



(Sales Forecast)

(Formulated by Marketing Unit)

Project Objectives

Real sales, market development (domestic and foreign), minimum economic production, and market segmentation are the main features of the above project.

Project Objectives:

- The main goals of the project are:
- Meeting the needs of the domestic market in both diesel and gasoline areas (After-sale Service)
- Entering new domestic and export markets (particularly Iraq)
- Utilizing 100% of the current potentials in the group's factories
- Considering the development of new cars (L90, Tiba, Euro 4, Dongfeng, Howo, etc.)
- Producing and developing domestic auto parts



Industrial Group's Strategy

The group's main strategy is to develop the market geographically and reduce the diversity of the product portfolio to the main engine parts. The reason is the availability and monopoly of the main engine parts, which grants x a unique position in the engine-part market; therefore, the sales unit strategy in the AM is to grow and increase market share (BUILD) by focusing on the engine portfolio.

Unique engine portfolio (creation)

Non-specialized product portfolio (decrease)

Agency network (increase)

Surplus costs of supplying goods outside the group (elimination)

Comparison of sales in recent years

Sales trend of the last 6 years



Prerequisites

As project implementation in previous years shows, each project and its implementation forecast need their own tools. Such prerequisites are divided into two categories (software and hardware):

* Required software:

- ▶ 1. The revision of instructions and methods that can be implemented smoothly and simply.
- ▶ 2. Efficient manpower and in accordance with current needs (motivated), QC expert staff and experienced technical expertise for after-sales services and marketing (three visitors)
- ▶ 3. Application of up-to-date technical knowledge to launch new products
- ▶ 4. Continuous improvement and implementation of customer relationship management (CRM)
- ▶ 5. Injection of at least x billion rials to create financial turnover and produce goods smoothly
- ▶ 6. Warehouse software system update (as input warehouse, inventory, drop-ship, and return)
- ▶ 7. Comprehensive advertising plan to prevent wasting advertising costs
- ▶ 8. Classes and participation in marketing training seminars to improve sales staff's knowledge



Required hardware:

- ▶ (Note: Given the current capacity, the above project cannot be implemented without increasing production capacity and brand support. The minimum achievable prediction of the above project is estimated at x billion rials, equal to eight hundred thousand items.
- ▶ 1. Physical and software development of warehouse
- ▶ 2. Office development, equipping, and preparation (marketing and sales department, finance department, after-sales service department)
- ▶ 3. Provision of the required equipment (warehouse, office, advertising, etc.)
- ▶ 4. Development of transportation and shipment facilities (company vehicles)

Project Segmentation

- ▶ AM Project
- ▶ 2.1. Numerical sales plan based on product and schedule breakdown
- ▶ 2.2. Rial sales program based on supplier breakdown
- ▶ 2.3. Liquidity table
- ▶ 2.4. Advertising-cost forecast table



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SWOT

3.1. Including strengths, weaknesses, opportunities, and threats

Strengths: Production-based group, high and uniform quality, competitive price, proper communication in the industry, brand

Weaknesses: Lack of liquidity required, weak agency network, heterogeneity of product portfolio, need to upgrade the system and training, unbalanced current software and hardware capabilities of the company for higher monthly sales

Opportunities: Market potential to attract market share, the feasibility of producing cast iron and aluminum parts in the group, prohibition of importing car spare parts, and increased power of domestic manufacturers

Threats: Risk-taking in collecting receivables, reducing customer liabilities, increasing the payment term of financial liabilities, securing competing trading companies by group's manufacturers



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Suggested Solutions: Considering last year's sales restrictions, the following solutions are suggested to realize the project:

- - Shifting production and supply toward parts that have a higher profit margin for the company (L90, Tiba, 206, and Brilliance)
- - Completing the portfolio of engine products, particularly: Types of cylinder heads, types of water pumps and types of belts, types of rings, types of pistons, etc.
- - Hardware and software development of the warehouse and sales organization
- Structured project-based supply
- Development of sales network, particularly after-sales service
- Improving the knowledge of the current agencies and longitudinal and transverse growth
- Innovation and application of new marketing techniques



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The most important points

- - The forecast of the deviation of the above project is $\pm 20\%$ (in rials and numbers).
- - The above project can be implemented by meeting the defined prerequisites.
- - The part of the project specified as a market and project test is not considered as part of the sales program.
- - The implementation of the program in AM & EXP is subject to the supply of products with complete grading and portfolio.

