

SUB : DEFRAUDING ACTIVITIES BY SOME CORPORATE HOUSES ENGAGED IN – [MANUFACTURING & BRANDING OR ONLY BRANDING – OF CONSUMER PRODUCTS AND THEREAFTER SUBSEQUENT DISTRIBUTION OF SUCH BRANDED CONSUMER PRODUCTS, THROUGH SALES ASSOCIATES AND CONSEQUENTLY SOLD THROUGH RETAIL OUTLETS].

THE HON'BLE MINISTER,
MINISTRY OF CORPORATE AFFAIRS,
GOVT. OF INDIA.

RESPECTED SIR,

THE UNDER MENTIONED COMMUNICATION OF MINE IS TO BRING, TO THE NOTICE OF YOUR MOST HONOURABLE AND DIGNIFIED CHAIR THE MODUS OPERANDI, OF MANY **(NOT ALL)** CORPORATE HOUSES, WHO ARE ENGAGED IN THE ACTIVITY OF - EITHER MANUFACTURING AND BRANDING OR ONLY BRANDING AND SUBSEQUENTLY SELLING THE BRANDED PRODUCT FOR END USER CONSUMPTION, THROUGH DISTRIBUTION PARTNERS **(AS INTERMEDIARIES)** - IT IS THESE INTERMEDIARIES WHICH HELP REACH THE PRODUCTS TO RETAIL OUTLETS. THE RETAIL OUTLETS IN TURN HELP REACH THE PRODUCT TO END USERS **(WHO ARE ALSO CATEGORISED AS CONSUMERS) !!**

THE MATTER BEING SPECIFICALLY MENTIONED RELATES TO THE TELECOM SECTOR, WHICH HAS PRODUCTS NAMELY - PREPAID MOBILE CONNECTION CARDS, PREPAID RE CHARGE VOUCHERS, MOBILE HANDSETS & MOBILE ACCESSORIES.

INDIA BEING A HIGH GROWTH MARKET - MULTIPLE NEW MANUFACTURERS, WITH MULTIPLE NEW PRODUCTS, HAVING MULTIPLE BRAND NAMES ARE MAKING A BEE LINE ON INCREASED FREQUENCY !!

A]] THE MODUS OPERANDI IS AS FOLLOWS !!

1]] ONCE THE PRODUCT TO BE MARKETED IS READY, "**EITHER BY VIRTUE OF SELF MANUFACTURING OR BY MEANS OF VENDOR SOURCING**" - THE ORGANISATION PUTS IN PLACE A MARKETING AND SALES TEAM AND THEREAFTER A MARKETING INITIATIVE IS TAKEN, BY INITIATING LARGE SCALE ADVERTISING ACTIVITY AIDED BY A MULTI DIMENSIONAL MARKETING CAMPAIGN LIKE - ROAD SHOWS, SAMPLING, MYSTERY CONSUMER AMONG MANY OTHERS !!

2]] ALONGSIDE THE PROMOTIONAL BLITZ, ADVERTISEMENTS, FOR APPOINTING TRADE PARTNERS (**INTERMEDIARIES**) FOR THE BUSINESS TO BUSINESS FORMAT LIKE - C&F, SALES ASSOCIATES (DISTRIBUTORS), EXCLUSIVE RETAILERS – ARE ROLLED OUT !! HOWEVER IF THE ORGANISATION IS A LARGE ONE, THEN SINCE THEY HAVE THEIR OWN DEDICATED INFRA STRUCTURE IN PLACE, THEY DO AWAY WITH C&F WHILE SOME ALSO DO AWAY WITH EXCLUSIVE OUTLETS, BUT APPOINTING TRADE SALES ASSOCIATES (**INTERMEDIARIES**) IS A COMPULSORY TRADE PRACTICE.

IF THE BRAND IS NEW AND NON ESTABLISHED, THEN GOOD MARGINS ARE OFFERED TO THE DISTRIBUTING ENTITIES AND THE STOCKING NORMS ARE RELAXED (**HOWEVER SINCE THE BRAND IS NON ESTABLISHED THE BENEFIT OF EXTRA MARGIN GETS ABSORBED, INTO THE HIGH SELLING COSTS INCURRED BY THE INTERMEDIARY ALONGWITH THE COST OF HOLDING SLOW MOVING STOCKS**) AND HUGE COMMITMENTS ARE VERBALLY MADE, TOWARDS THE FUTURE GROWTH OPPORTUNITIES WHICH WILL BE AVAILABLE TO - PERFORMING AND LOYAL PARTNERS, BUT NO SOONER THE DISTRIBUTION CHANNEL IS PUT IN PLACE AND THE DISTRIBUTING ENTITY BUILDS A CREDIBLE EXPOSURE LIKE - "**INVESTMENT IN STOCKS AND MARKET CREDIT ALONG WITH ADDITIONAL INVESTMENT IN INFRASTRUCTURE**", THE TERMS OF THE BUSINESS START CHANGING - "**MARGINS ARE PRUNED DRASTICALLY, THE STOCKING NORMS STAND CHANGED AND THERE IS DEMAND TO PUT ADDITIONAL INFRASTRUCTURE AND EVEN TRADE CLAIMS WHICH ACCRUE ON ACCOUNT OF DAMAGED STOCKS OR TRADE DISCOUNTS EXTENDED TO RETAILERS (ON BEHALF OF THE PRINCIPAL) ARE KEPT PENDING FOR PERIODS WHICH ARE BY FAR MORE THAN THE NORMALLY COMMUNICATED TRADE NORMS**" !! THE NEW TERMS ARE SO VERY IRRATIONAL THAT, IMPLEMENTING THEM WILL LEAD TO COMPLETE FINANCIAL COLLAPSE OF THE DISTRIBUTING ENTITY AND ON PRETEXT OF NON

ADHERENCE TO THE NORMS OF THE PRINCIPAL ORGANISATION, THE PRINCIPAL ENTITY ALLOCATES PART OR THE FULL TERRITORY OF THE OLD PARTNER TO A NEW ENTITY, THEREBY CAUSING NON REPAIRABLE LOSS TO THE DISTRIBUTING PARTNER **(BY HOLDING THE HANDS OF WHOM THE PRINCIPAL ENTITY HAD GAINED FOOT HOLD OF THE MARKET) !!**

OLD INTERMEDIARIES WHO ARE ASSOCIATED WITH PRINCIPAL ORGANISATION, FROM THE INITIATION - FACE DIFFERENT AND DIFFICULT CIRCUMSTANCES IN SEVERAL DIMENSIONS WHICH ARE DIFFERENT FROM WHAT IS FACED BY NEW INTERMEDIARIES (WHO ASSOCIATE AFTER THE BRAND STABILIZES) AND HENCE OUGHT TO BE TREATED DIFFERENTLY WHICH INVARIABLY IS A FAVOURABLE TREATMENT !!

****THE DOUBLE BLOW OF BOTH MARGINS AND TURNOVER BEING REDUCED, CAUSES A HUGE BLOW TO THE SMALL NON SUSPECTING TRADER WHO IS JUST A AAM VYPARI AND A AAM ADMI TOO.**

3]] THE NEXT TO NEXT STAGE IS THE ONE - WHICH IS POST STABILITY OF THE PRODUCT !!

THE SALES TEAM OF THE PRINCIPAL ENTITY IS GIVEN A FREE HAND TO DRIVE THE SALES AND BUILD UP DISTRIBUTION INFRA STRUCTURE AND HUGE INCENTIVES ARE LINED UP BOTH IN TERMS OF FINANCIAL REWARDS AND ALSO LUCRATIVE FOREIGN TRIPS AMONG MANY OTHERS AND BY THEN THE BRAND ALSO BUILDS SOME REPUTATION IN THE MARKET.

THE SALES TEAM IN LURE OF THE INCENTIVES AMONG WHICH JOB SECURITY ALSO STANDS INCLUDED, GOES ALL OUT TO DRIVE SALES AND AMONG OTHER INITIATIVES, MAKES BASELESS COMMITMENTS TO PROPOSED NEW ENTITIES ABOUT THE PROSPECTS WITH THE PRINCIPAL ENTITY AND ONCE THE NEW

INTERMEDIARY IS ENROLLED AND HIS INPUTS FULLY DEPLOYED, THE SAME GAME OF IMPOSING NEW TERMS AND CONDITIONS AS WAS DONE WITH THE **(INITIAL INTERMEDIARY)** BEGINS AND THEREAFTER AFTER A CERTAIN PERIOD THE AREA OF THIS ENTITY TOO IS CURTAILED OR FULLY ALLOTTED TO A NEW ENTITY !!

****IN OUR COUNTRY WHERE NEARLY (50%) OF POPULATION IS ILLITERATE SINCE AMONG THE LITERATE TOO, MAJORITY BARELY ARE ABLE TO PUT THEIR SIGNATURES AND LEGAL STRUCTURE BEING WEAK COUPLED WITH LOW LEGAL AWARENESS, IT IS VERY EASY TO IMPRESS UPON THE GENERAL NON AWARE AND NON SUSPECTING POPULATION, BY ECLIPSING THEIR MIND WITH THE CLOUD OF THE BRAND REPUTATION AND THEREAFTER PROMOTE SELF INTEREST IN MOST NON ETHICAL AND CRIMINAL MANNER, BY EXECUTION OF CRIMINAL STRATEGIES DESIGNED AND MONITORED IN THE BOARD ROOM.**

4]] AMONG THE ABOVE MENTIONED CATEGORY ARE ALSO ORGANISATIONS WHICH ROLL OUT SUB STANDARD PRODUCTS AND EXTEND ABNORMAL WARRANTIES AND/OR GUARANTEES, TO JUSTIFY THE GENUINITY OF THE PRODUCT - SELLS OUT THE PRODUCTS THROUGH THE NON SUSPECTING SALES ASSOCIATES AND THEREAFTER EITHER VANISH FROM THE MARKET TO RE ENTER WITH A NEW BRAND NAME OR AT TIMES RETAIN THE BRAND NAME BUT CHANGE THE PRODUCT LINE, SO THAT THEY HAVE TO CONFRONT A DIFFERENT PROFILE OF TRADE CHANNEL, WHICH IS DIFFERENT FROM THAT FOR THE EARLIER PRODUCT LINE OR AT TIMES ALSO TOTALLY VANISH FROM THE MARKET. EVEN THE REFUNDABLE SECURITY DEPOSIT **(WHICH IS A SUBSTANTIAL AMOUNT GIVEN THE FINANCIAL STANDING OF THE SALES ASSOCIATE)** IS NOT REFUNDED, MANY A TIMES.

****ONCE THE PRINCIPAL PARTNER VANISHES, THE DISTRIBUTING ENTITY IS LEFT TO FEND FOR ITSELF AND FACE THE WRATH OF THE RETAILERS, TO WHOM HE**

HAS SOLD GOODS ON CREDIT AND ABOVE THIS HE IS ALSO LEFT WITH HUGE UNSOLD STOCKS.

**** ANOTHER STRATEGY WHICH IS COMMON TO MOST ORGANISATIONS, IS TO SETTLE A FAR LESSER AMOUNT THAN ACTUAL DUE TO THE SALES ASSOCIATES, DURING FULL & FINAL SETTLEMENT. THE SALES ASSOCIATE IS BLACKMAILED TO SETTLE FOR (25 TO 50) PERCENT OF ACTUAL DUES, SINCE OTHERWISE EVEN THAT REDUCED AMOUNT WILL NOT BE PAID. A NO DUE CONFIRMATION IS ALSO TAKEN FROM THE HELPLESS SALES ASSOCIATE. THE SMALL RESOURCELESS TRADER IS FORCED TO SURRENDER AS BECAUSE HE HAS HIS DEPENDENT FAMILY TO TAKE CARE & IS ALSO AWARE OF THE FACT, THAT LEGAL PROCEEDINGS INVOLVE BOTH TIME & MONEY & WHEN THE FIGHT IS AGAINST A BIG & MIGHTY ENTITY, THE LEGAL BATTLE IS IMPOSSIBLE TO SUSTAIN.**

ALL THE MENTIONED BUSINESS MODELS, CONTINUE TO BOTH SURVIVE AND FLOURISH, BECAUSE THE EXECUTORS OF SUCH STRATEGICALLY FRAUDULENT BUSINESS MODELS ARE NOT ONLY WELL AWARE OF THE DISMAL LEVEL OF LEGAL AWARENESS IN THE NATION, BUT AT THE SAME TIME ARE ALSO AWARE THAT, "CONVENTIONAL LEGAL PROCEEDINGS INVOLVE - HUGE EXPENSES OF COURT FEES, ADVOCATE FEES, APART FROM OTHER INCONVENIENCES INVOLVED AND THE LONG DELAY IN DISPOSAL OF CASES DUE TO DOCKET EXPLOSION IN THE COURTS" AND ALL THAT DETERS, ORDINARY PEOPLE FROM SEEKING LEGAL REMEDY AND MORE WHEN THE OPPONENT IS POWERFULL BY MULTIPLE TIMES.

THE OPERATIONS OF THE ORGANISATIONS IS AKIN TO THOSE OF FLY BY NIGHT OPERATORS - WHO ARE FINANCIAL SWINDLERS AND HAVE NO SOCIAL RESPONSIBILITY, OTHER THAN MAKING EASY MONEY BY STRATEGICALLY DUPING THE NON SUSPECTING AVERAGE TRADER, WHO IS HELPLESS BECAUSE OF LIMITED RESOURCES AT HIS DISPOSAL.

SMALL AMOUNTS ACCRUED FROM A SUBSTANTIAL NUMBER OF INDIVIDUAL SALES ASSOCIATES, CULMINATES INTO A HUGE AMOUNT WHICH ADDS TO THE PROFITS OF THE PRINCIPAL ORGANISATION.

THE ONLY NOTE WORTHY DIFFERENCE BETWEEN A FLY BY NIGHT ORGANISATION AND ORGANISATIONS WHO DO NOT FLY BUT CONTINUE TO FLOURISH AT COST OF THEIR NON SUSPECTING SALES ASSOCIATES, IS THAT THE ENTIRE BUSINESS MODEL OF THE LATTER IS CAMOUFLAGED UNDER A LEGAL SHIELD !! THE SHIELD IS FACILITATED EITHER BY ABSENCE OF UPDATED LAWS OR BY THE SLOW JUSTICE DELIVERY SYSTEM !!

THE STATE WHICH IS THE CUSTODIAN OF THE WELFARE OF CITIZENS CANNOT BE A SILENT SPECTATOR TO THIS MALADY.

UNILATERAL CONTRACTS THE LEGALITY OF WHICH IN ITSELF IS QUESTIONABLE - EXECUTED BY SUCH ORGANISATIONS CANNOT BE THE JUSTIFICATION OF EXPLOITATION OF THE SMALL TRADERS. THE IGNORANCE OF ANY INDIVIDUAL DOES NOT GIVE ANY ENTITY TO CHEAT AND DEFRAUD HIM.

THERE ARE LIVING INSTANCES WHERE MORE THAT **(80%)** OF SALES ASSOCIATES APPOINTED BY ORGANISATION OVER A PERIOD OF TIME HAVE QUIT !! SPECIFICALLY LIKE IF AN ORGANISATION HAS COMMENCED OPERATIONS IN **(1999)** WITH **(05)** SALES ASSOCIATES AND REDISTRIBUTED THE AREA AMONG **(150)** MORE ENTITIES OVER A PERIOD OF **(12)** YEARS ie. **(2011)** - IN THE EXISTING **(50)** ENTITIES THERE ARE HARDLY **(05)** ENTITIES WHO HAPPEN TO ASSOCIATE WITH THE ORGANISATION FOR **(05)** YEARS OR MORE. TO SUM IT UP IN TOTALITY THE ORGANISATION HAS ENDED UP APPOINTING A MINIMUM OF MORE THAN **(150)** ENTITIES AS INTERMEDIARIES OVER A PERIOD OF **(10)** YEARS, OF WHICH MORE THAN **(100)** HAVE QUIT THE ASSOCIATION AND **(80%)** OF THE EXISTING LOT WILL QUIT IN ANOTHER **(02 TO 03)** YEARS TIME FRAME !!

THE QUESTION WHICH ARISES FROM THE ABOVE SCENARIO, IS AS TO WHY OVER A **(10)** YEAR TIME FRAME ALMOST **(90%)** OF SALES ASSOCIATES OF A BRAND QUIT THE BUSINESS, WHEREAS THE BRAND THRIVED WITH SOARING STOCK MARKET VALUATIONS AND HUGE STOCK OPTIONS WORTH MILLIONS TO EMPLOYEES !!

IT CANNOT BE DENIED THAT SALES ASSOCIATES TOO ARE BUSINESS ENTITIES AND ARE THERE TO MAKE MONEY !!

ENTERING ANY BUSINESS VENTURE IS AKIN TO RAISING A BABY AND A DISTRIBUTION VENTURE INVOLVES PUTTING IN PLACE ALL INGREDIENTS WHICH A LARGE SCALE TRADING ENTITY DEMANDS - BECAUSE MULTIPLE RESOURCES OF, **(TIME-MONEY-INFRA STRUCTURE-SYSTEMS)** HAS TO BE PUT IN PLACE AND SUBSTANTIAL RISKS ADOPTED TOWARDS HOARDING STOCKS, EXTENDING CREDIT TO THE RETAILERS AND ONE HAS TO ALSO LIVE UP WITH THE THREAT OF SNATCHING AND EXTORTION INCIDENTS **(THE PROBABILITY OF WHICH IS ALWAYS HIGH, GIVEN THE FACT THAT - MOST OF COLLECTIONS ARE IN CASH)**. AFTER PUTTING ALL THE HARD WORK, TO EXIT THE VENTURE CREATED WITH SUCH SINCERE EFFORTS, IS AS PAINFULL AS BIDDING A FINAL GOOD BYE TO THE CHILD BY PARENTS, BECAUSE NO INTERMEDIARY WOULD SURRENDER A BUSINESS, WITHOUT CONDITIONS BECOMING IMPOSSIBLE EITHER BY ONE'S OWN DOINGS OR BECAUSE OF FAULTY TRADE PRACTICES OF THE PRINCIPAL.

THAT A MAXIMUM OF **(20 TO 30)** PERCENT OF SALES ASSOCIATES CAN EXIT OVER A TIME FRAME DUE TO THEIR OWN RESERVATIONS AND CALCULATIONS IS UNDERSTOOD, BUT THAT **(90)** PERCENT HAVE MADE AN EXIT - THROWS LIGHT INTO THE NON ETHICAL PRACTICES OF THE PRINCIPAL ORGANISATION WITH WHICH THE INTERMEDIARIES WERE ASSOCIATED WITH.

AGAIN IT IS NOTEWORTHY THAT BEFORE HAND PICKING ANY DISTRIBUTION ENTITY - THERE IS A DETAILED HOMEWORK, REQUIRED TO BE EXECUTED AND BOTH HIS MONETARY AND OTHER CREDENTIALS EVALUATED – BY THE PRINCIPAL ENTITIES, AMONG WHICH IS ALSO TO CHECK THE INTERMEDIARY'S REPUTATION AMONG RETAILERS FOR ANY OTHER BRAND **(IF HE OUGHT TO BE DISTRIBUTING)** AND IF THE HOMEWORK HAS BEEN SO RIGOROUS AND THE INDIVIDUAL AT HELM OF AFFAIRS OF THE DISTRIBUTION HOUSE HAS TAKEN EFFORTS TO QUALIFY AS A – SALES ASSOCIATE FOR THE BRAND, THEN WHY AT ALL HE WILL PRO ACTIVELY QUIT THE BUSINESS ... ?? BUSINESSES HAVE KNOWN TO HAVE SURVIVED FOR GENERATIONS AND NOT FOR **(1 TO 5)** YEARS !!

THE PRIMA FACIE EVIDENCE OF STRATEGIC FRAUDULENT ACTIVITY BEING EXECUTED BY SOME CORPORATES, IS

REFLECTED IN VERY HIGH PERCENTAGE OF INTERMEDIARIES ASSOCIATED WITH THEM (AS SALES ASSOCIATES) QUITTING OVER A PARTICULAR TIME FRAME, AS AGAINST A SUBSTANTIAL LESSER PERCENTAGE OF SUCH INTERMEDIARIES QUITTING IN CASE OF CORPORATES WHO ADOPT COMPARITAVELY FAIRER TRADE PRACTICES TOWARDS THEIR DISTRIBUTION AGENTS !!

THOUSANDS OF INDIVIDUALS, INVOLVING YOUTH PRIMARILY ARE BEING DUPED IN THIS FASHION. THEIR SPIRIT OF ENTREPRENEURSHIP, IS BEING EXPLOITED BY LURING THEM WITH OFFERS OF A - RESPECTABLE AND PROFITABLE BUSINESS OPPORTUNITY, BUT ONCE THEY ASSOCIATE - THEY STAND MOST STRATEGICALLY TRAPPED IN THE NET OF DECEITFULL CORPORATE WEB AND MOST OF THE TIMES - STAND DRAINED OF THEIR ENTIRE WORKING CAPITAL (**WHICH EITHER IS HARD EARNED MONEY OR SOURCED BY MORTGAGING PROPERTY-A LIFE LINE FOR MIDDLE CLASS FAMILIES OR IS BORROWED AGAINST SECURITY CHEQUE FROM PRIVATE FINANCER OR FINACIAL INSTITUTIONS**). IN EVENT OF PAYMENT DEFAULT THE SMALL BUSINESSMEN END UP SERVING IMPRISONMENT UPTO **(02)** YEARS, ONLY BECAUSE OF THE FACT THAT – THEY DO NOT HAVE THE REQUIRED FUNDS, TO PAY UP THE CREDITORS. WHEREAS THERE ARE LARGER DEBTS TAKEN FROM PUBLIC FINANCIAL INSTITUTIONS BY LARGE CONGLOMERATES RUN BY POWERFUL INDUSTRIALISTS AND THEIR FAILURE IN REPAYING THE DEBTS DO NOT END UP IN CRIMINAL PROSECUTION EVEN WHEN IT BRINGS LARGE LOSS TO PUBLIC EXCHEQUER AND IN FACT IS THE PUBLIC MONEY. MOREOVER IN EVENT OF DEFAULT BY LARGE CONGLOMERATES, THEY ARE EXTENDED VERY ATTRACTIVE RESTRUCTURING PACKAGES – WHICH INVOLVE RELIEFS LIKE, LOWERING OF INTEREST RATE, ALLOCATION OF MORE FUNDS AND ALSO BREAK IN REGULAR INTEREST PAYMENTS.

ONCE THE TRADER IN A DEPT TRAP, HE IS UNABLE TO EXIT THE VENTURE, SINCE HE LACKS RESOURCES TO FUND THE DEFICIT AND IS OPTION LESS TO CONTINUE AND FURTHER INCREASE HIS EXPOSURE TO DEBT. THE HOPE OF MAKING UP IN FUTURE AND ALSO RETAIN SOCIAL RESPECT (**BOTH FOR HIMSELF AND HIS FAMILY MEMBERS**) IS A FAR BETTER OPTION THAN THE IMMEDIATE DOOM,

WHICH HE WILL BE EXPOSED TO SHOULD HE CLOSE DOWN THE VENTURE. IT IS THIS HELPLESS POSITION OF THE INTERMEDIARY, WHICH THE PRINCIPAL ENTITY, USES TO MAXIMUM BENEFIT, KNOWING VERY WELL THAT ANY DROP IN TURN OVER OF THE SALES ASSOCIATE, WILL MAKE HIM LIABLE TO RETURN BORROWED FUNDS, TO THE FINANCING ENTITY !!

PEOPLE WHO SET OUT TO EXECUTE BUSINESS END UP BEING ON THE ROADS AND ALSO PROCLAIMED CRIMINALS, DUE TO DUES OUTSTANDING AND FOR THE RECOVERY OF WHICH LEGAL CASES STAND INITIATED AGAINST THEM, WHEREAS THE ORGANISATIONS RESPONSIBLE FOR SUCH A SCENARIO, CONTINUE TO PROSPER AND THEIR PROMOTERS AND MANAGEMENT TEAM MEMBERS, CONTINUE TO RAKE IN MONEY AND COMMAND RESPECT IN THE SOCIETY !!

IT IS NOTEWORTHY THAT MANY INDIVIDUALS WHO HAVE SUFFERED FINANCIAL REVERSES, HAVE COMMITTED SUICIDES. ALTHOUGH BY OFFICIAL FIGURES, THE NUMBER OF SUICIDE CASES DUE TO BANKRUPTCY OR SUDDEN CHANGE IN ECONOMIC STATUS, IS (2.2%) OF TOTAL SUICIDE CAUSES, BUT THE ACTUAL FIGURE OUGHT TO BE VERY HIGH, GIVEN THE FACT THAT SUICIDE IS CONSIDERED A CRIME IN THE NATION. IT IS NOTEWORTHY THAT FAMILY PROBLEMS AND ILLNESS WHICH CONTRIBUTE (24.3%) AND (19.6%) OF TOTAL SUICIDES, ARE AT TIMES, VERY WELL AIDED BY BANKRUPTCY OR SUDDEN CHANGE IN ECONOMIC STATUS. THE STATISTICS OF SUICIDE CAUSES IN INDIA, CAN BE OBTAINED, BY VISITING THE UNDERMENTIONED LINK -

<http://ncrb.nic.in/CD-ADSI2011/table-2.4.pdf>

IT MIGHT WELL BE ARGUED THAT SOME OF SUCH ORGANISATIONS ARE RESPECTFUL ONES AND ALSO AT TIMES CONTRIBUTE SIGNIFICANTLY TO THE SOCIETY (BY EMPLOYMENT GENERATION AND TAXES TO GOVT. COFFERS) BUT (09) RIGHT THINGS CANNOT UNDO (01) WRONG AND MORE WHEN (01) WRONG THING IS A DECEITFUL AND CRIMINAL ACT.

HELPLESS INDIVIDUAL TRADERS ARE THREATENED WITH DEFAMATION SUITS AND THREAT OF ALLEGATIONS OF BLACK MAILING AMONG MULTIPLE OTHER LEGAL TOOLS (WHICH THE BIGGER ENTITY CAN EXPLORE THROUGH IT'S LEGAL RESOURCE) SHOULD THE INTERMEDIARY TRY TO PROCEED AGAINST ANY SUCH ORGANISATION AND IT IS AN UNIVERSALLY ACKNOWLEDGED FACT THAT HOW BIG AND MIGHTY WITH HELP OF VAST RESOURCES, CAN TURN THE TIDE IN THEIR FAVOUR !!

RESPECTED SIR, IF NEEDED I CAN WRITE ENDLESSLY WITH LOGIC ON THE MODUS OPERANDI OF SUCH FRAUDULENT ENTITIES, BUT I DO HOPE WHATEVER I HAVE WRITTEN TO YOUR HONOURED CHAIR, SHOULD SUFFICE IN GIVING YOU A CLEAR PICTURE OF THE PROBLEM BEING FACED BY SMALL AND MEDIUM DISTRIBUTING ENTITIES, WHO STAND INFLUENCED BY THE OPPORTUNITIES AND WELL AS THE DOMINANCE OF THE BRAND - WHICH THE PRINCIPAL ORGANISATION OWNS, WITHOUT REALISING THE INHERIT THREATS POSSESSED BY THE DECEIVING BUSINESS MODEL !!

HOWEVER SIR, TO FACILITATE A CLEARER UNDERSTANDING OF THE SCENARIO, A PRESENTATION REFLECTING MICRO INPUTS, IS BEING EXTENDED TO YOUR MOST HONOURED CHAIR, UNDER THE FOLLOWING HEADS – **BRAND OWNER'S DEFICIENCIES, THINGS TO NOTE & CASE STUDIES.**

IT IS BEING MOST HUMBLY & RESPECTFULLY PRAYED, THAT POST EVALUATION OF, ALL THAT HAS BEEN COMMUNICATED **(BY VIRTUE OF THE PRESENTATION OF**

MINE) ALL CORRECTIVE MEASURES, DEEMED FIT BY YOUR MOST HONOURED CHAIR BE INCORPORATED !! FURTHER THE GOVT. SHOULD ALSO ENSURE THAT ANY COMPLAIN AGAINST SUCH CORPORATES (WHO STRATEGICALLY DOOM THE FINANCIAL PROSPECTS OF THE INTERMEDIARIES DEPENDENT ON THEM) SHOULD BE INVESTIGATED ON PRIORITY BY A RESPONSIBLE INVESTIGATING BODY AND DEFAULTERS BE BOOKED UNDER MOST STRINGENT EXISTING LAWS AND ALSO NEW LAWS BE FRAMED TO PREVENT DECEIVING ACTS BY SUCH CORPORATES (WHO NEED TO APPOINT INTERMEDIARIES AS WHOLESSELLERS FOR BRANDED GOODS, TO FACILITATE DISTRIBUTION OF PRODUCTS WHICH ARE EITHER MANUFACTURED OR SOURCED – BY THEM) !! ONE INPUT WHICH IS INDISPENSABLE FOR ENSURING TRANSPARENT AND ETHICAL OPERATIONS OF CORPORATES (WHICH DISTRIBUTE GOODS AND SERVICES) TO RETAIL OUTLETS, IS TO ENSURE THAT “THEY INCORPORATE AN EXCLUSIVE PASSWORD PROTECTED WEBSITE FOR THEIR SALES ASSOCIATES WHERE POLICIES REGARDING – MARGINS; STOCK NORMS; CLAIM SETTLEMENT POLICIES; SECURITY DEPOSIT AMOUNT; INFRASTRUCTURE REQUIREMENTS; AREA ALLOCATION POLICY; AREA CURTAILMENT POLICY AND FURTHER POLICIES WHICH ARE OF DEEMED IMPORTANCE TO THE SALES ASSOCIATES, OUGHT TO BE DISPLAYED IN THE MOST TRANSPARENT MANNER, SO THAT THE CORPORATE IS NOT ABLE TO CUSTOMISE STRATEGIES FOR EVERY INDIVIDUAL SALES ASSOCIATE, TO DERIVE UNETHICAL GAINS” !!

A POSITIVE ACTION AT YOUR END, IS MOST HUMBLY DESIRED AND REQUESTED, BY WAY OF INSTRUCTING THE CORPORATES TO, CREATE THE ABOVE SPECIFIED WEBSITE IN PUBLIC INTEREST - WITHIN **(30)** DAYS, OF RECEIVING THIS COMMUNICATION AND I WILL MOST RESPECTFULLY ACKNOWLEDGE THE KIND GESTURE OF YOURS !!

I DO HOPE THAT MY COMMUNICATION, IS CLEAR TO ESTABLISH IT'S SPIRIT AND FACILITATE A THOROUGH UNDERSTANDING.

MY PERSONAL AVAILABILITY IS CONFIRMED, TOWARDS THE NEED OF ANY VALIDATION AND AUTHENTICATION - OF THE QUOTED INPUTS !!

A POSITIVE CONSENT AT YOUR END, IS MOST HUMBLY DESIRED AND REQUESTED

AND I WILL MOST RESPECTFULLY ACKNOWLEDGE THE KIND GESTURE OF YOURS !!

THE CONTACT DETAILS OF MINE, FOR FACILITATING DELIVERY OF REPLY ON YOUR
END ARE AS FOLLOWS -

YOUR'S FAITHFULLY,

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B]] BRAND OWNER'S DEFICIENCIES & SUGGESTED REMEDIES !!

1. TRANSPATENCY AND STANDARDIZATION !!
2. NO GUIDANCE !!
3. FALSE COMMITMENTS !!
4. PROFIT MAXIMIZATION !!
5. RETURN ON INVESTMENT !!
6. HIGH BENCHMARKS !!
7. NON STABLIZATION !!
8. BUSINESS VALIDITY
9. LOW COST RESOURCE !!
10. NON COMPENSATION !!
11. UNREASONABLE EARNING PARAMETERS !!

1] TRANSPARENCY & STANDARDIZATION !!

EXAMPLE - IF SALES ASSOCIATE IS REQUIRED TO MAINTAIN (5) DAYS STOCK, THEN THE INFORMATION SHOULD BE AVAILABLE ON BRAND OWNERS, B2B WEB SITE, BUT INSTEAD THE SALES REPRESENTATIVES ARE EMPOWERED TO PLAY ON CASE TO CASE BASIS.

IT IS HENCE RECOMMENDED THAT ALL ORGANISATIONS, SHOULD HAVE AN ONLINE WEB BASED INTERACTIVE PLATFORM FOR THEIR SALES INTERMEDIARIES (SALES ASSOCIATES) WEREIN TRANSPARENT AND UNIFORM POLICIES OF THE PARENT ORGANISATION ARE VISIBLE AND GRIEVANCES CAN BE ADDRESSED.

2] NO GUIDANCE !!

NEW AND EXISTING SALES ASSOCIATES, ARE NOT GIVEN UPDATES ON METHODS TO SOLVES THEIR GRIEVANCES. BRAND OWNERS ARE, NORMALLY NEVER PROACTIVE IN IDENTIFYING A PROBLEM AREA AND DEVISING WAYS TO SOLVE THE SAME.

EXAMPLE - IT IS A COMMON KNOWLEDGE THAT - PROBLEMS REGARDING UNSETTLED CLAIMS AND OTHER HEADS DO EXIST, BUT NEVER IS AN EFFORT MADE TO COMMUNICATE BY E-MAIL OR GROUP S.M.S. AND CREATE AN AUTHORITY TO WHOM PROBLEMS PENDING BEYOND A CERTAIN TENOR CAN BE ADDRESSED.

WE WONDER HOW MANY SLAES ASSOCIATES HAVE THE HEART TO WRITE TO THE C.E.O. OR TO MANAGING DIRECTOR ??
THERE IS NO CONSCIOUS EFFORT LIKE HAVING A B2B WEB SITE WHERE, POLICIES AND OTHER INFORMATION CONCERNING THE SALES ASSOCIATES ARE REGULARLY UPDATED.

THE PROBLEM CAN BE EFFECTIVELY ADDRESSED BY INCORPORATION OF GRIEVANCE REDRESSAL MECHANISM, IN THE ONLINE PLATFORM PROPOSED IN POINT - (01).

3] FALSE COMMITMENTS !!

IT IS COMMON KNOWLEDGE THAT RESOURCES ARE TO BE BOUGHT CHEAP.

HOWEVER THERE IS A DIFFERENCE BETWEEN BUYING CHEAP THROUGH PROPER NEGOTIATIONS AND BUYING CHEAP BY ARM TWISTING.

BRANDS NORMALLY ENROLL SALES ASSOCIATES WITH GREAT COMMITMENTS AND WHEN THE INVESTMENT HAS BEEN MADE BY THE ENTITY - POLICES ARE IMPLEMENTED WHICH EAT NOT ONLY INTO PROFITS BUT MONETARY CAPITAL OF THE SALES ASSOCIATES TOO.

SOMETIMES IT IS TOO LATE BY THE TIME THE FACT IS REALIZED OR AT TIMES FALSE COMMITMENTS BY THE SALES REPRESENTATIVES, OF THE BRAND OWNER KEEPS THE HOPES OF THE NON SUSPECTING SALES ASSOCIATE ALIVE TILL THE TIME THE END IS ARRIVED.

AGAIN THE ABOVE PROBLEM CAN BE EFFECTIVELY ADDRESSED BY DEFINING POLICIES IN THE MOST TRANSPARENT MANNER - IN THE ONLINE WEB BASED PLATFORM.

4] PROFIT MAXIMIZATION !!

IS SURE THE AIM OF EVERY ORGANIZATION.

HOWEVER THE WAY AND MEANS HAVE TO BE ETHICAL AND HUMANE. WITH A BRAND SITTING ON THOUSANDS OF CRORES OF RESOURCES BUT IT'S SALES ASSOCIATES BEING DEPRIVED OF EVEN MINIMUM PROFITS AND ADDITIONAL PENAL POLICIES BEING IMPLEMENTED UPON, ON PARAMETERS, WHICH ARE BEYOND THE SUPERVISION AND CONTROL OF SALES ASSOCIATES, THERE IS A SCENARIO WHICH IS VERY QUESTIONABLE.

THE SOLUTION LIES, IN THE CORPORATE ADOPTING A HUMANE APPROACH, BY RIGHTLY ESTIMATING THE MINIMUM GROSS MARGIN, REQUIRED TO SUPPORT THE BUSINESS OF THE INTERMEDIARY AS WELL AS ENSURE A RESPECTABLE LIVING STANDARD FOR THE INDIVIDUAL AT HELM OF AFFAIRS, OF THE INTERMEDIARY.

5] RETURN ON INVESTMENT !!

BRAND OWNER WILL NEVER CALCULATE HEADS LIKE -

A. INTEREST ON CAPITAL.

B. RENT.

C. SUBSCRIPTION LIKE - FORCIBLE DONATIONS.

D. BAD DEBTS. NORMAL LOSSES LIKE - FAKE CURRENCY COLLECTION.

THEY CALCULATE RETURNS FOR THE SALES ASSOCIATE IN A PERFECT SCENARIO WHEREAS THEMSELVES THRIVE ON AN IMPERFECT SCENARIO.

WE WONDER HOW CAN HEADS LIKE RENT AND INTEREST ON CAPITAL BE IGNORED, WHILE CALCULATING, PROFIT AND LOSS ?? MOREOVER EVEN IF THE PROPERTY IS OWNED BY THE SALES ASSOCIATE, HE WOULD HAVE EARNED EXTRA REVENUE BY RENTING IT OUT. THERE IS ALWAYS AN INDUSTRY AVERAGE FOR NORMAL AND ABNORMAL LOSSES, WHICH NEEDS TO BE CONSIDERED.

THE SOLUTION LIES IN ESTIMATING ABNORMAL COSTS AS A PERCENTAGE OF TURNOVER AND FIXING TRADE MARGINS ACCORDINGLY.

6] HIGH BENCHMARKS !!

VERY STIFF TARGETS ARE SET WHICH ARE NEVER VIABLE TO ACHIEVE, A FACT WHICH THE BRANDS KNOW BEFORE SETTING THEM AND REDUCTIONS ON THE TARGETS IS A POTENTIAL TOOL FOR BUYING BARGAINS.

FOR EXAMPLE IF ANY SALES ASSOCIATE IS FIGHTING FOR A CLAIM WHICH IS NOT SETTLED FOR A LONG PERIOD OF TIME, THE BRAND OWNER'S REPRESENTATIVE, DEBATES WITH THE POINT THAT, THE SALES ASSOCIATE HAS ALSO NOT COMPLIED WITH SET NORMS (EXAMPLE- STOCK LEVEL) AND HENCE IS GENERATING LOSSES FOR THE BRAND OWNER.

THE TRUTH IS THAT, THE ENTIRE SYSTEM IS NON STANDARDISED AND GAMES ARE PLAYED ON CASE TO CASE BASIS.

AGAIN THE ABOVE PROBLEM CAN BE EFFECTIVELY ADDRESSED BY DEFINING POLICIES IN THE MOST TRANSPARENT MANNER – IN

THE ONLINE WEB BASED PLATFORM.

7] NON STABILIZATION !!

ALL BRANDS BELIEVE IN CREATING EXCLUSIVE SALES ASSOCIATES. WHENEVER A NEW BRAND IS LAUNCHED, THE SALES ASSOCIATE IS PROMISED LOT OF GOODIES AS A REWARD, IN EXCHANGE FOR HIS EFFORTS DURING THE INITIAL PHASE - [WHEN THERE IS DEFICIT IN EARNINGS OF THE SALES ASSOCIATES, INVOLVEMENT LEVEL IS VERY HIGH IN TERMS OF RESOURCE OF TIME AND EFFORTS.]

HOWEVER AS SOON AS THE BRAND SHOWS SOME CONSOLIDATION, THE SALES ASSOCIATE'S AREA IS CHOPPED OFF ON PRETAX OF NON ACHIEVEMENT OF UNREASONABLE TARGETS.

IT IS FINE THAT NO BUSINESS IS IMMUNE TO COMPETITION BUT AGAIN IN CASE OF SALES ASSOCIATES, IT IS THE BRAND OWNER WHO WILLINGLY AND STRATEGICALLY CREATES COMPETITION, WITHIN THE SAME BRAND RATHER THAN ANY OTHER BRAND BECOMING A COMPETITOR.

THIS IS LEADS TO WASTAGE OF INPUTS CONTRIBUTED ON PART OF THE SALES ASSOCIATE, WHICH IS A BUSINESS GAIN FOR THE BRAND OWNER SINCE EVERY RESOURCES HAS COST BUT INSTEAD BY PAYING FOR THEM THE BRAND OWNER ACQUIRES THEM - FREE OF COST, THROUGH UNFAIR TRADE PRACTISES.

THE SOLUTION LIES, IN THE CORPORATE ADOPTING A HUMANE APPROACH, BY RIGHTLY ESTIMATING THE MINIMUM GROSS MARGIN, REQUIRED TO SUPPORT THE BUSINESS OF THE INTERMEDIARY AS WELL AS ENSURE A RESPECTABLE LIVING STANDARD FOR THE INDIVIDUAL AT HELM OF AFFAIRS, OF THE INTERMEDIARY.

8] BUSINESS VIABILITY !!

SOME BRANDS CREATE- UNVIABLE BUSINESS ENTITIES, BY CREATING SMALL SIZE SALES ASSOCIATES, WHOSE REVENUES ARE NOT ENOUGH TO MEET THE COSTS OF DEPLOYING MINIMUM

RESOURCES, REQUIRED TO DELIVER STANDARDISED BUSINESS PERFORMANCE. SUCH BRANDS ABSORB THE WORKING CAPITAL OF THEIR DISTRIBUTING ENTITIES, BY SHOWING THEM A LUCRATIVE FUTURE, WHICH IN REALITY WILL NEVER BE DELIVERED BY THE BRAND OWNER.

THE SOLUTION LIES, IN THE CORPORATE ADOPTING A HUMANE APPROACH, BY RIGHTLY ESTIMATING THE MINIMUM GROSS MARGIN, REQUIRED TO SUPPORT THE BUSINESS OF THE INTERMEDIARY AS WELL AS ENSURE A RESPECTABLE LIVING STANDARD FOR THE INDIVIDUAL AT HELM OF AFFAIRS, OF THE INTERMEDIARY.

9] LOW COST RESOURCE !!

SOME BRANDS CHANGE POLICIES TO THEIR ADVANTAGE WITHOUT EVEN CONSIDERING THEIR IMPACT ON THEIR SALES ASSOCIATES WHOM THEY ALSO CALL TRADE PARTNERS.

SINCE BRAND EXCLUSIVITY IS A MUST FOR DISTRIBUTING PARTNER AND FUTURE IS NOT ASSURED, THE OWNER OF DISTRIBUTING ENTITY, TO HEDGE HIS RISKS, INDULGES IN VARIABLE BUSINESS VENTURES AND HAS TO EMPLOY STAFF, TO EXECUTE, JOB FUNCTIONS !!

HOWEVER AT TIMES, THE BRANDS ARE SUCCESSFUL IN CONVINCING INDIVIDUALS WHO ARE EMPTY HANDED IN TERMS OF EXISITING BUSINESSES, TO WORK FOR THE BRAND.

SINCE THE INDIVIDUAL IS COMPLETELY FOCUSSED ON (1) BRAND & BUSINESS, HE MANAGES TO SAVE ON CERTAIN COSTS AND HENCE HE IS MADE A CASE STUDY, OF LOW COST MODEL FOR OTHER SALES ASSOCIATES, (WHO EMPLOY MANPOWER) TO FOLLOW.

HOWEVER ONLY WHEN THE BRAND IN FUTURE UNREASONABLY CHOPS THE AREA OF THE SINGLE BUSINESS SALES ASSOCIATE, IT IS A LATE REALIZATION SINCE NO BACK UP BUSINESS WAS CREATED BY HIM. THEREFORE BOTH CATEGORIES OF SALES ASSOCIATES, STAND STRATEGICALLY EXPLOITED.

THE SOLUTION LIES, IN THE CORPORATE ADOPTING A HUMANE APPROACH, BY RIGHTLY ESTIMATING THE MINIMUM GROSS MARGIN, REQUIRED TO SUPPORT THE BUSINESS OF THE INTERMEDIARY AS WELL AS ENSURE A RESPECTABLE LIVING STANDARD FOR THE INDIVIDUAL AT HELM OF AFFAIRS, OF THE INTERMEDIARY. THE HELPLESS SITUATION OF ANY INDIVIDUAL DOES NOT GIVE RIGHT OF EXPLOITATION TO A MIGHTER ENTITY.

10] NON COMPENSATION !!

IT IS TRUTH THAT, THE MARKET PLACE IS GETTING MORE AND MORE COMPETITIVE EVERY DAY AND HENCE MARGINS ARE UNDER PRESSURE.

HOWEVER IF SALES ASSOCIATE MARGINS ARE BEING REDUCED, THEIR TURNOVER GROWTH SHOULD BE ASSURED.

BRANDS RESORT TO BOTH CURTAILING IN TURNOVER AND MARGINS ONCE THE BRAND SHOWS SOME CONSOLIDATION, HENCE FINANCIALLY, HITTING THE SALES ASSOCIATE ADVERSELY.

THE SOLUTION LIES, IN THE CORPORATE ADOPTING A HUMANE APPROACH, BY RIGHTLY ESTIMATING THE MINIMUM GROSS MARGIN, REQUIRED TO SUPPORT THE BUSINESS OF THE INTERMEDIARY AS WELL AS ENSURE A RESPECTABLE LIVING STANDARD FOR THE INDIVIDUAL AT HELM OF AFFAIRS, OF THE INTERMEDIARY.

11] UNREASONABLE EARNING PARAMETERS !!

SOME REVENUE GENERATING PARAMETERS ARE CREATED FOR THE SALES ASSOCIATES, BUT EVEN (10%) OF SALES ASSOCIATES FAIL TO EARN IT.

THEY ARE BUT AN EYEWASH, TO KEEP THE HOPE OF EARNING ALIVE IN THE DISTRIBUTOR, WHILE THE BRAND CRUISES ALONG. MOE OVER EVEN (5%) ACHIEVERS ARE NOT CONSTANT, SINCE THE ACHIEVERS CAN ONLY ACHIEVE, BY COMPROMISING ON SOME PARAMETER, CO-RELATED TO THE EARNING PARAMETER !!

EXAMPLE - THERE IS A PAYOUT POLICY ON SUBMISSION OF

CORRECT CUSTOMER FORMS, TOWARDS MOBILE PHONE CONNECTIONS, WITHIN A STIPULATED TIME PERIOD AND AT THE SAME TIME THERE IS A TARGET FOR NEW ACTIVATION WHICH IS NOT IN PARITY WITH REALITY. THEREFORE IF ANY SALES ASSOCIATE FOCUSES ON ACTIVATION TARGETS HE WILL NEVER BE ABLE TO COMPLY WITH NORMS FOR CUSTOMER FORM SUBMISSION.

FURTHER THE BRAND OWNER WILL THREATEN TO TAKE AWAY THE BUSINESS OF THE SALES ASSOCIATE IF ACTIVATION TARGETS ARE NOT ACHIEVED.

THE SOLUTION LIES, IN THE CORPORATE ADOPTING A HUMANE APPROACH, BY RIGHTLY ESTIMATING THE MINIMUM GROSS MARGIN, REQUIRED TO SUPPORT THE BUSINESS OF THE INTERMEDIARY AS WELL AS ENSURE A RESPECTABLE LIVING STANDARD FOR THE INDIVIDUAL AT HELM OF AFFAIRS, OF THE INTERMEDIARY.

C]] THINGS TO NOTE !!

1] SALES COST :

WHATEVER MONETARY PAY OUT, THE ORGANIZATIONS EXTEND TO SALES ASOCIATES - THEY WILL NEED TO FOREGO AT LEAST THREE TIMES THE AMOUNT, IF THEY EXECUTE SALES OPERATIONS DIRECTLY !!

2] SMALL TRADER IMPORTANCE :

CONTRIBUTE TO (22%) OF GDP & (42,MILLION) IN EMPLOYMENT - CREATING A MILLION JOBS YEARLY. IF THERE SPIRIT IS KILLED - IT WILL HAVE FAR REACHING ADVERSE IMPLICATIONS ON THE ECONOMY OF THE NATION !!

3] BUSINESS EFFORT :

FORMIDABLE RESOURCES IN TERMS OF MONEY & TIME ARE INVESTED TO ESTABLISH THE BUSINESS, WHICH IS, TAKEN AWAY AT WILL, BY PRINCIPAL PARTNERS ON FLIMSY GROUNDS!!

4] INITIAL SALES ASSOCIATES :

SALES ASSOCIATES WHO WERE INVOLVED IN BRAND ROLL OUT HAD TO CONTRIBUTE MUCH HIGHER LEVEL OF RESOURCES IN ANTICIPATION OF FUTURE RETURNS.

BUT PRINCIPAL BRANDS NORMALLY LEVERAGE THE GOODWILL FOR THEIR OWN BENEFIT, BY TRANSFERRING RIGHTS OF DISTRIBUTION TO NEW ENTITIES, HENCE IN MOST CASES FORCING THE OLD ONES TO RESIGN.

5] SALES ASSOCIATE PROFILE :

BRANDS SCOUT FOR NON EXPERIENCED & NON SUSPECTING ENTITIES, WHO CAN BE CUSTOMISED, DURING THE INITIAL PERIOD OF ASSOCIATION. BY THE TIME THE ENTITY BECOMES AWARE OF THE DISHONEST INTENTIONS OF THE BRAND OWNERS, THE BRANDS ARE READY WITH A BACK UP PLAN UNDER THE SAME MODUS OPERANDI !!

6] NEW TALENT EXPLOITATION :

PROFESSIONAL LIVES OF MANY BUDDING FRESH YOUNG TALENTS IS BEING PUT TO STAKE, WHO GET LURED BY THE CHARM WHICH THE BIG BRANDS OFFER TO DECEIVE AT LATTER STAGES !!

7] SHAREHOLDING :

SOME BRANDS SPECIFY PRESSURE ON MARGINS AS THE REASON FOR POOR PAY TO SALES ASSOCIATES, AS BECAUSE THE SALES ASSOCIATES ARE TRADE PARTNERS - HENCE THEIR FORTUNES

ARE LINKED TO THAT OF BRAND'S, UNLIKE THAT OF EMPLOYEES, WHO CONTINUE TO PROSPER IRRESPECTIVE OF THE BRAND'S FORTUNES !!

ALL THAT IS FINE & WELL UNDERSTOOD, BUT IF THAT BE THE CASE, WHERE IS THE SHARE HOLDING OF TRADE PARTNERS ??

8] DIMINISHING RETURNS :

WHAT IS THE LOGIC OF ASKING SALES ASSOCIATES TO INVEST MORE IN RESOURCES, MORE WHEN REVENUES ARE FALLING AND MARGINS ARE UNDER PRESSURE ?? ABOVE THIS THERE IS NO SECURITY THAT NO SOON, IF THE POSITIVE RESULTS OF THE INVESTMENT WILL BE VISIBLE, THE BENEFIT WILL BE NOT, SUCKED BY THE BRANDS, BY SELLING PART DISTRIBUTION RIGHTS, AT PREMIUM AS A RESULT, CREATING DISSATISFACTION FOR THE OLD SALES ASSOCIATE, WHO MIGHT BE TEMPTED TO QUIT, HENCE LEADING TO BONANZA FOR THE BRAND OWNER, WHO WILL SELL DISTRIBUTION RIGHTS FOR THE BALANCE TERRITORY AT PREMIUM.

9] ABNORMAL BENCHMARKS :

VERY STIFF TARGETS ARE SET FOR THE SALES ASSOCIATES WHICH IS NEVER IN TUNE WITH REALITY.

THIS IS DONE SO THAT NON COMPLIANCE TO SET TARGETS CAN BE USED AS A TOOL, TO TAKE THE SALES ASSOCIATE TO TASK AT WILL.

10] RESOURCE COST :

BIG BRANDS SOURCE FUNDS AT MINIMUM HALF THE COST TO SMALL ENTITIES & IF SHAREHOLDER MONEY IS ACCOUNTED, THE COST WILL COME DOWN FURTHER.

11] SHORT CUT :

SINCE THE OPTION OF MANIPULATING THE NON SUSPECTING DISTRIBUTING ENTITY IS OPEN TO THE BRANDS SALES TEAM, THEY RESORT TO UNHEALTHY TRADE PRACTICES, TO ACHIEVE THEIR TARGETS, HENCE PUTTING THE SALES ASSOCIATES AT THE RECEIVING END !!

D]] CASE STUDIES !!

UNDER MENTIONED ARE EXAMPLES WHICH ARE REFLECTIVE OF NON JUSTIFIED APPROACH TOWARDS SALES ASSOCIATES.

A] SALES FOR A BRAND HAVE REMAINED STAGNANT IN AN AREA WITH SAME DEMOGRAPHY CREDENTIALS, BUT THE SALES ASSOCIATE IS UNDER CONSTANT PRESSURE TO DEPLOY RESOURCES DESPITE PAST EXPERIENCE OF NON INCREMENT IN SALES EVEN AFTER DEPLOYMENT OF INCREMENTAL RESOURCES. THIS IS WITHOUT ANY EXTRA MARGINS OR RESOURCES ALLOCATION TO THE SALES ASSOCIATE BY THE PRINCIPAL BRAND.

B] IF AN EXISTING SALES ASSOCIATE IS CONTRIBUTING TO (1%) IF TURNOVER OF THE BRAND AND (50%) OF HIS AREA IS BEING CHOPPED, THEN THE NEW SALES ASSOCIATE (IN PAPER) IS ALLOTTED ONLY (30%) OF BRAND'S TURNOVER INSTEAD OF (50%) AND OLD SALES ASSOCIATES TARGET IS FIXED AT (.70%) OF BRANDS TURNOVER, TO JUSTIFY THE NEW SALES ASOCIATES APPOINTMENT SO THAT FROM (1ST) MONTH HIS PERFORMANCE CAN BE JUSTIFIED.

C] IN SOME MARKETS WITH COMPETING BRANDS, WHILE ONE BRAND EXPANDS IN PRODUCT DEVELOPMENT, THE OTHER BRAND INSTEAD OF KEEPING PACE WITH COMPETITION IN TERMS OF

INFRASTRUCTURE, KEEPS ON ADDING SALES ASSOCIATES HENCE NEGATIVELY AFFECTING BUSINESS VIABILITY OF ITS SALES ASSOCIATES, BUT MANAGING TO RETAIN ITS HEALTH BY INCREMENTAL SECURITY DEPOSIT COLLECTION AND STOCK DUMPING..

D] PAYMENT IS MADE FOR RECHARGE VOUCHER BY THE SALES ASSOCIATE BUT SLOW MOVING S.I.M. CARDS ARE BILLED BY THE BRAND OWNER.

E] NO PRICE PROTECTION GIVEN ON STOCKS WHICH HAVE STOPPED MOVING IN THE MARKET AND MORE WHEN THE STOCKS ARE BILLED TO SALES ASSOCIATE ON INSISTENCE OF THE BRAND OWNER.

F] STOCK BILLED FORCIBLY THROUGH THIRD PARTIES AND THEN NO LIABILITY ACCEPTED, IN CASE OF PROBLEMS WITH THE PRODUCT CITING HELPLESSNESS SINCE THE STOCKS WERE NOT BILLED BY THE BRAND'S PARENT ORGANIZATION.

G] MOST OF TRADE SCHEMES ARE ROLLED OVER VOICE COMMUNICATION AND IF ANY THING IS COMMUNICATED OVER EMAIL – IT COMES WITH THE DISCLAIMER CLAUSE THAT THE ORGANIZATION DOES NOT BEAR ANY LIABILITY OVER THE COMMUNICATION BEING MADE.

MORE OVER RECENTLY EVEN E-MAIL IS BEING AVOIDED AND VERBAL IS BEING PREFERRED.

H] SALES ASSOCIATE CLAIMS ARE BEING SETTLED AT RETAILER PRICE.

TO REALIZE THE RETAILER PRICE THE SALES ASSOCIATE HAS TO INCURS COSTS TOWARDS SALES, WHICH THE PRINCIPAL BRAND IGNORES DELIBERATELY AND HENCE COST OF SELLING IS PAID FROM THE DISTRIBUTING ENTITIES OWN POCKET.

I] SOME BRANDS ROLL OUT SUBSTANDARD PRODUCTS - THEY PLAY AROUND WITH MARKET SENTIMENTS LIKE PROMISING LIFE

LONG WARRANTY OR PRODUCT REPLACEMENT, INSTEAD OF REPAIRS - SELL THEIR STOCK AND VANISH, LEAVING BOTH THE RETAILERS AND SALES ASSOCIATES INTO MULTIPLE PROBLEMS.

J] SALES ASSOCIATES OF SUBURBAN MARKET HAVE SUFFERED VASTLY, SINCE THEY INCURRED HUGE COSTS FOR COVERING SPREAD OUT MARKETS LOCATED AT DISTANT LOCATIONS AND MOST OF THEIR RESOURCES WERE UTILIZED IN ACQUIRING NEW CUSTOMER BUT THEY CONTINUED TO PUT EFFORTS DESPITE LOSSES, IN ANTICIPATION OF FUTURE COMMITTED GROWTH.

BY THE TIME IT WAS THE OPPORTUNITY TO REAP THE BENEFITS OF THEIR HARD WORK- MOST OF THE BRANDS - IN NAME OF MICRO FOCUS, NOT ONLY DRASTICALLY CURTAILED THEIR AREA BUT THEIR MARGINS TOO, HENCE LOADING DOUBLE BLOW ON THEM RESULTING IN ADVERSE FINANCIAL IMPACT FOR THE SALES ASSOCIATES, WHO HAD BLIND FAITH IN THEIR PRINCIPAL ORGANIZATIONS.