
7. Market Research and Planning Cell
8. Quality Management and Audit Department
9. Production Planning and Inventory Cell
10. Engineering Department
11. Production Department
12. Commercial Department
13. Personnel and Administration Department
14. Technical Services Department
15. Human Resource Training and Development Department
16. Quality Control Department
17. Quality Assurance Department



18. Agro-Vet Department
19. Accounts and Finance Department
20. Accounts (New Venture) Department

All these departments are performing their functions separately, but with a coordinated manner so that the total operational activities of the company is not hampered.

Moreover, because of the adaptation of the Quality Management System, the activities of all departments are well defined. So, there is a well coordinated activities of all departments which is essential for continuous growth of the Company. The major responsibilities of different departments of SPL are mentioned below:

### Responsibilities of Product Management (PMD)

- Preparation of Marketing Plan.
- Preparation of printed promotional materials (literature/pad/show card etc.)
- Replying to queries from the doctors as well as from the field forces related to the brands.
- Providing training on the brands to the trainee MPOs and the existing MPOs through refreshers course.
- Providing total support to the International Marketing Department for registering the products for export of the brands to various countries.
- Attending different conferences of the physicians community to promote the relevant products.
- Traveling to the factory for necessary coordination work concerning the development of the new products and the improvement of the existing brands.
- All relevant coordination work with supplier/factory and Commercial Department and Technical Services Department concerning procurement of raw materials, packaging materials, & promotional materials and selection and procurement of machineries, respectively, that will be used to manufacture the concerned brands.
- All responsibilities related to the launching of new products.
- Sales forecast of the new products for the launching year.
- Gathering knowledge required for the preparation of printed promotional materials and the product manual.
- Coordination of the activities related to the printing of all printed promotional



materials and the procurement of gift/gimmick items.

- Preparation of the monthly Action Plan for the field forces each month, which acts as the guideline for the field forces.
- Briefing the field forces during the New Product Launching.

#### Responsibilities of the Sales Department

- Pay regular visit to the doctors, show the benefits of new and existing products with the help of promotional tools.
- Monitor the competitors activities.
- Handles initial product queries from doctors and product complaints from the market.
- Receives sales orders from the retailers/drug stores.
- Receive sales order from different institutions.
- Receive order form different pharmaceutical companies for selling the raw materials of Chemicals Division.
- Ensure distribution of the products in coordination with the Department.
- Arrange clinical meetings and Continuing Medical Education (CME) programs in different hospitals, clinics, institutions in coordination with the Medical Services Department (MSD).
- Arrange PC (Palli Chikitshak) education programs in coordination with the MSD.
- Provide the new product launching feedback report to the PMD.

#### Responsibilities of Medical Service Department (MSD)

- Provide Medical information to the doctors parallel to the field forces promotion.
- Organize medical promotion like direct mailing of publications and free distribution of medical news letter, free video for the doctors.
- Arrange Continuing Medical Education (CME) program for the doctors in coordination with the Sales Department.
- Arrange PC (Palli Chikitshak) education programs in coordination with the Sales Department.
- Arrange Clinical Meetings in coordination with the Sales Department.
- Organizing clinical research with medical institutions.





### Responsibilities Of Marketing Research Department (MRD)

- Monitoring of the total pharmaceutical market's growth.
- SPLs total sales and growth monitoring.
- Product-wise sales and growth monitoring.
- Market-wise share monitoring.
- Product-wise and market-wise competitors sales, market share and growth monitoring.
- Competitors marketing activity monitoring.

### Responsibilities of Technical Services Department (TSD)

- Selection and standardization of raw materials and excipients in coordination with the Quality Control Department.
- Identifying sources of raw materials and excipients for new products.
- Preparation of standard in-house specification of raw materials and coordination between factory and Commercial Department and the PMD.
- Selection of machineries and equipments including spare parts and coordination with Engineering Department.
- Coordination and follow-up of the designing and implementation of the Master Plan of the factory and all matters related to development of factory facilities.
- Handling various forms of product complaints from market, field forces, and different departments.
- Recipe development and necessary changes in formulations for product improvement.
- Dealing with National Board of Revenue, Bureau of Narcotics, Pest Control Services, Department of Environment etc.
- Handling unresolved problems regarding product quality, visit to Quality Control and Production Department at regular intervals.

### Responsibilities of Commercial Department

- Purchase of Raw materials.
- Purchase of packaging materials.
- Purchase of machinery and equipment.
- Purchase of chemicals as advised by TSD.
- Purchase of stationary items and office appliances.



### Responsibilities of Personnel and Administration Department

- Recruitment of employees.
- Promotion of employees.
- Transfer of employees.
- Retirement of employees.
- Deals with remuneration, increments and other fringe benefits namely house rent, allowances, insurance, profit bonus, etc.
- Look for the facilities like lunch, transportation service etc.

### Responsibilities of Finance and Accounts Department

- Handling and recording of all kinds of transaction.
- Preparing final accounting reports for performance analysis of SPL.

## 3.6 HUMAN RESOURCES DEVELOPMENT PROGRAM

The Company has kept up with its human resources development program for sustenance/improvement of quality of products/services. During the year under review the company sent 11 executives on foreign training to Germany, Japan, India, Pakistan and 73 executives and staffs to local training institutions/organizations. In addition the company organized in house courses for 600 executives/staff at its CHQ/Plant with the assistance of local and expatriate consultants/experts. Beside this 3 Expatriate trainers/consultants were invited to upgrade the capability of the human resources.

### HUMAN RESOURCES STRENGTH OF THE COMPANY

	1993-94	1994-95	1995-96	1996-97	1997-98
Executives	288	344	362	429	383
Staff	180	227	254	296	302
Workers	415	506	533	518	528



### 3.7 EMPLOYEE BENEFITS

SPL considers its employees as the members of one big family and emphasizes maintaining an environment of harmony between employees and the organization. SPL provides numerous intrinsic and extrinsic benefits to all levels of employees. The extrinsic values come in the form of appreciation, recognition and promotion. To maintain the significance of the contents, only the benefits of the Marketing Promotion Officers(MPOs) are included in my report:

- ✿ Provident Funds    ✿ Gratuity    ✿ Worker's Participation Fund
- ✿ Insurance            ✿ Bonuses    ✿ Medical allowances
- ✿ Lunch                ✿ Daily allowances (D/A)
- ✿ Transport allowances(T/A)    ✿ Motor Vehicle
- ✿ Recognition Programs and Awards.
- ✿ Monthly gifts etc.

### 3.8 SALES FORCE STRUCTURE

SPL reach to their customer through territorial sales force. In territorial sales force the organization assigns each sales person to an exclusive geographical territory in which that sales person sales company's full line. SPL has divided the whole country into ten territories. These territories represent 252 markets and the markets are served by the several Marketing Promotion Officers(MPO). These MPOs directly report to their senior officer—Senior Medical Promotion Officers(SMPO). SMPOs are accountable to the 52 field supervisor who directly reports to 10 area managers. These 10 area managers are supervised by three assisting sales managers. Above these managers there are sales managers who ultimately report to the Marketing Operation Manager(MOM). The Executive Director is informed about the overall market situation by MOM.



## 4.FACILITIES

### 4.1 PHARMA UNIT AT PABNA:

The Pharma unit at Pabna has completed the major BMRE in the production capacity and is capable of meeting company's output requirement for expanding market turnover in the near future. Total capital expenditure at Pabna unit during the year amounted to about TK.51 million as against TK.52 million during the previous year.

### 4.2 CHEMICAL PLANT:

Capacity utilization at the chemical Plant increased as the output increased. There was no significant capital outlay in this division during the year under review.

### 4.3 DHAKA UNIT EXPANSION:

Despite numerous oddities and complex artifices usually associated with a state-of-the-art plant the management is the final phase of implementation of the project with the planning, supervisory and technical support from the consultants M/s. Bovic Tanvec of UK and KUPPS Collaboration of Thailand, though the target of commissioning had to be revised/shifted a few times in the past. It may be appreciated that the project in hand is only of its kind in the region with USFDA & EU pharmaceuticals manufacturing standards requiring highly rigid and unquestionable quality of materials, workmanship and performance. The process of implementation has often suffered from various hazards of communication, transports, movements and planned accomplishments was not achieved fully due to malfunctioning of ports, airports, airlines, shipping services, etc due to various reasons as are rampant in the country since the project was taken in hand. Considering all these factors and the technical complexities of such a project as well as non-availability of required man-machine-materials in Bangladesh, the delay in implementation of the project would not be termed unusual and abnormal. It may also be mentioned that the consultants also had often failed to identify and consider every deficient/degraded situation in Bangladesh for appropriately assessing their impact on the implementation of the project, resulting in delay beyond their expectation. However, on the basis of revised work schedule for the remaining work, especially peripheral in nature, the project is scheduled to be commissioned fully by March 2001, though different major areas would now start trial runs during Sept-December 2000. No more deviation is therefore visioned.



Once implemented fully, the State-of-Art Facility may be a leading pharmaceutical exporter to the international markets including developed countries of North America, Europe and East Asia, contributing substantially to the GDP and foreign earnings of the country.

## 5. OPERATIONS AND R & D

### 5.1 OUTPUT/CAPACITY UTILIZATION:

The actual production of various categories of products including pharma-basic chemicals and capacity utilization thereof is given below:

Sl. No.	Product Categories	Units	Production in Thousands		%age increase (decrease) over previous year	Capacity Utilization	
			1998-99	1999-2000		1998-99	1999-00
1	Tablets	Pcs	1,459,129	1,240,525	(15%)	195%	165%
2	Capsules	Pcs	222,651	193,494	(13%)	93%	81%
3	Liquid	Bottles	13,632	11,814	(13%)	130%	113%
4	Injectables	Pcs	15,595	11,187	(28%)	61%	44%
5	ENT Preparations	Gm	78,614	65,823	(16%)	225%	188%
6	OphthalPreparations	Gm	5,743	6,410	12%	191%	214%
7	Dry Syrup	Bottles	2,147	1,617	(25%)	72%	54%
8	Inhaler	Can	50	121	142%	-	-
9	Basic Chemicals	Kg	152	192	26%	45%	56%
10	Tablet-AgroVet	Pcs	302	749	148%	18%	44%
11	Powder-AgroVet	Gm	396	9,960	2415%	4%	114%

The capacity utilization rate in some areas of production decreased due to strategic changes in favor of increased production of higher value added products in each category resulting in higher turnover in value.

### 5.2 TECHNOLOGY:

The Company considers attainment and application of "Technology" as prerequisite to commercial success. With this and in view the Company is investing heavily in modern State-of-Art science and technology which is expected to benefit the shareholders in the long run. The Company is concentrating its creation of a core Research & Development Cell for continuously conducting research for improvement in product developments production process and cost controls measures.



### 5.3 RESEARCH AND DEVELOPMENT:

In its total dedication to quality of life through health care, Square Pharmaceuticals Limited has brought in advanced technology for Research & Development. Research and Development includes the Bibliographic search aided by a resourceful library, design and selection of process maximizing efficiency and minimizing the environmental impact, accelerated and long term stability testing, product quality optimization and translation of new scientific insights onto the products. In fact the basic thrust that enabled Square Pharmaceuticals Limited to grow at such a phenomenal rate is its quality products topping the national medicine market through extensive research and development projects.

## 6 MARKETING AND PRODUCTS

### 6.1 List of Principal Products

<u>PRODUCT</u>	<u>CATEGORIES</u>	<u>PRODUCT</u>	<u>CATEGORIES</u>
ACE	Tab, Susp	ESORDIN	Tab
ALATROL	Tab, Syrup	EVIT	Tab
ALMEX	Tab	ESRUFEN SR	Tab
ALOPEC	Tab	FAMOTACK	Tab
AMODIS	Tab, Oral Susp.	FLUGAL	Cap, Susp.
AMPICIN	Cap, Dry Syrup, Paed. Drop, 500 Inj.	FUNGIDAL	T/Cream, HC Cream
ANTAZOL	Nasal Drop	FUSID	Tab, Inj.
ANTISTA	Tab, Syp.	FePLUS	Cap, Syp.
ASMANYL	300 SR Tab.	GASTONOM	Tab, Susp
B-50 FORTE	Cab, Tab, Inj, Syp.	GENACYN	Inj, E/E Drop, T/Oint
BECLOMIN	Inhaler	IMOTIL	Cap
BELCOPAN	Tab	INCIDAL	Tab
BENZAPEN	Inj.	KETORAL	Tab



<u>PRODUCT</u>	<u>CATEGORIES</u>	<u>PRODUCT</u>	<u>CATEGORIES</u>
BEOVIT	Tab, Inj.	KOP	Tab, Inj, Gel
BETAMESON- N	T/Cream	LOXACIN	Cap, Inj,
BISMASID	Tab	LEBAC	Cap,Inj, Syrup,Drop
BROFEX	Syrup	LORACEF	Cap, Susp
CALBO	Tab	LORATIN	Tab
CALMODIN	Tab	MALACIDE	Tab
CANDEX	Susp	MEBAMIN	Tab
CANESTEN	Cream	MEXLO	Tab
CARDIPRO	Tab	MOXACIL	Cap,D/Syp,Paed Drop,Inj.
CEEVIT	Tab	MOXACLAV	Tab,Oral Susp
CEF-3	Cap, Susp	MULTIVIT Plus	Tab
CEFTRON	Inj.	NACROMIN	Nasal Drops, Inhaler,Eye Drops
CEPHADIN	Inj.	NALID	Tab, Dry Syrup
CEPORIN	Cap, DT, Dry Syrup	NEBANOL	Oint, Powder
CINARON	Tab	NEOTACK	Tab, Inj.,
CIPROCIN	Tab, Eye Drops	NIDIPINE	Tab
CLOBAM	Tab	NEUROLEP	Tab
CLOFENAC	Tab, Inj, Gel, DT	OSTEL	Tab
COMPRID	Tab	PANVIT	Drop
COMET	Tab	PENVIK	Tab, Dry Syrup,
COTRIM	Tab, DStab, Susp	PERIDOL	Tab, Inj.
DERMASOL	Cream, Oint	PERKINIL	Tab, Inj.
DELIPID	Cap	PHYLOPEN	Cap, DS Cap,Dry Syrup
DIBENOL	Tab	PROLERT	Cap
DILTIZEM	Tab	PRONOR	Tab



<u>PRODUCT</u>	<u>CATEGORIES</u>	<u>PRODUCT</u>	<u>CATEGORIES</u>
DIPEN	Inj	REMAC	Tab
DOXACIL	Cap	RUTIX	Tab
ENTACYD	Tab, Susp	REX	Tab
ERMOX	Tab, Susp	SECLO	Cap
EROMYCIN	Tab, DS, D/Syrup	SEDIL	Tab, Inj.
ESLORIC	Tab	SQ-CYCLINE	Cap
ESMO	Tab	SQ-MYCETIN	E/E Drop
ESPA	Tab	SULTOLIN	Tab, Syp, Inhaler
SUZYME	Tab	SECNID	Tab, Susp,
SONAP	Tab	SIMACOR	Tab
TETRAX	Cap	TRYPTIN	Tab
TUSCA	Syp	VIRUX	Cream, Tab
VASOPRIL	Tab	VIODIN	Mouthwash, Ointment, Solution
ZIMAX	Cap, Tab, Suspension	ZIP	Capsules

## 6.2 PRODUCT MIX

Square has latest technologies for production of a wide varieties of dosage forms including Tablet, Sustained Release formulation, Capsule, Metered Dose Inhaler (MDI), Injectable, Syrup (liquid and dry), Suspension (liquid and dry), Pediatric Drops, Nasal & Ophthalmic formulations, Topical Gel/Ointment/Cream, and oral care formulations.

The Company is continuously endeavoring to introduce new products with greater medicare-effects and higher value additions having lessening impact on costs and prices to the consumers. A team of product researchers is engaged in product development laboratory for this purpose. During the year under review the Company introduced 14 new products which were licensed by the Directorate of Drugs Administration, GOB, Bangladesh. This raises the number of products to 219 as categorized below:





Sl. No	Product Categories	Position(numbers) As on 31-03-1999	Added during the year1999-2000	Total
1	Tablets	73	18	91
2	Capsules	20	9	29
3	Liquid	18	2	20
4	Injections	27	1	28
5	ENT preparations	11	2	13
6	Ophthal Preparations	5	-	5
7	Dry Syrup	14	-	14
8	Inhaler	3	1	4
9	Basic Chemicals	6	-	6
10	Table/Powder-AgroVet	7	2	9
	Total	184	35	219

The Newly introduced products are in different dozes forms and have been well accepted by the medical profession as high quality standard products.

### 6.3 TOP 10 BRANDS OF SQUARE IN 1999

Brand	Value sale in taka	% share	Growth
Neotack	163,308,580	8.99	10.62
Entacyd	97,050,181	5.34	-6.99
Ciprocin	92,602,672	5.1	7.92
Entacyd Plus	86,079,788	4.74	14.33
Moxacil	78,016,151	4.29	-13.22
Ceevit	73,137,979	4.02	7.75
Cotrim	68,086,814	3.75	-30.89
B-50 forte	60,608,761	3.34	-19.28
Ceftron	56,192,653	3.09	-35.48
Alatrol	54,448,004	3	-1.37

Source : Bangladesh Pharmaceuticals Index, 2000



## 6.4 CHEMICALS DIVISION FOR BULK DRUG

### MANUFACTURING

In 1995, Square has established a separate division for the manufacturing of bulk drugs. Currently this division is producing the following bulk chemicals for the domestic pharmaceutical companies:

- Paracetamol BP/USP
- Diclofenac sodium BP
- Diclofenac free acid INN
- Diclofenac diethylamine
- Diclofenac potassium INN
- Flucloxacillin sodium BP/USP
- Amoxicillin trihydrate BP/USP(compact & micronized)
- Cloxacillin sodium BP/USP(compact & micronized)
- Ampicillin trihydrate BP/USP(compact & micronized)
- Cephalexin monohydrate BP/USP(compact & micronized)

## 6.5 ENSURING CUSTOMER SATISFACTION

SQUARE is committed to ensure better life through quality medicine. The ultimate motto is to ensure customer satisfaction by exceeding their level of expectations. SPL has 10 Sales and Distribution offices in the following places in Bangladesh:

1. Pabna (central deposit is also located here)
2. Dhaka
3. Khulna
4. Bogra
5. Rangpur
6. Sylhet
7. Chittagong
8. Mymensingh
9. Comilla
10. Barisal

The extensive marketing network comprising of latest technical and logistic support along with more than 350 skilled and qualified field staff is a key to succeed in achieving



customer satisfaction level beyond their expectation. The modern warehousing and completely computerized invoicing facilities of SQUARE ensures just-in-time delivery and high customers satisfaction.

#### **6.6 NAME OF ADVERTISING AGENCY**

The Company has its own in-house advertising agency Mediacom Ltd. Equipped with modern technologies and skilled manpower Mediacom has a soaring image as developers of quality mass media ads.

#### **6.7 ADVERTISING MEDIA**

SPL launches the health & social awareness building campaigns through Posters, Billboards, journals and special magazines. The sister concern of SPL--Square Toiletries Ltd. has extensive access to the mass medias particularly in Television.



## 7 ACCOUNTING POLICIES, FINANCIAL RESULTS & INVESTMENTS

### 7.1 SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION

#### ■ Accounting Conventions:

The Financial statement have been prepared under the historical cost convention and in accordance with the international accounting standards as adopted in Bangladesh.

Wherever appropriate, the policies are explained in the succeeding notes.

#### ■ Fixed Assets:

These are stated as historical cost less accumulated depreciation. Major replacements, renewals and betterments are capitalized while expenditure for repairs and maintenance are expended.

#### ■ Depreciation:

No depreciation is charged on freehold land or on capital work-in-progress. Depreciation is charged on all other fixed assets on a reducing balance method. Depreciation for full years has been charged on addition irrespective of date when the related assets are put into use and no depreciation has been charged on assets disposed off during the year.

The rates at which assets are depreciated per annum, depending on the nature and estimated useful life of assets are given below:

Factory Building and other Construction	-	10%
Plant & Machinery	-	15%
Laboratory & Office Equipment	-	10%
Furniture & Fixture	-	10%
Motor Vehicles	-	20%
Electrical Installation	-	15%
Books % Periodicals	-	30%

#### ■ Stocks:

Stocks are valued at the lower of cost and net realizable value. Value of stock other than stock of finished goods represents weighted average cost. Finished goods are valued at lower of cost or net realizable value and the cost include allocation of production overheads while work-in-process are valued at material cost. Net realizable value means the sales price less VAT and wholesalers/retailers discount.



#### ■ Taxation:

The Company is enjoying tax holiday for seven years in respect of its Liquid Unit with effect from November 1994, Tablet Unit and Metered Dose Inhaler Unit with effect from July 1997 and AgroVet Unit with effect from December 1998.

The Company is a publicly traded company as per income tax law and therefore, income tax at the rate of 35% has been provided for the year against the net profit of taxable unit (other than dividend income) and 15% tax has been provided on dividend income.

#### ■ Employees Separation Plans:

The Company has established a contributory provident fund scheme. The fund is wholly administered by a Board of Trustees. No part of the Fund is included in the assets of the company. The Company has an unfunded gratuity scheme under which an employee is entitled to the benefits depending on length of service.

The Company has also a group insurance scheme for its permanent employees, premium for which is being charged to Profit and Loss Account annually as per the insurance policy.

#### ■ Turnover:

Turnover comprises the following:

- Local sales of Pharmaceuticals drugs and medicines.
- Export of Pharmaceuticals drugs and medicines.
- Local sales of basic chemical products.
- Local sales of AgroVet products.

#### ■ Revenue Recognition:

Local sales of pharmaceuticals drugs and medicines are recognized at the time of delivery from depot. Exports of pharmaceuticals drugs and medicines are recognized at the time of delivery from Factory Godown. Local sales of basic chemical products are recognized at the time of delivery from Factory Godown. Local sales of AgroVet products are recognized at the time of delivery from depot. Dividend income has been accounted for on receipt basis.

#### ■ Foreign Currency Transactions:

Foreign currencies are transacted into Taka at the exchange rates ruling on the date of transactions. Bank deposit in foreign currency for foreign quota account has been translated into taka at the year end at the rate of exchange ruling on that date and have been accounted for as other income in the Profit & Loss Account.



## 7.2 FINANCIAL RESULTS

The financial results of the company for the year 1999-2000 as compared to previous year is given below:

	1998-99	1999-00	%age(+)
Gross Turnover	2,422,785,068	2,655,952,092	9.6%
Net Turnover	2,106,461,049	2,313,844,080	9.8%
Gross Profit	736,876,562	826,978,276	12.2%
Net Profit(BT)	438,952,663	505,100,431	15.1%
Provision for Income Tax	72,746,387	86,948,886	19.5%
Net Profit(AT)	366,206,276	418,151,545	14.2%
Gross Margin(Net Sales)	34.98%	35.74%	-
Net Margin(BT)	20.84%	21.83%	-
Net Margin(AT)	17.38%	18.07%	-
Earning Per Share(EPS)(Tk.)	146.48	167.26	-

The above comparative position and analysis thereof clearly demonstrate the continuous progress in turnover, net profit, operating margins and earnings per share greatly benefiting the shareholders more than was forecast in the company's prospectus of IPO. The results also testify the Management's outstanding performance in all spheres in the company's operations.

## 7.3 INVESTMENT IN SUBSIDIARIES

### 7.3.1 SQUARE TEXTILES LIMITED

Square Textiles Ltd, a subsidiary of the Company, had fully completed installation of planned target of about 60,000 Spindles including 578 Rotors Heads and was in full production during the year 1999 when it produced 25,066,318 lbs of various counts of yarn as against 13,118,698 lbs during the previous year. The turnover also increased from TK.1,009,344,554 in 1998 to TK. 1,721,676,941 in 1999 showing 71% growth. The net profit increased from TK. 116,747,865 in 1998 to TK. 233,346,235 in 1999, an increase of 100%. The Company declared a dividend TK. 10 for each share of TK. 100.00 for the year 1999.



The following changes took place in the positions as on 31-12-1999 and 31-03-2000 being the dates of closure of accounting years for Square Textiles Ltd. and Square Pharmaceuticals Ltd. respectively :

	(Taka)	
	Position as on 31-12-99	Position as on 31-03-00
(a) Fixed Asset Cost of Square Textiles Ltd.	1,742,629,417	1,742,629,417
(b) Investment by Square Pharmaceuticals Ltd :		
*Share Capital	98,100,000	250,000,000
*Short Term Loan from SPL	276,424,275	331,910,488
*Share Money Deposit	400,000,000	

### 7.3.2 SQUARE SPINNINGS LIMITED

Encouraged by the results of investments in the Square Textiles Ltd., having industry's highest turnover & profit per spindles, Management has decided to set up a separate unit under the name of "Square Spinnings Ltd." as another wholly owned subsidiary. The subsidiary will be primarily geared for production of special yarn for both knit & woven Fabrics for Garments units for export. At the moment about 90% fabric for the woven garments and about 40% of the country's requirement of yarn for knit fabric for Garments is imported. This subsidiary will install latest model of Rotor Heads which will require lesser building areas and have about double the production of conventional Rotor Heads. The total investment required is estimated at TK. 650 million.

## 8 EXTERNAL ENVIRONMENT & EXPROT

### 8.1 TRENDS OF PHARMA MARKET IN BANGLADESH

Year	Value sale in crore taka	Growth%
1999	1426.58	-0.9
1998	1439.48	5.68
1997	1362.07	19.69
1996	1137.99	18.86
1995	957.44	3.4

Source: IMS.



## 8.2 CORPORATE ENVIRONMENT IN 1999

Pharmaceutical sector in the national economy witnessed a micro-decline of about 1% during the year 1999 over 1998 though two bumper crops were harvested resulting in a GDP growth of over 5% during the year. However, the company continued the growth trend and attained a turnover growth of 9.6% over the previous year which is an outstanding phenomenon. The emphasis on medi-care by the Government supported by increased budgetary allocation of resources is expected to help expand the pharma market in the coming years.

## 8.3 TOP 10 LEADING MANUFACTURERS VALUE IN 1999

Position	Manufacturer	Sales Volume in(Taka)	Market Share
1.	SQUARE	1748,795	12.49%
2.	BEXIMCO	1451,340	10.37%
3.	RHON POULENC RORER	1271,499	8.87%
4.	OPSONIN CHEM	996,449	7.12%
5.	GLAXO	869,347	6.12%
6.	ACME	792,951	5.66%
7.	ESKAYEF	537,345	3.84%
8.	RENATA	487,335	3.48%
9.	A.C.I	469,933	3.36%
10.	DRUG INTERNATIONAL	469,933	3.36%

Source: IMS





#### 8.4GLOBAL OPERATIONS OF SPL

SQUARE has extended its range of services towards the highway of global market. It pioneered exports of medicines from Bangladesh in 1987. Through its extended marketing operations, SQUARE is now selling its finished goods in many countries of Asia and Europe including:

- Cambodia
- Myanmar
- Nepal
- Pakistan
- Russia
- Sri Lanka
- Ukraine
- Yemen

In addition, registration of many of SQUARE's finished goods in other countries of Asia, Europe, and Africa is now under process.

PROJECT  
PART



## 1. ORIGIN OF THE REPORT

This report titled “ Training and Development of the Medical Sales Representatives” is prepared to fulfill the requirement of the internship program (Course no. BUS-499) of the Bachelor of Business Administration degree of East West University. It is a mandatory requirement of the program that involves students to work for a particular organization for 8 to 12 weeks. The report, which contains the outcomes of a project assigned by the organization to the student, is presented to the concerned faculty as well as to the organization. The student is graded for the course based on his or her performance on the project, which is reflected through the report.

## 2. BACKGROUND OF THE PROJECT

The Pharmaceutical industry of Bangladesh is very competitive. Square Pharmaceuticals Ltd., holding a strong leadership position in this competitive scenario, is continuously striving to ensure stability of this position. In this effort, the company not only puts heavy investments on R & D, but also consistently keeps track of the external environment, analyzes internal weaknesses and implements necessary modifications.

A distinguished feature of the Pharmaceutical industry is that, the companies cannot aggressively advertise their products like the manufacturers of commodity products. Since the products are considered as life saving equipments that should not be compared and influenced to buy, the regulatory policies restrict such advertisements. Though awareness building campaigns on behalf of the company can be shown and these campaigns basically features some important social issues.

So, the basic instrument to promote pharmaceutical products to the target market is the sales force. Apart from factors like quality and company image, much of the success of a pharmaceutical company depends on the performance of its sales representatives. So this is one of the areas that can either become a competitive edge or a reason for management headache—depending on the efforts put to training and development programs and other interrelated components.

Square Pharmaceuticals Ltd., being the best in the industry, puts heavy investments in the training and development programs of the Sales Force. The programs are designed and undertaken with utmost sincerity and in a manner that ensures significant

Square has been able to promote the highest quality products through the most efficient manpower. Only recently, SPL has been advised by its sincere and loyal customer base to improve the communication skills of the salespeople. Management also was told that salespeople of major competitors like Beximco or Novartis possesses better communication skills. Another considerable aspect is the turnover rate of trained salespeople, which is also common in other companies as well. Though for the time being the turnover rate is almost 0, but management should always have contingency action plans.

This project was an effort to explore better ways for SPL to improve the communication skills of their sales force and also to find ways to reduce turnover of salespeople. Since, elegance and basic oral communication ability are somewhat inherent qualities, the project also covered areas relating to recruitment and selection. Finally, some motivational factors were also considered, as motivation may be one of the reasons that lead to lower employee retention.

### **3.OBJECTIVES**

#### **3.1 BROAD OBJECTIVE**

To propose a model of the recruitment & selection procedure and a model of the training and development program that would help to improve communication skills.

#### **3.2 SPECIFIC OBJECTIVES**

- To develop a set of appropriate recruitment criteria.
- To develop a standard selection procedure.
- To develop a list of contents for the training program.
- To develop specific guidelines that would help to improve communication skills.
- To propose a standard list of incentives and benefits that can be compared with the existing offerings.
- To propose a course of action for training managers that would help to increase motivation and job preference of the trainees.



## 4. PROJECT NATURE

### 4.1 RESEARCH TYPE

The research is basically qualitative in nature, since the materials are not subject to quantification or quantitative analysis.

The characteristics of a qualitative research are given below:

- ⊕ Types of Questions: Probing
- ⊕ Sample Size: Small
- ⊕ Information per Respondent: Much
- ⊕ Administration: Requires interviewer with Special Skills
- ⊕ Types of Analysis: Subjective, Interpretive
- ⊕ Ability to Replicate: Low
- ⊕ Type of Research: Exploratory

### 4.2 SOURCES OF INFORMATION

#### ⊕ Published Secondary Data:

- ⊕ Company Annual Reports
- ⊕ Company Periodicals
- ⊕ Internal Reports
- ⊕ Previous Internship Reports

#### ⊕ Primary Data Collection:

Primary data collection is done through Executive Interviewing along with questionnaires. First of all, names and locations of the 14 major Pharmaceutical Companies were collected. Then appointments were made with the respective company's managers who are responsible either for Training & Development programs or for the Recruitment and Selection Procedures or Designated in a position relating to sales force management. During the appointment, respondents were first approached with an intention of a depth-interview. Those unable to give time for such an interview were given the questionnaire that has the same questions of the interview. The questionnaire was collected at a later time convenient to the respondent.



#### ✦ Name of the Sample Units:

- ✦ SQUARE PHARMACEUTICALS LTD.
- ✦ BEXIMCO PHARMACEUTICALS LTD.
- ✦ NOVARTIS (BANGLADESH) LTD.
- ✦ RHONE-POULENC-RORER BANGLADESH LTD.
- ✦ REPHCO LABORATORIES LTD.
- ✦ ESKAYEF BANGLADESH LTD.
- ✦ RENATA LIMITED.
- ✦ GLAXO WELLCOME BANGLADESH LTD.
- ✦ INCEPTA PHARMACEUTICALS LTD.
- ✦ ARISTOPHARMA LTD.
- ✦ OPSO SALINE LTD.
- ✦ ACME LABORATORIES LTD.

### **4.3 INSTRUMENTS**

✦ Depth-Interview: As mentioned earlier, the major fact finding instrument of this study is through depth-interviews of executives. Depth-interviews are one-on-one interviews that probe and elicit detailed answers to questions, often using nondirective techniques to uncover hidden motivations.

✦ Questionnaire: Sometimes an alternative approach had to be used due to the respondent's inconvenience. A semi structured questionnaire was designed a sample of which is attached in the Appendix. The questionnaire contained both open-ended and multiple-choice questions.

### **4.4 LIMITATIONS OF THE STUDY**

There had been some limitations that restricted the competence of the study:

- ✦ First of all, the contents of the study are subject to company confidentiality. So I, as an intern from SPL could not directly ask for such information to the competitors, for which I had to approach as a student of BBA from East West University. When organizations give students assistance for academic purposes, they usually provide information in a generalized form, from which the exact picture may not be reflected.

- ✦ Depth-interviews that are designed to uncover hidden motivation through probing, requires interviewers with special skills and expertise. I, being a fresh graduate, tried my best, though an experienced interviewer might have been able to do much better.
- ✦ Though I was determined to collect information from 15 sample units, at the end I had to be content with 12 sample units instead. This is because ACI (Bangladesh)Ltd., after several visits, refused to cooperate. Management of Drug International and Globe Pharmaceuticals Ltd., claim that they do not have structured Human Resources Department or Training and Development programs. Besides they were very busy to give time for such appointments.

#### **4.5 SCOPE OF THE STUDY**

The contents of this report cover areas such as recruitment, selection, training and development—that are responsibilities of the Human Resource Department. Elaborative features are discussed on subjects such as “Improving communication Skills” –which would be of interest to the concerned training managers.

#### **4.6 CONTRIBUTION OF THE STUDY**

##### **4.6.1 Contribution to literature:**

This report will benefit those undertaking projects on relevant topics. Though the same topic was previously undertaken for research purposes, they were angled from different perspectives. This, to my knowledge, is the first report that covers the external environment scenario. This can also partially benefit professionals doing higher-level research projects or developing text materials on Training & Development/ Sales force management/ Developing Communication Skills.

##### **4.6.2 Contribution to the organization:**

This report will particularly benefit the training managers and human resources managers of SPL. Since, the proposed models and the recommendations are formulated specifically for SPL—taking into consideration the activities of the different level of competitors’ –managers of SPL can rely on this report as a

supportive document while redesigning the existing training program or implementing a new strategy for the sales force.

**4.6.3 Contribution to Self-Professional-Development:**

I have learned many important attributes that no text material alone could help me to learn. For instance: +Making appointments with executives who are always busy + Approaching them with confidence + Maintaining proper attitude and courtesy during conversation + To have patience and firm determination + and of course, the real-life picture of the subject matter.



# LITERATURE SURVEY

In order to have the basic concepts on the chosen topics it is essential to go through the text materials available on these topics. For this purpose I went through an extensive study and came up with the following interesting articles that I hope would be very helpful for the training managers.

Sales managers and Human Resources managers.

I have tried to highlight the basics in a

manner that would help managers

to save their time while

giving them scope

to have a quick

review of

the

contents.



## I. RECRUITMENT & SELECTION

### CHARACTERISTICS OF SUCCESSFUL SALESPEOPLE

A number of research studies have revealed some traits that characterize good salespeople. The traits can be placed in one of three categories:

- *Attributes*: Specific personality characteristics.
- *Skills*: Specific talents that sets them apart.
- *Knowledge*: Specific information that sets them apart.

#### Important attributes:

The following four attributes have been found repeatedly in many studies:

- *Empathy*: The ability to understand the situation from the other person's perspective. This is critical because the salesperson attempts to build a relationship with the buyer.
- *Ego drive*: the quality of a salesperson whose self-image is inextricably tied to success in making a sale. In other words, the person who possesses this attribute wants to succeed at selling because there is an identification with the job.
- *Ego strength or resilience*: the ability to "bounce-back" from defeat. Defeat comes when the sales person is turned down in a sales call. This is very crucial because sales person hear "no" more times than they hear "yes". Better salespeople do not let such refusals shake them.
- *Honesty*: The importance of this attribute is growing, given the increased emphasis on the importance of building trust. Sales managers are beginning to recognize that honesty and integrity are the cornerstones of trust.

#### Other important attributes:

- *Self discipline*
- *Intelligence*
- *Creativity*
- *Flexibility*
- *Self motivation*
- *Persistence*
- *Personableness*



### ■ *Dependability*

#### Skills:

Certain skills seem to predominate in successful salespeople:

- Communication skills
- Analytical skills
- Organization skills
- Time management skills

#### Knowledge:

Sales people need the following major types of knowledge:

- Product knowledge
- Customer knowledge
- Knowledge of the industry
- Knowledge of the competition
- Knowledge of the company

### THE RECRUITING AND SELECTION PROCESS:

#### Job analysis:

A number of factors must be considered:

- The market
- The product line
- Tasks and responsibilities
- The degree of autonomy

#### Sources for recruiting:

- Within the company
- Colleges and Universities
- Competitors
- Other industries
- Professionals from a nonsales background

#### Reaching Recruits:

- Through Advertising
- Through Employment agencies



### Application Forms:

If used should address four basic areas:

- Personal data.
- Education data
- Experience
- General health questions

Weighted application form can also be used in which different pieces of information are given more importance and an overall numerical score is calculated to indicate the relative qualifications of the applicant. This can increase the objectivity of the selection process.

### Interviews:

There are four general types of interviews:

- The structured interview: consists of using a questionnaire with a specific set of questions.
- The semi structured interview: consists of the interviewer using a questionnaire with specific questions, but the questions are often open ended and the interviewer has the option of probing more deeply into certain areas.
- The unstructured interview: consists of the interviewer asking an open-ended question and allowing the candidate to talk extensively.
- The problem-solving interview: consists of presenting the candidate with an issue or a problem to solve.

### Tests:

Many types of tests can be used to screen and select candidates:

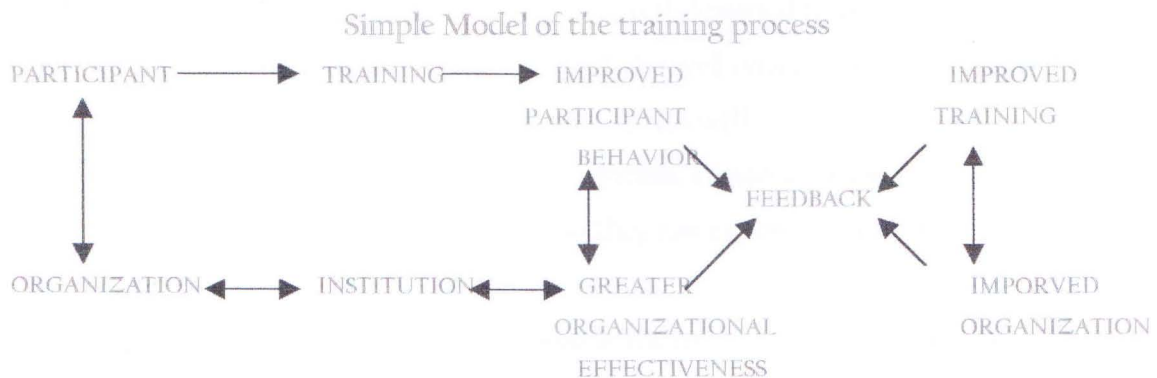
- Aptitude tests: examine an individual's capacity to perform a particular type of job or to learn how to perform that job.
- Intelligence tests: measure the overall mental capacity of the person. These deals with the person's ability at logic and reasoning, use of language and mathematics, and the ability to understand spatial relationships.
- Knowledge or proficiency tests: assess the amount of information possessed about a subject.



- Personality tests: attempt to categorize people using a personality profile. They attempt to measure the inherent traits of a person.
- Honesty tests: attempt to assess the inherent honesty of the individual. These tests attempt to uncover the person's ethical value system and judgment of situations in which honesty is an issue.

## 2. TRAINING THE SALESFORCE

Training is the process of facilitating directed learning. Through training salespeople are introduced to the overall goals of the organization, the procedures used to accomplish specific goals, and the skills and knowledge necessary to succeed in selling the company's products.



Objectives:

Objectives are directly related to the nature of the group to be trained. A number of topics must be covered if training is directed toward newly hired salespeople:

- Selling skills
- Customer Knowledge
- Product Knowledge
- Company knowledge
- Industry knowledge
- Competitor knowledge

Since it is impossible to customize training to fit every individual's needs, a modular system can be used in which different topics are arranged in groups or modules. The manager can select the module that best fits the needs of a particular individual.



## Principles of Training:

When a training program is less than effective it is mostly because one or several of the following principles have been violated:

- Purpose: Trainer must include training material and exercises that are relevant to accomplishing the objectives. During the course of the training, this relevance should be explained to trainees.
- Motivation: For newly hired salespeople, particularly those just beginning their careers, the motivation level is generally high. Managers should be able to sustain to this level of motivation and generate enthusiasm among trainees about the profession being chosen.
- Reinforcement: The law of relative effect states that people tend to repeat those behaviors for which they are rewarded. In a well-designed training, there should be reward by affirmation for persons who perform well on an exercise. Similarly, there should be feedback for persons failing to perform well.
- Participation: Learning is a two-way process. Trainees should be involved in the program through active participation. So they can experience the concept first hand, and they can also alleviate boredom.
- Practice: This also involves the trainees, the more a person performs a particular skill repetitively, the more the skills become ingrained.
- Repetition: New materials should be tied to past materials, so reinforcement and revision both are done.
- Plateaus: Learning does not take place consistently over time. Trainees sometimes reach a point at which they cannot learn at the rate as they could at the beginning. This is called the Plateau time at which the recent growth matures and gains strength. Trainers must be aware of this plateau and let trainees know about this, otherwise trainees may become frustrated.
- Productivity: People learn better at different times of the day and for a limited amount of time each day- usually, around mid-morning and mid-afternoon. Given that a training program cannot possibly be contained to within these times, the trainer can use different approaches to break up the monotony and to involve people in the process during the “off-times.” Trainer should also decide the amount of time a



person should be in training each day based on the feedbacks from the trainees not on the amount of materials covered.

- Realism: Sales training must reflect reality. Training managers should be realistic about what can be accomplished through training and training should accurately reflect the corporate credo.

### Topics in Sales Training:

The composition of a given program depends on the objectives of the program as well as the nature of the people being trained.

- Selling skills: Among the areas covered under the topic of selling skills are the following:

- ◆ Listening skills
- ◆ Presentation skills
- ◆ Time management
- ◆ Probing and fact-finding
- ◆ Customer service
- ◆ Prospecting and qualifying
- ◆ Handling objections
- ◆ Organization skills
- ◆ Closing the sale

- Product knowledge
- Customer knowledge
- Competitor and Industry knowledge
- Company knowledge

### Approaches to training:

- On-the-job training (OJT): The most widely used approach. OJT has the advantage of introducing trainees to “real-world” experiences. It also provides the trainer with the chance to critique the trainee’s performance in an actual setting.
- Classroom training: Enables the company to frame what it wants to convey in a precise manner. It requires presenters who are interesting and well prepared to be effective. But the trainees may get boredom and they retain little of what they hear and see.



■ Electronic Training: Training with computers and interactive videos. It provides the opportunity to be more involved in the process and remove the phobia surrounding the use of computers in selling.

■ Training by experience: The following experiential learning exercises can be adopted:

- ◆ Role-playing
- ◆ Case studies
- ◆ Experiential exercises
- ◆ Group projects

■ Mentoring: New salespeople are assigned to a veteran who works with them on selling or on a special marketing project. The trainee has access to the accumulated expertise of the veteran, and the veteran enjoys intrinsic rewards from working with new people.

■ Curbside Training: The sales manager acts in the capacity of a coach. This is an ongoing process. When designing the program, the sales manager uses a combination of various approaches. The sales manager monitors the progress of the salespeople and provides feedback in a timely manner.

## Who does the training?

The choices are as follows:

- Use outside consultants.
  - Use inside training specialists
  - Use company salespeople
  - Sales manager conducts the training.
-





### 3.COMMUNICATION IN SALES

#### i) PHYSIOLOGICAL ASPECTS OF ORAL COMMUNICATION

##### Four phases

To communicate orally, we produce sounds that stand for meanings. Productions of these sounds involve four physiological phases: inhalation, phonation, resonance, modification. Understanding these phases can help to consciously control and improve oral communication.

- ◆ **Inhalation:** To sustain our life and to obtain the raw material of speech, we introduce air through our nostrils and mouth. That air proceeds to our lungs. Consciously or unconsciously the stomach muscles or the diaphragm act so that the air moves out of the lungs.
- ◆ **Phonation:** Moving upward along its escape route, the air that has become our breath, now pass through larynx (voice box). The larynx contains the vocal folds, which impart pitch (highness or lowness of sound) to our breath. Our breath thus becomes voice but not yet speech.
- ◆ **Resonation:** The breath imbued with pitch moves into our head. The cavities of our nose, throat, and mouth amplify and enrich that breath, which reverberates within them. The greater the reverberation, the richer the timbre(quality or warmth) of the voice.  
Air has become breath in the lungs. Breath has become voice between the folds of larynx. Voice has gained resonance in the cavities of your head. Sounds have been created but not yet speech.
- ◆ **Modification:** We shape sounds into symbols with our lips, our teeth, the ridge in back of and behind our upper teeth, the hard palate above and behind the teeth ridge, the soft palate extending in back of the hard palate, and our tongue acting with our teeth or acting with the teeth ridge.



## ii) PSYCHOLOGICAL ASPECTS OF ORAL COMMUNICATION

### Stage Fright:

The tension and apprehension felt by many speakers. It is often nothing more than a speaker's misdirected awareness. For example, when we speak with our supervisor, participate in a meeting, or address a group, we often sense a nervousness, a tensing of muscles, a quavering of voice. Such signs usually indicate that we are directing our attention excessively to ourselves instead of the message and its receivers.

The following techniques can help to overcome the fear of oral communication:

◆ Establish Justification: Establish definite reasons for exchanging messages.

Those reasons involve answers to basic communication questions, like:

What value does the oral message have for the speaker and for the listener?

What results is the oral message likely to produce? etc.

By determining appropriate need for the oral communication, we can begin building confidence in ourselves as business speakers.

◆ Develop Confidence: The following techniques can help to develop confidence:

✦ Maintain a personal achievement journal.

✦ Recognize why you are asked to speak.

✦ Prepare yourself.

✦ Assume your audience is friendly.

✦ Review your performance.

## iii) NONVERBAL COMMUNICATION

◆ Appearances: The way that someone or something looks can create, or bridge, communication gaps. Rightly or wrongly, observers take appearances as cues, as indications of care or carelessness toward oneself, toward other people, and toward responsibilities of earning a living.

◆ Timing and Distances: Effective business communicators observe protocols for time and space use. For example, telephone calls at very early in the morning or very late at night, may convey urgency. During face-to-face conversation leaning close to the other person may imply that the message is confidential. However, these nonverbal cues should be used judiciously. In USA, if a person arrives more than 10



minutes late for an appointment, he or she risks facing communication barriers.

Informal business conversational distance is usually 20 to 24 inches, or just outside easy touching range.

#### ◆ Postures, Movements, Gestures, and Facial Expressions:

These are also nonverbal communications. Examples:

Nonverbal Behavior	Interpretation
Brisk, erect walk.....	confidence
Standing with hands on hips.....	readiness
Sitting with legs crossed, foot kicking slightly.....	boredom
Arms crossed on chest.....	defensiveness
Walking with hands in pockets, shoulders hunched, shuffling gait.....	dejection
Hand to cheek.....	evaluation, thinking
Touching, slightly rubbing nose.....	rejection, doubt, lying
Rubbing the eye.....	doubt
Hands clasped behind back.....	anger, frustration, apprehension
Locked ankles.....	apprehension
Head resting hand, eyes downcast.....	boredom
Rubbing hands.....	anticipation
Sitting with hands clasped behind head, leg crossed.....	confidence, superiority
Open palm.....	sincerity, openness, innocence
Pinching bridge of nose, eyes closed.....	negative evaluation

### iv) DEVELOPING SALES MESSAGES

#### a) AIDA

A familiar and effective message structure for persuasion is AIDA: attention, interest, desire, action—all from the receiver's viewpoint. Many successful business communicators use the AIDA structure for developing sales messages which attract attention, impel interest, simulate desire, and activate purchases. The AIDA structure is logically and psychologically consistent. Attention, once favorably attracted, arouses interest. Interest, once appropriately aroused, leads to desire. Desire, reinforced by the



belief that the product or service is valuable, leads to a buying decision. The culmination of these factors produces action.

◆ Successful techniques to Attract Appropriate Attention:

- ✦ Ask a pertinent question.
- ✦ Make an agreeable assertion.
- ✦ Cite a timely situation
- ✦ Highlight a benefit
- ✦ Visualize an event
- ✦ Stimulate physical senses
- ✦ Summarize a case history
- ✦ Provide a testimonial
- ✦ Use a famous quotation
- ✦ State a startling fact

◆ Successful techniques to develop interest and desire:

- ✦ Factual (Physical) Description: objective details, such as length, breadth, height, size, color, scent, texture, and other specifications.
- ✦ Psychological Description: Sensations, satisfactions, or pleasures are represented by psychological appeals which translate a proposal into fulfillment of needs and desires.
- ✦ Descriptive Evidence: ● facts and figures ● explanations of design or construction ● tests by manufacturer, independent laboratory, dealer, or customer ● records of the product in actual use ● testimonials ● free demonstrations, trials, samples ● illustrations etc.

b) Five Spokes

Communication is the drive gear of effective selling. The drive gear has five spokes:

- ◆ State the message clearly: The message a person wants to give to another first exists as a mental image. This mental image has to be translated into symbols that he or she believes the other will understand. These symbols can be classified as:
  - ✦ Words: The connotations that words may acquire or the uses of words in different parts of the country, or in different cultures vary widely that should be remembered while conveying messages.



✦ **Objects:** Objects have always been used to convey meaning. Automobile, clothes, decoration of an office etc. can mean to convey status and gives an understanding of the owner's preferences and sense of identification.

✦ **Actions:** Actions include gestures, facial expressions, body language, and nonverbal sounds. These can alter the intended meaning of a message if not properly controlled.

◆ **Listen to the customer:** There are two basic elements in active listening:

✦ **Paraphrasing:** Summarizes the speaker's expressed thoughts, as they were understood by the listener, or puts what the speaker has said into the listener's own words.

✦ **Perception checking:** Describes what the listener perceives to be unspoken feelings (emotions) or wants of the speaker. This description is offered tentatively and nonevaluatively.

◆ **Observe the surroundings.**

◆ **Ask open-ended questions:** Invites the customer to provide more complete information.

◆ **Present the product:** A selling situation represents an "awareness progression". As a person moves from hearing to seeing to doing, that person moves to a greater level of awareness. The effective sales presentation incorporates this awareness progression and includes the following elements:

✦ State the sales message effectively and appropriately.

✦ Use sales aids, such as pictures, written testimonials, and charts.

✦ Include, when possible a demonstration of the product, benefit, and/or concepts.

## 4. THE SALES PRESENTATION

### APPROACHING THE PROSPECT

#### Types of Approaches

Depending on the situation, any of several methods can be employed to effectively approach the prospect.

◆ **Compliment approach:** When done subtly and sincerely, a compliment can bring about a very positive reaction and establish a pleasant atmosphere for the sales presentation.



- ◆ Reference approach: A very good approach is for a salesperson to mention several satisfied customers who are known and respected by the prospect.
- ◆ Sample approach: Offering a trial size of the product, a luncheon invitation, a free seminar, or a sample of the services is an excellent way to approach a prospect.
- ◆ Customer benefit approach: This approach starts with the most important area, describing the customer's benefits. Usually only one or two buying motives significantly affect the purchasing decision. These must be identified and referred to whenever possible.
- ◆ Dramatic approach: this can be used to gain attention if all other approaches fail. Example: One salesperson placed \$5 on the buyer's desk, announcing that the buyer could keep the \$5 if the salesperson was not able to show all the benefits of the product within 25 minutes.
- ◆ Product approach: Show the prospect a sample of the product right at the start. This allows a smooth transition into the sales presentation.
- ◆ Question approach: This approach involves the prospect in a two-way communication early in the sales presentation. The prospect should be involved in the presentation as soon as possible.
- ◆ Introductory approach: Considered to be the worst approach a salesperson can use. Because the salesperson usually has only one chance to start the presentation positively, he or she should make sure that the introductory approach is interesting and flows smoothly into the presentation. He or she should indicate his or her name and company.

## TYPES OF SALES PRESENTATIONS

The four most commonly used methods in order of structure are as follows:

- ◆ Memorized (or canned) presentation: Salespeople memorize and follow a well-written and tested canned presentation. These presentations are especially beneficial when the same product is sold over and over again and there is little variation among prospects. This is most often used in selling non technical items door to door or in telemarketing. It requires limited training time and ensures that all prospects receive the same basic message.



- ◆ Planned (Formula) presentation: It presents a carefully planned, personalized sales message. Parts of the script are memorized, and there is constant prospect involvement and interaction. The salesperson, who knows something about the prospect, uses a less structured, general outline within which the presentation is made.
- ◆ The Need-Satisfaction Presentation: This is a relatively flexible, interactive presentation, that is very challenging and creative. It frequently starts with a question that addresses the benefit sought by the prospect for a particular need fulfillment. In the last part of the presentation, the salesperson takes more control and illustrates how the product will satisfy the prospect's needs.
- ◆ Problem Solving(or Survey-Proposal) Presentation: This two-step presentation is used to sell systems or highly complex technical products. It often requires a survey to obtain original data and several sales calls to develop a detailed analysis of the prospect's needs.

## 5. HANDLING OBJECTIONS

### GENERAL GUIDELINES IN DEALING WITH OBJECTIONS

- ◆ The salesperson should never respond to an objection quickly. He or she should always pause and reflect, making sure the objection is clearly understood before responding.
- ◆ The salesperson should never provide too much information or too many answers. After handling an objection, the salesperson should move on to other positive elements in the sales call and not dwell on the objection.
- ◆ A salesperson should never guess or present wrong information in response to an objection.
- ◆ The salesperson should not argue about a prospect's objection. An endless discussion should be avoided. The word "No" and "Objection" should never be used in the discussion.
- ◆ The salesperson should never display doubts about the response to an objection. He should act as if he has completely answered it.



## METHODS FOR DEALING WITH OBJECTIONS

◆ **Boomerang Method:** The salesperson attempts to turn the objection into a reason for buying, being careful to avoid making the prospect look foolish or ignorant for raising the objection. Prospects must never feel they are being condescended to or made to feel stupid when the boomerang method is used.

◆ **Counterbalance Method:** An objection that cannot be denied is countered by citing an even more important benefit of making the purchase. When a valid objection is raised, a salesperson must develop a positive benefit of the feature.

◆ **Denial Method:** There are times when a prospect has misinformation about the company or its products that hinder the sale. When the salesperson is sure that the idea is completely wrong and that without this being stated no sale can be made, often there is no alternative but to deny the idea politely and firmly.

◆ **Indirect Denial Method:** This method is useful when the comment of the prospect cannot be refuted directly. In this indirect denial method, also called the “Yes, but” method, the salesperson agrees with the prospect’s comments and then immediately follows with a disclaimer.

◆ **Failure-to-Hear-Method:** A salesperson should rarely ignore any objection by a prospect. However, if an objection is patently absurd and it is apparent that the prospect really does not believe it or it is such a low-priority objection that it will not hinder the sale, sometimes it is better just to pretend not to hear the objection, avoiding a direct confrontation.

◆ **Question Method:** By using a question in response to an objection, a salesperson puts the ball back in the prospect’s court and causes the prospect to restate and rethink the objection. Also, the question gives the salesperson more time to think about the response to an objection.



# SUMMARY OF FINDINGS



## RECRUITMENT CRITERIA

The following criteria are considered as important while recruiting for training:

- **Academic Excellence** : Beximco, Renata, Eskayef, Rephco, Glaxo Wellcome, Aristopharma, Incepta.
- **Physical Appearance** : Beximco, RPR, Renata, Eskayef, Rephco, Glaxo Wellcome, Aristopharma, Incepta, Novartis, Acme, Square.
- **Mental Abilities** : Beximco, Renata, Eskayef, Rephco, Glaxo Wellcome, Aristopharma, Incepta, Opsonin, Novartis, Square.
- **Personality** : Beximco, RPR, Renata, Eskayef, Rephco, Glaxo Wellcome, Aristopharma, Incepta, Opsonin, Novartis, Acme, Square.
- **Prior Job experience** : Beximco, Renata
- **Smartness** : Beximco, RPR, Renata, Eskayef, Rephco, Glaxo Wellcome, Aristopharma, Incepta, Opsonin, Novartis, Acme.
- **Presentation skill** : Beximco, RPR, Renata, Eskayef, Rephco, Glaxo Wellcome, Aristopharma, Incepta, Opsonin, Acme.
- **Positive Attitude** : Beximco, RPR, Renata, Eskayef, Rephco, Glaxo Wellcome, Aristopharma, Incepta, Opsonin, Novartis, Acme, Square.
- **Honesty** : Renata, Aristopharma
- **Analytical Ability(Quantitative)**: Renata.
- **Hard Working** : Eskayef, Aristopharma
- **Job Necessity** : Rephco, Aristopharma
- **Family background** : Aristopharma
- **Future Vision** : Aristopharma
- **Ability to Journey** : Aristopharma



## PERCEPTION ABOUT THE MOST IMPORTANT CRITERIA

The following Companies think that the criteria are interrelated and all are important:

- Beximco ■ Eskayef

The following Companies did not answer this question:

- Glaxo Wellcome ■ Novartis

Others have stated the following criteria as being the most important:

- **Presentation Skill** : RPR, Renata, Rephco, Aristopharma, Incepta, Acme.
- **Positive Attitude**: RPR, Renata, Aristopharma, Opsonin, Acme, Square.
- **Academic Excellence**: Renata
- **Personality**: Renata, Aristopharma
- **Job Necessity**: Aristopharma
- **Smartness**: Acme.
- **Physical Appearance**: Square

**Inference:** Though basically all the criteria together constitute an effective sales person, but **Presentation Skill** and **Positive Attitude**—are two criteria that contributes most to the development of an Ideal Salesperson.

## OBJECTIVE OF THE TRAINING

The respondents have stated their ideas in their own words, from which the following Broad and Specific objectives can be formulated:

### **Broad Objective:**

To develop the trainees into as successful salespeople.

### **Specific Objectives:**

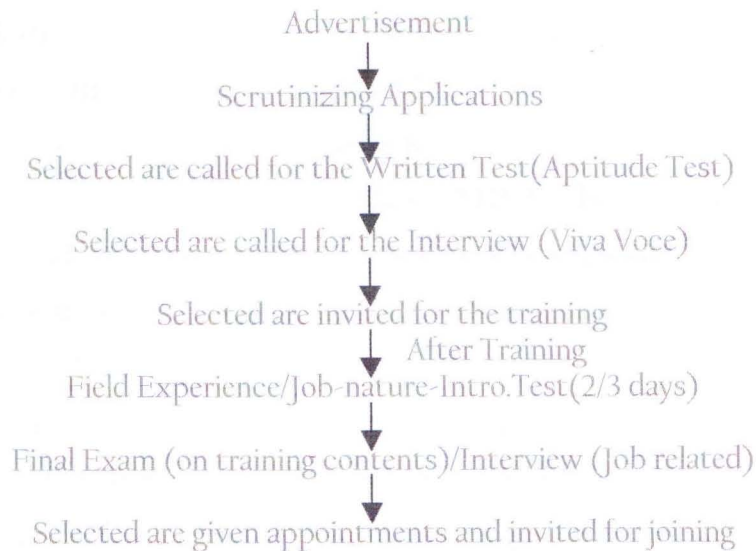
The training program must be able to:

- ▶ Enhance knowledge and skills of the trainees.
- ▶ Develop professional Attitude and mannerism.
- ▶ Let the trainees apprehend the nature of the job, and the level of hard working needed.
- ▶ Make the trainees knowledgeable about Company Policies and objectives.
- ▶ Make the trainees skillful about the product lines.
- ▶ Enhance Overall Presentation Skill.
- ▶ Enhance Persuasion Skill.



## THE SELECTION PROCEDURE

Each of the sample units has their own procedure. In general the following steps are included:



### EXCEPTIONS AND ADDITIONAL STEPS

Glaxo Wellcome: No final interview after training, but a Medical Test is conducted for the selected trainees.

Opsonin: After scrutinizing application, an interview card is issued for the selected and they are called for the Viva. There is no Written/Aptitude test.

Incepta: No Written/Aptitude test.

Rephco: There is a final written exam on training contents, selected are called for final interview, selected are sent to field training.

Eskayef: Walk in interview is adopted, then written test, Viva, after that a Group Discussion Session is conducted to observe the participation ability of the applicants.

Beximco: No exam or Viva after training.

Square: The job nature introductory test is applied before the main training program so that the candidate can assess the job nature and then decide to join the program.



## LIST OF TRAINING CONTENTS

- Developing Technical Skills: RPR, Rephco, Incepta, Opsonin, Glaxo, Novartis, Eskayef, Aristopharma, Renata, Beximco, Acme, Square.
- Vocabulary related to the firm's product lines: RPR, Rephco, Incepta, Opsonin, Glaxo, Eskayef, Aristopharma, Renata, Beximco, Acme, Square.
- Knowledge of the company and its policies: RPR, Rephco, Incepta, Opsonin, Glaxo, Eskayef, Aristopharma, Renata, Beximco, Acme, Square.
- Presentation style: RPR, Rephco, Incepta, Opsonin, Glaxo, Eskayef, Aristopharma, Renata, Beximco, Acme
- Ability to handle objections: RPR, Rephco, Incepta, Opsonin, Glaxo, Novartis, Eskayef, Aristopharma, Renata, Beximco, Acme, Square.
- Interpersonal skills (Sociability etc.) : RPR, Incepta, Novartis, Aristopharma, Renata, Beximco, Square.
- Programs designed to increase motivation and dedication toward job: RPR, Glaxo, Novartis, Eskayef, Aristopharma, Beximco
- Grooming and Manner: RPR, Opsonin, Novartis, Eskayef, Aristopharma, Renata, Beximco, Acme, Square.
- Communication Skill : Rephco, Square.
- Planning, Organizing and Coordinating : Rephco
- Motivation : Rephco, Aristopharma
- Control : Rephco
- Development of Positive Attitude : Eskayef
- Persuasion Skill : Renata
- Participative Skill : Aristopharma



## THE MOST IMPORTANT OF THE TRAINING CONTENTS

The following companies consider all of the contents to be equally important:

◆ RPR ◆ Novartis ◆ Beximco

Glaxo did not answer this question

The other companies highlighted the following to be the most important:

◆ **Developing Technical Skills:** Incepta, Rephco, Eskayef, Aristopharma, Acme, Square.

◆ **Handling Objections:** Rephco, Eskayef, Aristopharma

◆ **Grooming and Manner :** Eskayef, Acme

◆ **Presentation Style:** Eskayef, Aristopharma, Acme

◆ **Vocabulary related to the firm's product lines:** Eskayef, Aristopharma, Acme, Square.

◆ **Persuasion Skill:** Renata,

◆ **Knowledge of the Company and its policies:** Opsonin

Inference: Each of the contents is essential. But first priority should be given on Developing Technical Skills.

## LENGTH OF THE TRAINING PROGRAM

The length of the Training Program Basically depends on the purpose and nature of the training. Also, there may be situations when length of the training program is increased or decreased due to certain alterations in the design of the program.

From the study it has been found that, the minimum length for induction training is 4 to 5 weeks.

Besides induction training, there may be special training modules designed on specific subjects, such as, selling skills, leadership etc., the lengths of which are usually 3 to 7 days.

Practical part of the training program, that is On-the-Job or Field Trainings are usually of 2 to 7 days length.



## NUMBER OF TRAINEES PER SESSION

Depends on requirement and varies from company to company.

From the study it has been found that the minimum number of trainees per session is 12 and the maximum number is 60.

## NUMBER OF TRAINING PROGRAMS OFFERED PER YEAR

Depends on the following factors:

◆ Recruitment Policy ◆ General Requirement ◆ Turnover ◆ Market Expansion

From the study it has been found that , on an average 2 to 3 induction training are offered each year.

## METHODS FOR DEVELOPING SALESMANSHIP SKILLS

The purpose of this question was to discover the specific methods and tools of the major competitors for developing communication skill or salesmanship skill. It is natural that no one would provide such information in the first place, even probing would not be of that much help since, this can be a competitive edge for a company. Given these restrictions, the following tools and methods were mentioned by the respondents:

- ⊕ Marketing and Sales Marketing theories and concepts.
- ⊕ Market Situation Analysis.
- ⊕ Theories relating to basic communication skills.
- ⊕ Developing and Practicing Detailing Skills.
- ⊕ On the Job training through observation and demonstration.
- ⊕ Class Lectures along with Real life experience sharing
- ⊕ Implementing Standardized methods for developing communication skills such as AIDA. (There are 11 such methods as mentioned by the training manager of Beximco)



## TOOLS OR INSTRUMENTS USED FOR DEMONSTRATION

The following instruments are used by the company to demonstrate the training topics :

- ⊕ Handouts
- ⊕ Over Head Projector Demonstration
- ⊕ Mock Interviews with Guest Interviewers.
- ⊕ Lecture on detailing by guest lecturer.
- ⊕ Multi Media Demonstration, Interactive Videos etc.
- ⊕ Case Study
- ⊕ Role Playing

## INCENTIVES OUTSIDE THE SALARY STRUCTURE

This is again classified information, for which companies tend to give generalized answers. The following types of incentives are introduced by different companies:

- ⊕ Quarterly/Annual Incentives on target achievement.
- ⊕ Appreciation Letters, Certificates.
- ⊕ Incentives on Selling Special Products, Prescription Rate etc.
- ⊕ Recognition programs in Special Venue such as Sonargaon hotel.
- ⊕ Recognition as the man of the year.
- ⊕ Lottery Prizes and Recreation Trips.
- ⊕ Motor Cycle and free servicing.





## REASONS FOR SALES FORCE MOTIVATION

The following factors are mentioned by the managers as the reasons for Sales Force motivation:

- ⊕ The Salary Structure and the Incentives.
- ⊕ The Company Image.
- ⊕ The progressive mentality of the Administration.
- ⊕ Cooperative nature of management.
- ⊕ Professional support from senior managers.
- ⊕ Good Working Environment.
- ⊕ Recognition.
- ⊕ Good Team Work.
- ⊕ Long term Job Security.
- ⊕ Scope for Career Development.

## NEGATIVE MEASURES FOR SALES PEOPLE

It has been observed from the study that, respondents do not prefer to give positive response to this question. This is because they want to uphold company image as good service provider to the employees.

Most of the companies prefer to give the poor performer a second chance or perhaps even more chances. The companies provide short-term training modules that focus on developing skill levels of poor performers. If the failure of the salesperson is due to negligence or some other reasons that has impacts on company image, then the companies take steps to warn him, such as

- ⊕ Delay of service confirmation
- ⊕ Seizing promotion.
- ⊕ Transfer to other territories or areas.
- ⊕ And even dismissal in extreme circumstances.

Again, it can be said that the decision may be influenced by other internal factors such as previous records of the salesperson, his loyalty to the company and his personal qualifications etc.



## REASONS FOR LEAVING THE JOB

Given below are the factors that the managers consider to be the reasons for leaving the job:

- ◆ Failure to meet the sales target: Renata, Acme, Aristopharma
- ◆ Strong Competition: Aristopharma
- ◆ The job is very laborious/Too much pressure: RPR, Opsonin, Eskayef
- ◆ Working Environment: Novartis
- ◆ Remuneration: Novartis
- ◆ Better Opportunity: RPR, Opsonin, Beximco, Glaxo, Square,
- ◆ Cannot adjust to the real life situation/ Less Adaptability: Renata, Incepta, Square,
- ◆ Monotony: RPR
- ◆ Personal Reasons: Rephco.
- ◆ Prefer office-based job: Beximco.

So Better Opportunity in other professions is one of the most common reasons for salespeople to leave the job.

## TRAINING AND MOTIVATION

This question was asked to determine managers' idea about correlating training and Employee Motivation. Only managers of Renata Limited disagree with the idea. They claim that motivation is rather on the job aspect and cannot be incorporated in Training. Others suggested the following approaches to enhance motivation through training:

- ◆ The training should focus more on the practical aspect, /More on-the-job training.
- ◆ Trainees should be given the idea of the future remunerations and other incentives applicable to them and the amount of hard work and pressure needed to achieve those rewards.
- ◆ Conduct Training Need assessment before each session.
- ◆ Teach the trainees selling skills that works in the actual circumstances.
- ◆ Provide the trainees good work environment, good compensation package, career progression scope and assurance of long term job security.
- ◆ Show individual/personal care, highlight company image and facilities.

ANALYSIS



### Foreword:

The discrete feature of qualitative or exploratory analysis is that, the researcher has little scope to quantify facts and produce judgments that can be claimed to be universally true. The reason behind this short coming of the method is that, the respondents are not asked direct questions that produces to-the-point answers all the time. Sometimes the interviewer even has to by pass the main topic and repartee on topics that are outside the periphery of the research objective, just to make the respondent stretchier.

Discussed below are justifications of how I have produced the Summery of Findings and comparisons of SPLs' procedures with the findings:

### RECRUITMENT AND SELECTION CRITERIA:

This question was asked to determine the set of criteria that managers consider to be as characteristics of a good salesperson.

The following choices were given:

- Academic excellence
- Physical Appearance (Complexion, Physique etc.)
- Mental abilities (Verbal intelligence)
- Personality (ego strength, sociability, aggressiveness)
- Prior Job experience
- Smartness
- Presentation skill
- Positive Attitude

A comment box was provided to give additional choices or features that they may consider as important, but not given in the above set.

There were three types of responses to this question:

a) Some managers do not have a set of criteria clearly formulated in writings or pinpointed as vital. They only have a mental picture of what should be looked for, while recruiting. These managers first looked at the choices and thought for a while for each of the criteria before ticking or approving the criterion. They were subject to probing and were found to be rather cooperative. Most of them mentioned additional features outside the chosen set. This group includes managers from: Rephco, Incepta, Eskayef, Aristopharma, Renata,



b) The second group of managers was more direct in approach. They have strong preferences about the criteria. They usually have a prepared set of criteria that they consider while recruiting. Some of them responded to the additional comment part.

This group includes managers from: RPR, Oponin, Glaxo Wellcome, Acme, Square,

c) The third group includes managers who do not want to share ideas or get into the probing trap. They answered very hastily, without giving much thought about the topics. They do not attempt all the questions and the answers are very generalized. This group includes managers from: Beximco, Novartis.

Because, the purpose is to gather all the criteria that are found from the responses, the summery part includes the collection of the found criteria.

It was noted from the responses that SPL has précised it selection thus streamlined the procedure.

#### **THE MOST IMPORTANT CRITERIA:**

This question was designed to explore the specific criterion that may give the company's sales force a competitive edge.

As discussed in the summery part, two of the respondents did not answer this question and two of the other managers stated that, they think that no single criterion is important, rather the combination of all the criteria should be considered.

From the other responses, it was found that 6 of the managers mentioned Presentation skill and Positive Attitude as to be most important criteria for Medical Sales Representatives.

SPL do not consider the following criteria that are mentioned as to be important by other companies: Presentation Skill, Academic Excellence, Job Necessity, and Smartness.

#### **THE SELECTION PROCEDURE**

The purpose of this question is to determine and compare among the recruitment and selection procedures of different Pharmaceuticals Companies, and to identify if their was any new step that adds to the effectiveness of the procedure.

Each of the respondent drew the recruitment and selection steps of his or her respective organization and briefly explained the steps and their purposes.

Finally, when summarizing the steps, I have attached those additional steps that came out of the study.



After comparing the selection procedures of the sample units it was found that SPL is the only company that implements the Job-nature-Introductory Test prior to the training program, unlike the other companies who adopts it after the training program. The logic behind the SPL procedure is that, if candidates become well aware of the job nature beforehand and then self-willingly joins the training program, it will increase the stability as well as job preference of the trainees. In this connection, it can be said that, this test can also be done before the secondary interview, that is even earlier. The reason behind this argument is that, a person who does not possess the ability to cope up with the job nature, will eventually leave the job. It will not matter if he is highly qualified, or has good communication skill. So, by introducing the Job-nature-introductory-test prior to the secondary interview, management can get rid of extra burden of interviewing people who are not suited for the job.

#### **OBJECTIVE OF THE TRAINING PROGRAM**

This question was asked to explore any specific objective that may lead the corresponding training program to develop special skill.

Hear, again, two types of responses were found:

- a) those stating a generalized broad objective. and
- b) those stating more specific objective to fulfill some specific purpose.

When summarizing the findings I have developed a Broad Objective (to incorporate all the a category responses) and several specific objectives (as stated by the b category respondents)

#### **CONTENTS OF THE TRAINING PROGRAM**

This question was developed to find out the training contents of the sample units.

The following choices were given:

- Developing Technical Skills
- Vocabulary related to the firm's product lines
- Knowledge of the company and its policies
- Presentation style
- Ability to handle objections
- Interpersonal skills(Sociability etc.)
- Programs designed to increase motivation and dedication toward job



### ■ Grooming and Manner

A comment box was provided to mention additional training contents that the company implements.

Here again, three types of responses were found:

a) Some managers do not have structured and well planned training contents. They only have a mental picture of what should be included in it. These managers first looked at the choices and thought for a while for each of the contents before ticking or approving it. They were subject to probing and were found to be rather cooperative. Most of them mentioned additional features outside the chosen set. They may not in fact train or include the content in the program, but they gave consents thinking that this should be included. This group includes managers from: Rephco, Incepta, Eskayef, Aristopharma, Renata,

b) The second group of managers was more direct in approach. They have well structured and carefully designed training programs. And they have preferences about the importance of the contents. Some of them responded to the additional comment part. This group includes managers from: RPR, Oponin, Glaxo Wellcome, Acme, Square,

c) The third group includes managers who do not want to share ideas or get into the probing trap. They answered very hastily, without giving much thought about the topics. They do not attempt all the questions and the answers are very generalized. This group includes managers from: Beximco, Novartis.

Because, the purpose of this question is to include all the contents that are found from the responses, the summery part includes the collection of the found contents.

SPL has carefully chosen training contents. The total program is scheduled flawlessly and continuity is maintained properly.

### MOST IMPORTANT OF THE CONTENTS

This question was designed to explore the specific training content that may give the company's sales force a competitive edge.

As discussed in the summery part, One of the respondents did not answer this question and three of the other managers stated that, they think that all of the contents are interrelated and are equally important.



From the other responses, it was found that 6 of the managers mentioned Developing Technical Skill as to be most important of the training contents.

SPL do not adopt the following training contents that are marked as important by other companies: Presentation Style and Persuasion Skill.

### **LENGTH OF THE TRAINING PROGRAM**

The purpose of this question was to compare the length of the Induction training programs of different organizations with that of SPL. The survey revealed that the minimum length of the Induction training program is 4/5 weeks, which is 42 days in the case of SPL. From previous survey reports, it was found that the MPOs and SMPOs thinks that this length is appropriate for the types of training contents SPL covers. Besides, SPL has scheduled the program in a manner that ensures maximum utilization of available time. So, the duration of the training program is appropriate for SPL.

### **NUMBER OF TRAINEES PER SESSION AND NUMBER OF INDUCTION TRAININGS OFFERED PER YEAR**

The purpose of this question was to compare the number of the trainees per session and the frequency of Induction Trainings at different organizations to those of SPL. The minimum number of trainees per session is found to be 12, which is 30 for SPL. The average number of induction trainings offered each year is 2/3, which is 3/4 for SPL. It should be noted that, the market growth rate for organizations are different. One of the major determinant of the number of training programs and the number of trainees per session is the market growth rate. For SPL the market is growth rate is ever increasing. Besides due to the Bifurcation procedure that is going on for the operation of the new PHARMA-2 division, SPL requires more manpower. So, the above figures are most appropriate in the context of the current requirements.

### **METHODS AND TOOLS FOR DEVELOPING SALESMANSHIP SKILLS**

As explained in the summery part, this topic is considered as subject to confidentiality by most of the sample units. Hence, the responses produced are not very precise.





From discussion it was revealed that, Beximco has a list of 11 standard methods that they follow to develop communication and/or salesmanship skills of the trainees. One of these methods is AIDA.

## **INCENTIVES AND OTHER BENEFITS**

The list of incentives produced in the Summery part is derived from the responses of the sample units.

Though for the last couple of years, there had been some discontents among the field forces of SPL but management claims that those were due to some unethical practices by a few Ams and FSs. Actually, because of the Bifurcation that has been going on for the implementation of the new PHARMA –Two plant, there has been a tremendous enthusiasm among the field forces. This is because, the 10 major distribution Centers of SPL will now become 20, for which new field forces will be recruited and existing field forces will be given promotion.

In fact, SPL offers such a good incentive package that any MPO with a moderate effort can earn up to 22 thousands a month. Each MPO is given a motor cycle upon the job confirmation offer, which is after 6 months after the training program. FMs are gifted cellular phones and AMs are given cars. There are monthly gifts for each of the field forces. The MPO who earns the “MPO of the year” certificate also receives a huge amount of monetary gifts. Besides, there are other regular incentive programs like lottery programs, holiday trips etc. So, it can be said that, unless dissatisfaction comes due to someone’s own inability or negligence, there is no reason for the MPOs of SPL to be dissatisfied. SPL considers each of its employees as a member of a big family.

Finally it can be said that SPL has been able to provide the right combination of salary, incentives and other benefits for its Field Forces, in order to ensure employee retention in this competitive environment.

## **TRAINING AND MOTIVATION**

The purpose of this question was to determine managers’ perceptions about the impact of the training program on MPOs’ motivational level. The study shows that 11 out of the 12 respondents think that training can have positive impacts on increasing the



motivational level of the employees. Training managers at SPL also agrees to this premise.

### SUGGESTIONS TO CORRELATE BETWEEN TRAINING AND MOTIVATION

The list of suggestions produced in the Summery part is derived from the responses of the sample units.

SPL, in its current training curriculum, has no special module designed for the improvement of the motivational levels of the trainees.

# PROPOSED MODEL

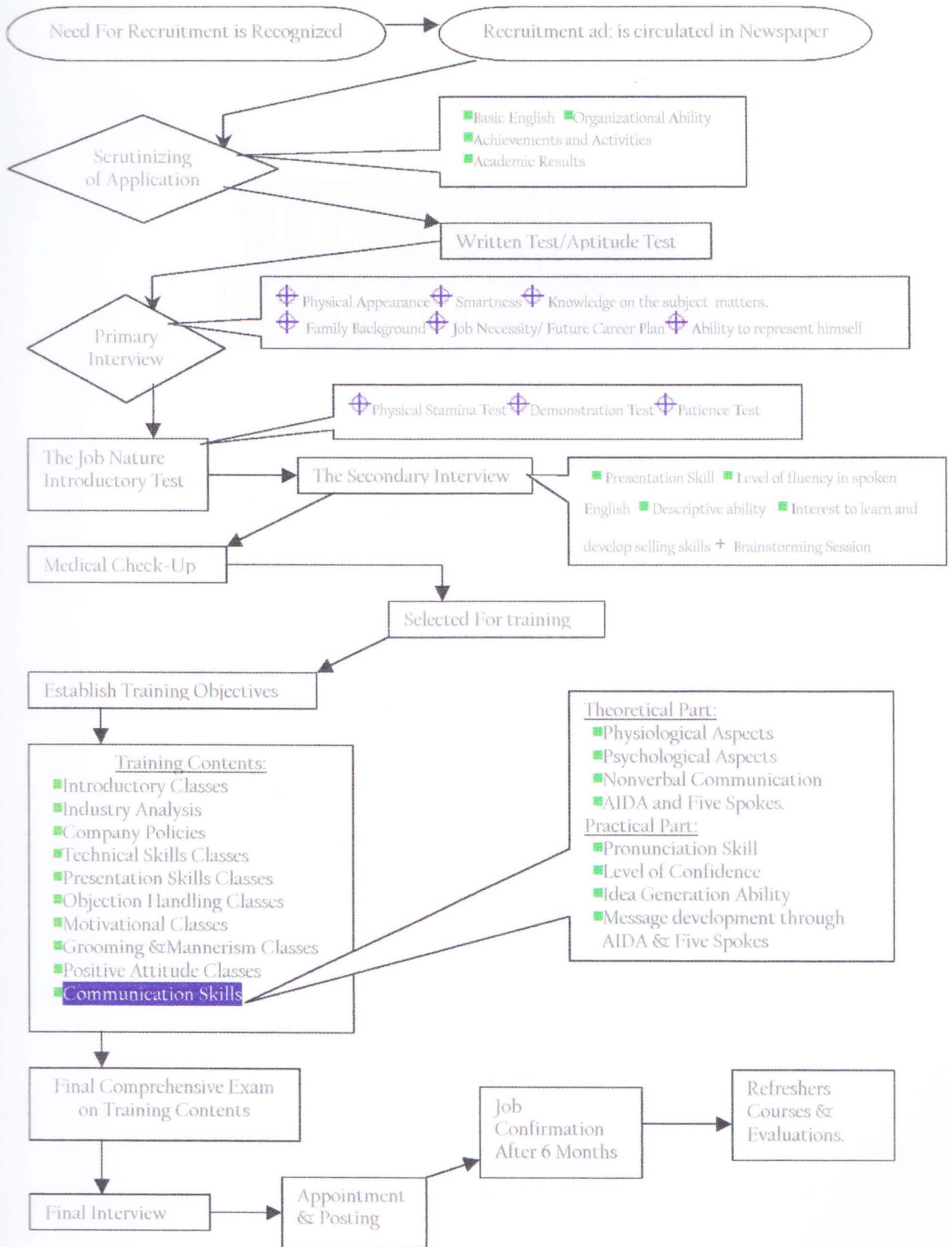
The model is developed in accordance with the Specific Objectives of the project.

Actually, the procedures SPL follows for training are the most sophisticated in the industry. The training program is designed by Training Managers who are continuously in the search for further improvement.

This model can hopefully assist them while designing specific modules for improving specific salesmanship skills.



# THE MAKING OF AN EFFICIENT MPO



**THE MODEL  
ELABORATED**



## RECRUITMENT AND SELECTION

**Step 1:** Need for recruitment is recognized.

**Step 2:** Newspaper advertisement is published

### Model of the Newspaper Ad:

#### *Pharmaceutical Sales Representatives Wanted*

A leading Pharmaceutical Company of Bangladesh requires some bright and energetic freshman for the post of MPO (Marketing Promotion Officer) to promote its high quality products in different regions of the country. The profession offers attractive incentives and salary structure and numerous intrinsic benefits. Extensive training, professional assistance along with recognition for achievement and scope for career progression provides a hard worker with the most ideal job of its kind. Candidates must meet the following criteria:

- ▶ **Education:** MSc./Bsc. preferably in biology/Chemistry.
- ▶ **Interpersonal Skills:** Candidates possessing the following interpersonal skills will be given preference
  - ◆ Good command in English.
  - ◆ Good presentation and persuasion Skill.
  - ◆ Ability to work under pressure.
- ▶ **Good Physical Appearance.**

Fresh Graduates having met the above criteria are encouraged to apply and send an application package to **GPO PO BOX NO.\*\*\*\***.

The application package should include:

- ✦ A written application signed by the candidate.
- ✦ 1 recent passport size photo of the candidate.
- ✦ Resume (Describing Educational and Extra curricular Achievements)
- ✦ A one page autobiography in English describing ambition and future career plan of the candidate.

**Step 3:** Scrutinizing Applications: The following criteria can be considered while scrutinizing applications:



- ⊕ Basic English Knowledge and Ability to write structurally correct English sentences.
- ⊕ Organizational ability.
- ⊕ Previous achievements and activities (Other than academic, such as first prize in Debate, or Secretary of the local sports club etc.)
- ⊕ And of course, academic Results.

**Step 4:** The Written Test or The Aptitude Test: After scrutinizing, the selected candidates are called for the Written Test. The Written Test should only focus on the skill test of the candidate on the subject matter. The questionnaire can be developed by professors of the relevant fields.

**Step 5:** Primary interview:

The selected candidates from the Aptitude Test are called for the Primary Interview. The following criteria can be tested during the primary interview:

- ⊕ Physical Appearance
- ⊕ Smartness
- ⊕ Knowledge on the subject matters.
- ⊕ Family Background
- ⊕ Job Necessity and Future Career Plan
- ⊕ Ability to represent himself in a sophisticated manner.

A 5-point scale can be applied for each of the criterion.

5 being the excellent, 4 good, 3 average, 2 below average, and 1 being poor.

Thus finally a cumulative total will be generated which can be compared with other candidates.

**Step 6:** The Job Nature Introductory Test:

Those selected in the primary interview should be appointed for the Job Nature Introductory Test. The Job nature introductory test should be introduced at this level with maximum work load assisted by supervisors or seniors. The length of the test should be 2 days. The following criteria can be tested during the test:



- ⊕ Physical Stamina Test: The candidate will have the full-length exposure to the real life situation and will be required to move from one corner of the city to another.
- ⊕ Demonstration Test: The candidate will be required to assist the supervisor by partially demonstrating certain features.
- ⊕ Patience Test: The candidate will be sent for a particular mock appointment and will be kept waiting for hours before he will be called to give up.

After the test an assessment report will be received for each candidate from his respective supervisor.

#### **Step 7: The Secondary Interview:**

Those who will have positive assessment will be called for the secondary interview. It may also happen that, few of the candidates will self willingly leave after the Job nature Introductory Test. So, those who will approach the secondary interview are candidates who really think they can take this challenging profession and are ready to make themselves trained accordingly.

The Secondary interview should focus on the following criteria:

- ⊕ Presentation Skill.
- ⊕ Level of fluency in spoken English.
- ⊕ Descriptive ability.
- ⊕ Interest to learn and develop selling skills.

■ An Optional Brainstorming Session can be introduced to assess the participative ability as well as Idea Generation Ability of the Candidates. The candidates will be divided into groups of 5. Each group will be given a topic similar to a mini case study and will be required to discuss among themselves about the topic. Then each of the group members has to write down his thoughts in the form of a probable solution to the problem. A group of senior HR managers can supervise during the session and observe the attitudes of the participants.

Applicants having high cumulative points should be appointed for the training program.

#### **Step 7: Medical Check-Up:**

Those selected in the secondary interview should be attending a medical check-up of physical fitness. The purpose of this check-up is to ensure that the candidate is in good





health condition and has no chronic sickness that may lead to sudden absences or force the candidate to quit.

### Step 8 Establishing Training Objectives

#### BROAD OBJECTIVE:

To develop a sales force that is superior than that of the competitors in every respect and are able to market the company's products as per expectations.

#### SPECIFIC OBJECTIVES:

- To develop detailing and technical skills of the trainees.
- To develop communication and presentation skills of the trainees.
- To make the trainees aware of (a) Company Policy (b) Company product lines.
- To develop the trainees' objection handling skills.
- To develop persuasion and probing skills.
- To enhance motivation and strong preference toward the selling profession.
- To establish a bond between trainees and the company so that they feel an emotional attachment to the company as well as to the profession.

### Step 9 The Training Program

#### TRAINING CONTENTS

- **Introductory Classes:** Consists of brief introductions with the trainees. The following items can be included:
  - Welcome Speech by the members of the Top Management.
  - Stating the contributions of MPOs in the continuous progress of the Company.
  - Brief Company History.
  - Brief introduction to Company Subsidiaries, Divisions, and their products.
  - Stating the aristocracy of the Salesmanship Profession.
  - Brief introduction to the various Functional Departments and their activities by the Respective *Department Heads*.
  - Discussion on Training objectives, Rules and Regulations.
  - Discussion on Sales Force rewards, incentives and extrinsic and intrinsic benefits.



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  - Discussion on Training objectives, Rules and Regulations.
  - Discussion on Sales Force rewards, incentives and extrinsic and intrinsic benefits.



### ▼Industry Analysis Classes:

Consists of the following items:

- Pharmaceutical Market growth rate analysis.
- Competitor Analysis.
- Present Market Situation and Company position Analysis.

### ▼Introduction to Company Policies class:

Discussion about company Rules and Regulations, policies, organizational cultures etc.

### ▼Technical Skills Classes:

This is the vital part of the training program. As indicated in the study, pharmaceuticals Company considers this to be the most important training content. Since my study focuses on the communication skills and presentation skills of the training program, in-depth analysis of the technical skills was not considered. But in General, the Technical Skills Classes consists of the following items:

- Understanding Of Human Systems, such as: Digestive Systems, Nervous Systems etc.
- In-Depth Product Knowledge:
  - Knowledge about Company product lines.
  - knowledge about nature and scope.
  - Knowledge about new products

Use of tools for the “Developing Technical Skills” Classes:

In order to make the lectures and demonstrations more interesting and lively, it is essential to make use of such presentation tools as:

- ▼ Overhead projectors. ▼ Multimedia screen. ▼ Electronic Board. ▼ Medical equipments and assistant tools etc.



### ➤ Presentation Skills classes:

Another most important aspect of the training program. The salesmanship presentation can be divided into three parts. Given below are suggestions to improve proficiency in each of the parts:

#### ➤ Suggestions to develop unique approaching styles:

- Determine objectives of approaching.
- Show Video tapes of Executive Negotiations, sales approach to doctors.
- Arrange mock approaching practices where trainees will be first encouraged to approach with their own styles. The event will be captured through Vigilance Video Camera. Later the recorded tape will be played to show their mistakes.

#### ➤ Suggestions to improve the detailing skills:

- ◆ Develop a model of the detailing part. Divide the detailing part into segments. Develop objectives and techniques for each segment. This will help to identify and rework the specific problematic area of detailing part of the trainee.
- ◆ Similar to the method suggested for approaching style, video recordings of mock detailing can be applied through vigilance cameras.
- ◆ Real Life experience sharing by the AM(Area Manager) and the FS(Field Supervisor).
- ◆ Weekly one class will be held on a mock detailing session. Each trainee will be assigned a randomly chosen commodity product or pharmaceutical product on the previous day. Then he will be asked to make preparation to present a detailing part for that product for the next day. This will improve the trainees' idea generation capability.

#### ➤ Presentation Type:

The trainer should also decide what type of presentation should be adopted, whether

- ◆ Memorized(or Canned) Presentation/
- ◆ Planned(or Formula) Presentation/
- ◆ The Need Satisfaction Presentation or
- ◆ The Problem Solving (or Survey Proposal) Presentation----depending on the need or purpose.



### ➤ Objection Handling Classes:

Suggestions to improve the objection handling ability:

- The “Five General Guidelines” –stated in the literature review part, should be trained and maintained.
- Trainees should also be able to apply each of the six objection handling methods stated in the literature review part. The methods are
  - ◆ Boomerang Method
  - ◆ Counterbalance Method
  - ◆ Denial Method
  - ◆ Indirect Denial Method
  - ◆ Failure-to-Hear-Method
  - ◆ Question Method
- Mock sessions and video recordings to review and revise drawbacks.

### ➤ Motivational Classes.

The objectives of this class are to:

- Nurture an inner motivation among trainees toward the profession .
- Develop a bond or an emotional attachment among trainees and the company.

Suggestions to achieve the objectives:

- Provide the trainees with company magazines and annual in-house articles that contain pictures , news about employee achievements, rewards, ceremonies, social programs arranged by employees etc.
- Arrange speech sessions that would be conducted by senior MPOs who have been awarded as “Man of the year” or one of the “Top ten MPOs of the year” etc. These people would talk about their achievements, their feelings toward the company, special events from memory, etc.
- Each day, award the highest scorer on the previous day’s exam with some gifts like Pen, Special Lunch Box, Transport allowance for the next three days etc.
- Arrange for recognition program for the top scorer at the end of the final exam, where he will be awarded a certificate and a special gift from the Managing Director.



### ▼Grooming and mannerism classes

These classes will be partially conducted by Faculty of Business Communication from Prominent Universities, and partially taken by executives who take part in the selection and recruitment of top level executives.

Suggested Tools for developing Grooming, Mannerism, and Professionalism:

- ▶ Video Demonstrations.
- ▶ Practice sessions
- ▶ Recognition as the “Decent Man of the week” for trainee who shows good level of professionalism and mannerism.

### ▼Developing Positive Attitude Classes:

Contents of this class:

- ▶ Brief Discussion on the Psychological Aspects of Human Being’s Motivations, Desires, Actions, Emotions, Frustrations etc.
- ▶ Maslow’s need hierarchy.
- ▶ Universal Examples of victory and achievements resulting from positive attitude and determination.
- ▶ Practical experience of trainers’ and Senior MPOs’.



## ➤Communication Skills Classes

As mentioned earlier Training Managers at SPL are continuously in the search for new ways to improve the training procedures so that they can develop the most efficient Salespeople in the industry. There is hardly any aspect that they have not taken into consideration while designing the training program. Moreover, Periodical revision of the existing program is always done to ensure up-to-date skill base of the trainees. As soon as they have sensed the need to incorporate additional features in the “Developing Communication Skill” Part of the training program, they have begun to make thorough investigation on this field.

Given below are guidelines that I have formulated based on the research result , observations, and the literature Review:

The Communication Class can be divided into two parts:

- The Theoretical Part and ● The Practical Part.

In the **Theoretical Part**, trainees will be taught the mechanism of oral communication and theories relating to Standard Oral Communication. The following steps can be implemented:

- **Step 1** Understanding the physiological aspects of oral communication.(Example: Literature review, page .)
- **Step 2** Discussing the Psychological Aspects of oral Communication, common barriers, suggestions to overcome such barriers.(Example: Literature Review, Page
- **Step 3** Nonverbal Communication such as appearances, timing and distances, Gestures etc.(Example: Literature review, page )
- **Step 4** (a) Understanding the AIDA message structure  
(b) Understanding the mechanism of the Five Spokes of oral communication.  
(Example: Literature review, page )

Improvement of the **Practical Part** is the ultimate goal of this study, which, if achieved would sharpen the competitive edge of the field forces of Square Pharmaceuticals Ltd. Keeping this in mind, I have tried my best to incorporate a) the research findings b)important findings from literature c)SPLs’ training managers opinions and d)my own observation from the field, while developing the following guideline :



### ● Step 1. Improving the pronunciation skill:

A video tape will be shown to the trainees where a newsreader reads the daily news of a particular date for 10 minutes. The audio recording of the contents will be provided to each trainee to practice at home. They will be told to follow the newsreaders' tone and pronunciation style as precisely as they can while practicing it at home. The next day, they will have to present it in front of the class. They will be graded solely on their pronunciation skill for this presentation.

### ● Step 2. Improving the confidence level during communication:

This step is designed for those who actually possess good ability to communicate effectively, but cannot do so due to the stage fright or nervousness in front of superior people like managers or doctors. For this session a group of managers and doctors will make sudden visits to the training room to have a discussion session with the trainees. Unlike the other discussion sessions, here trainees will have to initiate a discussion topic and question to the manager or doctor. The visiting group will remain silent if no question is asked or no salutation is given, and they will randomly approach to each of the trainee. Trainees will be graded on their ability to initiate discussion bravely, and their attitude during the discussion.

The alternative method to this approach can be to send trainees to different department heads and managers where the same procedure will be followed. Once they make themselves comfortable to approach and ask questions to senior executives and managers, they will be able to break their communication inertia.

### ● Step 3. Improving the Idea Generation Ability during communication:

This step is designed to increase the promptness of trainees who suddenly faces a mental block during his presentation. This is more frequent when the message is delivered in a language other than his native language.

For this session, trainees will be given a topic without prior announcement. They will have a 10 minutes time to prepare themselves for the presentation on the given topic. They will be graded on their ability to present argument or facts on the topic without making any long break in proceedings. They will also require to maintain eye contacts with the audience.





#### **Step 4. Mastering the AIDA & Five spokes mechanisms to develop the sales message:**

Now the trainees have learned the communication basics and eradicated the communication barriers, they are ready to deliver the sales message.

During this session, trainees will be required to make sales messages constructed on the AIDA principles and/or The Five Spokes Principles. They will be graded on how skillfully they have managed to incorporate each of the principles into the sales message. If the events can be recorded on vigilance video cameras, their faults can be detected and modified. The added advantage of using Vigilance Camera for this session is that, the mistakes can be detected precisely, that is, it can be detected from the videos that who has made mistakes in which area, and what kind of mistake has he made. When the trainee will be shown his mistake and told how he can overcome the fault, he will have a lasting effect of this kind of learning.

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#### **STEP 10. Final Comprehensive Exam on Training Contents**

The final exam should be comprehensive and include questions from each of the training contents areas. Candidate has to qualify in this exam and if he fails, he will be rejected from the selection.

#### **STEP 11. Final Interview on Training Contents**

Those selected in the final examination will have to face the final interview. The following items can be included in the final interview session:

- Questions regarding company policy and product knowledge.
- Candidates will have to make a sales presentation instantly on a chosen product. The presentation should be brief but the detailing part should be emphasized.
- Questions involving his feelings and experiences regarding the training program and SPL.
- Questions involving his preferences regarding geographic locations and reasons for preferences.

#### **STEP 12. Appointment and Posting**



### **STEP 13:** Job Confirmation After 6 Months

This is the current policy of SPL, whereby the job is guaranteed after 6 months of practical exposure in his designated sales territory. The confirmation depends on the MPOs' ability of fulfilling the target, his accountability to the SMPOs and his overall performance during the period.

### **STEP 10:** Refreshers' Courses & Evaluations round the year

These are also parts of the existing procedures followed by SPL, whereby MPOs have plenty of scopes to revise the training course contents and learn about new topics whenever needed. There are monthly sales meetings, quiz tests, short courses on updated topics, through which MPOs get their chances to refresh their knowledge and skills base and management get the chance to evaluate their field forces time to time.

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## RECOMMENDATIONS

In order to implement necessary modifications in the T&D procedures as well as improve the overall performance level of the sales force, the Department of HR Training & Development of Square Pharmaceuticals Ltd. should undertake certain judicious measures. By bringing about the necessary changes, SPL can ensure a better performance level of the MPOs, that will set them apart from the others.

Following are recommendations that SPL should take into consideration:

● To Enrich the HR T & D department by increasing manpower:

The HR T&D Department of SPL has the major responsibility of training the sales forces of SPL in such a way that they can successfully market the company's products and ensure the dominance in the market. But the huge tasks and responsibilities are shared only by a few managers who have to work very hard to coordinate among the tasks. They are very efficient at doing their work. But if additional skilled manpower would have been provided these efficient managers would have been able to give much better output,

- To Procure modern Vigilance Camera and other peripheral devices
- To Arrange for Guest Lecturers to conduct part of the communication skills classes.
- To Arrange for SMPO/FS/AMs participation in the training program.
- To Include Presentation Skill, Academic Excellence, Job Necessity, and Smartness— in recruitment criteria list.
- To Adopt the Job-Nature-Introductory test prior to the secondary interview.
- To take assistance from the proposed model in order to redesign the existing T&D procedures.



## CONCLUSION


T & D is a continuous process. Even the most successful salespeople sometimes have to pause to take a look backward to identify changes, shortcomings and get rid of those. HR managers at SPL are aware of this process and hence they have designed their field forces accordingly. SPL is also in a continuous search for improvement. They always try to figure out what competitors are doing and whether they are lacking behind, if so why, and how it can be improved. This is the key to organizational success—knowing the internal environment, keeping track of the external environment, comparing, and taking necessary steps needed to improve shortcomings if there are any. Provided SPL always maintains its search for improvement in this process, it will remain as the market leader in the Pharmaceutical industry of Bangladesh.

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# Appendices

# Questionnaire

## Selection

 What are the selection criteria that you consider to be important while recruiting your sales force for training?

*(---Please check as many as applicable)*

*---Please specify if you have any other opinions or comments in the 'Others/Comments' portion)*

- Academic excellence
- Physical Appearance(Complexion, Physique etc.)
- Mental abilities(Verbal intelligence)
- Personality( ego strength, sociability, aggressiveness)
- Prior Job experience
- Smartness
- Presentation skill
- Positive Attitude

Others/Comments:

 Which of the above do you consider to be the most important criteria ?  
Please give your reasons.



Can you briefly describe the selection procedure or the steps that an applicant has to go through to become a Sales Representative of your company?

(A diagram or a flow chart would be very helpful)

## Training

 What should be the primary objectives of an Ideal Training Program ?


 Areas that should be covered in such a Program should include ?

*(---Please check as many as applicable*

*----Please specify if you have any other opinions or comments in the 'Others/Comments' portion)*

- Developing Technical Skills
- Vocabulary related to the firm's product lines
- Knowledge of the company and its policies
- Presentation style
- Ability to handle objections
- Interpersonal skills(Sociability etc.)
- Programs designed to increase motivation and dedication toward job
- Grooming and Manner

Others/Comments:

 According to your opinion which of the above contributes most in developing an effective sales force?



What is the length of a Training Program in your organization?

How many participants are there in each session?

How many Training Programs are offered a year?

How do you train the participants to develop their salesmanship skills?

Which aspect do you emphasize more to develop the selling skills of the trainees?

Theoretical

Practical

What kinds of methodologies are implied to develop excellence on the chosen aspect? (Such as Mock interviews, Video demonstration etc.)

Motivation :

- ◆ Do you provide allowances to the trainees?
- ◆ What incentives do you provide/offer to your sales force to better motivate them?
- ◆ How your sales force react to these incentives?
- ◆ If they are highly motivated what are the reasons for their motivation?
- ◆ Are there any negative measures for salespeople who are unable to fulfill their goals?
- ◆ What are the common reasons you think, for sales people to leave their job?
- ◆ Do you think sales training content can have an impact on the turnover rate thus enhance motivation and strong preference toward job?
  - If yes  
What are your suggestions to correlate between training and Employee retention?
  - If no  
What should be the alternative approach to lower the turnover rate ?

*Thank you very much for your kind cooperation*

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