

CHAPTER FOUR

Profile of Menon Distons Pvt. Ltd.

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PROFILE OF MENON PISTONS PVT LTD.

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PROFILE OF MENON PISTONS PVT LTD.,4.1 INTRODUCTION :-

Menon Pistons Pvt Ltd., is one of the leading and most effeciently managed firms of the group. It was established in the year 1972.

Mn 1978 Menon Piston went into collaboration with Nippon Piston Ring Co., Japan, an internationally acclaimed giant in Piston ring Manufacturing. This prestigious collaboration enabled the company broaden its technology and implement the latest and most sophisticated know how available and also compete in the international market.

The manufacturing plants are situated in Kolhapur and Sangli. Menon Pistons Pvt Ltd., Manufacturers, Pistons, Piston Rings, Gudgeon Pins, Cylinder liners etc.

Pistons and Piston Rings are very much necessary for proper work ng of engines. % "Piston is the heart of the Engine", Any fault with these parts will create problems like seizing, excess oil consumption, excess carbob deposits and so on. Therefore these items should be made *sciber*

with utmost care.

Today there are only 4 to 5 companies in India, manufacturing Pistons and Piston rings, which have been recognised as standard ones by the Government of India.

These are as follows :-

- 1) Escorts Ltd.,
- 2) Shriram Pistons Ltd.,
- 3) India Pistons Ltd.,
- 4) Menon Pistons Pvt Ltd.,
- 5) Auto Pistons Pvt Ltd.,

Menon Pistons was the first to produce ALFIN Pistons in India. Today it is one of the largest manufacturers of aluminium pistons in the country. Over the last 5 years the company has achieved an average growth of over 30% per year in sales.

Besides its trail blazing role in the piston world, Menon Pistons has produced import substitution products that have saved the country prestigious foreign exchange.

Within a year of entering the competitive global market, the company has successfully exported its products

to Australia, Africa, Malasia, the middle east, Singapore,
and the U.S.S.R.

Over the years Menon Pistons has established
itself as a front runner in the field of Pistons.

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4.2

TOP MANAGEMENT OF THE COMPANY

BOARD OF DIRECTORS :-

Mr. Ram Menon - Chairman and Managing Director.

Mr. Chandran Menon- Director.

Mr. Vijay Apalan - Executive Director.

AUDITORS :-

M/S. P. M. Vardhe and Co.,

Chartered Accountants.

BANKERS :-

The United Western Bank Ltd.,

REGISTERED OFFICE :-

182, Shirol, Kolhapur - 416 122.

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4.3 TYPE OF MARKETS OF THE COMPANY

Menon Pistons Ltd., has the following two types of markets -

- 1) Original Equipment Manufacturer's Market,
- and
- 2) Replacement Market.

1) The OEM market is doing well and has a market share of 27%. This market is also known as the producers market. The company's main OEM customers are -

- 1) Kirlosker Cummins
- 2) Mahindra and Mahindra.
- 3) Kirloskar Pneumatics.
- 4) Ruston and Harry.

The reputation in the OEM market is good for Menon Pistons. However, in recent days, due to serve recession in the automobile market, the OEM share has

come down. In fact, in the year, 1984-85 there was a 40% decline in the market share. The Pistons manufactured by the company are applicable for stationery automobiles, marined flight EngYines, Industrial Engines, earth movers and compressor manufactuers.

To overcome this problem of recession, the company has plans of venturing into the production of small pistons required by motor cycles, Mopeds, Cara and so on.

2) Replacement Market :-

The replacement market share of Menon Pistons is only 4%. The company has plans to expand this share by going into the new venture of manufacturing small pistons.

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4.4] FILES MAINTAINED IN THE MARKETING DEPARTMENT OF
THE COMPANY :

1) Quotation Register :

It gives the number of quotations sent. It gives information like reference number of enquiry letter, serial number, name of client, the value of order and the region to which it pertains.

2) Master Order File :-

After the orders are received from the OEM market as well as Replacement Market, these orders are entered into the master order file giving complete details of the order.

3) Supply File :-

Once the order is received, then the 'Order Acceptance Letter' is prepared in six copies. One is sent to the client, one to salesmen, one to accounts, one to production, one to dispatch, and one is retained in the marketing department and filed in the supply file.

4) Party File :-

In order to facilitate easy follow-up and for future references, separate party files are maintained. All correspondence letters, inquiry letters, purchases orders received, amendment letters, letters of complaints and settlements, and work orders pertaining to the particular parties are maintained, in the party files.

5) Client follow-up File :-

Separate cards are maintained in alphabetical order giving information, On the number of orders placed by a particular client and the number of orders already despatched to them. This enables averaging sales per client to be calculated for a given period of time. From this piece of information sales targets can be set.

6) Export Business File :-

All correspondence relating to export business and orders executed with full detailers are filed in the Export, Business file.

7) Distributors File :-

This file gives details of the orders placed by distributors, the payments received by them, and all other correspondances. This file enables the company to calculate, the commission payable to the distributors.

8) Dealers File :-

This file like the distributor's file also gives full details of the dealers.

9) Promotion File :-

This file gives details of the business done with the Advertising Agent i.e., Dattatra Advertisement, Bombay.

10) New Developments File :-

All new developments taking place both within the company as well in the market will be entered in the New-Development file.

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4.5

PROCEDURE INVOLVED IN FINALISING AN ORDER IN THE
COMPANY ORIGINAL EQUIPMENT MARKET :

ORIGINAL EQUIPMENT MARKET :-

In the case of OEM market, the original Equipment manufacturers send an order of their requirements for a particular period of time. Later on from time to time, they give intimation of their specific requirements out of the total order sent earlier. Only part by part, as asked for, by the O.E.M is executed.

Once the order in aggregate is received the company sends to its client an order Acceptance letter. Once the order is executed, after sale service is looked into by the Area sales Manager.

REPLACEMENT MARKET :-

The replacement market is handled by Dealers and Distributors,

The distributors collect orders from customers and send it to the company. The company then accepts the order by giving an order Acceptance letter. The order

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is then executed by the company directly to the customers.

The job of the distributors is to collect orders and also receive payment on behalf of the company for which a commission is paid to them.

Dealers handle and execute orders themselves. They make delivery of the goods to the customers and also receive payment from them.

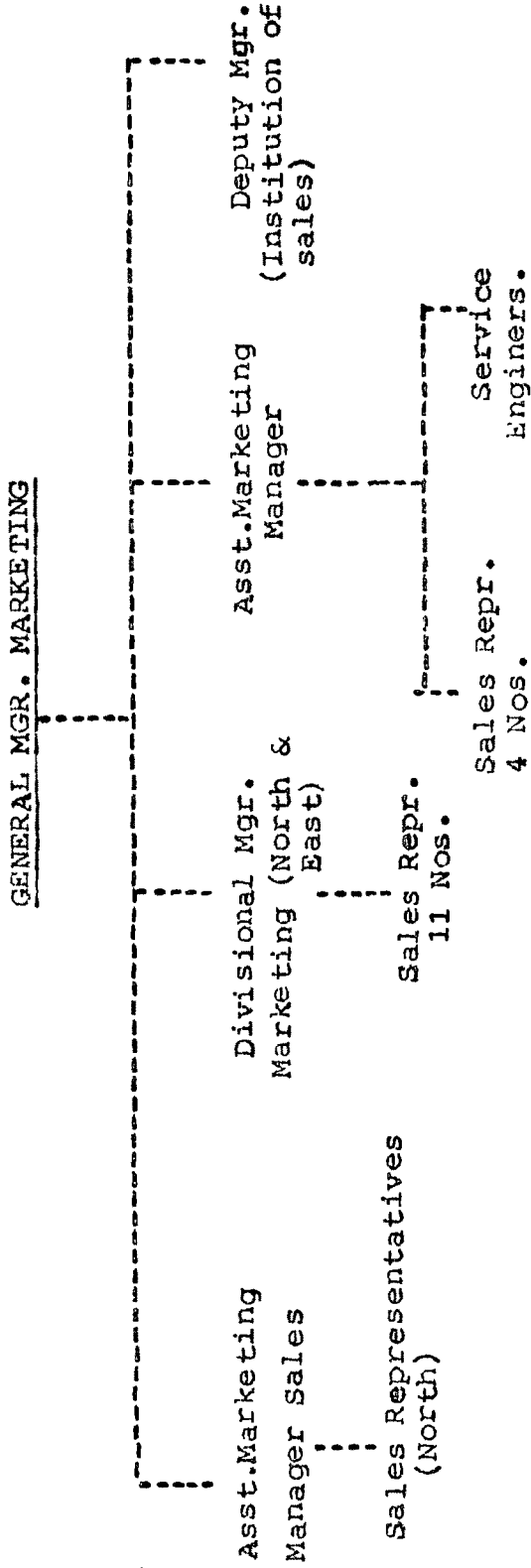
However in the case of dealers the commission is much lesser, when compared to that of Distributors, This is so because their orders are smaller.

The company's sales people also get and place orders to the company. The company in this case, makes six copies of the order Acceptance letter. One is sent to the party, one to accounts department, one to packing department, one to the concerned salesman and two are retained in the marketing department. The salesmen give after sale services to the customers. They get monthly salary in addition to incentives for achieving above target sales.

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MARKETING ORGANISATION STRUCTURE



ORGANISATION CHART

MANAGING DIRECTOR

