

Personal selling and sales management assignment

[Business](#), [Marketing](#)



Global Perspective INTERNATIONAL ASSIGNMENTS ARE GLAMOROUS, RIGHT?

Some challenges associated with an international assignment include job security, readjustment upon return to the U. S. and adjustment to other cultures. Given these kinds of problems, is that international sales position being offered to you as attractive as it looks? Will it really help your career? Particularly in relationship cultures such as China, relationship marketing, built on effective communications between the seller and buyer, focuses on building long-term alliances rather than treating each sale as a one-time event.

Designing the Sales Force Based on analyses of current and potential customers, the selling environment, competition, and the firm's resources and capabilities, decisions must be made regarding the numbers, characteristics, and assignments of sales personnel. Distribution strategies will often vary from country to country. Some markets may require a direct sales force, whereas others may not. How customers are approached can differ as well.

Once decisions have been made about how many expatriates, local nationals, or third= country nationals a particular market requires, then more intricate aspects of design can be undertaken, such as territory allocation and customer call plans. Recruiting Marketing and Sales Personnel

- Expatriates
- Virtual Expatriates
- Local Nationals
- Third Country Nationals

•Host Country Restrictions Expatriates The largest personnel requirement abroad for most companies is the sales force. The number of companies

relying on expatriate personnel is declining as the volume of world trade increases and as more companies use locals to fill marketing positions.

However, when products are highly technical, or when selling requires an extensive background of information and applications, an expatriate sales force remains the best choice. The chief disadvantages of an expatriate sales force are the high cost, cultural and legal barriers, and the limited number of high-caliber personnel willing to live abroad for extended periods. Virtual Expatriates The Internet and other advances in communications technologies, along with the growing reluctance of executives to move abroad, are creating a new breed of expatriate, the virtual one.

Virtual expatriates manage operations in other countries but don't move there. Local Nationals The historical preference for expatriate managers and salespeople from the home country is giving way to a preference for local nationals. At the sales level, the picture is clearly biased in favor of the locals because they transcend both cultural and legal barriers. They are also familiar with distribution systems and referral networks. The main disadvantage of hiring local nationals is the tendency of headquarters personnel to ignore their advice.

Another key disadvantage can be their lack of availability. In many countries, sales positions are viewed negatively. Third Country Nationals Third-country nationals (TCNs), are expatriates from their own countries working for a foreign company in a third country. Host Country Restrictions The host government's attitudes toward foreign workers often complicate selecting

expatriate U. S. nationals over locals. Concerns about foreign corporate domination, local unemployment, and other issues cause some countries to restrict the number of non-nationals allowed to work within the country.

Selecting Sales and Marketing Personnel To select personnel for international marketing positions effectively, management must define precisely what is expected of its people. Effective executives and salespeople, regardless of what foreign country they are operating in, share certain personal characteristics, skills, and orientations such as maturity, emotional stability, breadth of knowledge, positive outlook, flexibility, cultural empathy, energetic, and enjoy travel. Selection mistakes are costly.

When an expatriate assignment does not work out, hundreds of thousands of dollars are wasted in expenses and lost time. New evidence indicates that a manager's culture affects personnel decisions. **Training for International Marketing** The nature of a training program depends largely on both the home culture of the sales person and the culture of the business system in the foreign market. Continual training may be more important in foreign markets than in domestic ones because of the lack of routine contact with the parent company and its marketing personnel.

One aspect of training is frequently overlooked: Home-office personnel dealing with international marketing operations need training designed to make them responsive to the needs of the foreign operations. The Internet now makes some kinds of sales training much more efficient. **Motivating Sales Personnel** Motivation is especially complicated because the firm is dealing with different cultures, different sources, and different philosophies.

Because cultural differences affect the motivational patterns of a sales force, a manager must be extremely sensitive to the personal behavior patterns of employees.

Individual incentives that work effectively in the United States can fail completely in other cultures. Communications are also important in maintaining high levels of motivation; foreign managers need to know that the home office is interested in their operations. Because promotion and the opportunity to improve status are important motivators, a company needs to make clear the opportunities for growth within the firm. In one study, sales representatives in comparable Japanese and American sales organizations were asked to allocate 100 points across an array of potential rewards from work.

As shown in Exhibit 17. 4, the results were surprisingly similar. The Sales People Were Asked to: ' Distribute 100 Points among the Rewards in Terms of their Importance to You. ' SOURCE: R. Bruce Money and John L. Graham, " Salesperson Performance, Pay, and Job Satisfaction: Tests of a Model Using Data Collected in the U. S. and Japan," Journal of International Business Studies, 1999. Designing Compensation Systems For Expatriates Developing an equitable and functional compensation plan that combines balance, consistent motivation, and flexibility is extremely challenging in international operations.

Fringe benefits play a major role in many countries. Pay can be a significant factor in making it difficult for a person to be repatriated. Often those

returning home realize they have been making considerably more money with a lower cost of living in the overseas market; returning to the home country means a cut in pay and a cut in standard of living. In general, short-term assignments involve payments of overseas premiums (sometimes called separation allowances if the family does not go along), all excess expenses, and allowances for tax differentials.

Besides rewarding an individual's contribution to the firm, a compensation program can be used effectively to recruit, develop, motivate, or retain personnel. For a Global Sales Force – The Do's Compensation plans of American companies vary substantially around the globe, reflecting the economic and cultural differences in the diverse markets served. Some experts feel compensation plans in Japan and Southern Europe are most different from the standard U. S. approach. Those same experts believe that generally compensation schemes around the world are becoming more similar to the U.

S. systems with its emphasis on commissions based on individual performance. Global Similarity to U. S. Compensations Plans SOURCE: David G. Schick and David J. Cichelli, " Developing Incentive Compensation Strategies in a Global Sales Environment," ACA Journal, Autumn 1996. The Do's for designing compensation systems for a global sales force: •Do involve representatives from key countries. •Do allow local managers to decide the mix between base and incentive pay. •Do use consistent performance measures (results paid for) and emphasis on each measure. Do allow local countries flexibility in implementations. •Do use consistent

communication and training themes worldwide. The Don'ts for designing compensation systems for a global sales force:

- Don't design the plan centrally and dictate to local offices.
- Don't create a similar framework for jobs with different responsibilities.
- Don't require consistency on every performance measure within the incentive plan.
- Don't assume cultural differences can be managed through the incentive plan.
- Don't proceed without the support of senior sales executives worldwide.

A compensation Blueprint: How IBM Pays 140, 000 Sales Executives

Worldwide Beginning in the late 1990s IBM rolled out what is perhaps the most global approach to compensating a worldwide sales force. The main features of that plan, which applies to 140, 000 sales executives in 165 countries, are presented in Exhibit 17. 6. SOURCE: Michele Marchetti and Antonio Langemi, "Gamble," *Sales and Marketing Management*, July 1996, p. 65-69. Evaluating and Controlling Sales Representatives In the U. S. , emphasis is placed on individual performance, which can easily be measured by sales revenues generated.

In many countries evaluation is more complex where teamwork is favored over individual effort. The primary control tool used by American sales managers is the incentive system. In other countries, corporate control and frequent interactions with peers and supervisors are the means of motivation and control. Preparing U. S. Personnel for Foreign Assignments Foreign assignments typically cost from 150-400 percent of the annual base salary. This cost increases if the expatriate returns home before completing the scheduled assignment.

The planning process must begin prior to the selection of those going abroad and extend to their specific assignments after returning home. Overcoming Reluctance to Accept a Foreign Assignment Concerns for career and family are the most frequently mentioned reasons for a manager to refuse a foreign assignment. The most important career-related reservation is the fear that a two- or three-year absence will adversely affect opportunities for advancement. Concern for family may interfere with many accepting an assignment abroad.

Initially, most potential candidates are worried about uprooting a family and settling into a strange environment. Questions about the education of the children, isolation from family and friends, proper health care, and, in some countries, the potential for violence reflect the misgivings a family faces when relocating to a foreign country. Reducing the Rate of Early Returns Once the employee and family accept the assignment abroad, the next problem is keeping them there for the assigned time. One researcher estimated that 75 percent of families sent to a foreign post experience adjustment problems with children or have marital discord.

Before going abroad, cross-cultural training should be provided for families as well as the employee. Once the family is abroad, some companies even provide a local ombudsman (someone experienced in the country) to whom members can take their problems and get immediate assistance. Successful Expartiate Preparation Returnees should know where they are going and what they will be doing next month and several years ahead. A report on what MNCs are doing to improve the reentry process suggests five steps: 1.

Commit to reassigning expatriates to meaningful positions. 2. Create a mentor program.

Mentors are typically senior executives who monitor company activities, keep the expatriate informed on company activities, and act as liaison between the expatriate and various headquarters departments. 3. Offer a written job guarantee stating what the company is obligated to do for the expatriate on return. 4. Keep the expatriate in touch with headquarters through periodic briefings and headquarters visits. 5. Prepare the expatriate and family for repatriation once a return date is set. Developing Cultural Awareness Most expatriate failures are caused by lack of an understanding of cultural differences and their effect on management skills.

Good cultural skills can be learned and developed. Cultural skills provide the individual with the ability to relate to a different culture even when the individual is unfamiliar with the details of that particular culture. The Changing Profile of the Global Manager Fewer companies today limit their search for senior-level executive talent to their home countries. Some companies believe that it is important to have international assignments early in a person's career, and international training is an integral part of their entry-level development programs.

Many companies are active in making the foreign experience an integrated part of a successful corporate career. Foreign Language Skills Many believe that learning a language improves cultural understanding and business relationships. Many believe that to be taken seriously in the business

community, the expatriate must be at least conversational in the host language. Many companies are making stronger efforts to recruit people who are bilingual or multilingual. Summary •The company's sales force is on the front line of a marketing organization. The role of marketers in both domestic and foreign markets along with the composition of international managerial and sales forces is rapidly changing. •The recent emphasis on using local personnel operating in their own lands has highlighted the importance of adapting U. S. managerial techniques to local needs. •The development of an effective marketing organization calls for careful recruiting, selecting, training, motivating, and compensating of expatriate personnel and their families. The most practical method of maintaining an efficient international sales and marketing force is careful, concerted planning at all stages of career development. An effective international sales force constitutes one of the international marketer's greatest concerns. The company's sales force represents the major alternative method of organizing a company for foreign distribution and, as such, is on the front line of a marketing organization. The role of marketers in both domestic and foreign markets is rapidly changing, along with the composition of international managerial and sales forces.

Such forces have many unique requirements that are being filled by expatriates, locals, third-country nationals, or a combination of the three. In recent years, the pattern of development has been to place more emphasis on local personnel operating in their own lands. This, in turn, has highlighted the importance of adapting U. S. managerial techniques to local needs. The development of an effective marketing organization calls for careful

recruiting, selecting, training, motivating, and compensating of expatriate personnel and their families to ensure maximization of a company's return on its personnel expenditures.

The most practical method of maintaining an efficient international sales and marketing force is careful, concerted planning at all stages of career development. Bibliography: International Marketing, Cateora P. R. , Graham J. L. , 12th ed, pp 500-525. Michele Marchetti and Antonio Langemi, " Gamble," Sales and Marketing Management, July 1996, p. 65-69. David G. Schick and David J. Cichelli, " Developing Incentive Compensation Strategies in a Global Sales Environment," ACA Journal, Autumn 1996.