

Sales force assignment

[Business](#), [Management](#)



SALES FORCE In today's global marketplace, managers face many challenges related to fulfilling the customer's ever-changing needs and expectations. The concept of customer service has recently become more complex as a result of globalization of goods and services. Customers are now well-informed decision makers as a result of the abundance of information that is available online and in the media. In addition, today's consumer is most concerned with how a salesperson can solve basic problems and ultimately add value to a product or service.

The role of sales intermediaries is now, more than ever, important to success in this new competitive global marketplace. As a result, sales managers have a new challenge of responding to this new environment with innovative techniques for managing and motivating the sales force. The following sections define general sales management terms, examine the role of a sales manager, and focus on methods used to manage, lead and motivate employees. **SALES MANAGEMENT DEFINED** Sales management can be most easily defined as planning, implementing, and controlling personal contact programs designed to achieve the sales and profit objectives of the firm.

Overall, sales managers are responsible for directing the firm's sales program. In carrying out this objective, a sales manager assigns territories, sets goals, and establishes training programs. In addition to setting individual goals, sales managers monitor the performance of their salespeople and continually offer direction and leadership on ways to improve their performance. The organizational structure for sales management varies depending on the firm's size and strategy. In field sales

management, the structure consists of the unit manager, district manager, regional manager, general manager and vice president of sales.

The unit manager is often referred to as the manager-in-training with interaction taking place at the customer level. Key responsibilities for the unit manager include training new salespeople, recruiting, selling to small accounts, and running district meetings. District managers, a step up from unit managers, have 5 to 10 years of management experience and generally manage 8 to 10 salespeople. District managers typically report to the regional manager, who is responsible for managing multiple districts in a given geographic area. The general manager is sometimes referred to the vice president of sales and marketing.

This position is traditionally at the top of the sales organizational chart, with the VP of Marketing and Sales driving the sales strategy of the firm. There are distinct differences in bottom and top-level managers. The main difference is the amount of time they spend on each of their tasks. Lower-level managers spend the majority of their time on staffing, directing and monitoring salespeople. Top-level managers generally focus on planning, organizing and coordinating their sales strategy with overall corporate objectives. They also forecast sales, set objectives, develop strategies and policies, and establish budgets.

SALES MANAGEMENT STRATEGIES Sales managers are confronted with several challenges when designing an effective sales strategy. How should a sales force be structured? How large a sales force is needed? What methods should the sales force use to deliver their message? Strategies vary based

on the number of products that the firm offers and if the firm sells to one particular type of customer versus selling to many different types of customers. When selling one product line to a single industry, with customers in many locations, a territorial sales strategy is used.

With this strategy, a sales manager will assign sales representatives to exclusive territories in a given region. These representatives will sell full product lines consisting of multiple products to customers in that territory. A good example of this strategy is food equipment sales. A sales representative for a commercial food equipment company will typically promote the companies full line of products when selling to restaurants, schools, and cafeterias in their defined territory. A product sales force strategy is often used when a firm sells along product lines.

Using this strategy, a sales manager will require their representatives to focus on selling a single product or small select group of products. This strategy is used by managers when products are numerous and complex. This strategy is widely used in healthcare sales where a salesperson focuses on selling doctors and healthcare providers specific products that are integral to their specialized area of medicine. Finally, sales managers may use a customer focused sales force strategy where salespeople specialize in matching target customers to specific products or services.

This strategy helps a company to concentrate more on building strong, long-term relationships with key customers. MOTIVATING THE SALES FORCE A topic of particular interest in sales management is motivation. Motivation is quite possibly the most important aspect of sales management. If a sales

force is properly screened, selected and trained, and the product is right, then motivation becomes critical for success. There are many reasons why motivating a sales force is an important part of the sales process. First, salespeople must cope with acceptance and rejection on a continual basis.

They go from being exhilarated as the result of a big sale to the disappointment that results from being turned down. Often, salespeople will spend many hours on the road, away from their families, which may affect their overall morale. This, paired with the fact that salespeople usually operate without managerial supervision, indicates that these individuals require a high level of self motivation in order to consistently produce good results. And finally, motivation directly influences the level of enthusiasm a salesperson has in presenting the product or service to the customer.

If a sales representative is passionate and enthusiastic about a product or service, it can directly influence the customer's decision to purchase, as well as building strong relationships for future purchases. With that said, it is important to note that sales managers are responsible for instilling and maintaining an effective level of motivation in their staff. In addition to providing strong leadership, a sales manager must motivate a sales force in order to achieve pre-determined sales goals.

Managers can use a variety of tools to successfully motivate their sales force. The most powerful motivator is a well-designed compensation package. Sales managers can effectively motivate salespeople by designing a compensation formula that is a good balance of salary, bonuses, and commissions. Managers define selling objectives in the form of quotas,

established compensation levels, and an effective incentive portion. There are a variety of formulas for compensating salespeople; the formula depends on linking the firm's overall performance expectations to each salesperson.

Straight commission is used by sales managers to reward salespeople for their accomplishments, rather than their time or efforts. Straight commission compensation fosters independence for the salesperson. It is a strong motivator in that payout only occurs if a sale is made, resulting in lower costs for the company. It is favorable program for organizations that want to minimize compensation costs; especially for new and growing companies. There are some disadvantages of straight commission, which include the inability of sales managers to control selling activities, as well as high employee turnover.

Another compensation program frequently used by organizations is salary plus bonus. Essentially, the salary plus bonus formula includes base salary with a performance-based bonus paid when sales goals and quotas are achieved. Sales reps may also be evaluated on factors, including creation of new accounts, average gross margin, and after sales servicing. Unlike straight commission, this program helps to reduce the rate of employee turnover. The plan also encourages salespeople to build long-term relationships with their customers.

By having the security of a consistent income, salespeople can be patient with their customers and allow them to take the time needed to make an informed decision. This is particularly important when buying cycles are long and when sales representatives need time to get acclimated with the buying

cycle of the customer. When selling complex products or services, a salary plus commission structure may be used to compensate the sales force.

Under this program, a salesperson is guaranteed a base salary and is awarded a commission based on factors determined by the organization.

Typically, a salary plus commission program is structured around upper and lower thresholds related to sales volume. For example, a salesperson may earn 4 percent on the first \$20, 000 of sales volume each month, 5 percent on an additional \$15, 000 and 6 percent on sales over \$40, 000. Other firms may use different criteria, such as reaching sales quotas on the number of individual products sold in each product category. The advantages to this method are related to the flexibility of program. Firms are able to customize the program to meet corporate objectives as they relate to the sales force.

Commissions can be spread out over a given period to ensure reps will continue to offer the customer a high level of service, and to discourage the reps from leaving the company after a big sale. Salary plus commission and a bonus is a combination of the aforementioned programs. This plan combines the stability of a salary, the incentive of a commission, as well as special bonus awards. Every activity of a salesperson is financially recognized by this program and is favored by salespeople because of the earning potential of the plan. The plan is not as popular as the others because of the complexity involved to administer the program.

Short-term incentive programs are often used by firms to motivate salespeople beyond standard compensation packages. Sales contests are the most common incentive used to generate excitement about selling

products and services. The contests usually run for a limited time and include cash prizes or travel to those salespeople who achieve a certain level of sales. Timing of the contests is crucial. Typically, contests should be rolled out during the slower seasons of a given industry in order to boost sales and to generate incremental revenue. RECRUITING A SUCCESSFUL

SALES FORCE The sales manager is responsible for recruiting salespeople by identifying sources for new employees, screening applicants, conducting interviews, contacting references, and recommending candidates to the regional manager. Typically, the regional sales manager recruits and selects new salespeople when needed. Often, candidates are found through universities, Internet sites, or applicants who formally apply to the company through cold-calling efforts. Managers should identify certain key qualities when recruiting candidates for employment.

Personality is an important factor when considering a candidate for a sales position. Empathy, ego and optimism are good personality attributes to consider when screening candidates for a sales position. Each of these attributes has a strong correlation to success in sales. Empathy is the ability to sense the reactions of another person and ego refers to the inner need to persuade another individual for one's own satisfaction. Both of these traits combined are predictors of a good salesperson and are strongly considered when recruiting and interviewing job applicants.

Additionally, it is important to consider the applicant's level of optimism as it relates to personal achievement. Optimism and enthusiasm are good indicators of the ability of a salesperson to manage adversity and is a trait

that is often needed to overcome rejection and slow sale months. Although most companies have their own selection procedures, a typical candidate selection process will resemble the following: 1. First interview by district sales manager (Candidate is accepted and given a formal application or they are not accepted and sent a rejection letter. 2. Candidates that submit an application are invited to a second interview with the district manager. 3. Candidates may spend a day in the field with a salesperson and the district manager receives feedback from the salesperson on the candidate's level of enthusiasm. 4. District manager checks the candidate's references and criminal background. 5. Regional sales manager interviews the candidate. 6. Regional manager and district manager discuss the candidate via telephone conference or personal meeting. (Decision is made whether to offer the candidate the position) 7.

Regional sales manager formally offers the job to the candidate. 8. Physical examination is needed if offer is accepted by the candidate. TOTAL QUALITY MANAGEMENT AND CUSTOMER SATISFACTION A primary responsibility of a sales manager is managing relations with customers. The emergence of a global market for products and services has spurred new theories regarding management of products as they relate to the customer. Total quality management (TQM) is defined as a management process and set of disciplines that are coordinated to ensure that the organization consistently meets customer expectations.

Originally defined as a manufacturing theory, TQM is now being applied to sales in particular. In the sales and marketing context, TQM defines the

quality of the sales and service effort in terms of customer satisfaction. The goal of TQM is to sell service and quality driven value (rather than price), to create loyal customers, and long-term profits. Sales and service systems that link individuals, departments, suppliers and customers are central to TQM. Each department within an organization has a direct responsibility to the customer in some capacity.

Marketing designs its new products with the customer in mind.

Manufacturing focuses on achieving the highest level of product quality.

Under TQM, challenging, but reasonable improvement goals are set for sales and service quality. Innovation and continuous improvement of the sales and servicing process is paramount to the idea of TQM. The customer is considered from every aspect of TQM. By focusing on customer expectations and questioning them using formal techniques, TQM can discover previous misconceptions and new opportunities.

Some fundamental ideas behind TQM are making continuous improvements to products and services, eliminating defects, doing things right the first time, and understanding that employees closest to the process know how to improve the process. As a function of sales and service, TQM focuses on the exchange between the buyer and the seller. Intangible issues such as responsiveness to varying customer needs, empathy for customer concerns, reliable service performance, and assurance of service capabilities are considered when managing relationships with customers.

This process is somewhat more difficult than actual management of product quality because customers are required to be participative in the process.

They are expected to offer feedback to the company on products and services to allow for continuous improvement to the process. Customer satisfaction is central to the philosophy of total quality management. In sales management, TQM suggests that organizations need to have the majority of employees in customer support functions, with fewer staff positions. This will help to eliminate costs associated with management and reduces levels in the decision making process.

Fewer levels of management also allows for the organization to be flexible enough to change quickly to support new sales opportunities. Continuous improvement for all products and improvement in the selling process allows firms to consistently move forward with innovative products and services in order to remain competitive in the new global market. CAREER PATHS Sales management jobs are found in both consumer and commercial industries, in positions ranging from district manager, to vice president of marketing and sales, to top sales management of the firm.

Competition for sales management jobs can be intense. Sales managers typically start out as salespeople, working their way to the top with strong leadership and organizational abilities. The progression of salespeople into management positions is gradual, with representatives moving into more executive positions by taking on more responsibility with larger, national accounts. It is likely that a sales representative will spend a portion of their career as a district or regional sales trainer, before moving into a senior sales management role.

The progression of salespeople into management positions vary based on the size and organizational structure of the organization. FURTHER READING:

Dalrymple, Douglas J. , and William L. Cron. Sales Management: Concepts and Cases. 6th ed. New York, NY: John Wiley and Sons, 1998. Hughes, G. David, Daryl McKee, Charles H. Singler. Sales Management: A Career Path Approach. Cincinnati, OH: South-Western College Publishing, 1999. Kotler, Philip, and Gary Armstrong. Principles of Marketing. 9th ed. Upper Saddle River, NJ: Prentice Hall, 1999.