

In receives orders,
despatches goods,
prepares cash



**ASSIGN
BUSTER**

In other words, the sales organisation should undertake all the sales activities necessary for the smooth distribution of products or services.

Therefore, a sales department cannot be completely eliminated from the organisational structure. On the basis of function, a sales organisation can be broadly divided into following departments: 1. Sales Department: Usually this department is connected with effecting and expanding sales on a continuous basis.

Sales department is the nerve centre for the sales organisation as the sales is the life blood of business. In small organisations, this department often carries out the functions of other departments. The primary objective of this department is to market the products produced by the organisation or the products purchased for resale. Usually, this department lays down territories and routes for travelling salesmen, receives orders, despatches goods, prepares cash bills, invoices, receives payments, stores packed goods, maintains accounts for them, supervises branches and so on. For performing such varied duties, this department is generally headed by a sales manager, assistant sales managers, senior and junior salesmen, travelling salesmen, counter salesmen, clerks, typists, despatch clerks, stores clerks, correspondence clerks and number of clerks discharging different duties.

Sales department coordinates all the activities of the sales organisation. It is considered as the nucleus, brain and local centre of every operation of sales organisation.

In fact, sales department is indispensable for every sales organisation. 2.

Advertising Department: This department stands in between the production and distribution department. Advertising department is highly essential in
<https://assignbuster.com/in-receives-orders-despatches-goods-prepares-cash/>

order to make the people aware of the existence of the products or services and their special features. Unless and until the prospective buyers know about the availability of products and services and their utilities, they cannot feel the necessity of purchasing them. Thus, advertising department plays a vital role by providing relevant product information to the prospects.

Advertising department is usually headed by a manager and several other subordinates depending upon the need of the organisation.

The manager usually plans the publicity programme and selects the appropriate media for the advertisement and its implementation. The job of advertising is either done by advertising department itself or given to external advertising agencies. 3.

Sales Promotion Department: This department is usually concerned with the sales promotion measures being undertaken particularly in relation to dealers and consumers. The principal objective of this department is to enhance sales by attracting the attention of the dealers and the customers.

This department supplies sales literatures and display materials, writes personal letters, grants favourable terms of trade, conducts sales conferences and conventions, holds dealers' and consumers' contests and so on. This department, in fact, takes the responsibility of inducing dealers in improving sales. 4. **Credit and Collection Department:** In modern times, a major share of the sales comprises of credit sales.

Therefore, it becomes necessary for the sales organisation to have a separate credit department. The credit and collection policies are generally decided at the top level. In the light of such policies, this department lays

down the guidelines under which credit can be granted, examines the credit worthiness of customers, scrutinises credit applications, grants credit, collects dues and overdues and takes necessary action against defaulters. Utmost care is taken while granting credit because a liberal credit policy may lead to locking of huge funds of the organisation. Similarly, a strict credit policy may also lead to a limited sale.

Therefore, the credit policy should neither be too conservative nor too liberal. Similarly, the collection policy is to be such that dues are collected smoothly and at the same time customers remain loyal to the organisation.

5. Personnel Department: The functions of this department form a part of the overall management of the organisation. This department is chiefly responsible for the manpower planning and development of the sales organisation in a systematic manner. The personnel department of a sales organisation is headed by a personnel manager who recruits, selects and trains salesmen, allocates duties, motivates them, and equips them with latest technique and knowledge, remunerates them and controls them effectively. All these help to have an efficient sales force and promote employee's potentialities.

6. Market Research Department: This department gathers information which is directly or indirectly connected with sales. Information regarding the utility and marketability of the product, the nature of demand and competition, adequacy or ineffectiveness of advertisements, channels of distribution, and so on are usually collected by this department.

This department also gathers information regarding the consumer's needs and requirements as well as their complaints, if any. All such information is collected either directly or indirectly from the dealers and ultimate consumers. Information so collected, are presented in the form of reports to the organisation. These reports are taken into consideration while making important decisions of the organisation. 7.

Public Relations Department: This department is responsible for collecting information about the product from the public. The organisation has to maintain cordial relationship with the general public, particularly with the suppliers, dealers, distributors and consumers. The public relations officer tries to create a favourable opinion about the firm as well as their product with the masses. It has the responsibility of creating a better image and goodwill of the firm. He has to build up a sound reputation of the firm in the minds of the public. Broadly speaking, the above mentioned departments; namely, sales department, advertising department, sales promotion department, credit and collection department, personnel department, market research department and public relations department generally constitute a sales organisation. However, there may be several other departments like training department, physical distribution department, statistics and record department which are nothing but a sub-division of the above mentioned departments. The above division is not rigid and in fact may vary according to the need of the organisation.

Sometimes, it becomes necessary to classify the sales organisation on the basis of specific needs of the consumer. Whatever be the type of

classifications of an organisation, all the departments have to undertake these activities in a coordinated manner.