

## 4) Training, Managing and Motivating the Sales Force

### RECRUITING, SELECTION AND TRAINING OF SALES FORCE -

#### **Procedures and Criteria Extensively used as Selection Tools for Recruiting and Testing Sales Ability**

Attracting and selecting new sales personnel is very important aspect. Recruitment is the procedure to obtain a good number of people with the potential capability of becoming good sales personnel. After attracting a large number of people, it becomes feasible to select the individuals, which fit the needs of the organization. Appropriate recruiting and selection policies and procedures, and their skillful execution result in greater overall efficiency of sales department.

Sources of recruitment may be broadly be divided into:

- (a) Internal sources
- (b) External sources:

**(a) Internal Sources:** recommendations from company's sales personnel, transfer from other departments/units, Promotion of employees. Former employee's re-employment.

**(b) External Sources:** Educational institutions, employment agencies and consultants, competitor's sales force, application on gate, advertisements, wholesalers, retailers and customers, professional bodies, trade associations and clubs.

#### **Methods to Test Sales Ability of Sales People:**

##### **1) Interview Assessments:**

Personal interviews are a good way to measure salespeople's abilities and learn more about their personal sales philosophy. You should begin an interview by asking who, in the selling world, inspires the person being interviewed and why. Team members that are familiar with top performers in the field will likely know something about sales. Also ask questions about previous selling situations. For example, ask, "Tell me about the toughest objection you've ever overcame," or "What products do you like to sell most?"

##### **2) Role Playing:**

Nothing gives small business managers a clearer picture of a team member's ability than role-playing. The role-playing technique immerses salespeople into likely situations and reveals their strengths and weaknesses. Before the role-playing test, create written scenarios to present to the group being tested. Have the salespeople pair up, and have them switch roles after half the testing period, so each plays salesperson, each plays potential customer. Implement common objections into the scenarios like, "This is too expensive," or "This doesn't suit my needs." Observe and give guidance during the session, or use the same scenarios individually with your salespeople, playing the potential buyer role, and offer helpful tips when the assessment is over.

##### **3) Written Sales Tests:**

Regular, solid sales are achieved through a general knowledge of steps known as the selling process. Administering written tests will give you insight on what your staff knows. List the steps of the selling process, out of order, in written format and ask the salespeople to label them in the correct order. Include the greeting, overcoming objections, and qualifying in your list. Also, test sales staff's product knowledge by asking them a series of tests about your products or general products in your field.

**4) Personality tests:** These are intended to measure various personality traits. These tests are the most risky and difficult to validate because of our inability to identify the traits needed for a particular sales job

**5) Situation tests:** These tests are used to measure the applicants' capability to work in the real situation. It measures the capacity of salesmen to behave with different customers in different sales areas.

#### **Sales Force Job Analysis and Description -**

Job Analysis can be understood as the process of gathering information related to the specific job. The information encompasses knowledge, skill, and ability, possessed by the incumbent, to perform the job effectively. It is helpful in the preparation of job description and job specification. Job description is a document indicating what a job covers, i.e., tasks, responsibilities, duties, powers and authorities, attached to a job.

**(a) Conducting a job analysis:** Before a company can search for a particular type of salesperson, it must know something about the sales job to be filled. To aid in the process, a job analysis should be conducted to identify the duties, requirements, responsibilities, and conditions involved in the job. A proper job analysis involves following steps:

1. Analyze the environment in which the salesperson is to work.
2. Determine the duties and responsibilities that are expected from the salesperson.
3. Spend time making calls with several salespeople, observing and recording the various tasks of the job as they are actually performed. This should be done for a variety of different types of customers and over a representative period of time.

**(b) Preparing a Job description:** The result of a formal job analysis is a job description. Since a job description is used in recruiting, selecting, training, compensating and evaluating the sales force, the description should be in writing so that it can be referred to frequently. The written job description lets prospective job applicants, as well as current sales personnel, know exactly what the duties and responsibilities of the sales position are and on what basis the new employee will be valued. The job description is probably the most important single tool used in managing the sales force. It is used not only in hiring but also in managing and sometimes as a basis for firing salespeople. It provides the sales trainer with a description of the salespeople's duties and enables him or her to develop training programs that will help salespeople perform their duties better. Job descriptions are also used in developing compensation plans. Often, the type of

job determines the type of compensation plan that will be used. Job descriptions aid managers in supervision and motivation, and they are used as an official document that is part of the contract between management and a salesperson's union. Finally, a job description puts management in a position to determine whether each salesperson has a reasonable workload.

E.g. Below is a sample job description of a salesperson.

## **Salesperson Job Description**

### **General Purpose:**

To plan and carry out all sales activities on assigned accounts or areas. Responsible for ensuring customer satisfaction and managing quality of product and service delivery.

### **Main Job Tasks, Duties and Responsibilities:**

- . Generate and qualify leads
- . Source and develop client referrals
- . Prepare sales action plans and strategies
- . Schedule sales activity
- . Develop and maintain a customer database
- . Develop and maintain sales and promotional materials
- . Plan and conduct direct marketing activities
- . Make sales calls to new and existing clients
- . Develop and make presentations of company products and services to current and potential clients

### **Education and Experience:**

- . Bachelor's degree in business, marketing, economics or related field.
- . Experience in sales, understanding of the sales process and dynamics.
- . Excellent written and verbal communication skills.
- . Superb interpersonal skills, including the ability to quickly build rapport with both customers and suppliers.
- . Competency in Microsoft applications including Word, Excel, and Outlook.
- . Able to work comfortably in a fast paced environment.

### **AREAS OF SALES TRAINING -**

Sales training is the process of improving seller skills, knowledge, and attributes to drive seller behavioral change and maximize sales success. Training helps to lower turnover of sales people, improving customer relations, increasing sales volume, reduced control and supervision and reduced selling cost.

### **Company Specific Knowledge**

Sales training should include information relating to the company such as:

- (a) Magnitude of the industry.
- (b) History of the industry.
- (c) The company's place in industry (past, present and future).
- (d) Opportunities for earning, acquiring, prestige advancement as a salesman.
- (e) Build up professional appeal of selling the company's products.
- (f) Indicate to the participants to look at the job as a life-time proposition.

### **Product Knowledge, Industry and Market Trend Knowledge -**

Product information: One of the primary reasons for sales failure is the lack of knowledge of the product. Unless the salesman knows what he will have to sell and how to present it, he must just rely on taking orders or resort to unauthorized deals. The training job goes beyond presenting the features. It must also include a means for the salesmen to study details.

### **Customers and Technology**

It's necessary that salespersons are trained on the potential customer base who they are, what motivates them, what they want, need, love, or hate. In today's market, you cannot successfully sell to your customers without first acquiring customer knowledge. Similarly training salesmen on the latest and relevant technology or software required to sell effectively is also important. E.g. CRM Software

#### **Relationship Selling Process and Customer education:**

Relationship selling refers to the sales technique that focuses on the interaction between the buyer and the salesperson rather than the price or details of the product. This sales technique is prominent for companies selling products and services that rely on repeat business from customers, such as insurance policies, or private instructors, such as dance or music. These individuals are forced to compete on the level of quality and price; however, if they make good relationships, their customers will continue to buy from them as a result, sometimes regardless of price.

Relationship selling is more customer oriented as compared to traditional selling which is more product oriented. The focus in relationship selling is advising the customers about their problems relating to their product whereas in traditional selling, the focus is to sell the goods and services.

Another way to develop a more customer centric approach is to practice customer education. Customer education refers to a company's role in providing consumers with the information, skills, and abilities needed to become a more informed buyer. It refers to the set of activities or processes a business puts in place to equip customers with the knowledge & skills needed to make the most out of its product or services. Customer education is not advertising or marketing. While components may tie in with an advertising or marketing element, they are certainly not the same. Whereas advertising and marketing attempt to persuade on an emotional level, customer education tries to give the consumer all relevant information regarding the product or service at hand. Some of the benefits of customer education are as under:

**(a) It Builds customer trust:** In an era where companies use various marketing ploys to lure as many prospects into using their products. Customers are more likely to trust those brands that make effort to enhance their knowledge about the nature of its products.

**(b) It reduces complaints:** Besides building customer trust, educating customers will lead to a reduction in complaints as the customers become more adept at solving a good number of problems related to the product(s) on their own. This eases pressure on support channels and enables support staff to handle other issues. When support staff can pay more attention to other tasks, they become more productive. This is possible since fewer customers are calling or emailing them for assistance on basic issues.

**(c) Enhances customer loyalty:** When customers know and understand a product, its features, capabilities & limitations, it gives them realistic expectations on what they can achieve with the product. This deep understanding of a brand's product or service is very important for building trust. Educating your customers helps them understand your products better and build trust with your brand. Without this trust, loyalty will not be possible.

**(d) Boosts customer engagement:** Customer education improves each customer's experience of the product, which in turn increases customer engagement with your brand. Through this increased engagement with the brand, customers will be more likely to renew or repurchase your product.

They're also more likely to spread positive word-of-mouth about your product and brand to their friends and colleagues.

### **Value Added Selling**

Value added selling is one of several sales techniques that rely on building on the inherent value of a product or service. By its nature the value add technique is a more flexible and customized selling approach that requires input from a defined range of average customers.

This customer feedback helps sales and marketing professionals to outline value propositions that are likely to benefit the largest number of customers. The value-add may not be initially apparent in the sales overview and is often tied to upselling or vertical selling within a specific market segment. The utility of the product or service, ease of integration into the customers' business operations or time saving benefits are just a few areas that may be capitalized on when focusing on value add.

Example: An example of value-added selling is hybrid cars. These are cars that rely on a mix of gasoline power and electric power. The inherent value of the product is still the same. It moves a person from point A to point B. The value-add can be seen in several different ways. The first is the obvious fuel savings. But there is also added value in less time spent at the gas station, and the cars pollute the air less than a normal combustion engine. The value add in this instance is determined by the customer, and not the company selling the car.

### **MOTIVATING THE SALES TEAM -**

As applied to sales personnel, motivation is the amount of effort the salesperson desires to expend on the activities associated with the sales job, such as calling on potential customers, planning sales presentations, and filling out reports. Expending effort on each activity making up the sales job leads to some level of achievement on one or more dimensions of job performance-total sales volume, profitability, sales to new accounts, quota attainment, etc. Sales motivation is not required only when the salesman is going through a slump. Sales motivation is required at all times, and it becomes the culture of an organization to keep sales force motivated.

### **Motivation Programs**

A good and sound sales motivation program should ideally be a blend of financial and non-financial aspects:

**(a) Sales meetings:** The purpose of a sales meeting is to motivate your people and get them prepared to focus on selling. The purposes of the meeting is not for the sake of a sales meeting but to bring the team together and get cohesiveness as a selling team, motivate and provide the sales and management with hope of what is possible, Prepare individual sales people with new techniques and solutions that will actually increase sales.

**(b) Sales contests:** A sales contest is a special selling campaign offering benefits in the form of additional reward to the successful salesman. It provides the salesmen with greater incentive to increase sales volume and profits to the organization. According to the Herzberg's theory sales contests aim at fulfillment of achievement and recognition needs of sales personnel. In Maslow's hierarchy of needs the needs of esteem and self actualization are fulfilled. These are higher order needs and help in developing team spirit, boosting morale, making the sales job interesting and more productive.

**(c) Sales compensation** is a reward given to an employee in exchange for his services for the company. Sales compensation can include monetary compensation, i.e. salary, financial incentives such as bonuses and commissions. It can also include non-monetary compensation. Financial incentives: Financial incentives are the rewards for the services rendered by a salesman. Such types of rewards or incentives have a great bearing on a Salesman's efficiency. Financial incentives are generally given in the form of fair remuneration and compensation. Some of the popular methods of providing financial incentives are discussed below:

(i) Straight Competition Plan method which suggests payment of a certain percentage to Salesman on Sales.

(ii) Sliding Commission Plan suggest payment of given commission on sales effected to a point automatically increasing the Commission rate as definite sales totals are reached.

(iii) Group Commission Plan which suggests the payment of different commissions at different rates to the salesman on different groups of articles sold.

(iv) A drawing account against commission under which a salesman is enabled to pay recurring bills without taking recourse to borrowed money and to help the salesman in developing a new territory.

(v) Salary Plus Commission Plan, under which a salesman is given some compensation besides a fixed income. This provides him an incentive for better work.

(iv) Other financial incentive plan includes:

(a) Salary plus bonus:

(b) Salary plus incentive

(c) Profit Sharing

(d) The Sales and Service quota basis and

(e) Rating basis.

**Non-financial Incentives:** Some of the important methods of non-financial incentives are:

**1. Need of Sales Contests:** A sales contest is a special selling campaign offering benefits in the form of additional reward to the successful salesman. It provides the salesmen with greater incentive to increase sales volume and profits to the organization. According to the Herzberg's theory sales contests aim at fulfillment of achievement and recognition needs of sales personnel. In Maslow's hierarchy of needs the needs of esteem and self actualization are fulfilled. These are higher order needs and help in developing team spirit, boosting morale, making the sales job interesting and more productive.

**2. Objective of Sales Contests:** Only one objective for contest is advisable. Most of the contest encourage salesman:

- . To obtain new customers;
- . To secure large orders per call;
- . To push slow moving items, high margin goods: New products;
- . To overcome a seasonal decline in sales;
- . To encourage displays by dealers.

To increase business.

**3. Contest Prizes:**

They are of four kinds:

- . Cash awards

- . Merchandise
- . Travel and Holiday
- . Special Honor

Cash Awards: This is successful as an incentive only if the salesman's income is low. Once their safety and security needs are fulfilled cash prizes are weak incentive unless a substantial amount is involved. Tax finally reduces the real benefit that the salesman receives and hence is not popular mode of reward. Merchandise: Salesmen have an evidence of their achievement. There can be a number of winners cash gives a product of successively lower value. The products must be selected according to the wants of sales personnel.

Travel: This type of reward is becoming very popular. It helps the salesman with his family, to enjoy an escape from daily routine. The salesman's family gets involved in the salesman's effort and is a great motivating factor.

Special Honor: Winners receive a letter from a top executive in recognition of their performance. Sometimes in addition a cup/medal is provided. They also receive publicity in the organization's newsletter and even in local newspaper.

**4. Disadvantages of Sales Contests:** Many feel that sales contest is unnecessary for following reasons:

**(i) Regular duties:** Salesmen's duties involve selling, they are paid for it. There is no reason why they should receive additional compensation for performing regular duties.

**(ii) Undesirable results:** Contests lead to unanticipated and undesirable problem of higher losses and overstocking by dealers.

**(iii) Sales Contest Slumps:** Salesmen bunch their sales during competition. Sales occur both before and after the period of the contest. The salesman is exhausted with promotional effort during the contest period that, he slackens his effort after the contest to a considerable extent and takes a longer time to recover.

**(iv) Sales morale:** Contest losses are disappointed. This reduces their sales morale.

**(v) Reduces team spirit:** The competitive efforts create an atmosphere of dishonesty and unhealthy competition among participants. This creates a division among salesman and reduces team spirit

**(d) Supervising:** Effective supervision goes a long way in motivating the sales team. A manager or supervisor's impact on employee motivation is immeasurable. A supervisor/manager should first and foremost gain the trust of his subordinates. They should set clear goals and maintain open communicate channels, empower individuals and teams and create a healthy working environment, provide regular feedback, provide praise and recognition and personal support.

#### **EVALUATING SALES FORCE PERFORMANCE AND CONTROLLING SALES ACTIVITIES -**

Sales force performance is evaluated against the performance sagesse it's an important process which enhances the way organization is managed & provides important process whicher improvements. Sales control ensures the productivity of the sales force. It involves measuring sales

force performance, comparing it with standards, detecting deviations and causes, and, if necessary, taking corrective actions so that performance takes place as per plan.

### **Sales Records and Reporting Systems**

Reports and records are one of the ways to exercise control. A sales record is a record of sales volumes, sales order to call ratio, profitability, selling expenses. Salesmen are also asked to send reports periodically. These reports may be daily, weekly or monthly. These reports portray valuable information relating to: number of calls made by him; total value and volume of sales transacted, number of new customers contacted and amount of sales turned out; number of old customers lost and the reasons for item-wise expenses; facts regarding credit-standing of customers; selection made; bad debts arising out, impact of publicity and sales-promotion activities; extent and nature of competition; compliance and adjustments from customers.

### **Improving Sales Productivity -**

Sales productivity can be explained as maximizing sales results while reducing the resources expended. Resources can include anything from cost to effort to time. Setting clear goals and targets, tracking and measuring key sales activities, embracing sales tools that can help automate some of the unproductive and repetitive tasks, training and developing the sales force are some of the ways to improve productivity.

### **Ethical and Legal Issues in Sales Management -**

Ethics is the set of rules or standards that govern the conduct of a person or members of a profession. Ethical issues in sales management: Some common ethical issues facing sales people are:

- 1) Misuse of company credit cards or expense accounts:** It implies using the company's funds to go out to dinner, see a show, or stay at a hotel. It could even mean bringing a spouse or friend on a business trip without permission.
- 2) Reporting inaccurate work hours:** Sales people spend plenty of time away from direct supervision which may tempt them to take a few hours to oneself to explore or do personal work but this would then be theft of time.
- 3) Inflating sales data,** number of contact calls made, or sales history.
- 4) Accepting kickbacks** or giving lavish gifts in exchange for business - accepting kickbacks or bribes in exchange of a good deal and giving gifts to certain clients for getting business is unethical as it means that the sales person does not treat every customer fairly.
- 5) Deception:** Deliberately presenting inaccurate information, or lying, to a customer is illegal. However misleading customers by telling half-truths or withholding important information is a matter of ethics.
- 6) Sharing confidential information:** During sales calls salespeople often encounter confidential company information such as new products under development, costs and production schedules. Offering information about customers' competitor in exchange for an order is unethical.
- 7) High Pressure Selling:** Salespeople are sometimes accused of high-pressure selling that persuades people to buy products they had no thought of buying. It is often said that insurance, banking services, encyclopedias etc. are sold, not bought. Salespeople are trained to deliver smooth talks to lure purchase. They sell hard because commissions and sales contests promise big prizes to those who sell the most.

### **Legal issues in Sales Management:**

The legal aspect is very important in sales management. Every business operates within the jurisdiction of legal system. Major laws affecting sales and marketing in India are:

1. Consumer Protection Act 1986.
2. The Companies Act 1956.
3. The Contract Act 1872.
4. The Negotiable Instruments act 1881.
5. The Monopolies and Restrictive Trade Practices Act 1969.
6. The Competition Act 2002.
7. The Essential Commodities act 1955.

In many countries, business legislation has been enacted for a number of reasons. The first is to protect companies from each other. Although business executives may praise competition, they sometimes try to neutralize it when it threatens them. Antitrust agencies, competition authorities and monopolies and mergers commissions have surfaced to enforce laws, typically passed to define and prevent unfair competition. For example, the European Commission recently introduced new competition laws to promote a level playing field for firms in the telecommunications sector.

The second purpose of government regulation is to protect consumers from unfair and unscrupulous business practices. Some firms, if left alone would make shoddy products, tell lies in their advertising and deceive consumers through their packaging and pricing. Unfair and unscrupulous business practices have been defined and are enforced by various agencies. The third purpose of government regulation is to protect the interests of society against unrestrained business behavior. Profitable business activity does not always create a better quality of life. Regulation arises to ensure that firms take responsibility for the social costs of their production or products.

Sales people can face legal consequences in the following situations:

**(a) Price fixing:** Fixing prices in agreement with competitors to sell a product, service, or commodity only at a fixed price, or maintain the market conditions such that the price is maintained at a given level by controlling supply and demand.

**(b) Price discrimination:** Charging different prices from different customers for the same product or service.

(c) Giving misinformation about a competitor's product/service. Disparaging a competitor's product, business conduct or financial condition without specific evidence for your statements.

(d) Using one product as bait for selling another product.

(e) Forcing customers to buy only from your organization.

(f) Misrepresenting by using general statements and not factual statements praising the product.

(g) Misleading or not giving full, accurate information to customers about terms and conditions, warranties and guaranties.

Hence it is necessary to train all salespeople and sales managers on the company's code of ethics and the legal areas. One reason for such training is to secure greatest support and application of the policy, but another reason is that, should a salesperson engage in an unethical or illegal activity, the company is protected.