



Dilemma of an Area Manager

Sun filtered through Shraddha Repp's window one bright day in January. She was an area manager for Bhanton Corp. (Bhanton) in Pune, India.ⁱ Bhanton was a manufacturer of hair oils that were distributed throughout India. Repp sat in her office, staring at her laptop screen as she reached for a third cup of green tea. Her team of sales representatives did well in 2014, achieving 104 percent of its sales target with a growth rate of 16 percent from 2013. All team members had achieved their sales goals, which ranked them among the top three sales teams for Bhanton in 2014.

Despite the positive outlooks that 2014 gave to Repp and her team, she was facing a difficult customer circumstance. Atone Enterprises (Atone), a dealer of Bhanton products based in Nashik, India, had stopped payment for an already received shipment of product. Atone threatened to boycott Bhanton products if the company did not resolve a pending issue over a manufacturer bonus offer. When the purchasing incentive started, Atone already had excess stock of Bhanton's Prime Anti-Dandruff Cream (the bonus offer product) and could not capitalize on the offer. Atone now wanted Bhanton to apply the Prime Anti-Dandruff Cream bonus offer on its excess stocks—despite the offer period having already closed. Repp had to address the customer conflict fast as Atone was a critical customer to her team's success. How could she handle this situation so that there were no negative impacts on her team's performance that year?

Bhanton Corporation

Rajinder Prem established Bhanton in 1990 with an initial investment of \$78,000 (₹ⁱⁱ 5 million). The company started with only 20 employees with an objective to manufacture a wide selection of hair oils. The business stabilized after an initial period of struggle that saw poor revenues and significant start-up challenges. The company saw major growth when Narinder Prem, the founder's son, joined the business in 2005. With a formal education in business, the young Prem brought in more investment, increased the company's product range, and expanded the business. Bhanton was considered a leading, fast-moving consumer goods (FMCG) company in India. Bhanton had a comprehensive network of 25 carrying and forwarding agents (C&Fs) and 900 distributors that dispensed its products to retailers throughout India. The company reported net revenues of \$39 million (₹2.5 billion) in 2014.

i Bhanton Corporation, Atone Enterprises, and its associated employees, distributors, and situation are fictitious and were developed by the case authors for the purpose of class discussion.

ii ₹ is the symbol for the Indian Rupee. As of May 2015, USD \$1=₹63.5



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