

Electronic company sales and recruitment



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Elec company is specialized in importing and distributing electronic and electrical products in Sri Lanka market. Their product range consist of television, home theater systems, digital cameras, kitchen appliances, refrigerators, gas burners and ovens, washing machines and personal computers. The organization wants to make use of their promotional effort to the maximum so that they are planning to come up with an integrated marketing promotions to support the selling activities. Company is going to develop the sales structure and required to add few more people there to support the expansion. They wont to set sales targets for representatives, come up with a plan to recruit new positions to the sales function, develop a benefit package for them, introduce sales package for them, introduce techniques to co ordinate and control sales procedures for the company. In this report there is a sales plan to the company and there are some suggestions to expand sales. First explained about the personal selling to support the personal mix and analysis the role of the sales team within the marketing strategy. Then revised their sales strategies in line with the cooperate objectives. Then explained the appropriate recruitment strategies and selection procedure. The role of motivation for field sales representatives, remuneration package and training in sales management. Explained the sales structure, territorial design, sales recordings and methods to control sales activities. After that explained how sales representative could make use of database in setting effective sales management programmed. Then developed a sales plan to promote electronic and electrical items. Finally investigate the opportunities for using exhibitions or trade fairs to promote the electronic and electrical items to the target customers.

Introduction

Elec Company is specialized in importing and distributing Electronic and Electrical products in Sri Lankan market. Their Products range consist of Televisions, Home theater systems, Digital cameras, Kitchen appliances, Refrigerators, Gas burners and ovens, Washing machines and Personal computers.

Currently it is covering the main cities in the country with ten sales representatives. They all report to one sales manager who is located in the head office. They go on field visits and make sales to B2B shops which are operating all over Sri Lanka. Some times their sales trips spring to two or three days in field, before they make the next sales visit. But, their selling tasks within the company are not properly organized. In many occasions, they met together, since there is no proper field visit scheduling done. Sales records are poorly maintained.

The company wants to restructure their business operations and align the sales operations to match with the organizational objective. The company wants to streamline the sales channel and expand the business operations to achieve the organization's corporate objective. The company is willing to implement a proper planning and monitoring system to have a better quality sales operation and to increase the profitability.

Personal selling

Personal selling is where businesses use the sales force to sell the product after meeting face-to-face with the customer. The sellers promote the product through their attitude, appearance and specialist product

knowledge. They aim to inform and encourage the customer to buy, or at least trial the product. A good example of personal selling is found in department stores on the perfume and cosmetic counters. A customer can get advice on how to apply the product and can try different products. Products with relatively high prices, or with complex features, are often sold using personal selling. Great examples include cars, office equipment and many products that are sold by businesses to other industrial customers. Point-of-sale merchandising can be said to be a specialist form of personal selling. POS merchandising involves face-to-face contact between sales representatives of producers and the retail trade. A merchandiser will visit a range of suitable retail premises in his/her area and encourage the retailer to stock products from a range. The visit also provides the opportunity for the merchandiser to check on stock levels and to check whether the product is being displayed optimally. Advantages of personal selling are high customer attention; message is customized, interactivity, persuasive impact, potential for development of relationship, adaptable and opportunity to close the sale.

Organization sell and customer buyer behavior in relation to purchase decisions

Digital cameras and the washing machines products that selling at the Elec company. People buying Digital cameras and the washing machines for different purposes. First we have to identify the purposes of the customers before selling products. Digital cameras are mostly needed for the younger generation and photographers. But when we come to the washing machines, mostly it is important for women. Then the company have to use different ways to advertise their products. When the company is going to advertise for

the washing machines, it is better to put those advertisements in a women's news paper rather than putting that advertisement in other newspapers. When selling digital cameras it is little bit different. When the company selling digital cameras it is better to advertise in commercial magazines than women's magazines.

Washing Machine Buyers

Digital cameras

Washing machines are house hold items . It is already use in houses. When people wants to get a washine mechines they mainly focused about the price and the facilities in that. Consumers are individuals, households or businesses who use the products. Consumer characteristics vary from country to country. Therefore it has become challenging task for marketer to understand the need, buying behaviour of consumer before developing product and marketing program.

It has been found that the consumer's decision making process is influenced by Usability aspect. Here the peer group pressure, Promises, Digital Processing, Flash, Location services, Cost of service & Spare parts cost combined together affect the consumer to decide while purchasing a digital camera.

The feature of the product is next important factor that heavenly influences the buying decision of the consumer. Here the consumer pays a great attention towards features like Picture quality, Zoom facility & memory of the camera.

The accessories have become an important factor in purchasing a digital camera.

Apart from the features, the customer is very much interested in other add-on like colour, carriage bag, weight & trendiness of the camera.

Other factors that are crucial in decision making while purchasing digital camera are service, value for money & promotional schemes.

Price has not emerged out as a very crucial factor for the consumers. The consumers give more weight age to usability & features of the product in comparison with price.

Promotional schemes like discounts emerged out as the least important factor for the consumers.

Role of the sales team

The sales team is responsible for researching and analyzing the business and the market. Using the information gathered, the marketing plan, budget and key performance indicators are developed. Action plans are devised and the marketing strategy is implemented. The marketing department measures and reports on the results of the marketing strategy. Staff in the marketing department train staff in other departments so they are conscious of current campaigns. The purpose of their activity is to manage the four Ps of marketing. The aim is to stimulate demand for the business goods and services and to generate leads. Leads are customers who are likely to make a purchase. Leads are identified by collecting the details of people who contact the business to ask about products or services, or by gathering details of prospective customers from online surveys, competition entries or

newsletter subscriptions. Lists of potential customers can be purchased and classified into ranges of income, location and purchasing preferences. The marketing department can analyze their customer database to highlight customers and their preferences, those who make regular purchases or those who are due for upgrades or replacements. After raising interest and demand for the products and services, the leads that are generated are passed on to the sales department. Leads are people who may make a purchase. It is up to sales staff to contact people, identify their needs and help them make a purchasing decision. Sales staff deal directly with customers and they must build a good relationship. Sales staff also deal with people who walk in off the street or contact the business through their website. The role of sales staff is to make sure the business gets a return from its investment in marketing and to turn demand into sales.

Corporate Sales Planning

Elec is having multiple ranges of electrical and electronic home appliances to meet with different needs of the families. Company management is more focused on building a business which is sustainable and more profitable for the stake holders. Further they want to have the brand presence as well. The company vision is more focused on creating better values for their end users, sellers and other stakeholders. Further the company is looking for the growing opportunities with business expansion and new sales force recruitment. Moreover the company should develop and competitive environment for the target market to choose Elec products over the competitor brands.

Elec management should understand the corporate objectives of their organization clearly and should develop the sales planning accordingly. The sales force management in the Elec Company seems to be very weak and the company is not having an efficient tracking system on the employee customer visit plans. The company is in a position where they have to make strong call on how they are going to manage their sales planning and client management.

Elec as an importer and supplier of house hold electronics and electrical thorough out the country, the company should understand the need for designing a sales plan with clear reporting and account management guidelines. As the company is managing a considerable amount of resellers its will be better to change the sales representatives' roles to Key Account Managers. Key account managers will be assigned with different shop owners who could be taken care by the respective account managers. Each shop will be considered as separate accounts. The account manager will be responsible to handle any queries related to the accounts under his observations.

When the company is designing the account managers reporting lines it can have a 2 layer or 3 layer reporting line. The overall sales and distribution operation would be handled by the country head for sales. And he can have three Senior Sales managers reporting to him, who will be responsible to handle the account managers. The account management can be differentiated into two main criteria. The first criteria would be the large resellers who buy more than certain quantity every year. The company can check their past sales records and list the top 25 B2B buyers as the Key

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Accounts of the company. And the Key accounts can be handled by the Key account managers while the other B2B customers can be handled by the other customer account managers.

Among the 3 senior sales managers one manager should handle the Key account Managers who will be handling the main customer accounts of the company while the other 2 senior managers could handle the other customer account operations.

When assigning the account managers to the resellers other than the key account managers, the company may practice a territorial approach. This will help the company to plan their sales operations effectively. Same way the company can divide their key accounts into 3 or 4 territories which will make the client management and customer visits more convenient.

Company can figure out the compatible staff from the current sales force and promote them as key account managers. If they give the internal staff, the opportunity to handle the key accounts, it will be much convenient for the company to have the rapport with the existing customer hence they already have some kind of relationship among them.

Proposed Hierarchy of the Sales Department at Elec Company

Country Head

Country head for sales should be responsible for overall sales planning and budgeting of the department. The country head will be a member of the senior management team and will have the sales planning with the corporate objectives. He will play a major role in communicating the overall

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organizational expectations with the sales unit staff. He should have the capacity to develop a sales design and make rapid decisions based on the customer and corporate demands.

Senior Manager – Key Accounts

Senior Key accounts Manager will be handling a team of Key account managers who will be responsible for delivering the set profit targets and achieving the organizational goals. Further the managers will be responsible to manage the account managers reporting to him and to provide them better guidance in delivering satisfactory performance. Further the senior account manager will also have occasional liaisons with the key clients.

Senior Manager – Customer Accounts Management

Senior Manager will be responsible for handling the staff directly reporting to him and growing the unit performance. Also increasing the profitability of the sales team will be a major goal of the manager. Managers will also handle the customer grievances and provide professional guidance to the team members in personality development and business development.

Key Accounts Manager

Key account managers will have the direct liaison with the key customers assign to them and increase the company's profitability and developing the brand presence in the assigned region. Also they will be responsible to retain the customers and grow the portfolio size.

Customer Account Managers

The customer account managers will be responsible to handle the customer accounts of the company from the assigned territorial limits. The Account will

be handled in terms of increasing sales and convincing the accounts to promote the Elec products over the competitor products. Also the Account managers will be responsible to have sustainable account management and relationships with the customers.

Restructuring the sales department should be planned properly as the changes take place in the company to avoid the staff getting the wrong message. The company should give the existing staff more priority for the appropriate positions. And the company should have a clear change management strategy in the role changes and planning.

Human Resources Management

Human resources management functions related to the sales department will include staff retention, employees' welfare management and motivation, recruitment and selection, training and development and Employees Evaluations and other activities related to the staff management.

Human Resources Planning for the Sales Unit

Human resources planning process involves identifying the need for human capital against the organisational goals and current human capital strengths. Any company in the market should do a human resources planning in order to have a competitive human resources and enjoy the economies of scale. Any decision on recruitment should be made only if the necessity is found through a human resources planning activity, if not the recruitment may be a burden for the organisations future. At Elec, as the company is planning on expansions and growth, the company is in need for more staff to match the need of the sales expansions and adoption of new customer accounts.

Human resources planning will have several sensitive steps which need to be carried out with strategic thoughts and information.

Evaluating the organisational goals and objectives

This should be found from the top management decisions and needs.

Identifying the need of human resources (Human resources Demand)

The company HR should negotiate with the line managers and middle managers on the need of employees for the achievement of set objectives.

The need can be identified by the average productivity assumptions.

Identifying the currently human resources availability (Human resources Supply)

Gather information from the HRIS or from departmental managers and payroll system on the availability of staff power. And the skills of the employees should be also identified.

Evaluating the gap between supply and demand.

The management should evaluate the gap existing with the demand and supply of human resources and the skills.

Planning the strategies to meet the required human resources level.

If the supply and demand is matching the company could focus on training and developing the employees to achieve the goals.

If the company has staff surplus, it should implement strategies to downsize the human capital, if not they can reduce the working hours of the employees or prepare rosters for working. But the company may focus on new account adoption and increase the targets of the staff that are with little portfolios.

If the company has a staff shortage the company can increase the working hours of the staff and pay overtime or if the need is a long term oriented, they can recruit new employees. Also they can outsource few functions which are not core activities of the business.

Implementation of the plan and monitoring the process as a continuous cycle.

The activities planned should be implemented and monitored to assure the execution aligns with the planning. And the planning process is a recurrent process which needs to be carried out frequently to assure the human capital is utilised effectively.

The above HR planning process should be carried out on a frequent manner to understand the company's sales department's position based on the human resources need. This will help the managers to understand the overheads and shortfalls in the unit.

Recruitment and Selection Process

The need for recruitment would be identified through an effective HR planning process. ELEC should make their recruitment decisions by carrying out HR Planning activity. If the recruitment is done just for the request of the

department managers the company may have to suffer unnecessary financial losses.

The recruitment and selection process of the company should be strategically designed to match with the company culture and the industry they operate in. Recruitment and selection process may have the following steps in general.

Analysing the vacancy – identifying the job role and specialities need for the job role.

Analysing the skills and qualifications expected to meet the vacancy. Identify the personality needed from the individual for the position vacancy.

Identifying the recruitment method – whether the company is planning to fill the vacancy from the internal staff or looking from outside. The company can call applications through education and professional bodies, via referrals and public advertising, etc.

Selection process

- Screening the applications received to identify the qualified candidates.
- Preliminary interviews for the shortlisted candidates
- Exams/tests related to the job for the successful candidates

Next level of interviews

- Reference checking and background analysis

Offer of employment

- Acceptance by the employee and employment contract.

Induction

- Evaluation of the Selection process

The above procedures could be followed by the ELEC to recruit a suitable candidate for the vacancies.

Elec can recruit staff with experience in the same industry and can attract staff members from their competitors by giving better benefits for their staff members. Selecting and recruiting the most suitable candidates will help the company to have a committed staff force who will help the company in achieving the competitive advantage over the competitors.

Employees Motivation

Elec Company should implement a better employee motivation system as the current system in the company is not very competitive to have a satisfied and motivated sales force. In order to have a motivated sales team the company should focus to develop a satisfied sales force and then motivating the sales team. If the company invests on employee motivations without achieving the employee satisfaction the company may suffer unnecessary losses.

The company should make the employees to feel that they are being taken cared by the company and if they perform more the company will reward for their additional contribution. Company should take initiatives to hear the employee grievances and provide proper solutions to match their needs. The company can include employee protection schemes with insurance benefits and health protection for the staff and immediate family members.

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Also the company should introduce a competitive rewarding scheme based on the account management profits generated by each account manager. This will give them the motivation to focus on increasing the sales and build a strong business portfolio for their benefits and organization's benefit.

In addition Elec can introduce a sales tracking mechanism which will provide the staff real time updates on their portfolio position and how their monthly incentives are going to be. Also if the company can introduce Tabs or laptops for the sales staff to have communication medium with the head office and to see the stock in demand and orders to the stores based on the clients needs. This will reduce the company's operational cost on communication medium though the initial investment may look higher.

Further the company should have employee get together, family outings and special value adding rewards such as MD's awards to recognize the employees for their extraordinary contribution to the company growth.

In addition to the above the company should invest more on the employees training and development. This will help the employees to have a trust on the company. Also they will be happy to see themselves growing within the company.

Marketing Mix and Business Development

Company should develop a marketing mix based on the corporate strategy of the company. The marketing mix will focus on the competitive advantage over the competitors. The Elec products are tangible and the consumers always want to have key benefits and values to be matched for the money they pay.

Elec should evaluate the cost benefits before designing the marketing mix of the company. The marketing mix will be more focused of reaching the shop owners than the end users as the shop owners will be focused on sales growth to end users. Elec should build good rapport with the shop owners and identify the product movement style and analyze the best markets places for the range of products they have. They should provide the right products and the right quantity to the right shop to avoid returns of the goods which will cost extra on transport.

Further the company should fix a price which will give better yield for itself, shop owners and cost advantage for the end users. Also they should match their prices with the main competitors to win in the price competition. The Company will have their main stores based on the head office and distribute the goods every fortnight based on the orders received. This system will help them to enjoy the cost advantage again without having many distribution centers.

The market placing will be done through the account managers to the shops they manage. And the end users can buy the products from the shops hence the company doesn't need to meet the end user directly. Further the company could train the shop technical staff on the repairs and damage complain handling which will help Elec to have a professionalism in the shop level as well in treating the customers fairly. Also this will help the shops to be satisfied with the support given by Elec.

Promotional activities related to the product range will be handled by the Elec corporate office. The promotional activities of the company will have 2

phases where one phase will be focused on the shops and the other phase will be focused on the end users. The public media advertising will have more focus on the general public and end users. But the advertisements done for the end users may have considerable influence on the decision making of the shop owners as well; hence the message received from the media will create a stereo typing on the shop owners' mind.

The company will carry out personal marketing to the shop owners with the support of the technical sales team and the account manager. Also the senior managers will be getting involved in negotiating the wholesales pricing and the profit margins with the shop owners.

International movement of the company is pretty competitive. As the company is still focusing on establishing the brand in Sri Lanka they should do a feasibility study on the competitiveness and profit advantage of entering a new international market.

Participating in Trade fairs will help the company to meet the end users in the selected area and identify the real needs and demands of the end users than they learning from an intermediary. Also they can learn about the influences of the other brand in the customer decision making process.

Conclusions

In summary Elec should develop a sales plan focused on account management concept and differentiate the account based on the profitability and turnover. The high profitable accounts will be managed by the key account managers and the other accounts should be managed by the customer account managers. The company may have to invest more on

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developing a professional account management team. Further the company has to invest in recruiting the best candidates and training them.

The marketing mix of the company should be restructured to match the organizational overall expectation and the company can have products distribution strategies to match the regional demands. Also the whole sale pricing should be negotiated with the key customers and the senior management's involvement is much appreciated on this. Also the company moving international is not recommendable at this point of time hence the company is in need of more cash to stabilize themselves in the local market.