

Sales



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SHIELD FINANCIAL CASE STUDY SCHOOL: ment of Problems A successful company is backed by focused goals and objectives (in Shield's case that would be profit maximization through increased sales) that are followed diligently and whole heartedly by a vigilant sales team led by a Manager that keeps them well motivated (employees satisfied with their working conditions while meeting their designated targets). However if sudden changes in management or policies are made without the involvement or feedback from employees it can lead to high level of de-motivation, insecurity, lack of trust, confusion and deviance from the main goals of the company, consequently effecting its performance. Similar is the case at Shields where a new manager leading a sales team that is facing issues in accepting company's new sales policy (which is in line with that of its main competitor) that is to generate sales through big accounts rather than several small ones as done earlier. Continuation with the same tactic of implementing the new policy over the sales team might result in more slumps in sales quota and increased drop outs that would result in mismanagement of the existing accounts hence further decline in sale level.

Summary of the Facts Shield is an Insurance company that provides customized insurance and risk management programs to all size of commercial enterprises. Shield is a result oriented company. Their main objective is profit maximization through increased sales revenue. Following the footsteps of its major competitor the higher management decided to implement a new sales strategy namely First-Plus to increase revenues by bringing in larger accounts. Training of new managers done in theoretical manner through manuals in only 5 days period. Training comprising majorly of introducing First-Plus a new policy for sales rather than how to manage a

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sales team effectively as well as efficiently. Doug Blooms main task was to abreast his sales team with the new sales policy First-Plus and motivate them to accept it and aid them in achieving the sales quota through effective and well managed implementation of it. A smaller account was easily handled due to experience and short time required for decision makers. On the contrary big accounts were found to be complex with more requirements and delay in decision making due to hierarchies. Further complex designed and detailed product was needed to cater to First-Plus accounts. Entry into a big account would pave way for further big accounts associated with the customer as well as other accounts in the same line of business. Analysis The company being profit oriented is entirely focused on generating more sales. They implemented a policy in the following of their main competitor without taking feedback or input from their management as well as their sales representatives. Most of the manager and sales team members were inexperienced in handling or closing larger accounts hence were mostly reluctant and resisted the change (Vaidya, 2011). It has been clearly indicated that there was lack of communication and interest of the higher management in its middle management and sales team which resulted in demotivation, lack of trust and a repositioning strategy that made the company's employee lose their focus, identity and trust in management. Newly appointed Manager Doug Bloom of the sales team in question, was motivated and willingly took on to the new managerial role which met his ego and self actualization needs (Maslow's Hierarchy of Need) (Eugene, 1994). However along the way due to lack of motivation from his superiors, in-acceptance and lack of trust from his sales team coupled by his fear of failing to meet sales target and getting sacked from his job dampened his

high spirits. Instead of understanding the behavior of his sales team and gaining their trust he gave in to the pressure which resulted in resignations, clear hostility and minimum co-operation. As a desperate attempt to save his neck and meet the sales quota Doug Bloom took drastic step of taking in the sales closing in his own hands which made his team members feel incompetent and threatened. Meeting the sales quote is not the only way towards success, if the employees are not satisfied or feel threatened by their own manager, or made to feel incompetent (Treace, 2011). Aside from internal challenges and acceptance issues the biggest issue was of closing a deal with a big account. Its dynamics, requirements as well as satisfaction were linked to numerous different circumstances and challenges. Sales force was familiar and accustomed to the needs of small accounts, for them First-Plus accounts were difficult to tap with entirely different approach, operations and requirements. The deals were more time consuming and complex, risk assessment and management were also complex and decentralized. The role of sales force in big account was far more complex and inclined towards consultancy than that of a mere salesperson. They first needed to visit all decentralized units, then find common grounds and identify risk management issues for each units, then design a package that could be customized yet give a centralized approach for the customer. Catering to only big accounts could be a risky business as huge chunk of loss can be experienced if the deal cannot be closed. Further the internal cost of taking in a big account was high, requiring more resources, more time and more customization. Further maintenance and handling was entirely different and complex.

Recommendations and Conclusion Although Doug met the sales quota but main challenge still lied ahead to manage the team properly

and to successfully penetrate into a new market of big accounts as business continues. Following are some recommendations for successful sales management at Shields along with meeting sales quota: Upper management should involve all employees when setting new policies and goals. The sense of involvement and ownership enables the employees to be more encouraged and motivated to follow company's chosen path as it is in line with their own personal objectives. This can be achieved through in-house questionnaires / floor meetings. Although new policy has been introduced and implemented, Sales teams and managers should be given brief yet comprehensive training in the form of workshops. Practical examples and scenarios to be discussed within which sales reps are encouraged to be actively involved. Ratio to be announced for each sales team of big accounts to small accounts so that they can keep a balance and maintain existing clients as well. For example for every 5 small accounts each sales rep. should have at least 1 big account. This also gives manager the power to delegate big accounts to people who can handle them since not all sales reps are able to close sales with all sorts of customers. Incentives and reward schemes to be introduced such as ' Sales Team of the Quarter' or ' Top achiever' awards along with various monetary gifts such as 1 week vacation for the entire team on a tropical resort. Bringing in competitive element will make it more interesting and motivating for employees to try harder without stress (Werther, 2000). New Manager should gain trust of the sales team through relaxed meetings, lunches, sharing experiences and involving all through feedbacks and inputs during meetings. Trust to be achieved by giving sales persons more autonomy and encouragement on their progress. Prepare target market for big accounts and their requirements and

operations to be identified beforehand. Risk management template to be designed that can be applied to big accounts to reduce time and make a good impression over the client that Shield cares and is a step ahead.

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