

CHAPTER – I

INTRODUCTION

1.1 GENERAL BACKGROUND OF SALES PLANNING

Planning is a systematic method for the effective management change. It includes determining where the company is to go as well as it is to get there, the setting of objectives and goals and formulation and selection of alternate strategies and course of action of reach them.

Planning identifies and analyzes opportunities, strength, weakness, problems and threats and sets priorities for capitalizing of or overcoming them so that company resources will the best uses.

Forecasting is one of the essential elements of planning which predicts of what will happen on the basis of certain assumption but planning is an attempt to determine what should happen and to take steps that will make it likely to happen.

Sales being the principle budget factor, sales budget are the most important and form the basic on which all the other budgets are built up. It is a forecast of quantities and values of sales to be achieved within budget period. Every effort should be made to ensure that its figures must be as accurate as possible because it is the starting budget. The sales manager should be made directly responsible for the preparation on execution of the budget.

The essence of profitable business administration lies in the adequacy of its arrangements to meet changing conditions. Modifications of consumer requirements, technology developments, broad economic forces and chance happenings of events all introduce problems that call for rapid and skilled decisions if an enterprise is to stay in business and improve its performance.

Changes and irregularities are bound to occur and it is vital that they should recognize early enough for appropriate adjustment to be made. There is moreover considerable advantage to be gained and changes can be anticipated, through a process of forethought, so that appropriate plans and preparation can be made in advance to deal with them. The budget system has been accordingly

found a particularly suitable instrument for the practical energies of its forethought and planning.

The essential features of budget control are that enables to objectives to be established from the consideration of the probable course of events in the future. It enables policies to be formulated to ensure that all the activities are coordinated. The practical success of any budget system has been found to depend in a large measure upon accuracy with which future sales estimate is the first estimate to be made in the introduction of budget control and it is a guide to plan extension requirements and as the prime source of cash receipts and net profits it must be basic for any plans for financing the business.

The whole activities of any concern, whether it is a manufacturing, a wholesale store or a retail shop must depend on anticipated sales and knowledge of sales prospects is an essential for securing coordination in the business activities.

This emphasis on the important of the sales estimate must not, however be taken to imply that the sales division should determine the policy of the business. It has already been stressed that the final sales program must represent final of consideration of all the plans and policies of the undertaking care must be taken not to ignore this essential activities. The importance of the estimate means that every possible care must be taken to ensure that the figures are as accurate as possible.

In the early days of the application of the budget control to business there was a tendency for the estimation of future sales on the basis of percent of similar fixed increase in the previous years figure. The establishment of a sales forecast on any arbitrary basis is unwise because it implies that no consideration is taken of market condition, the trends of results or contemplated changes in basic policies. The values of all the estimates in the operating expenses and financial budget are entirely depended on the care and consideration is taken of market condition, the trends of results or contemplated changes in basic policies.

The value of all the estimates in the operating expenses and financial budgets is entirely depended on the care and consideration given to estimate of future sales

and if this estimate is a guess rather than a logical estimate, the practical value of the budget system may be entirely lost.

1.2 INTRODUCTION OF PRIVATE ENTERPRISES

The concept of private enterprises is very vague. There is no nationally and internationally recognized definition of the private enterprises. The company act defines the private enterprises that it is an institution that restricts the right to transfer its shares, limits the number of its members (excluding employees who are members and ex-employees who were and continue to be members) to fifty and prohibits any imitation to the public to subscribe for any of its shares and debentures.

A private company can be formed with one member but the maximum number of shareholders cannot exceed fifty. Shares and debentures are sold among its members. The enterprise when individuals invest their capital into the business organization with a view to earn profit is known as private enterprises.

The main features of private enterprises can be drawn as follows;

- a. In private company the maximum number of members is fixed, that is fifty (50). According to company act, 2053, even a single person can incorporate private company.
- b. It doesn't invite public subscription to its shares and debentures.
- c. The transfer of shares is restricted by the act.
- d. An application signed by at least one promoter with memorandum and articles of association must be submitted for incorporation.
- e. There is no restriction for the allotment of shares. It means the company can allot shares after its incorporation.
- f. A private company may start business after getting the certificate of incorporation.
- g. In private company the number, appointment and terms of office of the directors will be as prescribed in the Articles of company.

- h. Meeting of the Board of Directors will be held as prescribed in the Articles of company.
- i. For a private company, it is necessary to use the words “Private Limited” with its name.

For the developing countries like Nepal private enterprise has been taken as an effective tool for the increasement in economy. Nepal is an agricultural country and most of people are engaged in agriculture sector. Agriculture is only income sources of farmer that has provided money for their domestic economic attains but the saving from agriculture is very low and therefore they have very small fund to invest in agriculture sector. On the one hand, the income of the farmer's beings constant or productivity of the agriculture is decreasing and in other hand the population of the country is increasing day by day. To uplift the economic conditions of the people the industrialization is essential. For this purpose the private sector should be encouraged to invest for the development of industrial sector.

1.3 ROLE AND OBJECTIVE OF PRIVATE LIMITED IN NEPALESE ECONOMY

For developing country like Nepal private enterprise has been taken as an effective tool for social justice and economic growth. General objective of establishing enterprises in Nepal are as follows;

- a. Accelerate the rate of economic growth.
- b. Development of infrastructure.
- c. Supply of essential commodities.
- d. Generate employment opportunities.
- e. Regional and balance development.
- f. Strengthen and maintaining economic stability.
- g. Initiate research and development activities.
- h. Contribute national fund.

Some private enterprises produce the product i.e. goods or services either they are consumable goods or industrial good. There are many manufacturing private enterprises in Nepal which are producing durable goods, at the same time there are some industries dealing with construction product. Although there are some public enterprises in cement industries there is also some cement factories run in private sector. Among them one of the cement factories running in private sector is “Butwal Cement Mills Private Limited”.

1.4. INTRODUCTION OF “BUTWAL CEMENT MILLS PVT. LTD”

Cement plant of Butwal Cement Mills Pvt. Ltd, having installed capacity of 72000 MT per year was established in 2056 B.S. as private company under company act with the share of Rs.1, 00, 00,000. The primary objective of this mill is to produce cement for domestic consumption from indigenous raw materials there by alleviating shortages. It has its factory in Swathi Village Development Committee, ward no.4, Nawalparasi district of Lumbini Zone nearly 2.5km northern side from Ramgram Municipality. The factory is right now covering an area of 8.5 Bigahs of land with ten office buildings i.e. security offices, weighing bridge office, Mechanical work shop, stores, laboratories, drinking water, Raw materials Yards, Mill Yards, electric control room and Mill Yard clinker.

This enterprises was started its test production from 2056 Shrawan and the regular business production was also started from the same date.

BCM uses the following raw materials in the described production for its installed capacity of 72000 MT or 1440000 bags per year.

Table 1.1
Showing Raw Materials Used

| Serial No. | Raw Materials | Quantity |
|------------|----------------|---------------------------|
| 1 | Limestone | 110000 MT per year |
| 2 | Slag | 2200 MT per year |
| 3 | Clay | 1700 MT per year |
| 4 | Gypsum | 2800 MT per year |
| 5 | Iron Dust | 1700 MT per year |
| 6 | Bags | 1440000 No. per year |
| 7 | Electric power | 17000 KW |
| 8 | Water | 500m ² per day |

Source: BCM

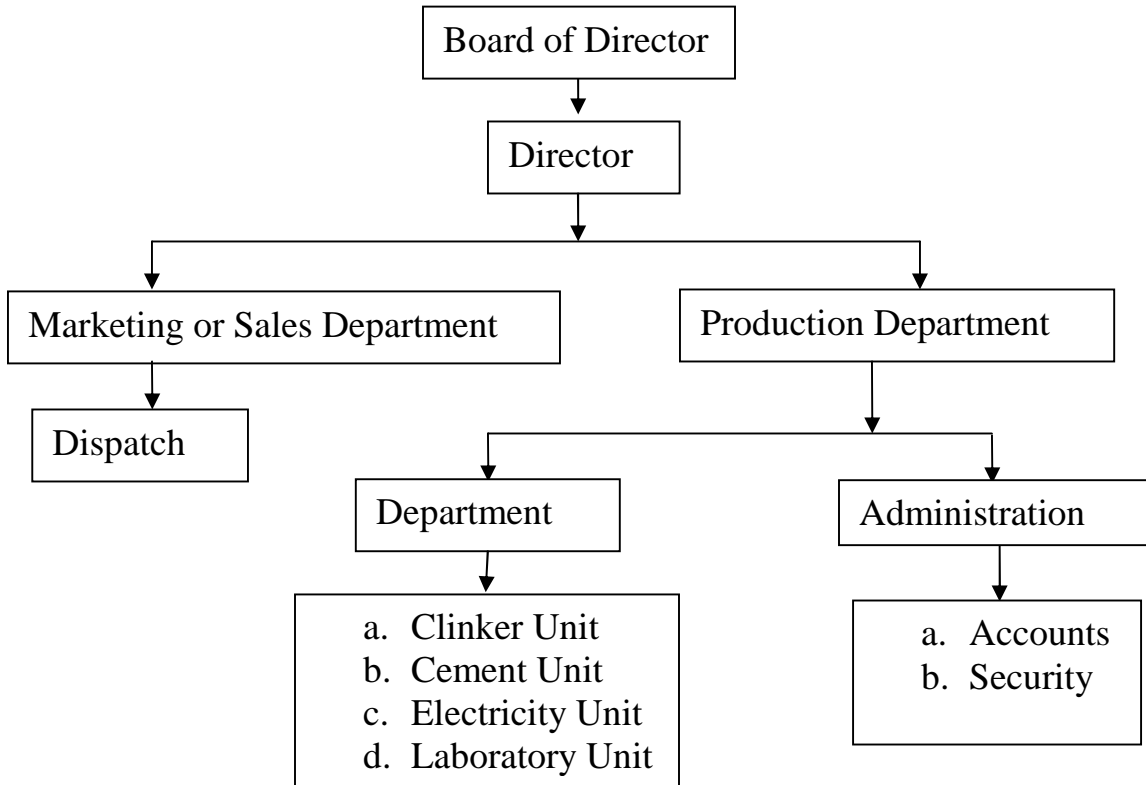
BCM has its manpower 250 number. In total, among them 220 personnel are technical and 30 personnel are working in administrative under the top level management of BCM. Unpublished documents of BCM, the mill has been providing the regular business to 60 trucks and 25 dealers regarding to the cement.

The main objective of this enterprise is to satisfy its' customers by manufacturing and supplying quality cement confirming to 'Nepal Standards' NS-49-2041 by adopting quality management system maintaining continual improvement in its operation and services.

The main market of this enterprise is all over the Nepal especially Butwal, Walling, Syangja, Pokhara, Chitwan Nawalparasi, Kathmandu, Hetauda etc. This enterprise is an ISO 9001;2000 certified company and producing the products named 'Nirman Cement' with 43 and 53 grades, 'Butwal 55 extra' and 'Nirman 55 MPA'.

The organizational structure of this enterprise is as follow.

Fig - 1.1



Source: BCM

1.5 THE STATEMENT OF PROBLEM:

The main source of income for any business organization is sales revenue. Existence progress and expansion depends upon the sales volume. The volume of profit is also directly depends upon sales volume. For any private organization, profit is the main motive and to achieve the motive sales is one of the important elements for its evaluation. Only the planned action can produce desire results. So, sales plan is one of the important plans of any business to achieve its objectives for private enterprises. This study is designed on the basis of following problems.

- a. Why any private enterprise has to prepare sales plan?
- b. What is the role of sales plan in overall planning of the private enterprise?
- c. What are the factors that should be considered while preparing sales plan?
- d. Who is responsible to prepare sales plan? What is his role?
- e. What is the role of top level management and functional manager in sales planning?
- f. How the effective sales planning helps to lead the organization towards its objectives?
- g. What channel of distribution is used by the company?
- h. What is the actual position of target sales?

1.6 OBJECTIVES OF THE STUDY

The main purpose of this study is to find out whether there is the practice of sales planning in Nepalese private enterprises or not. Whether the sales plan is one of the important aspects of overall management of the “Butwal Cement Mills Pvt. Ltd”. The following are the main objectives of this study.

- a. To identify the authorities and responsibilities of different function managers in sales planning.
- b. To analyze the variance of targeted and actual sales.
- c. To identify the channels of distribution of BCM.
- d. To identify the major elements of sales planning.
- e. To suggest and recommend for further improvement.

1.7 IMPORTANCE OF THE STUDY

Private enterprises have expenses for materials, labor and rent etc. that must be offset by receipts from the collections from sales. It has a multivariety of activities under its control that must be co-ordinate to a common objective. It must plan its whole business with an eye to the future. The importance of the study is:-

- a) A consideration of the future to enable sales plans to be established that will enable the maximum profit to be earned under the conditions that have to be faced.
- b) The co-ordination of all activities towards the objective, and in particular the co-ordination of sales with production and other plans.
- c) The establishment of some system to ensure that sales plans are put into effect that will also enable a constant check to be kept on actual progress towards the desired objectives.
- d) The preparation of a preliminary sales estimate based on:
 - a. A study of normal business growth.
 - b. A forecast of general business conditions.
 - c. A realization of the probable effect on sales of any changes of the company's basic policies
- e) The adjustment of preliminary sales estimate are;
 - i. In the light of the seasonal nature of the business.
 - ii. From the viewpoint of the most profitable selling prices
 - iii. In line with the overall production or purchasing capacity.
 - iv. From the viewpoint of securing even manufacturing loads.

1.8 ORGANIZATION OF THE REPORT

The report consists of the three major parts i.e. cover page, main text and appendixes. The cover page comprises of front page, acknowledgement, and table of contents, list of tables, formats and figures and others as required. The main text is divided into following five parts. They are as follow;

1 Introduction:

This chapter includes the General background of the study, Introduction of private enterprises, Role and objective of private limited in Nepalese economy, Introduction of Butwal Cement Mills Pvt. Ltd., The statement of the problem, Objective of the study, Importance of the Study, Organization of the report and General Framework of this Research Report.

2 Review of Literature:

Conceptual Framework with Concept of sales, Sales management, Sales organizational structure; Planning with Short and long range planning, Sales planning, Strategic sales plan, Tactical sales plan, Sales forecasting, Sales planning and forecasting, Components of comprehensive sales planning and Developing a comprehensive sales planning; and Review of related studies are included in this chapter.

3 Research Methodology:

Under this chapter, Introduction, Research design, Population and Sample, Sources of data, Data collection technique, Data mining and analysis and Limitation of the study can be found.

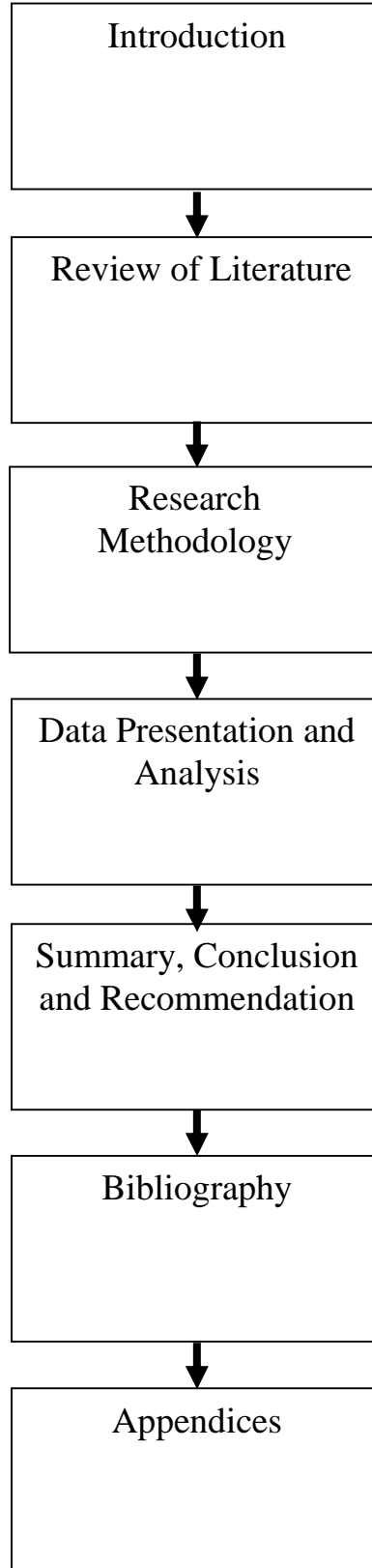
4 Data presentation and Analysis:

Collection data through various sources in a number of table and graph, as they are required by the research question and their analysis and major findings are presented in this chapter.

5 Summary, Conclusion and Recommendation:

This chapter is the last chapter of the study and it represents all the opinion of the research as possible. Summary, Conclusion and Recommendation are mentioned in this chapter.

1.9 General Framework of this Research Report.



CHAPTER-II

REVIEW OF LITERATURE

2.1 Conceptual Framework

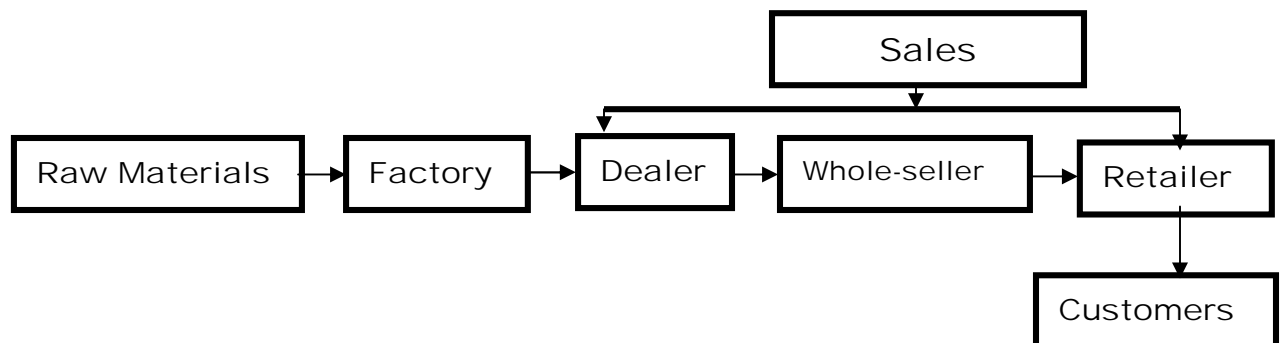
2.1.1 Concept of Sales

The amount received of receivable by selling goods to the customer is known as sales. Sales represent the transfer of goods on which the business deals. It is the exchange of goods or property for money.

Business organization has to generate revenue itself for the day to day operation, existence and expansion. Business organization offer goods or services to their customers in exchange for value are known as sales. It is the main source of income of any business organization. Financial result of any business organization is judged in terms of profit earned by the business. When a business earned profit, it is assumed that the business is success and if it suffers from loss, it is assumed that the business is regarded as failure. So, sales is the term which the success and failure of the business is depended on. Sales can be shown as below in diagrammatic form.

Fig - 2.1

Showing Conversion of Materials ready for Sales



Source: Field Observation

From the above, it is obvious that a factory produces goods by using raw materials and sales the goods to dealer, then dealer sales to whole seller and

wholesaler sales goods to retailer. At last, a retailer sales goods to consumers.

The stage between dealers to retailer is regarded as sales.

In a business organization, sales and financial results are closely related, which can be stated in terms of accounting formula as below.

Sales - Cost of Sales = Gross Margin ... (i)

Gross Margin - Expenses = Net Profit ... (ii)

“Sales are the personal or impersonal process of assisting and persuading a prospective customer to buy a commodity or service or to act favorably upon an idea that has commercial significance to the seller.” (K. C., 2062)

“Sales in its broad sense, has the purpose not only of making sales (i.e. effecting ownership transfers) but identifying prospective customer, stimulating demand and providing information and service to buyers” (K. C., 2062)

“Sales comprises all personal and impersonal activities finding securing and developing a demand for a given product or service and in consummating the sales of it” (K. C., 2062)

2.1.2 Sales Management

The management of any activity involves two broad functions:

- a. Planning
- b. The Execution of Plans

Planning involves setting goals or objectives to be achieved by some future point in time and determining how these goals to be reached.

Execution of plans involves the functions of organizing, directing, co-coordinating and controlling.

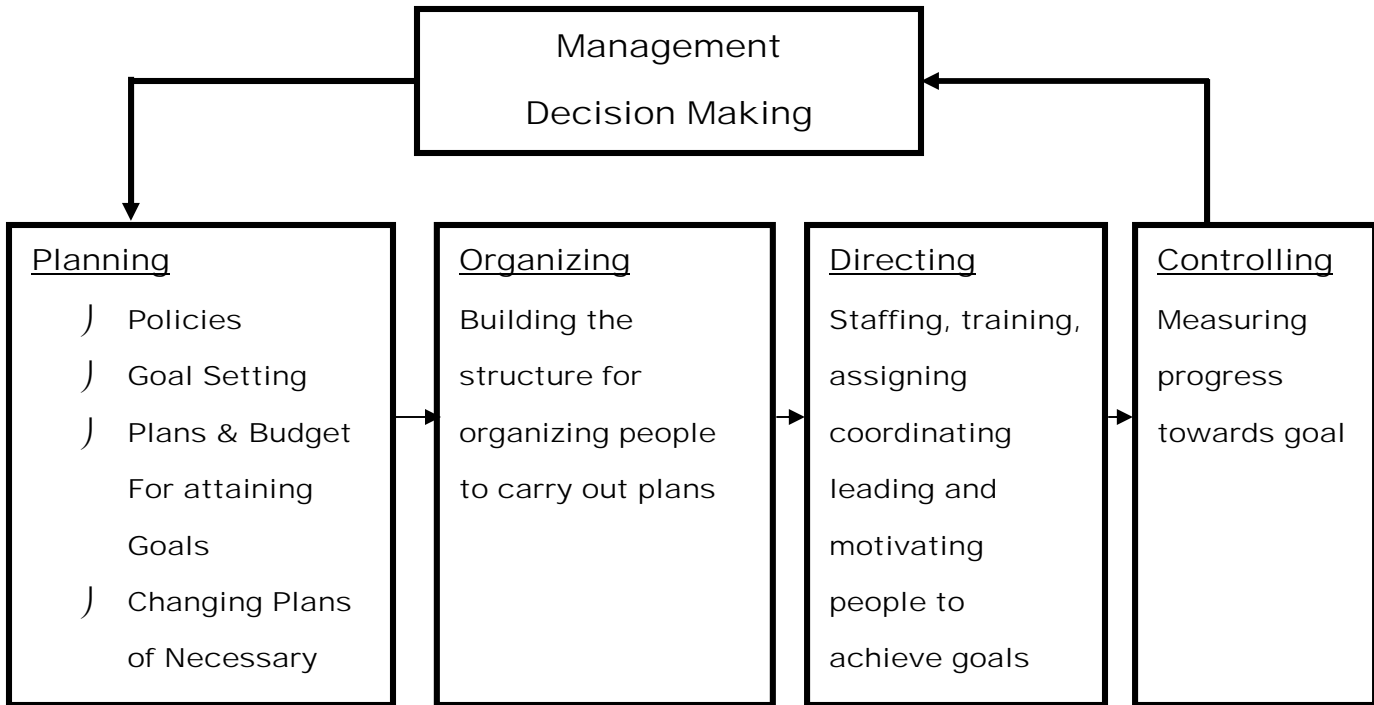
Organizing involves determining activities to be performed, grouping activities into positions, assigning responsibilities and authorities to positions and staffing the positions with people.

Directing involves the supervision of people and coordinating their activities and control measures. Progress toward goals and identifies problems areas when

performance enroute to the goals is below standard.

Fig - 2.2

Management Model



Source: Marketing Management, A strategic planning Approach. Victor P. Buell, International student Edition.

Prior to the industrial revolution, small scale enterprise dominated the economic scene and selling was no problem. The main problem was to produce enough goods for nearby customers. Orders were obtained with minimum effort and they were on hand before goods were produced. In most firms, a single individual supervised all phases of the business, including both manufacturing problems received the most attention where as selling and other marketing problems were handled on a part time base.

With the individual revolution, which began about 1760 A.D. in England and shortly after the American Revolution in the United States, it became increasingly necessary to find out and sell new markets. Newly built factories were turning out large quantities of goods of every description. Their continued operation

demanded great expansions in the area of sales coverage, adjacent markets could not absorb the increased quantities being manufactured, but even under these circumstances other business problems took precedence over selling. These were problems associated with hiring large numbers of workers and acquiring land, building and machinery. To solve them, large amounts of capital had to be raised. The result was that more and more business adopted the corporate form of organization the day of large scale manufacturing enterprises had arrived. First hand administration of all phases of the operation being beyond the capabilities of most individual authority was increasingly delegated to others. Separate functional departments were established but sales departments were set up only after the activation of manufacturing and financial departments.

Sales management is a key function in many kinds of enterprises. Manufacturing and wholesaling enterprises encounter a wide range of problems in sales management. Retail institutions, small and large have sales management problems, even though the differences (when compared to the problems of manufacturers and wholesalers) are so great that retailing problems (at least in the academic world) are ordinarily considered separately. But some retailers have sales management problems more than to those of manufacturers and wholesalers than to those of other retailers, the auto mobile dealer the real estate broker, and the direct to consumer marketer all are in this category". (Still, Candiff and Govani, 1995)

"Sales management originally referred exclusively to the direction of sales force personnel. Later the term took broader significance in addition to the management of personnel selling. Sales management means management of all marketing activities, including advertising, sales promotion, marketing research,

physical distribution, pricing and product merchandising.” (Still, Candiff and Govani, 1995)

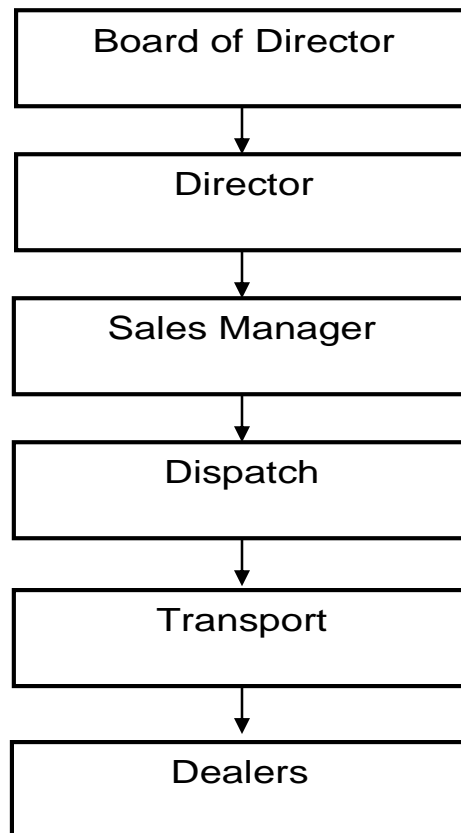
2.1.3 Sales organizational Structure:

2.1.3.1 Line Sales Organization:

The line organization is the oldest and simplest sales organizational structure. It is widely used in smaller firms and in firms with small number of selling personnel for instance in companies that cover a limited geographic area or sell a narrow product line.” (Still, Candiff and Govani, 1995)

Fig - 2.3

Line Sales Department Organization



Source: BCM

2.1.3.2 Line and Staff

The line and staff sales department is often found in large and medium sized firms, employing substantial numbers of sales personnel and selling diversified product lines overall geographic areas. In contrast to the line organization the line and staff organization provides the top sales executive with a group of specialists experts in dealer and distributor relations sales analysis, sales organization, sales personnel, sales planning , sales promotion, sales training, service traffic and ware housing and similar fields.” (Still, Cundiff and Govoni, 1980)

2.2.1 Planning

“Planning is the primary function of management. It is called primary function because it affects all the other functions of management. Planning is the basis for other managerial functions, organizing, directing and controlling the organization. It is thus the process of setting goals, establishing a course of action, implementing the action plans and attaining the goals. Effective planning includes the total organizational activities, people and resources effectively. In the absence of planning, they don’t even have the direction, sense of purpose and activity plans. This ultimately affects the organization and its future existence.”(Pant, 2061)

Planning is a systematic method of efficient management of change. It includes determining where the company is to go as well as how it is to get there or more formally, the setting of objectives and goals and the formulation and selection of alternate strategies and analyses opportunities, strengths, weakness, problems and threat and sets priorities for capitalizing on or overcoming them so that company resources will be put to the best uses. (Buell, 1976)

Planning is a subsystem of the overall management system of an organization. Therefore, planning should be viewed as a part of the process portion of the

management system. As with any system, the planning subsystem includes input, process and output.

Therefore, planning is the detail description about future course of action to attain the organizational goal. The proper plans help the organization for proper use of available resources. Planned action helps the management to produce the desire result. Activities, which are carried out without certain goal and plan the management, may be in activity trap.

2.2.2 Short and long range planning:

In most cases, the short-range plan covers the company fiscal year. Usually the first year plan would be prepared in detail while the plans for succeeding years contained less detail. There was some disenchantment with this process because the longer-range plan essentially turned out to be a projection, made without adequate consideration of possible changes in the external and internal environments. Dissatisfaction with these long range planning procedures led to the strategic, planning concept, strategize planning comes at the strategic planning concept; Strategize planning comes at the beginning of the annual process. The first step is a review of current strategies to see whether they will achieve longer range goals. Because strategies are major means of achieving major objectives and achievement of major objectives normally requires more than one year companies using strategize planning have now come full circle. By starting the annual planning and follow with the short range plan. The annual one-year plan this has become one of the series of periodic steps in the implementation of the strategize plan. (Buell, 1976)

2.2.3 Sales Planning:

Planning is one of the important aspects of the management. The recent management philosophy is profit planning and control (PPC). Business organization depends on sales for existence and sales are an important aspect of the business organization. It is assumed that only the planned action can produce desired result. Therefore most of the business organizations prepare sales plan.

“Sales planning process is a necessary part of PPC because:-

- a. It provides for the basic management decisions about marketing and
- b. Based on those decisions, it is an organized approach for developing a comprehensive sales plan.

If sales plan is not realistic, all of the other parts of the overall profit plan also are not realistic. Therefore, if the management believes that a realistic sales plan cannot be developed; there is little justification for PPC”. (Welsh, Hilton and Gordon, 1999)

A comprehensive sales plan includes two separate, but related plans the strategic and the tactical sales plans. A comprehensive sales plan incorporates such management decisions as objectives, goals, strategies and premises. (Welsh, Hilton and Gordon, 1999)

“The primary purposes of a sales plan are:

- a. To reduce uncertainty about future revenue.
- b. To incorporate management judgments and decisions into the planning process.
- c. To provide necessary information for developing other elements of a comprehensive profit plan and
- d. To facilitate management control of sales activities. (Welsh, Hilton and

Gordon, 1999)

Sales plan is the basic plan of the organization. On the basis of planned sales unit/volume resources is managed. It is the base to determine how much units

are to be produced, how many employees are required and so on, the accounting equation justify the sales unit as:

Sales units = Production units + Opening Inventory Units- Closing Inventory Units

Marketing strategies promotion strategies, pricing policies etc. are depended on sales plan and ultimately the net profit for the coming years is also estimated on the basis of sales plan.

2.2.4 Strategic sales plan / long-term sales plan

Long term sales plans are usually developed as annual amounts. The long term sales plan uses broad groupings of products (product line) with separate consideration of major and new products and services. Long term sales plans usually involve in depth analysis of future market potentials which may be built up from the basic foundation such as population changes state of the economy, industry projections and finally company objectives. (Welsh, Hilton and Gordon, 1999)

Long term managerial strategies would affect such areas as long term pricing policy, development of new products and innovations of present products, new directions in marketing efforts, expansion or changes in distribution channels and cost patterns. The influence of managerial strategize decisions is explicitly brought to bear on the long term sales plan primarily on a judgmental basis.

2.2.5 Tactical Sales Plan/ Sales Budget

A common approach used for short time horizons in a company is to plan sales for twelve months into the future, detailing the plan initially by quarters and by months for the first quarter or month. At the end of each month or quarter throughout the year, the sales plan is restudied and revised by adding a period in

the future and by dropping the period just ended. Thus, tactical sales plans are usually subject to review and revision on a quarterly basis. The short term sales plan includes a detailed plan for each major product and for groupings of minor products. Short term sales plans are usually developed in terms of physical units for jobs and in sales and service dollars. (Welsh, Hilton and Gordon, 1999)

The preparation of the sales budget involves the following steps:

1. The preparation of a preliminary sales estimate, based on:
 - a. A study of normal business growth.
 - b. A forecast of general business conditions.
 - c. An application of the relationship between the individual company and general business.
 - d. A knowledge of the potential market for each of the main products handled.
 - e. The practical judgment of the sales man and head office staff.
 - f. A realization of the probable effect on sales of any changes of the companies basic policies.
2. The adjustment of this preliminary sales estimate.
 - a. In light of the seasonal nature of the business.
 - b. From the view point of the most profitable selling prices.
 - c. In line with the overall production or purchasing capacity.
 - d. From the view point of securing even manufacturing loads.
 - e. From the view point of overall net profits and selling expenses.
 - f. In line with the financial capacity of the business.

The procedures should result in the formulation of a sales budget for the period under review, which will represent the most practical program for the business as a whole. (Willsmore, 1960)

The sales budget is a blueprint for making profitable sales. It deals who is going to sell how much of what during the operating period, and to which customers or classes of trade. Simply defined as sales budget consists of estimates of an

operating period's probable dollar and unit sales and the likely selling expenses. These two estimates are related to predict net profit on selling operations. The sales budget then is a projection of what a given sales program means in terms of sales volume, selling expenses and net sales. (Still, Cundiff and Govoni, 1980)

Company budgetary procedure normally begins in the sales department. After the entire sales department in nearly all companies is the main department generating inward flows of revenues. The nature and amount of the predicated flows of sales revenues impact directly upon the activities of other departments. Therefore, once top management receives and gives tentative approval to the sales budgets other departments prepare budgets outlining their plans. For instance, the production department takes its cue from the sales budget in preparing budgets for manufacturing expenses and inventory as well as in planning production schedules. Simply the financial department uses the sales budget as the starting point in preparing budgets for capital expenditures, earnings and cash position and administration expenses. It should be noted that production department is mainly interested in the budget unit sales, whereas the financial department is concerned chiefly with planned dollar sales. (Still, Cundiff and Govoni, 1980)

2.2.6 Sales Forecasting

Prediction, estimation or expectation of future situation is known as forecasting when it is related to sales then it is called sales forecasting.

Demand forecasting is very popular in industrial advanced countries whereas demand conditions are always more uncertain but in developing countries like

Nepal supply is more important so sales planning are more important. Managers or organization must to try predict future conditions so that their goals and plans are realistic while no one can predict precisely what lies ahead, management should not reject the ratios of forecasting to assume the continuation of the statistics given the dynamic and varied conditions of the business and market climate is both myopia and unreasonable.

Of particular importance is the development of reasonably accurate sales forecast for cast for each product marketed by the firm.

Sales forecasting is the starting point for business planning. It influences the marketing effort required to obtain the forecasted sales: the amounts of raw materials, production and inventories needed to fill customer's orders: and the amounts of cash needed to finance these operations. Forecasting sales is more than a statistical exercise because the marketing, production and finance plans themselves influence the sales that will be obtained. (Buell, 1976)

The only logical approach to the problem of forecasting future sales is through an understanding of the factors that affect sales result. This involves:

- a. An analysis of past results to determine the basic trend of the business and its seasonal and cyclical peculiarities.
 - b. An analysis of the company's potential market to serve as a check on sales analysis and to indicate to what extent potential demand has been satisfied.
 - c. An investigation in to general trade conditions to establish how far the results of the company depend on the activity of industry in general.
 - d. Knowledge of effect of changes in the general policies of the business, such as the introduction of new lives and changes in prices.
- (Willsmore, 1960)

Table 2.1

Time Periods of Forecasts, Factors, Determining Time Periods and major uses:

| | Time Periods | Factors Determining Time Period | Major Uses |
|---------------------------|---|---|---|
| Very short range forecast | 1-6 months but sometimes longer | Manufacturing and marketing cycle from ordering to shipping finished products to customers and collecting account receivables | Planning purchases, inventories, employees work schedules, production schedules, transportation and working capital. |
| Short range forecast | 1or 2 years often detailed by quarters or months | Company's fiscal year, seasonal fluctuations in business. | Budgeting receipts and expenditures and planning employment, working capital, tax actions and marketing programs. |
| Medium range forecast | 3-5 years (from end of short range forecast to period covered by long range forecast) | Length of business cycle, time required to bring new facilities into production, to hire and train workers, to bring new products to a commercial stage. | Timing of capital expenditures and planning marketing strategies. Personal development research programs and acquisition. |
| Long range forecast | 5-15 years | Economic life of major plants and equipments, product life cycles(from new product stage to mature product stage), remaining life of major patents | Development of company objectives and planning major capital expenditures and specific acquisitions. |
| Very long range forecast | 5-30 years | Life of mineral deposits, oil and gas reserves and woodlands owned by the company and its suppliers and time required for revolutionary technological, economic and social changes. | Establishing overall company objectives, planning basic technological development work and developing acquisition policies. |

Source: Marketing Management, A strategic planning Approach. Victor P. Buell, International student Edition.

Several factors need to be considered before starting the sales forecast. These are the time period to be covered the scope of the forecast, the assumptions to be used and the degree of effort and expenses to be devoted to the forecast. (Buell, 1976)

2.2.7 Sales Planning and forecasting

A forecast is not a plan; rather it is a statement or a qualified assessment of future conditions about a particular subject (example: sales revenue) based on more explicit assumption. A forecast should always state the assumptions upon which it is based. A forecast should be viewed as only one input into the development of a sales plan. The management of a company may accept, modify or reject the forecast. In contrast, a sales plan incorporates management decisions that are based on the forecast, other inputs and management judgments about such related items as sales volume, prices, sales efforts, production and financing. (Welsh, Hilton and Gordon, 1999)

A sales forecast is converted to a sales plan when management has brought to bear judgment, planned strategies, commitments of resources and the managerial commitment to aggressive action to attain the sales goal. (Welsh, Hilton and Gordon, 1999)

The confusion between forecasting and planning is emphasized by one author as follows:

“When the leader of an organization says that he would like a forecast what he often means is that he wants a plan. He wants to make something happen, and he uses plan as a target for people in his organization” (Kotler, 2004)

2.2.8 Components of comprehensive sales planning:

A comprehensive sales plan should satisfy the requirements of and be consistent with, the overall comprehensive, PPC Program.

Table 2.2

The components of comprehensive sales planning

| Components | Strategic plan | Tactical Plan |
|---|--|--|
| Management policies and assumptions | Broad and general | Detailed and specific for the year. |
| Marketing plan (sales and service revenue) | Annual amount; major groups. | Detailed by product and responsibility. |
| Advertising and promotion plan | General by year | Detailed and specific for the year. |
| Distribution (selling) expense plan | Total fixed and total variable expenses; by year | Fixed and variable expenses; by month and by responsibility. |

Source: Budgeting profit planning and control: Glenn A. Welsh, Ronald W. Hilton, Paul N. Gordon, 5th Edition

2.2.9 Developing a comprehensive sales plan:

A comprehensive sales plan includes interrelated strategic and tactical sales plan. It includes management guidelines, sales forecast and other relevant information and plan for marketing, advertising and distribution expenses as important components. The development of a realistic sales plan provides the foundation for effective control of sales efforts and distribution expenses. The several components of the sales plan should specify management responsibilities because this is the base of effective control.

Following are the sequences of different components of Sales Plan:-

- Step 1: Develop management guidelines specific to sales planning including the sales planning process and planning responsibilities.
- Step 2: Prepare one (or more) sales (market) forecasts consistent with specified forecasting guidelines including assumptions.
- Step 3: Assemble all the other data that will be relevant in developing a comprehensive sales plan.
- Step 4: Based on steps 1, 2, and 3 above, apply management evaluation and judgment to develop a comprehensive sales plan.
- Step 5: Secure managerial commitment to attain the goals specified in the comprehensive sales plan. (Welsh, Hilton and Gordon, 1999)

2.3 Review of Related Studies:

So far as known to the researcher, no study on sales planning and its importance in Nepalese manufacturing Pvt. Ltd. has been conducted yet. It means, there is numerous research made on the topic of profit planning and control related with various public enterprises. Although major findings and recommendation of previous research study on PPC, which are related with this study are presented below.

Ojha (1995) has submitted a dissertation on the topic, 'A Comparative study in profit planning of Royal Drugs Ltd. (RDL) and Herbs Production Processing Company and Control (HPPCL) for the faculty of management, control department T.U in the courses of partial fulfillment of MBA. In this research Mr. Ojha was mainly centered with the current practice of profit planning and its effectiveness in RDL and HPPCL.

Major findings pointed out by Mr. Ojha are as follows:

- a) Inadequate authority and responsibilities to planning department.
- b) Nepalese PEs have lack of budgeting expert & skilled planners.
- c) Pricing system in Nepalese PEs is not scientific PEs adopt traditional pricing method that is cost plus pricing method.
- d) Nepalese PEs do not consider sales plan to develop production plan. There is no proper co-ordination between sales, inventories and production.

Airee (2001) has done the similar research on profit planning in PES in Nepal (A Case Study of Herbs Production and Processing Co. Ltd. For the faculty of Management, T.U. in the courses of partial fulfillment of MBS with the objectives of trend in sales and production examine the various ratios and flexible budget, calculation of break even points of the company. Mr. Airee has summarized that

there are unfavorable deviation between actual sales targeted sales i. e. the actual sales is below than targeted sales company has been suffering from igh amount of fixed and variable cost in comparison with sales amount. The company has not any production planning for coming year there is no systematic and effective cost control mechanism to reduce cost and the financial condition is very poor.

Poudel (2001) has submitted a dissertation on the topic 'Profit Planning in manufacturing company', A case study of Hetauda Cement Industry Limited (HCIL), for the faculty of management , central Department, T.U. in the course of partial fulfillment of MBA. In this research, Mr. Poudel was mainly centered with current practice of profit planning and its effectiveness in HCIL.

Major findings pointed out by Mr. Poudel are as follows;

Authorities and responsibilities are not clear among the department managers and working managers.

There is under utilization of available capacity in HCIL.

There is no correlation between actual production and budgeted production and actual sales and budgeted sales.

The decision making power in the manufacturing PEs are concerned only in the top level of management.

Different statistical tools show the positive relationship between budgeted sales and actual sales.

The management of the enterprise has applied monthly and annual sales budget.

There is substantial gap between sales target and achievement.

Cost volume profit relationships are not considered while developing sales plan and pricing strategies.

The sales revenue doesn't justify the selling and distribution expenses of the enterprise.

K.C. (2002) has submitted a dissertation on the topic “Profit planning of public manufacturing enterprise in Nepal”. “A case study of Nepal oil corporation Limited”, for the faculty of management, central department, T.U. In this research Mr. K.C. states that the sales plan and achievement is satisfactory for some extent but there are no particular persons to prepare sales plan. There is controversy ideology into employees.

Shrestha (2003) has submitted a dissertation on the topic, “Working capital Management of Arunodaya Metal Industries (AMT)” Pokhara, for the faculty of management, Prithivi Narayan Campus, T.U. in the courses of partial fulfillment of MBS, in this research, Mr. Shrestha states that sales is one of the important aspects of the manufacturing company like AMI. The survival and growth of every manufacturing concern depends on sale of product that they produce. Sales policy of a company depends upon available resources and demand. It is also affected by the production policy and financial policy. Co-ordination between those units of the company is essential. The company invests in current assets investment policy and current assets investment policy depends upon the attitude of management.

Adhikari (2004) has submitted dissertation on the topic ‘The case study of cost control and planning in public utility enterprises in Nepal. A case study of Nepal Telecommunication Corporation (NTC) for the faculty of management, Prithivi Narayan Capus, Pokhara, T.U. in the courses of partial fulfillment of MBS. In this research Mr. Adhikari states that NTC has a long experience of preparing sales budget according to demand of consumes. Consumers are categorized like Government, Business Organization, Residential special residential, services, non services and others.

Major findings of the thesis are as follows;

- a) Selling price of telephone links with government policy, availability of materials, availability of personnel and internal variables such as

working condition of corporation, capacity and condition of machines and equipment, financial strengths etc.

- b) There is no realistic sales plan of PES but NTC has fixed the sales target or coming years.
- c) NTC has no any practice of preparing long term sales plan and only sales target is fixed for coming year to each sector line.
- d) There is no exercise of preparing sales budget by line and services.
- e) NTC has no problems of selling its line but problems are about line generations.

Karmacharya (2004) has submitted a dissertation on the topic, profit planning in public Enterprises, (A case study of HPPCL) for the faculty of Management, Shankar Dev Campus, Kathmandu, T.U. in the courses of partial fulfillment of MBS with the objectives of trend analysis of profit or loss, analyze the various functional budget adopted, evaluate the financial performance, evaluate the variance between target and actual result, examine the profit planning practices of HPPCL. According to the base on objectives she has concluded that inadequate planning of profit due to the lack of skilled planners, budgeted sales care highly projected but sales achievements are very below than the budgeted, domestic, Indian and foreign is 69%, 18% and 13% respectively.

Aryal (2007) has submitted a dissertation on the topic, 'Sales planning in Nepalese Manufacturing enterprises', A case study of Butwal spinning Mills Ltd, for the faculty of management, Prithvi Narayan Campus, Pokhara, T.U in the course of partial fulfillment of MBS. In research Mr. Aryal has pointed out the following findings:

- a. The sales channel of Butwal Spinning Mills is sales agent to the outland customers and dealer agent to inland customers.
- b. Inland sales is regular than the outland sales.

- c. Forecasting for sales, production and inventories etc are based on traditional methods.
- d. Actual sales are greater than actual production in the FY 2050/051, 2055/056, 2059/060 and 2062/063 and in other years actual production is more than sales.

Subedi (2009) has submitted a dissertation on the topic, "Cost Volume Profit Analysis of Dairy Development Corporation, Nepal" for the faculty of management, Lumbini Banijya Campus, Butwal, T.U. in the course of partial fulfillment of MBS. In research Mr. Subedi has pointed out the following findings:

- a. The corporation has failed to achieve budgeted sales during the study period.
- b. Appropriate and effective sales forecasting techniques like survey method and statistical method aren't in practice.
- c. The highest achievement of budgeted sales is 95.41% in FY 2059/60 and the lowest achievement is 87.26% in FY 2062/63.
- d. The correlation between budgeted and actual sales is perfectly positive i.e.0.77%, which indicates the value of 'r' is highly significant.
- e. The standard deviation and coefficient of variation of actual sales are 62.51 and 3.98% both are lesser than budgeted sales 71.22 and 4.17%. It indicates that budgeted sales are more variable than actual sales.
- f. The corporation is used market studies and experimentation method for sales forecasting.
- g. Actual sales are lower than BEP sales in the study period of fiscal years. So, Dairy Development Corporation was suffering from huge loss.

CHAPTER-III

RESEARCH METHODOLOGY

3.1 Introduction

The systematic and scientific gathering, recording and analyzing of data, information about problems relating to the particular subject matter is research. It is a system of search for knowledge, which is the application of scientific method to the study of the world. Research process is a systematic procedure linking together the researcher, decision maker and the sources of relevant information concerning a problem.

The research methodology is followed to achieve the basic objectives and goals of this research work. Research Methodology is the way to solve systematically about the research problem. (Kothari, 1990)

The basic objectives of this research is to find out whether there is the practices of sales planning in Nepalese manufacturing private enterprises or not. Proper sales planning can play significant role to earn high rate of profit in any private enterprises. Although the main objective of Butwal Cement Mills Pvt. Ltd. (sample organization of this research) is to earn profit. Profit is the yard stick of measuring of the success or failure of any business. According to the nature of the study, suitable research design has been formed and procedure for collecting and analyzing the information has been applied. Different approaches will be adopted to gain a better understanding of the sales planning of Butwal Cement Mills Pvt. Ltd.

3.2 Research Design

In order to make any type of research, a well set research design is necessary, which fulfill the objective of the study. Generally research design means definite procedure and technique which guide to study and propounds ways for research viability. It is a plan to obtain the answer of research questions through analysis of data. The research design is descriptive and analytical. Most data are in quantitative and qualitative. Appropriate tools and techniques are used on data collection as well as on analysis of data. Attempts have been made to collect accurate data. The main subject matter of this research is sales planning not profit planning and control and emphasis is given on the practical application and importance of sales planning in manufacturing private enterprise.

3.3 Population and Sample:

For this study the questionnaires were distributed to the eight officers of BCM which include Chief Executive, Senior Managers, Department Heads and other Officer Level Staffs. Out of them, six members returned back answer which is 75% and used for the analysis purpose.

3.4 Sources of data:

For any research work, accurate data and information on plays important role. If the data and information are not accurate or biased, it does give the accurate result even though the advanced analysis tools are used. To fulfill the objective of this study primary as well as secondary data have been used.

3.5 Data Collection Technique

- a. Primary Sources: Required information have been collected by face to face contact with sales officer and other staffs of BCM; Primary data for this research have been collected through observations, unstructured interview etc.
- b. Secondary Sources: Required data have also been collected from several sources for this study. Following are the main sources of secondary data:
 - i. Economic survey published by Nepal Government.
 - ii. Other official records and publications of BCM.

3.5 Data Mining and Analysis

Collected data through various sources have been presented in tables, pie charts, bar diagrams, histogram and interpreted and analyzed with the help of various analytical tools and techniques to fulfill the objective of this study. Statistical tools like mean, standard deviation, time series analysis, correlation and regression mathematical tools like percentage and average are used. And other accounting tools such as break even analysis are also used for analysis.

3.6 Limitation of the study

The scope of the study is limited to randomly selected manufacturing enterprises i.e. Butwal Cement Mills Pvt. Ltd.

The following factors are limited in this study:

- a. Opinion of officer level and above is taken for analyzing the data.
- b. This research work has covered the fiscal year 2060/61 to fiscal year 2064/65 i.e. data revealed in this study are of only 5 years.
- c. The study is mainly concerned with the secondary sources of data. Such data are collected from annual report available from BCM.
- d. Major findings are based on presentation and analysis of data.
- e. In this research, only few tools and techniques such as correlation, regression, standard deviation, percentage, average, BEP etc. are used for data analysis.

CHAPTER – IV

DATA PRESENTATION & ANALYSIS

4.1 Long Term Objective

Generally most of the private organizations are established to earn profit. Profit means the financial gain or the money gained in business. Especially the difference between the amount earned and the amount spend is termed as profit. It the excess amount of income over expenditure. In other word profit is the focal point of any business organization whether it is public or private.

Mainly the main aim of any business organization is to earn profit. On the basis of amount of profit earned by the business, the overall performance is judged. So profit is necessary at least to keep the enterprise going on and to make a maximum contribution towards the development of the country.

The main objective of BCM is to satisfy its customers by manufacturing and supplying qualitative cement conforming to Nepal standard NS-49-2041 by adopting quality management system maintaining continual improvement in its operation and services. The mill was established to achieve the following objectives also.

1. To make the country self reliant on such and important contribution materials as cement and there by facilitating the test of national development.
2. To mobilize the domestic resources like lime stone, hydel power etc.
3. To strengthen the national economy.
4. To increase the employment opportunity.
5. To earn reasonable profit by utilization of resources as well as bearing social responsibility.

4.2 Management Guidelines Specific to Sales Planning Process

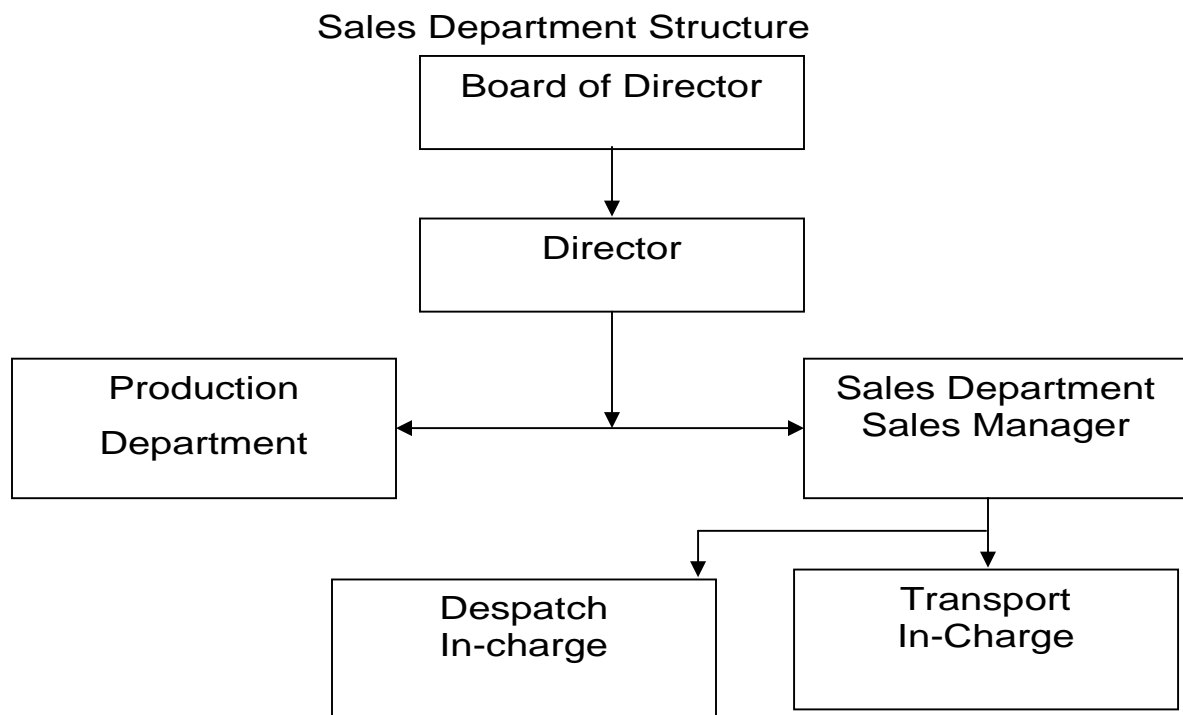
4.2.1 Organizational Structure of Sales Department with authorities and responsibilities

Authority is important in organizing process. It plays a vital role in organization. Without exercising authority organizational function cannot be discharged. Authority is legal and justifiable power. It creates right to order, direct and power of sanctions.

In simple terms responsibility means duty, activity and function to be done. Therefore it may be defined as the obligation of a subordinate to whom a duty has been assigned to perform. It arises from the superior subordinate relationship, from the fact that someone has the authority to require service from others. It is a continuing obligation.

Butwal Cement Mills Pvt. Ltd. Produces the construction goods cement so the numbers of the customers are unlimited and unknown. The organizational structure of sales department of BCM is simply the line sales organization. The structure is as follow.

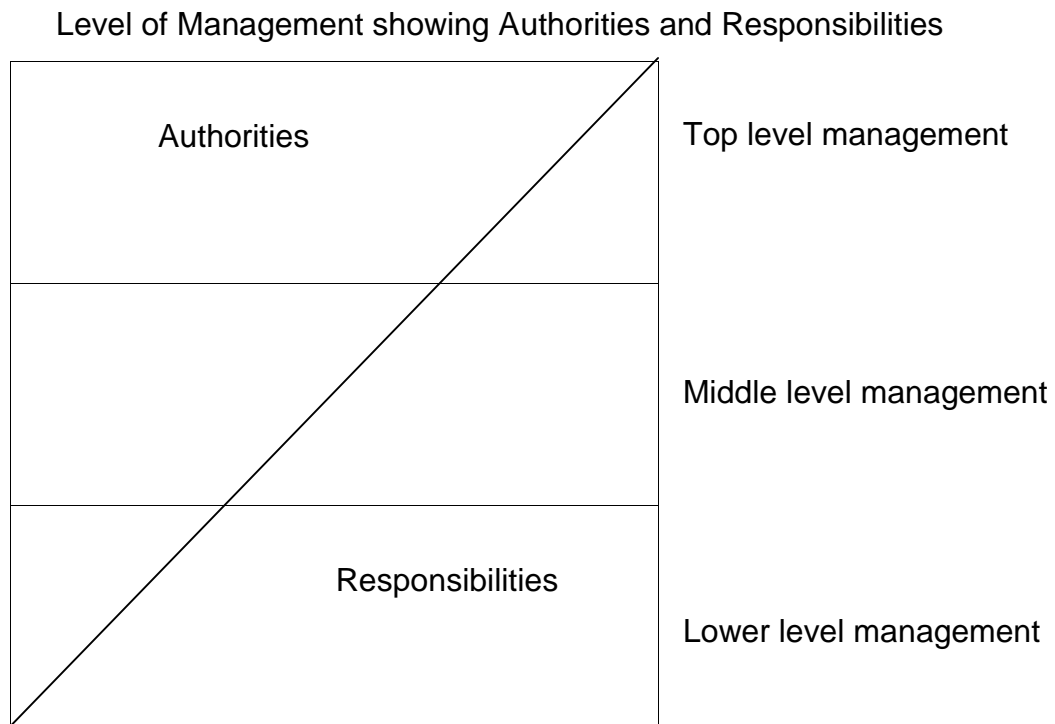
Fig - 4.1



Source: BCM

There is separate sales department and sales Manager is the head of the department assisted with dispatch and transport. Dispatch In-Charge and Transport In-Charge perform their duties on the direction of sales manager. The authorities and responsibilities of different managers of the mills can be presented in the following figures.

Fig- 4.2



Source: Field observation

From the above figure it is clear that the top level management has more authorities less responsibilities whereas the lower level management has more responsibilities less authorities but medium level management has got equality in authorities and responsibilities.

Neither there is a specific rule for the authorities nor are any responsibilities assigned by the mill. The work is done by top level management direction. Authorities and responsibilities are not clear among the staffs. For sales planning and strategy clear direction is provided by top level management and sales officer is the responsible for preparing sales plan but is guided by top level management. So he/she cannot prepare sales plan independently.

4.2.2 Other Relevant Data for Sales Planning:

Sales plan provides basic management decisions for marketing strategies. On the basis of these decisions and strategies the enterprise can develop a comprehensive sales plan. The sales plan is that step which opens the door of financial plans. It is an estimation of sales for a period of time for future. The sales planning is already described under previous chapter.

4.2.2.1 Manufacturing Capacity

BCM does not prepare any detail and sales plan since it is assumed that it can sell any quantity of cement produced. The production of cement depends on production capacity, and the estimation about sales for the next year depends on estimated production. The capacity utilization and net profit of BCM from FY 2060/2061 to 2064/2065 are as follows:

Table No. 4.1

Capacity utilization and net profit of Butwal Cement Mills Pvt. Ltd.

(Annual capacity 72000 M.T.)

| Fiscal year | Actual Production | Net profit (in lakhs) | % of capacity utilization | Remarks |
|-------------|-------------------|-----------------------|---------------------------|---------|
| 2060/2061 | 65910 | 107.30 | 91.54% | |
| 2061/2062 | 67864 | 110.48 | 94.25% | |
| 2062/2063 | 60941 | 99.22 | 84.64% | |
| 2063/2064 | 67023 | 109.31 | 93.08% | |
| 2064/2065 | 65369 | 106.40 | 90.79% | |

Source: BCM

The above table 4.1 shows that in FY 2061/2062 the mill utilized the highest capacity (that is 94.25%) but in FY 2062/2063 the mill utilized the lowest capacity (that is 84.64%) due to strike and mechanical problems.

As compared the capacity utilization with the amount of net profit, there is direct relationship between capacity utilization and net profit. When capacity utilization

increased, the net profit is also increased and when it is decreased it also decreased. It means to increase in profit the mill should increase in capacity utilization.

The capacity utilization of cement factories in Nepal from FY 2060/2061 to 2063/64 are as follows.

Table 4.2
Capacity Utilization of Cement Factories in Nepal

| Fiscal Years | Percentage of capacity Utilized | Remarks |
|--------------|---------------------------------|---------|
| 2060/061 | 39% | |
| 2061/062 | 49% | |
| 2062/063 | 39% | |
| 2063/064 | 42% | |

Source: Economic Survey 2064/65

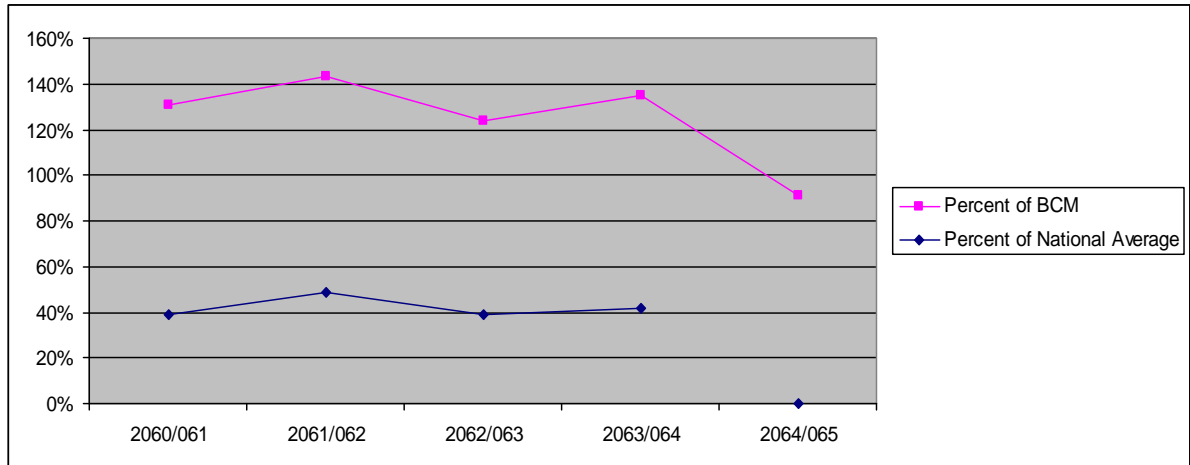
The comparison between BCM and National average of capacity utilization can be presented as follow

Table 4.3
Capacity Utilization Comparison

| Fiscal Years | Percent of National Average | Percent of BCM | Remarks |
|--------------|-----------------------------|----------------|---------|
| 2060/061 | 39% | 91.54% | |
| 2061/062 | 49% | 94.25% | |
| 2062/063 | 39% | 84.64% | |
| 2063/064 | 42% | 93.08% | |
| 2064/065 | - | 90.79% | |

The above table can also be shown in the histogram as follow

Fig - 4.3
Capacity Utilization Comparison



From the above figure, it is clear that when BCM's capacity utilization is compared with national average, the BCM's capacity utilization is better than the national average. It means the mill is able to utilize its capacity more than the national average.

4.2.2.2 Long Term Sales Target & Achievement

Table 4.4

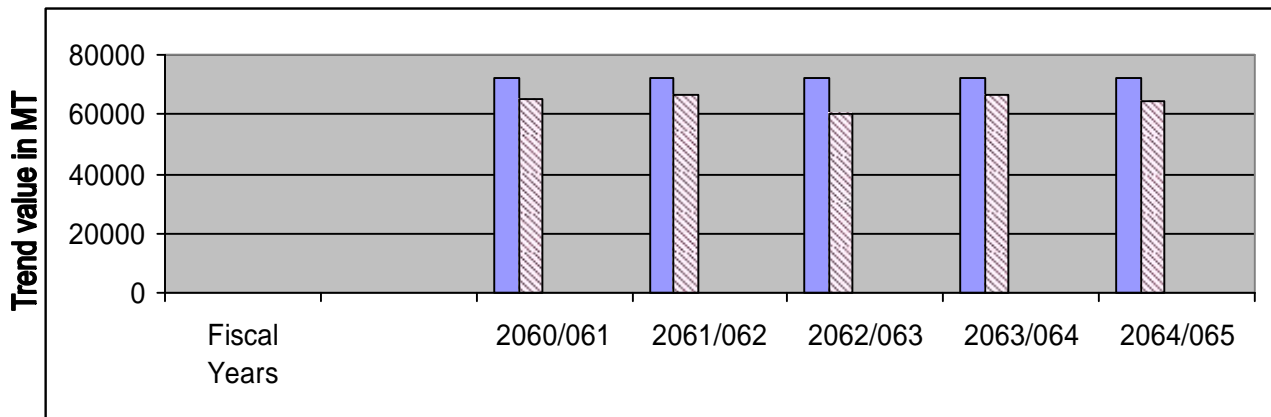
Sales Target & Achievement (in MT)

| Fiscal Years | Target | Achievement | | | | Achievement in Percent | | | |
|--------------|--------|---------------|-----------------|---------------|-------|------------------------|-----------------|---------------|--------|
| | | Nirman Cement | Butwal 55 Extra | Nirman 55 MPA | Total | Nirman Cement | Butwal 55 Extra | Nirman 55 MPA | Total |
| 2060/061 | 72000 | 52078 | 6510 | 6510 | 65098 | 72.33% | 9.04% | 9.04% | 90.41% |
| 2061/062 | 72000 | 53400 | 6675 | 6675 | 66750 | 74.16% | 9.27% | 9.27% | 92.70% |
| 2062/063 | 72000 | 48298 | 6038 | 6037 | 60373 | 67.08% | 8.39% | 8.38% | 83.85% |
| 2063/064 | 72000 | 53449 | 6681 | 6681 | 66811 | 74.23% | 9.28% | 9.28% | 92.79% |
| 2064/065 | 72000 | 51700 | 6463 | 6463 | 64626 | 71.80% | 8.98% | 8.98% | 89.76% |

Source: Sales Department of BCM

The table 4.4 represents the sales target and achievement in MT and percentage achievement of target on product wise basis. In comparison between target and achievement substantial can be observed. The highest sales percent is 92.79 in the FY 2063/064 and the lowest is 83.85 in the FY 2062/063. as compared to the first FY 2060/61, it is increased in the FY 2061/062 but in the FY 2062/063, it is decreased and the 5th FY 2064/065 also the percent is decreased than in the previous years achievement i.e. FY 2063/064. One of the main reasons of fluctuation in achievement is fluctuation on production rather than the demand of the cement. Here the table shows fluctuating trend in sales target and achievement. So, the management is facing difficulties in the estimation in future sales. The deviation between target and achievement indicates poor sales planning. The above table can also be presented in the graph as follow.

Fig - 4.4
Sales Target & Achievement of BCM



The arithmetic means and standard deviation with co-efficient of variation of BCM sales target & achievement for 5 years period from FY 2060/061 to FY 2064/065 from previous table 4.4 are summarized as under.

Table 4.5

Showing Mean, Standard Deviation and Co-efficient of Variation of Sales Target and Achievement

| Particulars | Unit | Sales Target (x) | Sales Achievement (y) |
|--------------------------------|------|------------------|-----------------------|
| Mean \bar{x} | MT | 72000 | 64732 |
| Standard Deviation () | MT | 0 | 1050 |
| Co-efficient of Variation (cv) | % | 0 | 1.62 |

X denotes sales target and y denotes sales achievement. Mean of sales target is 72000 MT and mean of sales achievement is 64732 Mt. there is standard deviation of sales target is zero because there are equal sales target in each year or there is no fluctuation in each year. Only there is fluctuation in sales achievement, standard deviation of sales achievement is 1050 Mt likewise there is co-efficient of variation in sales target is zero and in sales achievement is 1.62%

To find out the correlation between target and actual Karl Person's co-efficient of correlation (r) is determined. For this purpose target figures (x) are assumed to be independent variable, it is assumed that achievement will increase as target increase or decrease there should be positive correlation between target and achievement.

$$\begin{aligned}
 \text{We have correlation (r)} &= \frac{uv}{\sqrt{u^2} \cdot \sqrt{v^2}} \\
 &= \frac{0}{\sqrt{0} \cdot \sqrt{27540638}} \\
 &= 0 \\
 r &= 0
 \end{aligned}$$

The figure of the value of 'r' shows there is zero correlation between target and achievement because there are equal sales target in each FY. It means there is no correlation between target and achievement

We cannot fit a regression line to show the degree of relationship between target and actual sales and to estimate the possible future sales for a given time of year. Time element is an important factor with the passage of time series. Least square method will show the relationship between year and actual sales.

Table 4.6
Time Series Analysis of Sales Fitting Straight Line Trend

| Fiscal Year | Actual Sales (y) | X | Xy | X ² | Y ^c |
|-------------|------------------|------|-----------|---------------------|-------------------------|
| 2060/061 | 65098 | -2 | -130196 | 4 | 64908.6 |
| 2061/062 | 66750 | -1 | -66750 | 1 | 64820.3 |
| 2062/063 | 60373 | 0 | 0 | 0 | 64732.0 |
| 2063/064 | 66811 | 1 | 66811 | 1 | 64643.7 |
| 2064/065 | 64626 | 2 | 129252 | 4 | 64555.4 |
| Total | Ey=323658 | Ex=0 | Exy= -883 | Ex ² =10 | Ey ^c =323658 |

Taking 2062/063 as a base year

We have, Trend line $y^c = a + bx$

Where,
$$a = \frac{y}{n} = \frac{323658}{5} = 64732$$

$$b = \frac{xy}{x^2} = \frac{-883}{10} = -88.3$$

hence, $y^c = 64732 + (-88.3)x$

when $x = -2, -1, 0, +1, +2,$

for FY 2060/061; $y^c = 64732 + (-88.3) \times -2 = 64908.6$

for FY 2061/062; $y^c = 64732 + (-88.3) \times -1 = 64820.3$

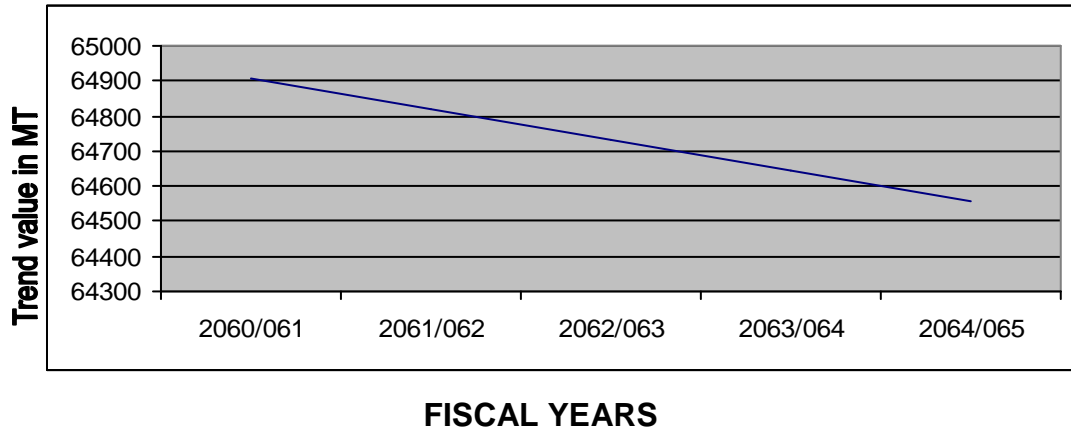
for FY 2062/063; $y^c = 64732 + (-88.3) \times 0 = 64732$

for FY 2063/064; $y^c = 64732 + (-88.3) \times +1 = 64643.7$

for FY 2064/065; $y^c = 64732 + (-88.3) \times +2 = 64555.4$

for FY 2065/066; $y^c = 64732 + (-88.3) \times +3 = 64467.1$

Fig - 4.5
Trend Line of BCM's Sales

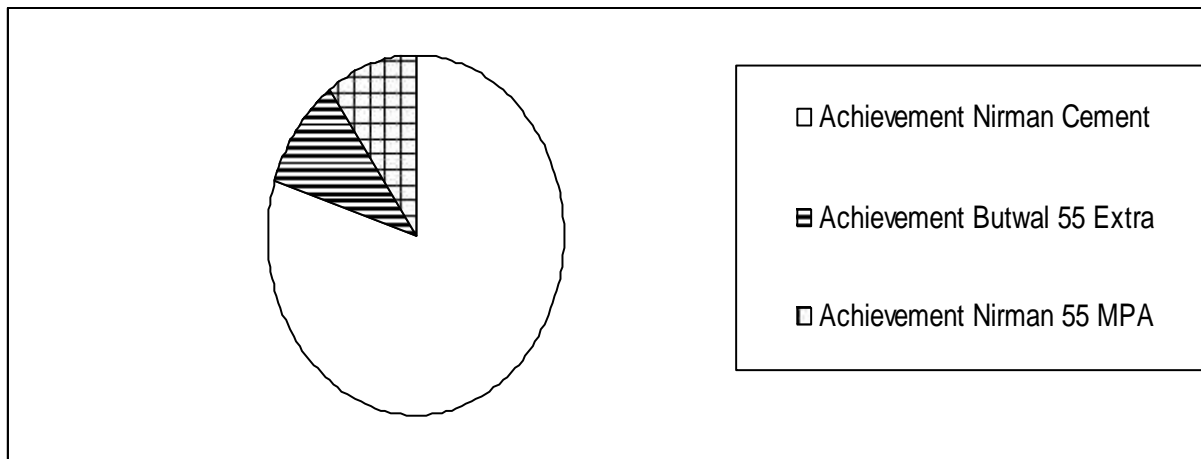


The trend line shows the negative sales figure -88.3 that will decrease the sales every year if sales trend of past year continue for future. The trend value of FY 2065/066 is estimated 64467.1 MT

Another tools pie chart can also be used to present the sales achievement on product wise basis which is shown as below:

Figure -4.6
Pie-Chart

Sales Achievement on Product wise basis



The figure No. 4.6 shows that the product Nirman Cement has higher demand than the other two products. The ration of Nirman Cement is 80% whereas the

ratio of other two products is 10% each. It means the mill should give more priority to Nirman Cement than other products for sales.

In the conclusion the following points can be pointed out;

1. The actual sales are fluctuating from year to year than the target
2. Sales achievement is below than sales target.
3. The trend line shows the negative sales figure for future.
4. There is no co-relation between target and actual sales.
5. There is high sales demand of Niraman Cement than other two products.

4.2.2.3 The Trend of Seasonal Sales Analysis of 2064/065

Table No 4.7

Seasonal Trend Sales of 2064/065 (by month)

| Details/Month | Achievement in MT | Seasonal Trend in % |
|-----------------------------------|-------------------|---------------------|
| Shrawan | 3554 | 5.50% |
| Bhadra | 4446 | 6.88% |
| Ashoj | 5319 | 8.23% |
| Kartik | 6036 | 9.34% |
| Total for 1 st Quarter | 13355 | 29.95% |
| Mangsir | 6036 | 9.34% |
| Poush | 4756 | 7.36% |
| Magh | 5681 | 8.79 |
| Falgun | 6139 | 9.5% |
| Total for Second quarter | 22612 | 34.99% |
| Chitra | 6036 | 9.34% |
| Baisakh | 5506 | 8.52% |
| Jeth | 5739 | 8.88% |
| Ashar | 5378 | 8.32% |
| Total of 3 rd Quarter | 22659 | 35.06% |
| Grand Total | 64626 | 100% |

Source: BCM Sales Department

Here table 4.7 presents the seasonal sales trend for the FY 2064/065. There is decrease in sales in the month of Shrawan i.e. 5.5% only because of rainy season and general maintenance time. The sales are 8.32% in the month of Ashar 2065.

The maximum sales trend percent is 9.5% of Falgun for the FY. The second highest seasonal sales trend percent is 9.34% on Kartik, Mangsir and Chitra for the FY. Because of the high demand cement are also taken from the stock from the sales. The trend of sales for the rest months is also good.

The observation four months seasonal variation of sales, the 3rd fourth month seasonal trend percent has 35.06%, which is the highest seasonal sales trend percent and the months included Chitra, Baisakh, Jeth & Ashar. The 2nd Fourth month seasonal sales trend percent is 34.99%. the 1st Fourth month seasonal sales trend percent is 29.95% i.e. the lowest seasonal sales trend percent and months included Shrawan, Bhadra, Ashoj and Kartik

4.3 Pricing Policy:

As per the senior executive of BCM, sales price is determined either by using cost oriented or market price method as per necessity. In cost oriented price method, price is determined on the basis of production cost in current goods or service. When price is determined on the basis of keeping in view the competitive market price, it is called competition oriented or market price method.

Generally it is the selling price of the product which is determines the profitability of the company.

$$\text{Price (p)} = \frac{TC \Gamma PM}{X}$$

Where, p= desired or anticipated price

Tc = Total estimated cost

Pm = Desired profit margin

X = Target outputs

So this is the price that business organization charges in order to cover all costs as well as desired margin of profit too.

The price list of BCM in various fiscal years is as follow:

Table 4.8
Price list for various FY of BCM

| Fiscal Years | Price list (Rs. Per bag) |
|--------------|--------------------------|
| 2060/61 | 275 |
| 2061/62 | 300 |
| 2062/63 | 350 |
| 2063/64 | 450 |
| 2064/65 | 475 |

Source: BCM

The mill is producing three kinds of products. They are Nirman Cement with 43 and 53 grades, Butwal 55 Extra and Nirman 55 MPA and the mill has adopted the same price policy for all kinds of products whether they are with 43 or 53 grades because of the competition and the demand of the customers.

From the above, it is found that the company has not clear cut price policy. It is depended either on competition or on demand of the cement.

Since production is important for BCM, we can make the comparison between actual sales and actual production.

Table 4.9
Actual Production & Actual Sales of BCM

| FY | Actual Production in MT | Actual Sales in MT | Closing inventory |
|---------|----------------------------|-----------------------|-------------------|
| 2060/61 | 65910 | 65098 | 812 |
| 2061/62 | 67864 | 66750 | 1926 |
| 2062/63 | 60941 | 60373 | 2494 |
| 2063/64 | 67023 | 66811 | 2706 |
| 2064/65 | 65369 | 64626 | 3449 |
| Total | 327107 | 323658 | 3449 |

Source: BCM

The average production of BCM is

$$= \frac{327107}{5} \times 65421.4 \text{ MT per year}$$

Whereas the average monthly production is

$$= \frac{65421.4}{12} \times 5421.78 \text{ MT per year}$$

The average closing stock of cement is

$$= \frac{3449}{5} \times 689.80 \text{ MT per year}$$

From the above we can say that the volume of closing stock is nominal and to fulfill the shortage of goods caused due to various reasons; the mill has adopted the policy of keeping the closing stock of goods.

The product wise actual production of BCM can be presented in the following table as follow;

Table 4.10
Product wise production of BCM (in MT)

| Fiscal Year | Products | | | Total |
|-------------|---------------|-----------------|---------------|--------|
| | Nirman cement | Butwal 55 Extra | Nirman 55 MPA | |
| 2060/061 | 52728 | 6591 | 6591 | 65910 |
| 2061/062 | 54291 | 6786 | 6787 | 67864 |
| 2062/063 | 48753 | 6094 | 6094 | 60941 |
| 2063/064 | 53618 | 6703 | 6702 | 67023 |
| 2064/065 | 52295 | 6537 | 6537 | 65369 |
| Total | 261685 | 32711 | 32711 | 327107 |

Source; BCM production department

The table 4.10 shows that there is high demand of Nirman cement than the other products. On the basis of demand and price we can say that to increase the profitability of BCM, it should give the priority on the production of Nirman cement

than other products because it has covered the 80% production in share in total whereas other two products have 10% only production in shares respectively.

Table 4.11

Time series analysis of production Fitting straight trend line

| FY | Actual Production (y) | X | X y | X ² | y ^c |
|----------|-----------------------|-----|-----------|--------------------|----------------|
| 2060/061 | 65910 | -2 | -131820 | 4 | 65806.0 |
| 2061/62 | 67864 | -1 | -67864 | 1 | 65613.7 |
| 2062/63 | 60941 | 0 | 0 | 0 | 65421.4 |
| 2063/64 | 67023 | 1 | 67023 | 1 | 65229.1 |
| 2064/65 | 65369 | 2 | 130738 | 4 | 65036.8 |
| Total | y=327107 | x=0 | xy= -1923 | x ² =10 | yc=327107 |

Taking 2062/063 as a base year

We have, Trend line $y^c = a + bx$

$$\text{Where, } a = \frac{y}{n} = \frac{327107}{5} = 65421.4$$

$$b = \frac{xy}{x^2} = \frac{-1923}{10} = -192.3$$

$$\text{hence, } y^c = 65421.4 + (-192.3)x$$

when $x = -2, -1, 0, +1, +2,$

$$\text{for FY 2060/061; } y^c = 65421.4 + (-192.3) \cdot -2 = 65806.0$$

$$\text{for FY 2061/062; } y^c = 65421.4 + (-192.3) \cdot -1 = 65613.7$$

$$\text{for FY 2062/063; } y^c = 65421.4 + (-192.3) \cdot 0 = 65421.4$$

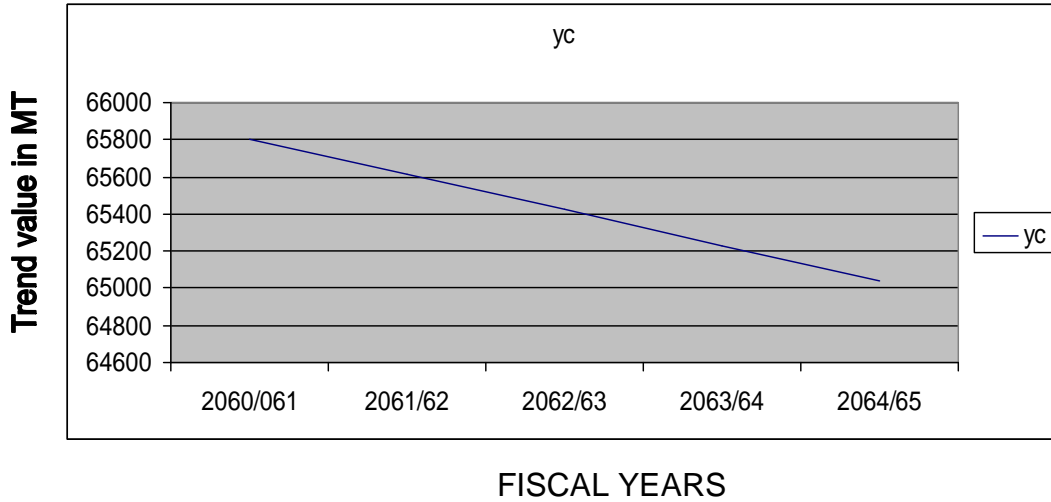
$$\text{for FY 2063/064; } y^c = 65421.4 + (-192.3) \cdot +1 = 65229.1$$

$$\text{for FY 2064/065; } y^c = 65421.4 + (-192.3) \cdot +2 = 65036.8$$

$$\text{for FY 2065/066; } y^c = 65421.4 + (-192.3) \cdot +3 = 64844.5$$

Fig - 4.7

Trend Line of Production of BCM



The trend Line shows negative production figure i.e, -192.3 that will decrease the production every year if production Trend has past year continue for future. The estimated trend value for 2065/065 is 64844.5 MT.

As compared to the total production, the share of BCM in cement production can be shown in table as follow for FY 2062/063 and FY 2063/064

Table 4.12

Share of BCM in Cement Production

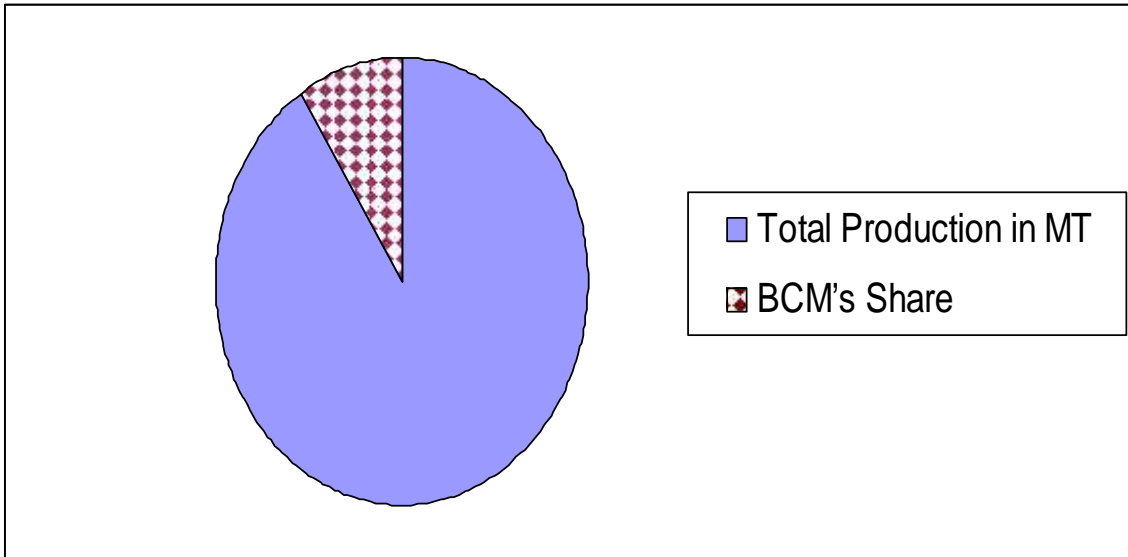
| FY | Total Production in MT | Production of BCM in MT | BCM's Share |
|----------|------------------------|-------------------------|-------------|
| 2062/063 | 613643 | 60941 | 9.93% |
| 2063/064 | 670098(estimated) | 67023 | 10% |

Source: Economic Survey of FY 2064/065

The table 4.12 shows the share of BCM in total production. In FY 2063/064 the BCM's share 9.93% and in 2063/064 its share is 10% it shows that in total or

national production the contribution of BCM is near about 10%. It also can be shown in diagram as follow.

Fig - 4.8
Share of BCM in Total Production



The arithmetic means and standard deviation with co-efficient of variation of BCM's actual sales and actual production for five years period from FY 2060/061 to 2064/065 from previous table are summarized as under.

Table 4.13
Showing Mean, Standard Deviation and Co-efficient of Variation of Actual Sales and Production

| Particulars | Units | Actual Production (x) | Actual Sales (y) |
|--------------------------------|-------|-----------------------|------------------|
| Mean (\bar{x}) | MT | 65421.4 | 64731.6 |
| Standard Deviation () | MT | 1074.19 | 1049.58 |
| Co-efficient of Variation (cv) | % | 1.64% | 1.62 |

X denotes actual product when y denotes actual sales. Mean of actual production is 65421.4 and actual sales is 64731.6 MT. there is standard deviation of actual production is 1074.19 MT and actual sales is 1049.58 MT. because there is fluctuation in both actual production and actual sales. Likewise there is co-efficient of variation in actual production is 1.64% and actual sales is 1.62%.

To find out co-relation between actual sales and actual production Karl's Persons co-efficient of co-relation (r) is determined for this purpose actual production figure (x) are assumed be to independent variable and actual sales figure (y) are assumed to be dependent variable.

$$\begin{aligned} \text{We have correlation (r)} &= \frac{uv}{\sqrt{u^2} \cdot \sqrt{v^2}} \\ &= \frac{27973338}{\sqrt{28846878} \cdot \sqrt{27540638}} \\ &= 0.99 \\ r &= 0.99 \end{aligned}$$

The figure of the value of 'r' shows there is highly positive correlation between actual production and actual sales i.e. +0.99 it means actual production and actual sales move in the same direction. When actual production is increased, the sales also be increased and when actual production is decreased, the sales also will be decreased. To increase the profitability the mill should try to increase in the production.

4.4 Break Even Analysis

The cost structure of BCM for the FY 2064/065 is as follow

| <u>Variable cost</u> | <u>Rs. Per bag</u> |
|---|--------------------|
| Raw materials | 303 |
| Others (production wages, packing materials, fuel & power etc.) | <u>34</u> |
| Total variable cost | <u>337</u> |

| <u>Fixed cost</u> | <u>Rs.</u> |
|------------------------------|-------------------------|
| Salary and Employ's benefit | 56952000 |
| Administrative Expenses | 32544000 |
| Depreciations | 16272000 |
| Repairs & Maintenance | 8136000 |
| Others (insurance, rent etc) | <u>48816000</u> |
| Total fixed cost | <u><u>162720000</u></u> |

Variable cost of BCM is Rs. 337 per bag and total fixed cost is Rs. 162720000 and BCM has Rs. 475 per bag selling price for the FY 2064/065 (Table No. 4.8)

$$\text{BEP in volume} = \frac{\text{fixed cost}}{\text{selling price} - \text{variable cost}} = \frac{162720000}{475 - 337}$$

$$= 1179130 \text{ bags}$$

or

58957 MT

The annual capacity of BCM is 72000 MT on three shifts per day.

The analysis shows that;

The full capacity of BCM is 72000 MT or 14400000 bags annually whereas BEP is 58957 MT or 1179130 bags per year.

Butwal Cement Mills has only the 13043 MT as margin of safety when it operates in full capacity.

On the basis of above analysis we can say that Butwal Cement Mills has the following two options to earn profit. They are

- 1 Either selling price has to be increased or
- 2 Capacity has to be increased.

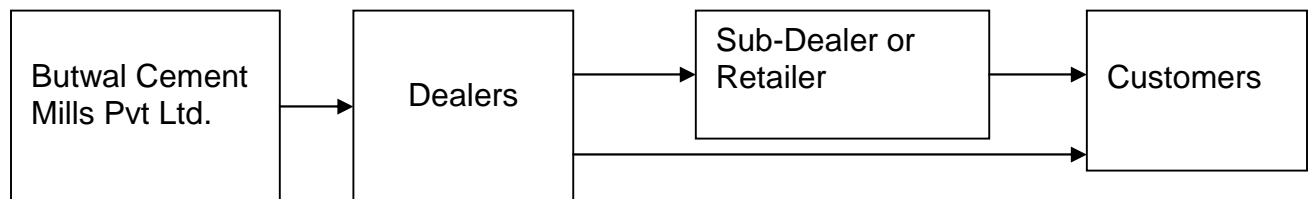
The above analysis shows the importance of production plan rather than sales plan to earn profit by the mills.

4.5 Market Segmentation & Channel of Distribution

BCM produces construction goods. Unlimited and unknown customers are there. The channel of distribution of Butwal Cement Mills Pvt. Ltd .is as follow:

Fig - 4.9

Channel of Distribution



Source: Field Observation

From the above figure, it is clear that when the factory produces goods it sales the goods to dealers and dealers have two options for selling goods. Dealers either directly sales to customers or sales to customers through sub dealers or retailers.

Butwal Cement Mills Pvt. Ltd has inland market segmentation only. The main market of this mill is all over the Nepal. Especially its markets are Butwal, Waling, Syangja, Pokhara, Chitwan, Nawalparasi, Kathmandu, Hetauda. Sales are made trough dealers only. It means the company does not sales goods to customers directly.

As per the unpublished documents of BCM, the mill has been providing the regular business to twenty five dealers, which are in different parts of the country. Dealers purchase goods from mills and sales to customers by adding some profit margin. Dealers can be determined the selling price as per the demand of cement themselves. It means the mill does not interfere to the dealers for

determining the selling price. The numbers of dealers of BCM are presented in the table as follow.

Table No 4.14
Numbers of Dealers of BCM

| S.N. | Places | No. of Dealers |
|------|------------|----------------|
| 1 | Kathmandu | 12 |
| 2 | Butwal | 2 |
| 3 | Walling | 1 |
| 4 | Syangja | 1 |
| 5 | Pokhara | 5 |
| 6 | Chitwan | 1 |
| 7 | Parasi | 1 |
| 8 | Hetauda | 1 |
| 9 | Bhairahawa | 1 |
| | Total | 25 |

Source; BCM sales department

The above table shows that the highest no. of dealers in Kathmandu i.e.12, the second highest no. of dealers in Pokhara i.e. 5 and then in Butwal. Except these places there is one dealer in no. in other places.

It is clear that Kathmandu is the main market of BCM because there are 12 dealers and the second main market is Pokhara. The major market of this mill is in hilly regions.

4.6 Sales Elements

In context of our country the major elements of sales planning are management policies and assumptions, marketing plans, advertising and promotion plan and distribution expense plans etc.that can be shown as below.

Table No.4.15
Showing the elements of sales planning

| S.N. | Elements |
|------|---|
| 1 | Management policies and assumptions |
| 2 | Marketing plans (sales and service revenue) |
| 3 | Advertising and promotion plan |
| 4 | Distribution (selling) expenses plan |

Since the output of BCM is construction goods cement, the demand of cement is depended on the numbers of customers, dealers and the population growth. The assumption of BCM for sales is as follow.

- a) Sales forecasting is not necessary because the demand of cement is not fulfilled.
- b) There is little extent of seasonal variability on demand, mainly on rainy season the demand is low than other seasons.
- c) BCM assumes that production is important than sales, it can easily sell whatever/ how much it produces.

Neither any approaches nor any practice of sales forecasting exists in BCM. Neither there is proper record of sales detailed by product, by market nor is the responsibilities assigned for sales forecasting and sales planning. It means the production capacity, actual production and actual sales of past years and competition are the important factors for effective sales forecasting of BCM.

4.7 Major Findings;

- 1 The organizational structure of sales department of BCM includes BOD, Director, Sales Manager, Dispatch In-charge and Transport In-charge.
- 2 The sales channel of BCM is dealers to customers or dealers, sub dealers (retailers) to customers.
- 3 Except FY 2062/63, the mill is able to use more than 90% production in full capacity.
- 4 In each year, actual production is higher than actual sales because the mill has adopted the policy to maintain average 700 MT in closing stock.
- 5 Out of the 3 products (Nirman cement, Butwal 55 Extra and Butwal 55 MPA), Nirman cement has the highest demand and others have low demand.
- 6 There is no co-relation between target and actual sales because the value of “r” shows zero correlation.
- 7 Actual sales achievement is below than the targeted sales because the mean of sales target is 72000 MT whereas the mean of sales achievement is 64732 MT.
- 8 Sales manager is responsible to prepare overall sales plan but is guided by top level management. Therefore, he can not prepare sales plan independently.
- 9 There is positive co-relation between sales and production because the value of “r” shows highly positive correlation (i.e. +0.99)
- 10 BEP of BCM is 58957 MT per year and its annual capacity is 72000 MT per year. The margin of safety of the mill is satisfactory i.e.13043 MT per year which shows the good performance of BCM in terms of profit.
- 11 Forecasting for sales, production and inventories etc. are based on traditional methods.
- 12 Production capacity, actual production and actual sales of past years and competition are the major elements of sales forecasting.

CHAPTER-V

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

A planned and systematic system produces better results than an unplanned and unsystematic one. A planned and systematic approach means a clear definition of the task to be done to achieve a given objective.

Planning is an approach to manage the organization to increase its effectiveness, flexibility and accountability through examination of the future, the organization can challenge convention and tradition and devise new and better ways of doing things.

Sales planning process is a necessary part of profit planning and control (PPC). Business organization depends on sales for existence and sales are an important aspect of the business organization. It is assumed that only the planned action can produce desired result. Therefore business organization needs to prepare sales plan.

Sales plan is the basic plan of the business organization. On the basis of planned sales units/volumes resources are managed. It is the basis to determine how much units are to be produced, how much units are to be held inventory, how many employees are required and so on.

Marketing strategies, policies, promotion strategies, pricing policies etc. depend on sales plan and ultimately the net profit for the coming years are also estimated on the basis of sales plan.

The objectives of this study are to highlight the current practice and application of sales planning system in Nepalese manufacturing enterprises. For this purpose the researcher has selected Butwal Cement Mills as a sample organization.

The Butwal Cement Mills Pvt. Ltd. established in 2056 B.S. as a private company and it is situated in Swathi Village Development Committee, ward no.4 of Lumbini zone of Nawalparasi district.

In this study, an attempt has been made to find out the degree of application of sales planning in BCM with analysis of its production, sales target and achievement etc. Review of relevant literatures have been made to ascertain the scope of the study. This study is designed under descriptive and quantitative methods.

In this study, statistical tools like tabulation, time series analysis, different forecasting tools, planning approaches, and mathematical tools like percentage are used. This study covers the data from FY 2060/61 to 2064/65.

5.2 Conclusion

Conclusively, it can be stated that there is no specific measurable, agreed upon realistic and time framed goals. Objectives of BCM are not clearly defined. This research has particularly found that this mill has not applied any policy for segregation of cost into fixed as well as variable costs. There is no practice of planning approach of management and no any perfect sales policy or sales planner, as a result the mill has not able to meet the target sales. Target sales are always greater than actual sales.

Because of inefficiency of management and lack of skilled production, the mill has not utilized its full capacity. There is communication gap between top level employee and lower level. The decisions and policies are made only by top level management and the work is done by the lower level employee as per the direction provided by top level. It would be beneficial to manage according to the recommendation given below.

5.3 Suggestion & Recommendation

On the basis of BCM's analysis of target and actual result of production and sales. Capacity utilization etc. the following suggestions are recommended.

1. The objective of BCM should be clearly defined.
2. For the better performance planning approaches of management should be implemented. A separate planning section is a must in Nepalese manufacturing enterprise like BCM.
3. Capacity utilization is the important element of sales planning. To make more and reasonable profit BCM should try to utilize maximum of its capacity.
4. If the performance is to be measured on the basis of amount of profit earned; the following price determination formula may be applicable.

$$\text{Desired Price} = \frac{\text{Total estimated cost} + \text{Desired profit}}{\text{Target output or target sales unit}}$$

Clear pricing policy is essential for BCM

5. BCM has to consider the production plan which is prepared on the basis of production capacity, percentage utilization of capacity and break even analysis.
6. Sales budget should be prepared on the realistic ground.
7. Participative management approach should be introduced in formulation of plans, policies and decision making process of the mill.
8. Only the trend analysis of past sales isn't enough to estimate future sales. Therefore the top level management of BCM should be aware about the commitment of the employee as well as the participatory management

principle is to be applied on overall planning and they must be aware about planned action that can produce desire result.

9. There should be as democratic style of management while formulating plans, policies for the mills. The lower level management should be highly encouraged in profit planning and similarly. There should be proper communication to all level of management about the tactical and strategic plan of the mill to run effectively.

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APPENDIX-1

Personal Information:

Name:

Age:

Marital Status: (a) Married (b) Unmarried

Sex: (a) Male (b) Female

Position:

Name of the Enterprise:

Address:

Research Questionnaire

Please **Tick** the one for options which is closest to your opinion.

- 1 No. of employees (Please, mention)
- 2 Is there practice of preparing sales plan?
 - a. yes
 - b. no
- 3 Who prepares sales plan? (Please, mention)
.....
- 4 By which process the sales planning is prepared?
 - a. long term
 - b. short term
- 5 How much is its production capacity? (Please, mention)
.....
- 6 From where the raw materials are imported?
 - a. inland
 - b. foreign
 - c. others
- 7 Where is the market of its products?
 - a. inland
 - b. foreign

- 8 Which sales channel is used?
a. factory – customers
b. factory – dealers – customers
- 9 How much is its annual cost? (Please, mention)
.....
- 10 How much is its annual profit? (Please, mention)
.....
- 11 Are the production and sales in full capacity?
a. yes
b. no
- 12 What is the method used in pricing? (Please, mention)
.....
- 13 Is there practice of preparing annual sales budget?
a. yes
b. no
- 14 What do you think about the role of BCM in the context of national economic development? (Please, mention)
.....
.....
.....
- 15 What actions are taken by this mill to get success in the industrial globalization? (Please, mention)
.....
.....
.....

APPENDIX – 2

Butwal Cement Mills Pvt. Ltd.

Sales Report of Various Fiscal Years (in M T)

| Fiscal Years | Nirman Cement | Butwal 55 Extra | Nirman 55 MPA | Total |
|--------------|------------------|--------------------|------------------|---------------|
| 2060/061 | 52078 | 6510 | 6510 | 65098 |
| 2061/062 | 53400 | 6675 | 6675 | 66750 |
| 2062/063 | 48298 | 6038 | 6037 | 60373 |
| 2063/064 | 53449 | 6681 | 6681 | 66811 |
| 2064/065 | 51700 | 6463 | 6463 | 64626 |
| Total | 258925 | 32367 | 32366 | 323658 |

APPENDIX – 3

Butwal Cement Mills Pvt. Ltd.

Profit and Loss Report of Various Fiscal Years (in Rs)

(in lakhs)

| Fiscal Years | Net Profit | Net Loss |
|--------------|------------|----------|
| 2060/61 | 107.30 | - |
| 2061/62 | 110.48 | - |
| 2062/63 | 99.22 | - |
| 2063/64 | 109.31 | - |
| 2064/65 | 106.40 | - |

APPENDIX – 4

Butwal Cement Mills Pvt. Ltd.

Product wise Production Report of Various Fiscal Years (in MT)

| Fiscal Year | Products | | | Total |
|-------------|------------------|-----------------|---------------------|---------------|
| | Nirman cement | Butwal Extra | 55 Nirman MPA | |
| 2060/061 | 52728 | 6591 | 6591 | 65910 |
| 2061/062 | 54291 | 6786 | 6787 | 67864 |
| 2062/063 | 48753 | 6094 | 6094 | 60941 |
| 2063/064 | 53618 | 6703 | 6702 | 67023 |
| 2064/065 | 52295 | 6537 | 6537 | 65369 |
| Total | 261685 | 32711 | 32711 | 327107 |

APPENDIX – 5

Butwal Cement Mills Pvt. Ltd.

Price list for various FY of BCM

| Fiscal Years | Price list (Rs. Per bag) |
|--------------|--------------------------|
| 2060/61 | 275 |
| 2061/62 | 300 |
| 2062/63 | 350 |
| 2063/64 | 450 |
| 2064/65 | 475 |