

EXECUTIVE SUMMARY

Employee turnover is one of the most critical issues faced by any type of business in today's context. Sales and distribution is a highly depend on the human resource function, hence effect of sales representative turnover can be considered as a key problem that a distribution companies are facing. As per available data of Darley Butler & Co. Ltd, it was observed that, from financial year 2012/2013 to 2018/2019 they have observed average sales force turnover around 24%, which is a major issue for the company. This high turnover is effecting the bottom-line of the company and causing significant revenue loss each year.

Darley Butler & Co. Ltd. (DBCL) is established in 1848 and currently one of the leading distribution company in Sri Lanka who provide many reputed consumer brands which are highly respected by the local consumers. DBCL is distributing among 6 regions and 83 sales sectors which cover every corners of the country. Due to the average SR turnover of 24% the company facing many issue of covering the retail shops and achieve the monthly sales targets. When analyzing the SR exit data deeper it was observed that out of the total exit employees average 16% are more than two year experienced SR's. When considering the brand wise sales target achievements and annual SR exit percentages it was observed that average SR turnover and average sales target achievement (without Ninja) have a negative relationship. Further author observed that average sales target achievement is around 90 % (without Ninja) for 2017/2018, 2018/2019 and first seven months of 2019/2020 financial years. Due to this the company incurred a revenue loss of 327 million, 438.3 million and 325.3 million rupees in each financial year respectively. Author has done a comprehensive data analysis and personal interviews with key personals of DBCL to identify the rout cause for the problem through Ishikawa diagram.

Three root causes identified by the author namely, issues in sales target achievement, poor SR retention system and sales representative related issues which caused the high SR turnover at DBCL. Based on the literature review study framework is developed. This study frame work is used as the basis to develop project components and developing solutions for the project. According to the literature proper sales targets setting is a critical factor which effect on the behaviors of SR's. Further it is observed through the literature that

advertising budgeting is also playing crucial role in achieving sales targets. As per the literature it is confirmed that rewarding is considered as one of the major way of retaining the employees at an organization. Proper information on internal and external factors effecting the resignation of employees can be identifying through exit interview. EVP management is considered as important tool to motivate and satisfy the employees. Finally, recruitment procedure and training is vital for an organization to manage their employees to reduce the turnover.

Based on the identified components solutions were proposed to solve the issues which causing high SR turnover at DBCL. Author proposed to introduce committee to set up sales targets and as a short run solution reduce the current turnover target to 97%. New range target scheme should be introduced to encourage SR's to achieve brand targets. The expenditure on BTL activities should be reduce and allocate that in to ATL promotional activities will help to achieve sales targets. New SR retention system should be introduce targeting mainly SR's who are over two years currently. Author further proposed to establish exit interview system to obtain clear picture about the reasons for exit and take mitigation actions in the future. Human resource is the most important resource of an organization. Therefore managing employee value is a crucial factor of the business. Author propose to conduct EVP management training program to the top level managers in the company. In addition to improve the skills of existing employees author proposed to establish a training plane for the next financial year. All these were proposed in order to achieve the set objectives and reduce the SR turnover of DBCL.

From the implementation of this filed project DBCL has the opportunity of getting a net incremental benefit of Rs. 14,327,000 with a benefit-cost ration of 0.819. The developed solutions in chapter 4, are justified in chapter 5 by linking the solutions to the relevant literature. There are many external factors which can effect on the successful implementing of this project. These external factors should be carefully analyzing through suitable scenario analysis prior to implement. Finally, three recommendations are given by the author related to each component. These recommendations will help Darley Butler & Co. Limited, to implement the project successfully.