

Overhauling a vast corporate sales force essay sample

[Business](#), [Customers](#)



HP being one of the world's most famous companies had faced problems in their corporate sales. This resulted to flattened revenues and profits as well as the dropped of their stock price. Fortunately they have Mark Hurd, their newest CEO, was trying find out the real problem and seek for possible solutions. He found out complains from customer regarding on HP's confusing management. Their frustrating structure had a multiple layer of bureaucracy making their system very centralized and lack of customer focus. Thus, Hurd took a step to reduce inefficient salespeople and eliminated the CSG division instead divided them to the 3 divisions to ensure that each of them could spend more quality time with the customer. Also, HP assigned each salesperson three or fewer accounts and wherein the top 2,000 accounts were assigned to just one salesperson. Indeed, Hurd did not fail to accomplish his goal. HP's revenue consistently increased its revenue and stock price. Moreover, he also acknowledged HP's enormous size as a "strange friend" it gives the company a big portfolio of products and services. The only negative thing about it is the multiple organizational layers. Lastly, HP's changes of structure and system made customers satisfied and salespeople productive.

Problem Statement

How will HP sustain its long-term profitable relationships between the salespeople and their clients?

Objectives

- To be able to describe and understand the scenario of HP
- To develop possible alternative courses of actions to address the problem
- To determine

ways on how HP can sustain long-term profitable relationships •To choose one of the possible courses of action that HP can implement

SWOT Analysis

Strengths

- Established strong brand name
- Customer-driven CEO
- A large company offering a wide array of products and services
- Increasing revenues, profits & stock price
- Competent number of sales force
- HP business buyers as “ partners”

Weaknesses

- Work load imbalance of salespeople
- Multiple organizational layers

Opportunities

•The opening of SMB Exchange, a new sales operation in New Mexico •To attract more clients to be one of their “ partners” •To restore the customer’s trust and confidence towards the company •To augment the company’s image with regards to customer service Threats

- They may be overpowered by their competitors.
- Terrorist customers might affect other customers’ perception towards the company.

Attached to this paper is the SWOT Matrix

Alternative Courses of Action

ACA #1:

HP should assign the top 2, 000 accounts to a group of salespeople.

Pro's:

- More manageable number
 - Equal designation of tasks
 - More productivity of salespeople
- #### Con's:
- May create conflict of interest and ideas among the salespeople
 - Other customers may find it hard to adjust with the changes.

ACA #2:

HP should cluster the 2, 000 accounts into smaller units assigned to a competent salesperson. (1 salesperson: 50 accounts).

Pro's:

- More manageable number
 - Direct customer-salesperson relationship
 - More productivity of salesperson
- #### Con's:
- May create tension between regular salespeople who are handling three or fewer accounts and the selected salespeople.

ACA #3:

HP should cluster the 2, 000 accounts into smaller units assigned to a group of salespeople.

Pro's:

- More manageable number
 - Faster accomplishment of tasks
- #### Con's:
- May create conflict of interest and ideas among the salespeople
 - May

create tension between regular salespeople who are handling three or fewer accounts and the selected salespeople. •The number of salespeople and fewer number of accounts are not an assurance of a productive outcome.

Recommendation

We, the case analysts, recommend ACA #2 that is, HP should cluster the 2,000 accounts into smaller units assigned to a competent salesperson (1 salesperson: 50 accounts). It is manageable in the sense that salespersons will have a fewer number of accounts to oversee. By that, he or she can monitor closely and can respond immediately to the needs and wants of the client/s. It can also enhance direct customer-salesperson relationship because the customer can directly contact the salesperson if he or she has concerns. Furthermore, the salesperson will be more productive in his or her task because he or she has the autonomy of allocating his or time to accomplish the tasks and other duties. However, it may create tension between the regular salespeople with the selected salespeople because they may feel that they are less capable compared to those who are selected. This might affect the overall performance of the company. Thus, HP should properly convey the message to the entire workforce which is to sustain long-term profitable relationships between customers and salespeople.

SWOT Matrix

Strength

S1: Established reputation

S2: Customer-driven CEO

S3: Variety of Products & Services

S4: Increasing revenues, profits & stock price

S5: Competent sales force

Weaknesses

W1: Work load imbalance

W2: Multiple organizational layers

Opportunities

O1: Opening of SMB Exchange

O2: Clients as “ partners”

O3: Customer’s trust and confidence restoration

O4: Customer service improvement
S1, S2, O2, O3: Long-term Relationship with customers and partners
S4, O2: Growth and Development of Business Partners and of HP

W1, O3: Customer’s trust and confidence restoration can be attained by balancing the work load
W2, O4: Customer service improvement can be attained by reducing multiple organizational levels. Threats

T1: Competitor’s competitive advantage

T2: Terrorist customers
S2, T2: a change of heart of the terrorist customers into apostles
S4, S5, T1: Competent sales force and increasing company value can compete with the competitors.
W1, T1: If work load imbalance will persist, competitors will still have the competitive advantage over the company.
W2, T2: Risk of losing prospective clients due to the bad feedback of terrorist customers.