SYLLABUS

Class – B.Com. V Sem.

Subject – Management of the Sales Force

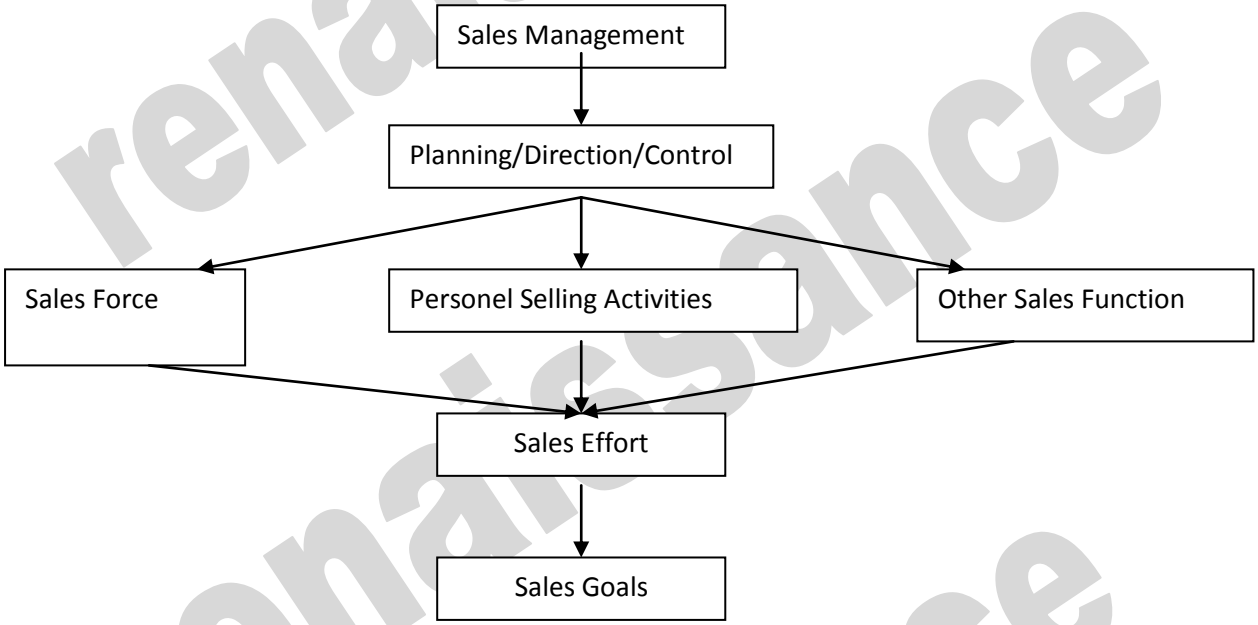
UNIT – I	Importance of the sales force and its Management, function, of sales manager, Recruitment and selection, training and direction, motivation and compensation, appraisal of performance.
Unit-II	Sales force size, organization of the sales department, geographic product wise, market base.
Unit-III	Sales planning, central ma[illegible]sis, sales forecasting, methods of forecasting.
Unit-IV	Sales Budget: [illegible] process of sales budget, uses of sales bu[illegible]s budget, S[illegible]Te[illegible]to[illegible] Considerations in allocation of [illegible]s[illegible]rritory.
Unit-V	S[illegible]s quota: Objectives, principles [illegible]f sa[illegible]s quota, administration of sales quota, uses [illegible]le quota, Sales and cost analysis: Uses [illegible]d Me[illegible].

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UNIT-I

DEFINITIONS OF SALES MANAGEMENT:

1. **According to Committee on Definitions, American Marketing Association**, "Sales Management is the planning, direction and control of the personal selling activities of a business unit including recruiting, selecting, training, equipping, assigning, routing, supervising. paying and motivating, as these tasks apply to the personal sales-force.
2. **In the words of Rachman and Romano**, "Sales Management includes recruiting, selecting, training, supervising, motivating and evaluating the sales-force."
3. **In the words of Hampton and Zabin**, "Sales Management is primarily the direction of men with all the management functions, of organisation, control, recruitment, training, supervision and motivation.
4. **In the words of Hain- R. Tosdal**. -Sales Management is the part of the management in which the aim of an organisation is to make provision for the sale of the produced commodities.—
5. **According to B.R. Canfield** "Sales Management involves the direction and control of salesmen, sales planning, budgeting, policy making, coordination of marketing research, advertising, sales promotion and merchandising and the integration in the marketing programme of all business activities that contribute to the increased sales and profits."



NATURE AND CHARACTERISTICS OF SALES MANAGEMENT

1. Key Function—Sales management is a key function in many kinds of enterprises. Manufacturing and wholesaling enterprises encounter a wide range of sales problems. Still and Cundiff state, "Sales management problems exist even in companies not employing sales personnel."

2. Responsible—It is responsible to an important part of marketing functions. It is also responsible for the effective functioning of personal selling activities. Sales managers have still other responsibilities. They are responsible for participating in the preparation of information critical to the making of key marketing decisions, such as those on budgeting, quotas, and territories.

3. **Role**—Sales managers participate in decisions on products, marketing channels and distribution policies, advertising and other promotion, and pricing. Still and Cundiff write, "The sales manager is both an administrator in charge o personal selling activities and a member of the executive group that makes marketing decisions of all types."

4. Strategic Function—Sales management achieves personal-selling objectives through 'personal-selling strategy.'

5. Development of Human Resources—Boone and Kurtz write, "Sales management effort may be exerted in the direction of securing, maintaining, motivating, supervising, evaluating and controlling an effective field sales-force." Thus, the modern concept of sales management revolves around the

development of human resources.

6. **Specialised Function**—Sales management is a significant branch of general management. It is one of the highly specialised functions of general management. A salesman must be expert in his job. Hence, sales management is a field of specialised knowledge.

7. **Consumer Welfare**—The scope of sales management is not confined not only to self-centered corporate goals of profit and sales maximization and sustained growth. It goes well beyond these towards consumer welfare, satisfaction, delight and maximum social advantage by making available the goods and services to the needy consumers in right time and at reasonable prices, at the place wanted

8. **Customer-oriented**—Sales management is expected to be customer-oriented. It produces what is needed by the customers in the quest of maximum social welfare. 'Customer delight' is the fundamental guiding principle of sales management.

9. **Functional Area**—Sales management represents one of the most important functional areas of management. It also represents all the principles of general management such as planning, organizing, direction, motivation and control appliedsales activities and sales-force for securing better business performance, viz., rcasonable profits through sales.

10. **Challenging Profession**—Sales management is a challenging profession. k n responsible for obtaining sales volume, handling sales operations so as to make zontributions to profits, and for ensuring continuous growth. Sales executives inure the delivery of products with customer satisfaction.

11. **Sub-System of Marketing**—Sales management is an integral sub-c% rem of marketing management. It translates the marketing plan into marketing -vriormance. The sales manager is a subordinate of the marketing manager. lie mhises the marketing manager on the areas of sales-force management.

12. **Synonymous with Marketing Management**—Modern sales management is treated identical with marketing management. In new age, it has attained wider and newer dimension. It included management of all the marketing activities such as advertising, sales promotion, marketing research, physical distribution, pricing, merchandising, and the like, in addition to the management of sales-force.

13. **Goals**—The objectives of sales management includes achieving sales results giving major contribution to profits, and experiencing continuous growth.

QUALITIES OF EFFECTIVE SALES EXECUTIVES

1. Ability to define the position's exact functions andduties in relation to the goals the company should expect to attain.
2. Ability to select and train capable subordinates and willingness to delegate sufficient authority to enable them to carry out assigned task with minimum supervision.
3. Ability to utilize time efficiently
4. Ability to allocate sufficient time for thinking and planning.
5. Ability to exercise skilled leadership.

THE SALES ORGANIZATION

Effective sales executives insist upon sound organization. Theyrecognize that the sales organization must achieve both qualitative and quantitative personal selling objectives. Over the long haul, it must achieve qualitative objectives those concerning personal selling's expected contributions to achievement of overall company objectives. In the short run, it must attain the quantitative personal – selling objectives not only sales volume but other objectives related to "profit"(such as keeping selling expenses within certain limits) and to "competitive position"(such as attaining given market shares).achieving short-run quan titative personal selling objectives precedes attainment of the long-run qualitative personal selling objectives. The effective sales executive looks upon the sales organization both with respect to "here and now" and to the "future." but the sales organization effective sales executive builds both sales-minded less and profit-mindedness into the sales organization.

PURPOSES OF SALE ORGANIZATION

In the ideally organized sales department, wasted motion and duplication of effort would be eliminated, friction would be minimized, and cooperation maximized . dynamic characteristics inherent in marketing preclude the achievement of such perfection. But when sufficient attention is given to sales organization, the ideal is approached, if not attained, and personal selling efforts increase in productivity.

To Permit the Development of Specialists : One purpose of reorganizing the sales department is to facilitate assignment of responsibility and delegation of authority. This often requires reshaping the structure so that it is easier for specialists to develop.

To Assure that All Necessary Activities are Performed - As a sales organization grows and specialization increases, it is increasingly important to perform all necessary activities. What is "necessary" changes over time. When jobs are highly specialized, danger exists that the organizational plan will not provide for supervision of all activities. Essential tasks may not be performed, simply because they are not assigned to specific individuals.

To Achieve Coordination or Balance : Good organization achieves coordination or balance. Individuals vary in competence, potential, and effectiveness. Particularly forceful executives may prevent a basically sound organization from functioning smoothly. Their personalities may be such that through assumption of authority, failure to delegate it. Or both, their positions are magnified out of all proportion to their importance.

To Define Authority : Sales executives should know whether their authority is line, staff, or functional. Line authority carries the power to require execution of orders by those lower in the organizational hierarchy. Staff authority is the power to suggest to those holding line authority the method for implementation of an order. Functional authority enables specialists in particular areas, such as in technical product service, to enforce their directives within a specific and limited field.

To Economize on Executive Time : As a sales department's operations and activities increase in complexity and number, additional subordinates are added. This permits higher ranking sales executives to delegate more authority. It also allows for the more effective use of specialization, while higher executives devote less time to operations and more to planning. One purpose, then of organization and one often overlooked is achieving economies in the use of executive time.

Conclusion : To be an effective executive one needs to have certain qualities to be an effective sales executive.The sales executive needs to maintain rapport with the different levels of management.

RECRUITMENT

Recruitment is a positive process in which a company attract a pool of talented people, whereas selection is a negative process through which they screen people and finally select desired number of personnel who are offered appointment. Attracting and selecting new sales personnel is an important aspect of the sales manager's job. 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. Good selection fits the right person to the right job, thereby increasing job satisfaction and reducing the cost of personnel turnover. In addition training costs are reduced, either because those hired are more capable of absorbing training or because they require less formal training.

RECRUITMENT PROCESS

To ensure the new recruits have the aptitude necessary to be successful in a particular type of sales job, certain procedures should be followed in the recruitment process. The steps in this process are:

(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:
(a) 1. Analyze the environment in which the salesperson is to work.
(a) 2. Determine the duties and responsibilities that are expected from the sales-person.
(a) 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 valuated.
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 programmes 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.

(c) Developing a set of job qualifications
The duties and responsibilities set forth in the job description should be converted into a set of qualifications that a recruit should have in order to perform the sales job satisfactorily. Determining these qualifications is probably the most difficult aspect of the entire recruitment process. One reason is that the manager is dealing with human beings; therefore, a multitude of subjective and very complex characteristics are involved. Specific qualifications such as education and experience should be included in the job qualification, thus making good candidates easier to identify. But most firms also try to identify personality traits that presumably make better salespersons, such as self-confidence, aggressiveness, etc.

(d) Attracting a pool of applicants
The next major step in the recruitment process is attracting a pool of applicants for the sales position to be filled. All large companies with a sales force have a continuous need to identify, locate, and attract potentially effective salespeople. The candidates recruited become the reserve pool of sales staff from which new salespeople will be chosen. The quality of this group will predict the future successes or problems of the sales organization.

SOURCES OF RECRUITMENT

There are many places a sales manager can go to find recruits.Sales managers should analyze each potential source to determine which ones will produce the best recruits for the sales position to be filled. Once good sources are identified, sales managers should maintain a continuing relationship with them, even during periods when no hiring is being
done. Good sources are hard to find, and goodwill must be established between the firm and the source to ensure good recruits in the future.
Some firms will use only one source; others will use several. The most frequently used sources are persons within the company, competitors, non-competing companies, educational institutions, advertisements, and employment agencies.
(a) Persons within the company - Companies often recruit salespeople from other departments, such

as production or engineering, and from the non-selling section of the sales department. The people are already familiar with company policies as well as the technical aspects of the product itself. The chance of finding good salespeople within the company should be excellent because sales managers know the people and are aware of their sales potential. In
fact, most firms turn to non-sale personnel within the company as their first source of new sales recruits.

(b) Competitors -Salespeople recruited from a competitor are trained, have experience of selling similar products to similar markets, and should be ready to sell almost immediately. But usually a premium must be paid in order to attract them from their present jobs. Some sales managers are reluctant to hire competitors' salespeople
because the practice is sometimes viewed as unethical. But is it? Is it really any different than attempting to take a competitor's customers or market share? No. But it is unethical if the salesperson uses valuable
confidential information in competing against the former employer.

(c) Non-competing companies - Non-competing firms can provide a good source of trained and experienced salespeople, especially if they are selling similar products or
selling to the same market. Even though some recruits may be unfamiliar with the recruiting firm's product line, they do have selling experience and require less training. Companies that are either vendors or customers of the recruiting
firm can also be an excellent source of candidates. Recruits from these sources already have some knowledge of the company from having sold to or purchased from it; their familiarity reduces the time it will take to make them productive employees. Another advantage of recruits from the sources is that they are already familiar with the industry.

(d) Educational institutions - High schools, adult evening classes, business colleges, vocational schools, junior colleges, and universities are all excellent sources of sales recruits. Large firms usually are successful in recruiting from universities, but small firms tend to be more successful in recruiting from small educational institutions or from other sources.While most college graduates lack specific sales experience, they have the education and perspective that most employers seek in potential sales managers. College graduates tend to adapt more easily than experienced personnel. They have not yet developed any loyalties to a firm or an industry.

(e) Advertisements - Classified advertisements in newspapers and trade journals are another source of recruits. National newspapers and various trade
journals are used in recruiting for high-caliber sales and sales management positions. However, most firms that use advertising, especially in local newspapers, are recruiting for low-level sales positions. Many businesses use advertising only as a last resort. While advertisements reach a large audience, the caliber of the average applicant is often second-rate. This places a burden on those doing the initial screening. The quality of applicants recruited by
advertisements can be increased by carefully selecting the type of media and describing the job qualifications specifically in the ad. To be effective, a recruiting ad must attract attention and have credibility. The following elements should be included to ensure an ad's effectiveness: company name; product; territory; hiring qualifications; compensation plan,
expense plan, and fringe benefits; and the way to contact the employer.

(f) Employment agencies - Employment agencies are among the best and the worst sources. Most of the time it depends on the relationship between the agency and
the sales manager. The agency should be carefully selected, and a good working relationship must be developed. Sales managers should make sure that the agency clearly understands both the job description and the job qualifications for the position to be filled.

MEANING AND DEFINITION OF SELECTING SALESPEOPLE

After recruiting a pool of sales candidates, managers must screen out candidates who do not meet the *hiring criteria.* Selection is a process to decide whether an applicant meets the qualifications for the specific job and to choose that who is most likely to perform well in job.

In the words of *Dale Yoder*, "Selection is the process in which candidates for employment are divided in two classes : those who are to be offered employment and those who are not."
According to *Still, Cundiff* and *Govoni*, "A selection system is a set of successive "screens," at any of which an applicant may be dropped from further consideration. Employment is offered to applicants surviving all screening steps.

SELECTION

Characterstics of Selection

1.It is a decision to drop the incompetent applicants in screening.
2.It is a sequential filtering process .
3.Selection finishes with 'hiring.'
4. It is an integral part of implementing the strategic sales-force plan.
5.Company designs its selection system to fit its own information needs and to meet its own budgetary limitations.
6 A selection system fulfills its main goal if it improves management's ability to estimate success and failure probabilities.
7.Still and Cundiff writes, "No selection system is infallible; all eliminate some who would have succeeded and recommend hiring some who foil.
8. Any selection system must be "job-relevant "—that is, it must be directly related to the job.
9. Selection decisions may no longer be made on gut feeling. These must be based on objective criteria, legal considerations, and lawful inquiries.
10. Like management, selection is also both an art and a science. It is an an as it requires experience and science because a set of systematic procedures arc followed.

NEED AND IMPORTANCE OF SOUND SELECTION

A proper or sound selection of salespersons has the following advantages:

1. Key to Sales-force Management: Selection is matching company needs and applicants' potential. It is very important key to the strategic and tactical aspects of sales-force management.
2. Worst Mistake : It is said that the worst mistake a manager can make is to make a bad hire.
3. To Acquire Best Salespeople : Selection of proper salespeople is very important to avoid disappointments, both to the employer and employee. It live sales managers make every effort to line the best salespeople available to them. Having wrong personnel costs a great deal to any organization as neither ihc employer nor the employee is satisfied.
4. Low Turnover Rate : An organization's turnover rate shows the effectiveness of its selection process. It is a risk both to the company and the salesperson. The company looses because the salesperson does not fit into the required job and the salesperson looses by choosing a wrong career and losing time which cannot be recovered
5. To Seek Emotional **Maturity** : Unlike other jobs success in selling does not depend on a intellectual ability alone. There are many emotional demands on the salesman also. His personality, ability, experience, temperament and aptitude are also important in tackling situations that a company acquires through sound selection.
6. Proper Service to Customers : One of the greatest challenges is hiring salespeople who can develop a close, trusting, long-term relationship with customers. The manner in which salespeople establish, build, and maintain relationships is no longer an incidental aspect of personal selling.
7. **Good Sales Performance** : Selecting applicants is an integral part of implementing the strategic sales-force plan. If the selection stage is handled effectively, it can help ensure successful sales performance.
8. No More Training : A proper or a sound selection of salespersons makes the base for success of a sales organisation. It helps to reduce or limit the turnover of salesmen. Selection made of experienced and qualified salespersons need no [raining on the jobs.

9. Increases Goodwill : A sound selection of salesmen increases goodwill of the firm. In the eyes of the buyers, a salesmen represents the company. If he makes a poor impression the company is likely to have a poor reputation among iis customers.

10. Long-Term Success : The selection of salespeople, while of obvious importance to the long-term future of the business, is a task which docs not always receive the attention it should from sales managers. All too often, the 'person profile' is ill defined and the selection procedure designed for maximum convenience rather than optimal choice.

11. To Reduce Legal Complications : To reduce legal complications and possible legal hassles later, companies should follow good selection procedure and should validate their selection tools before using them.

PROCEDURE, PROCESS AND TOOLS OF SELECTION OF SALESPEOPLE

Selection is a filtering process incorporating many steps. It is a set of successive "screens." Employment offers are extended to applicants surviving all steps. The recruiter begins the selection process by making pre interview screening and by evaluating application blanks and resumes and proceeds to interviews and tests.

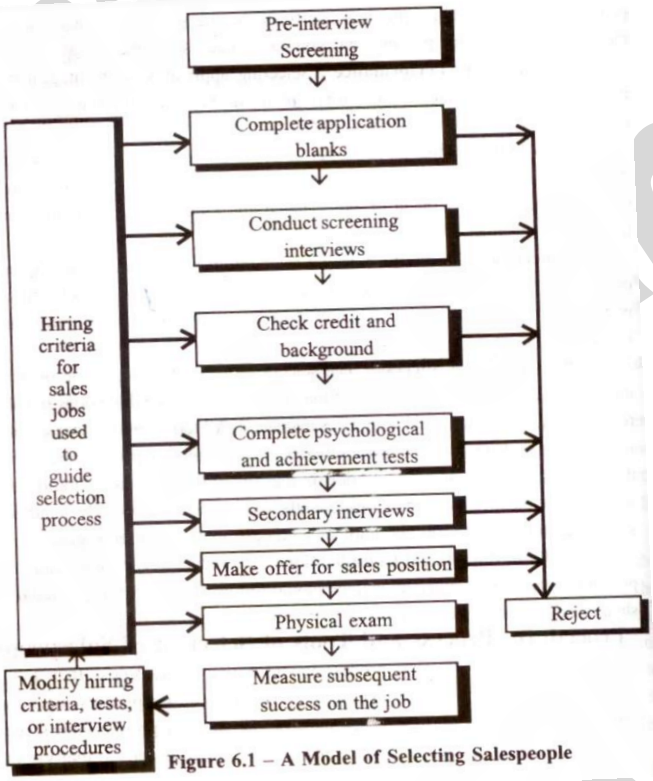


Figure 6.1 – A Model of Selecting Salespeople

1. Pre-Interview Screening - The purpose of pre-interview screening is to eliminate unqualified applicants. The applicant is provided information about the company and general details about selling positions in it—a well prepared bruiting brochure does this effectively and does not require an employee's time for anything other than to hand it to the applicant. The interview application form fulfills its mission if it enables management to detect the presence or absence of predetermined minimum qualifications. Applicants not possessing these minimum qualifications do not receive appointments for interviews. The preliminary interview can be handled by a low-paid clerk or secretary.The preliminary interview is short, perhaps no more than twenty minutes. Questions about the company and the job are answered while the company employee determines whether the applicant meets minimum qualifications. If this hurdle is passed and the expresses interest, he is asked to fill out a formal application form and an appointment is made for one or more formal interviews.

2. Formal Application Form - A formal application is filled out after a preliminary interview indicates ihai a job candidate has promise as a company salesperson. The application form may be filled out by the applicant personally or by an interviewer who records the applicant's responses.The application form is a quick and inexpensive method of screening out applicants in order to produce a ***shortlist*** of candidates for interview. The questions the form should enable the sales manager to check if the applicant is qualified with personal specification. The application form can reveal much about the person who is applying. Some applicants may be inveterate job-hoppers; others may have inadequate educational qualifications. Whatever the criteria, the application form will often he the initial screening device used to produce a shortlist. Its careful design should, therefore, be a high priority for those involved in selection.

3. The Interview - This is also known as personal or selection interview. The interview is the most widely used selection step and in some companies it comprises the entire selection system. Some personnel experts criticise the interview as an unreliable tool, but it is an effective way to obtain certain information. No other method is quite so satisfactory in judging an individual as to ability in oral communication, personnel appearance and manners ,attitude towar selling and life in genereal reaction to obstacle presented face to face and personel impact upon others.

TYPES OF INTERVIEWS –

1. Patterned Interview 2. Non – Directive interview 3. Interaction Interview
4. Rating Scales 5. Group Discussion 6. Field Observation

4. Selection Test – Included Mostly psychological are an important part of slection process.The Utility of these test is -

i) Employers have become more Knowledgeable about the legal requirement to use test.
ii) Tests are better predictors
iii) It reduces cost of selective candidates as well as poor selection in organization.

TYPES OF TESTS –

(1) Mental intelligence tests—intended to measure a person's intelligence quotient (IQ) and general ability to learn.

(2) Aptitude tests—designed to measure a person's aptitude for selling. This category also includes tests that measure social aptitude (social intelligence). Some examples arc (1) the Sales Aptitude Checklist, (2) the General Sales Aptitude Test, and (3) the Diplomacy Test of sympathy.

(3) Interest tests—designed to measure or compare a person's interests with the interests of successful people in specific occupations.

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

(5)Achievement tests—Achievement tests seek to determine how much individuals know about a subject. Few standardized achievement tests.

(6) Temperament tests—There tests help to evaluate the various factors of nature such as likes and dislikes, cruelty, flexibility, habits, etc.

(7) Situation tests—These tests are used to measures the applicants' capability to work in the real situation. It measures the capacity of salesmen to behave with different customers in different sales areas.

Conditions When Tests are Most Effective : Tests in sales selection arc **most** likely to be effective when -

(a) The firm hires a relatively large number of salespeople.
(b) Management wants to improve its success ratio**.-**
(c) The company is hiring young, inexperienced people about whom limit is known.
(d) The executives who interview candidates are not adept at discovering personality traits and selling aptitudes.
(e) The cost of failure is high.

(f) The executives can competently interpret the psychologist's recommendations and feel free to act on their own judgment regardless of the tests.

5. Role Playing - Another aid in the selection of salespeople is the use *of role playing* in order to gauge the selling potential of candidates. This involves placing them individually in selling situations and assessing how well they perform. The problem with this technique is that, at best, it measures sales ability at that moment. This may depend among other things on previous sales experience. Correct assessment of salespeople, however, should be measuring *potential.* Further, role playing cannot assess (he candidate's ability to establish and handle long-term relationships with buyers.

6. References Checking - References provide information on the applicant not available from other sources. Some employers deny the value of references, saying that references hesitate to criticise personal friends, or ex-employees The purpose of reference checking is to find out the facts about the applicant's character, conduct, behavior and morality. Personal contact is the best way to obtain information from references, since facial expressions and voice intonations reveal a great deal, and most people are more frank orally than in writing. Applicants tend to name as references those on whom they can rely to speak in their favour.

7.Background Investigation - This is a pre-employment investigative procedure. Useful informations .ibout applicants can be acquired from former employers, co-workers, neighbours, creditors, police department, etc. These information may relate to the applicant's financial condition, criminal and driving records, employment history, and career raud. Today, reference checks and other forms of background investigation are aitical because, sad to say, too many job applicants He about their backgrounds. Some applicants lie about their educational record, past salaries, and/or past job responsibilities.

8. Credit Checks - Many companies run credit checks on applicants for sales positions. Credit files are compiled by local credit bureaus, and special credit reports are provided by certain organisations. *Credit checks* are commonly used to assess the financial responsibility of applicants, since financial responsibility goes hand in hand with Job responsibility

9. Physical Examination - Because salespeople typically must endure a lot of stress and frustration, 'he sales manager wants to be certain that the candidate has the stamina needed lor the job. The salesmen should not have any disability or disease. Good health is very essential to perform job well. The following types of examinations are squired tor a salesman -

(a) Examination of physical fitness, weight, height, chest, waist, etc.
(b) Test of blood pressure, heart beat, etc.
(c) Neuro-psychiatric tests.
(e) General test of various body functions.
(f) Test of weight-carrying capacity.

10. Additional Selection Tools

Some companies arc using additional selection tools to help choose the right sales candidate. One such tool is

the *assessment center,* in which candidates participate in job related exercises. More and more companies are using *internship* programmes, not only to determine if the person has selling skills, but also to see if he fits in with the company culture .

11. Determination of Terms of Service - When the candidate has passed through all the selection stages, the terms of service are determined. These terms of service generally include the matters related to salary, commission, allowances, hours of work, leaves with pay, travelling allowances, housing facilities, transportation, etc. which are determined before making the job offer decision.

12. Job Offer Decision - A company must decide whether to' make a job offer. This decision involves a review of everything known about each .applicant. It involves all the hopes and ambitions of each applicant as matched/against the opportunities and rewards offered by the job and the company. The hiring company should develop two lists: the first is a list of the recruits in the order of the firm's preference for them; the second is a list of the recruits in the order of their preference for the firm. If the firm clearly has decided *not* to hire a certain applicant, an executive should gently, but clearly, tell

the person. If the decision is to hire a certain person, the next step is to make a formal offer and persuade the person to accept it.

13. Extending the Offer -This is the stage of issuing an appointment letter. It contains ihe terms and conditions of appointment and the salary that the salesperson will be paid. The offer should also include the other benefits that will be part of the employment package. These might include any or all of the following : insurance, retirement contributions, vacation pay, educational benefits, profit sharing, a company car. Most large companies pay for moving expenses when they transfer employees. Who will make "-the offer? How will it be made? Will a contract be written up? These are the questions which should be decided with full consideration.

14. Socialisation and Assimilation - According to *Spiro, Stanton and Rich,* Socialisation is the process through which the new recruits take on the values and attitudes of the people who are already working for the firm. This process begins before recruits go to work for the company and continues until they are tully assimilated into the company's culture. Successful socialisalion of recruits and new salespeople helps them adjust to their new jobs. More important, it also leads to increased involvement and job satisfaction in the long run.

TRAINING

Definition

E. F L. Breech — "Training is the organised procedure by which people learn skill for a definite purpose.

Edwin B. Phillippo— Training is the act of increasing knowledge and skill of an employee for doing a particular Job."

Michace J. Jucious —"Training is a process by which the attitudes, skills and abilities of employees to perform specific jobs are increased."

National Society of Sales Training Executives, US-A— "Sales training is the intentional and sound application or ordinary human sense to the problems of helping the sales personnel to make the most of its talents."

On the basis of making an analytical study of above definitions, it may be concluded that the art of acquiring knowledge and skill of doing a particular job in a particular manner is called training.

ADVANTAGES OR IMPORTANCE *OR* ARGUMENTS IN FAVOUR OF SALES MAN'S TRAINING

According to *B.R. conefield,* **"Good salesmen are not born but made** by **properly organised and directed sales training programme."**

The following are the advantages or arguments in favour of training of salesmen :

- The Sales-training betters the performance of salesmen. Better performance implies increase in sale.
- It teaches the best way of influencing people, dealing with difficult customers, handling complaints, opening new accounts, negotiating at top and obtaining sales appointments, preparing quotations, answering objections and closing orders by satisfactory execution.**It** matches and equips the salesmen with latest techniques that stimulate the demand and emulate the profits of the company.
- It turns down the intangible losses that are disguised in case of untrained and inexperienced salesmen.
- It briefs the new comer to acquire essential knowledge about products, people, himself so that he may come up in his line with confidence and certainty.
- It provides the salesman with perfect knowledge about the fundamentals of successful selling.
- A trained salesman is likely to cause least waste of time, efforts, products and reputation.
- Trained salesman can see opportunities in a market which were formerly over-looked.
- Training motivates the salesman to remain in the enterprise for better promotional chances and higher remuneration.
- It enables salesmen to gain a deeper understanding of the customer's problems and solve

them quickly and efficiently.
- Trained salesmen need less supervision and control leading to a reduction in supervision cost.
- Training puts the salesman in a better position to face keen market competition.
- It relieves the enterprise from inefficient salesman who may prove a burden on the enterprise.
- **It** guarantees sound employer-employee relations.
- **It** helps the salesmen in building congenial relations with customers also.

In brief, sales training brings into play the results of paramount importance like increased turnover of products, better services to the customers, increased earnings, improved morale, reduced employee turn over, a better company image and cut in wastages.

DISADVANTAGES OR ARGUMENTS AGAINST SALESMAN'S TRAINING

1. Some of the experts opine, "Salesmen are born, they cannot be made." Hence there is no need of salesman's training.
2. The cost of training is too high. Sometimes, the enterprise is not in a position to bear such heavy cost.
3. It becomes difficult to retain trained and efficient salesmen as they may be tempted by higher perks from other firms.
4. A trained salesman may not necessarily be a good salesman.
5. If the training is a long and monotonous process, the salesman may leave the job before completion of training.
6. In fact salesmanship is an inherent trait, it cannot be acquired through training.
7. Every salesman may not require training.
8. Training sometime curbs the inner faculties of the salesmen.
9. A firm selects different types of salesmen for different types of Jobs. It may not be possible for a firm to provide all types of training under one roof.
10. Theoretical knowledge without practical training does not serve any purpose.

METHODS OF TRAINING SALESMEN

(I) INDIVIDUAL TRAINING METHOD—The individual training methods include the following :

1. ON THE JOB 'RAINING — On the Job training, which is also known as `training within industry' or 'watch and pupil training' is the oldest and most popular method of training. Under this method, the new employee is put on the Job under the concept, guidance and supervision of his senior officer. He learns by observation, experience and guidance from his officer. He gets the necessary instructions and directions under the guidance of a supervisor or a senior employee. The secret of its success lies in its proper planning and effective execution.

2. TRAINING THROUGH CORRESPONDENCE —Under this method training is provided through correspondence. The study courses are supplied to the trainees through post by a recognised institution regularly at the residence of the trainees. Of course, the training material sent to the trainees should be compact, easily assimilating. To make the study material more appealing, charts, pictures, paintings, cartoons, bulletins, booklets, sales-manuals, house-organs etc. are also provided. A separate training section is designed to look to the needs of the trainees and their doubts, misunderstandings and difficulties are removed. After a certain period, trainees are required to appear in formal examination after passing of which, they are awarded degrees, diplomas or certificates.

3. INTERNSHIP TRAINING—The object of internship training is to match the theoretical training with that of practical one. For the purpose, the college, technical institutions and business houses co-operate and work in collaboration. Here in Job-oriented courses are opened. These courses are of short as well as long duration. After the completion of such training, the trainees are taken in the regular service of the concerned business house.

4. TRAINING THROUGH STUDY COURSE — Under this method, study courses are prepared under the direct supervision and guidance of the experts in different fields. These courses are supplied to the

trainees on different intervals with the purpose of refreshing the trainee with the latest techniques and methods of salesmanship.

5.TRAINING THROUGH INDIVIDUAL Coaching—Under this method regular coaching is provided by the supervisor to the trainee. It is taken as a part of his Job.

6.TRAINING THROUGH SPECIAL ASSIGNMENTS —Under this method, trainees are provided special assignments and they are made free to handle the affairs as they please. The method aims at creating confidence among the trainees and do the job to the best of their ability.

7.OBSERVATION POSTS — This method lays emphasis on 'Learning by observation'. Trainees who work as assistants learn by observing the working of their seniors on the post.

(II) GROUP TRAINING METHOD—UNDER THIS METHOD, TRAINING IS

1.THE LECTURE METHOD —This is the easiest, simplest and cheapest method of providing training to the trainees. It is a method to teach factual information to a number of trainees at a stretch, if properly planned and deligently delivered. It is a sort of classroom method in which lectures are delivered by senior supervisors and leading experts to a group of employees.

After lectures, questions are asked so as to have a clear conception. Good voice, attractive appearance, clarity of expression, current examples, visual aids, authentic information etc. make the lecutres a success.

2.THE CONFERENCE AND SEMINAR METHOD—Under this method, conferences and seminars are organised in which some groups of trainees participate under the leadership of experts. The participants acquire latest and up to date information. The problems are analysed and each participant contributes in one way or the other. Such conferences have motivation effect as all the participants are given chances of creative thinking and free expression of their opinion. it develops group morale and stimulates analytial thinking.

3.COMMITTEE METHOD —Under this method of training, committees of trainees under the leadership of experts are formed wherein they learn about organisational relationship. Such meetings help the trainees to visualise the operations of each unit of the organisation. More-over, the trainee learns how to adjust and accomodate other's views.

4.**TRAINING BY SUPERVISORS** —This is the simplest method of training. Under this method the employees are put on the Job under the supervision of their supervisor who instructs them to do their work and supervisor their performance.

5.ROLE PLAYING METHOD —It is a newly developed method, of course interesting and effective. In this method, some talented trainees or demonstrators are selected. They present the information in a dramatic way. They make a playlet, fully stripped, rehearsed and acted on a stage. The trainees witness it as spectators and learn the art of dealing with customers in real life as the problems, criticisms and objections are solved and replied in a very skilful, pleasing and convincing manner.

6.JOB ROTATION METHOD—Under this method, the trainees work on different types of Jobs in the sales organisation. It provides broad based, balanced and enriched experience to the trainees.

7.THE BRAIN STORMING METHOD —Under this method, a particular problem is given to the trainees, who sit round the table along with the chairman. Each one thinks over the problem and gives his impression. No trainee is contradicted. A steno collects the information and sends it to policy makers or a panel of experts. Some good ideas are selected and the rest are thrown into the paper basket.

8.THE 'EACH ONE-TRAIN ONE' METHOD—Under this method, two teams of salesmen are formed : One of the experienced salesmen and the other of the new salesmen. The old and experienced salesman teaches the new ones about the sale-teachniques which he had acquired through his experience.

9.VISUAL TRAINING METHOD—Under this method, visual, audo-visual and audo-aids are used. This method makes lectures more attractive, impressive and entertaining. Visual aids include-slides strips, black boards, charts, graphs, diagrams. Audovisual aids include sound slides, films,

pictures while audoaids comprise of tape-recorders and record players.

OBJECTIVES OF SALESMAN'S TRAINING.

Training is the key to success. If we expect the performance of high level from our salesmen, we should train them to do so. Radical changes take place every time. It may not be possible for the salesmen to work in these changed circumstances. Therefore, it becomes necessary that the salesmen of the enterprise should be trained in scientific and systematic manner so that they may discharge their duties easily and effectively and may adjust with the changed circumstances.The main objectives of training are as follows :

– To establish the feelings of loyalty among the salesmen and employers towards the enterprise.
– To increase the morale of salesmen.
– To enable the salesmen to do their work in the best possible manner.
– To make them efficient to do their work in the changed circumstances.
– To promote sale.
– To provide detailed knowledge of the product.
– To apprise the salesmen of the sales policy of the enterprise.
– To impart knowledge of the basic principles of selling.
– To impart knowledge about the sales-organisation and the enterprise; its history and the goodwill.
– To give them full information about the old customers.
– To inform them about the competitors and apprise them of the methods to increase sale in view of the competition.
– To train-them about the method of facing customer's problems his objectives and complaints, convince him and create new demand for the product.
– To present product information before the customer and convince him to buy the product.
– To impart knowledge about the method of improving sales, communication of orders of customers, maintenance of accounts, re-imbursement of expenses, display and demonstration of product, preparing the daily reports and servicing customers etc.
– To acquaint the salesman with the laws and regulations related to the sale of goods.
– To equip the salesman with necessary techniques and tools to carry on-his duties effectively and vigorously.
– To keep him well-informed about the prevailing market conditions.
– To achieve sale targets.
– To increase the general efficiency of the salesman.
– To prepare the salesmen's force for replacing retiring or incompetent salesmen. •

A comprehensive training program aims at promoting sales, improving knowledge about the history and objectives of the enterprise, its products, its services, its policies, procedures and formalities, it should contain the following points.

(i) Knowledge of his Job.
(ii) Knowledge of the company.
(iii) Knowledge of the products.
(iv) Knowledge of the customers.
(v) Knowledge about Publicity.
(vi) Knowledge about competitors.

SALES MOTIVATION

Meaning of Motivation - Motivation is goal-directed behavior, underlying which are certain needs or desires. The term “needs” suggests a lack of something that reaching the goal could satisfy, while the term “desires” suggests positive ardor and strength of feeling. The complex of needs and desires stemming from within individuals leads them to act so as to satisfy these needs and desires.

Specifically, 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 accounts, planning sales resentations, 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, and the like.

Motivational "Help" from Management - Most sales personnel require motivational "help" from management to reach and maintain acceptable performance levels. They require motivation as individuals and as group members. As individuals, they are targets for personalized motivational efforts by their superiors. As member of the sales force, they are targets for sales managment efforts aimed toward welding them into an effective selling team. Four aspect of the salesperson's job affect the quality of its performance.

Inherent Nature of the Sales Job - Although sales jobs vary from one company to the next, sales jobs are alike in certain respects. Every sales job is a succession of ups and downs a series of experiences resulting in alternating feelings of exhilaration and depression. In the course of day's work, salespersons interact with many pleasant and courteous people, but some are unpleasant and rude and are difficult to deal with. They are frustrated, particularly when aggressive competing sales personnel vie for the same business, and they meet numerous turndowns. Furthermore, sales personnel spend not only working time but considerable afterhours time away from home, causing them to miss many attractive parts of family life. These conditions cause salespersons to become discouraged, to achieve low performance levels,or even to seek non selling positions. The inherent nature of the sales job, then, is the first reason that additional motivation is required.

Salesperson's Boundary Position and Role Conflicts - The sales person occupies a "boundary position" in the company and must try tosatisfy the expectations of people both within the company (in the sales department and elsewhere)and in customer organizations. There is linkage withfour groups : **(1) sales management, (2) the company organization that handles order fulfillment, (3) the customers, and (4) other company sales personnel.** Each group imposes certain behavioral expectations on the salesperson, and, in playing these different role, the salesperson faces role conflicts, such as

1. **Conflict of identification** arises out of multi group membership. As the salesperson works with the customer,identification is with the customer rather than the company. On returning to the company, the salesperson drops identification with the customer and identified with the company.
2. **Advocacy conflict** arises when the salesperson identifies with the customer and advocates the customer's position to other groups in the company organization. this may be important and may be encouraged by the sale management group, but the advocator is in a difficult position.
3. **Conflict is inherent** in the salesperson's dual role as an advocate for both the customer and the company and the salesperson's pecuniary interest as an entrepreneur paid directly or indirectly on the basis of sales volume, the salesperson has an interest in selling as much as possible in the shortest time. If the salesperson tells the customer about these conditions and that, in all probability, the product will not meet the customer's needs, the salesperson risks losing the sale and the income that goes with it. Not much can be done to reduce the role conflicts of sale personnel. Some evidence exists that experienced sales personnel perceive significantly less role conflict than do those with less experience. This suggests that a salesperson's perceptions of, and ability to cope with, role conflict are influenced not only by experience but by the effectiveness of sales training. It also suggests that those who become experienced sales personnel may cope better with role conflicts (that is, psychologically) than those leaving the sales organisation earlier. So improving sales training effectiveness and revising selection criteria are two roads to reducing the impact of role conflict on sales force morale. Role conflicts traceable to the salespersons linkage with groups that have divergent interests, then, is another reason why additional motivation is required.

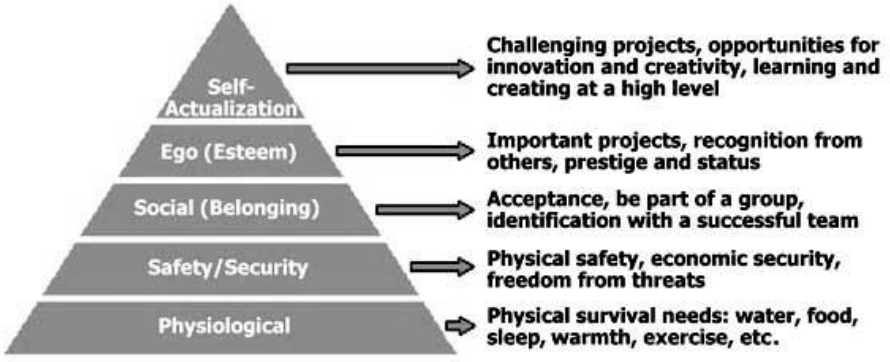
Tendency Toward Apathy - Some sales personnel naturally become apathetic, get into a rut. Those who, year after year, cover the same territory and virtually the same customers, lose interest and enthusiasm. Gradually their sales calls degenerate into routine order taking. Because they know the customers so well, they believe that good salesmanship is no longer necessary. Their customer

approach typically becomes: "Do you need anything today, Joe? They fail to recognize that friendship in no way obviates the necessity for creative selling and that most customers do not sell themselves on new products and applications. the customer's response, as often as not, is: nothing today, Bill". Later a competing salesperson calls on the same account, uses effective sales techniques, and gets an order. Many salespeople require additional motivation to maintain continuing enthusiasm to generate renewed interest in their work.

Maintaining A Feeling of Group Identify - The salesperson, working alone, finds it difficult to develop and maintain a feeling of group identity with other company salespeople. Team spirit, if present at all, is weak. Thus, the contagious enthusiasm-conducive to improving the entire group's performance-does not develop.If sales management, through providing added motivation, succeeds in developing and maintaining team spirit, individual sales personnel strive to meet group performance standards.Few people who consider themselves members of the sales team want to appear as poor performers in the eyes of their colleagues, providing the kind of working atmosphere in which all members of the sales force feel they are participating in a cooperative endeavor is not easy-nevertheless, effective sales management works continuously to achieve and maintain it.

Need Gratification and Motivation- Behavioral research studies show that all human activity including the salesperson's job behavior-is directed toward satisfying certain needs (that is, reaching certain goals). Patterns of individual behavior differ because individuals seek to fulfill different sets of needs in different ways. Some salespersons, in other words, are more successful than others because of the differing motivational patterns and amounts and types of efforts they exert in performing their jobs.Needs are either primary or secondary. Primary need are the inborn or physiological needs for food, water, rest, sleep, air to breathe, sex, and so on, the fulfillment of which are basic to life itself. Until primary needs are satisfied, other needs have little motivational influence. Secondary needs arise from an in individual's interaction with the environment, and are not inborn but develop with maturity. Secondary needs include those for safety and security, belongingness and social relations, and self-esteem and self-respect.

Hierarchy of Needs-A.H Maslow, a psychologist, developed a theory of motivation based on the notion that an individual seeks to fulfill personal needs according to some hierarchy importance. He suggests the general priority of need fulfillment. Maslow suggests that after an individual gratifies basic physiological needs, he or she proceeds to strive to fulfill safety and security needs, that belongingness and social relations needs, and so on-the individual's level of aspiration rising as needs on higher levels are satisfied. Not every individual and certainly not every salesperson, of course, establishes the order of priority of need fulfillment suggested by Maslow. Some sales personnel, for instance, appear to assign earlier priority to filling the esteem need (for self-respect) than they do to filling the need for social relations within a group.



Maslow's Hierarchy of Needs is shown above. The pyramid illustrates the five levels of human needs. The most basic are physiological and safety/security, shown at the base of the pyramid. As one moves to higher levels of the pyramid, the needs become more complex.

Motivation-hygiene Theory - Frederick Hertzberg and his co-researchers developed the motivation-hygiene theory. According to this theory the factors that lead to motivation and job satisfaction are not the same as those leading to apathy and job dissatisfaction. In other words, the contention is that job

dissatisfaction is not the opposite of job satisfaction-two separate groups of needs are involved, one related to job satisfaction and the other to job dissatisfaction. While most needs have potentials for influencing both the relief of job dissatisfaction and the increase of job satisfaction, each need serves predominantly either a hygiene or motivator purpose.

Deficiencies in fulfilling the hygiene needs cause job dissatisfaction. These supervision, and other factors extrinsic to the job fulfilling the hygiene needs does not lead to job satisfaction, but in the achievement of a neutral point known as a fair day's work. Performance at this point does not result from motivation. At the "fair day's work" point, the individual is ripe for influence by the motivation factors, ones intrinsic to the job itself. These factors reflect needs for personal growth, including achievement, recognition, nature of the job itself, responsibility, and opportunities for advancement. The motivation factors represent needs that, when fulfilled, lead to job satisfaction.

Figure shows the considerable similarity of the Maslow and Herzberg models. Herzberg's division of the need hierarchy into two factors-hygiene and motivational-implies that for many people, including most sales personnel, only Maslow's higher-order needs (esteem and self-actualization) are primary motivators. Yet even these people must satisfy the lower order (hygiene) needs for maintenance of their job satisfaction.

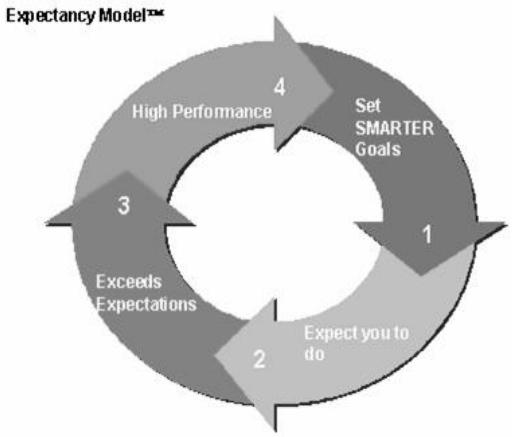
Motivation-hygiene theory has two important implications for sales management - The first is that management must see that the job provides the conditions that prevent job dissatisfaction (to get a fair day's work from the salesperson). This means that management needs to provide an acceptable working environment, fair compensation, adequate fringe benefits, fair and reasonable supervision, and job security. The second implication is that management must provide opportunities for achievement, recognition, responsibility, and advancement (to motivate performance beyond that of a fair day's work).

Achievement-motivation Theory - David McClelland, in association with other researchers, developed achievement-motivation theory. According to this theory, if a person spends considerable time thinking about

doing his or her job better, accomplishing something unusual and important, or advancing his or her career, that individual has a high need for achievement (NACH). Those who have high for achievement **(1)** like problem situation in which they take personal responsibility for finding solutions (ones in which the possibilities of reaching them are reasonable),**(2)** tend to set attainable achievement goals, and **(3)** want feedback on how they are doing. In practical terms,NACH is a motivation to exceed some standard of quality in personal behavior-individuals who are self-motivated and who continually strive to improve their performance are in this category. Many individuals like this are attracted to personal selling jobs, especially those where compensation's largely in the form of commissions-jobs characterized by opportunities to influence outcomes through personal efforts, challenging risks, and rapid feedback of results.

Expectancy Model- The expectancy model, developed by Vroom, conceptualizes motivation as a process governing choices of behavioral activity.The reasoning is that the strength of a tendency to act in a certain way depends upon the strength of an expectation that the act will be followed by a given outcome and on that

outcome's attractiveness to the individual. Put differently, an individual's desire to produce at a given time depends on that individual's specific goals and perception of the relative worth of performance alternatives as paths to attainment of those goals.



An expectancy model, based on Vroom's, is shown in Figure.The strength of an individual's motivation to behave in a certain way (in terms of efforts) depends upon how strongly that individual believes that these efforts will achieve the desired performance patterns (or level). If the individual achieves the desired performance, then how strongly does the individual believe that the organization's rewards/punishments will be appropriate for that kind of performance, and to what extent will this satisfy the individual's needs (goals).

Sales management, however, must recognize that this model is concerned with expectations. Sales personnel need counseling to view their own competencies realistically. They also need sales management's support in developing the skills that lead to improved performance.

Interdependence and Motivation - In the formal organizational plan, each salesperson reports to someone higher up in the structure, a sales supervisor, a district sales manager, or, as in most small companies, to the chief sales executive. According to traditional theory, the superior has the authority to require that the salesperson take action, and the salesperson is obligated to carry out the superior's orders. This theory assumes that authority ("the formal right to require action of others") can be equated with power ("the ability to get things done"). Practical sales managers know that issuing an order to a salesperson or suggesting how he or she should act (that is, change a pattern of behavior) does not necessarily mean that henceforth the salesperson will change. On many occasions, of course, there is little problem in having orders and directions put into effect-as long as they are clearly stated and apply to simple tasks that are done quickly

Motivation and Leadership - Effective sales executives are leaders, rather than drivers, of sales personnel. They earn the voluntary cooperation of members of the sales organization, motivating them, individually and as a group, to reach the sales department's goals. They know the motivations, desires, and ambitions of those they lead, and they use this knowledge to guide their followers into the necessary activities-whether they be learning or performing.

The effective sales executive sets a good example. The "do as I say, not as I do" approach is not effective in motivating sales personnel. The sales executive works with the same diligence he or she expect of sales personnel, and leads his or her life as he or she expects them to lead theirs. It is natural for subordinates to emulate their superior-the superior is, or should be, a symbol of success.

One aspect of leadership closely related to motivation has to do with the handling of relationships with sales personnel.Attaining skill in this area is not easy, but experience, maturity, and common sense are necessary attributes. Effective sale s executives treat sales personnel fairly, particularly as to assignments, promotions, and changes in pay. They commend salespeople for jobs well done, but if performances are not up to par, they call that to the subordinates' attention privately.

When discussing a salesperson's weakness, effective sales executives make it clear that they know the individual's strong points. Before making changes affecting salespeople's jobs, they consult those affected, helping to prevent the damaging impact of rumors upon morale. The sales force should be convinced, individually and collectively, that when right is on their side, the sales executive can be depended upto, if the need arises, to carry their case to top management. An, above all else, effective

sales executives do not lose sight of the fact that they are managing the sales staff. They "sell" sales personnel on plans, policy changes, and anything else that effects them. Sales personnel are all the more sold on their jobs when sales executives apply good sales techniques in all their relationships with them.

Motivation and Communications - It is important that good communications exist between each salesperson and his or her superior-unless it does, there is depressed morale and low productivity. The salesperson with pent-up grievances, real or imagined, displays both low morale and unsatisfactory performance. Similarly, the salesperson, like everyone else, comes up against personal problems, such as sickness in the family, inability to pay overdue bills, or marital troubles, all of which adversely affect morale and performance.

Good communications allow for free discussion of problems related to the salesperson's job and of any personal problems that, left unsolved, hurt job performance. For the salesperson, the existence of good communications means freedom of selfexpression- freedom to talk over problems, business and personal, with the superior. For the superior, it anything, is bothering him or her, but to provide assistance in solving any problems that come to light.

Interpersonal Contact - Interpersonal contact is an important way to communicate with and thereby to motivate sales personnel. Management uses contacts to make comprehensive evaluations of individual salespeople's morale. Interpersonal contacts provide opportunities for learning of financial, family, or other personal worries that have impacts upon job performance.

Sales executives at all levels have personal contacts with the sales staff. But at higher levels of sales management, contact with salespeople are confined to conventions and sales meetings. Most of the individual salesperson's contact with management is with the immediate supervisor. Although supervisors have other important functions to perform, such as training,
evaluation and control, they also use their visits with salespersons for detecting personal or business problems, and for motivational purposes. Sales executives at all levels reserve some time for observing and conferring with sales personnel. Di9strict managers visit each salesperson on the job in the assigned sales territory. While it is impractical rise or even all sales districts, there are other ways to maintain personal contact with sales personnel.. One is to arrange individual conferences between sales personnel and the top sales executive during
regional or national meeting-the opportunity to visit with the "big boss" provides strong motivation.

Interpersonal contact is the best way to keep in touch with the sales staff, but other communications media sometimes are used. Not only is close contact with all sales personnel all of the time physically immposible, but the least effective salespeople demand the lion's share of the personal attention. When this happens, executive contact with the more effective salespeople is largely through written means. Confronted with this situation, many sales executives keep in touch with their better people not through letters, but through regular telephone calls. On some occasions, sales personnel should be contacted personally, or by telephone, rather than by letter. A drop in
performance that the executive suspects traces to family discord is not only difficult but awkward to discuss in writing.

Motivational Interviews - In progressive companies, sales executives set planned "information" goals for personal visits with sales personnel. The executive attempts to find out about salespeople's patterns of need fulfillment and the order of priority assigned to each need. Insights are gained on individuals' motivational patterns, and guidance is furnished for choosing appropriate incentives. It is
unlikely that a single interview can gather all this information, but after many interviews, the executive has the information to put together a comprehensive picture. Motivational interviews are a way to gather valuable information bit by bit.

Written Communication - Supplementing personal contacts, sales personnel are kept informed through letters, announcements, bulletins, and other mailed pieces. Written communications can become routine and deadning-increases in volume and frequency destroy their value. Some sales executives think nothing of spending hours planning a sales meeting but neglect to appraise the motivational

impact of their correspondence. No single letter or bulletin has as strong a motivational effect as a sales meeting; yet the total impact of written communication, effectively used, can be much greater. The effective executive writing personal letters and bulletins to
salespeople avoids generalities and concentrates upon specific helpful suggestions. A letter to salesperson Brown, reporting that salesperson Jones wrote a $100,000 order last week, and instructing Brown to go out and do the same is not motivation.Describing how Jones succeeded in promoting a new use for the product to certain kind of customer is motivation. Writing letters, especially those that cheer up and spur on salespeople in the field, is an art effective executives master.

Unionization of Sales Personnel - There are several reasons why unions have made little progress in organizing sales personnel. First, it is difficult to develop strong group identification in most sales departments because each person works alone and sees other members of the sales force infrequently. Little opportunity exists for mutual exchange of grievances. Second, in contrast to most employee groups,
salespersons think of themselves as independent operators rather than as cogs in an industrial machine. Third, sales personnel have some control over their workday and workweek. If they work excessive hours, it is often to add to their complementation, and there are no time clocks. Fourth, the prospect of higher wages has never served as a strong organizing incentive for sales personnel, as sales personnel have been made to feel that low earnings are the result of personal ineffectiveness, not of the employer's niggardliness. Only about one in ten salespersons belong to a union. When unionization has occurred, it usually traces to a failure of sales management. Grievances stem from such failures as too many reports, competition of house accounts, inadequate expense allowances, poor territories, too many people on the sales force (which results in inadequate territories), and too many nonselling duties.

Conclusion - Motivating sales personnel is an important aspect of sales force management. Sales personnel require additional motivation because of inherent nature of the sales job, role conflicts, the natural tendency toward apathy, and difficulties in building group identity. The concepts of need gratification and interdependence assist in understanding the complexities of motivating sales personnel. Implementing motivational efforts requires that sales executives be skilled leaders, rather than drivers, of sales personnel. It demands that they be skilled in interpersonal and written communications. Satisfactory job performances develop out of deep understanding of motivational forces and processes, effective leadership, two-way communications, and effective handling of relationships.

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UNIT - II

SALES ORGANIZATION

Meaning of Sales Organisation —It means a group of persons which is organised to perform the selling activities of an organisation of an enterprise. **Objectives—**

a) To determine the targets of sales departments
b) To determine the duties and rights of the sales personnel
c) To select salesmen,
d) To arrange for their training,
e) To introduce'incentive wage system,
f) Effective supervision,
g) Effective co-ordination,
h) Atmosphere of healthy competition,
i) Minimise selling overheads,
j) To develop new techniques,
k) To meet social responsibility.

NEED AND IMPORTANCE OF SALES ORGANISATION

1. **Increases Managerial Efficiency—** Sales organisation is as important for an enterprise as circulating blood for the body. A good sales organisation increases managerial efficiency. It ensures efficient working, reduction in sales cost, avoidance of redtapism and above all efficient sales force.

2. **Increases Profitability**— Sales organisations increase sales and perform related functions like market research, sales forecasting, sales budgeting, product planning, consumer research etc. All these increase the efficiency of the sales organisation which leads to an increase in profitability.

3. **EncouragesSpecialisation**—Inalarge sized plant, the size of sales organisation is also large. In large sales organisations, sales manager alone can not plan, control and supervise the activities of sales force. Their activities, therefore are divided into divisions and sub-divisions. Thus each section of the sales force is specialised and is involved in activities according to their skill, aptitude, talent and knowledge.

4. **Yields Economies oflarge Scale Production** —Sales are substantially increased through efficient sales organisations. Increase in sales will lead to large scale production. Large scale production will result in economies of scale-internal as well as external-

. Creates Demand pattern for Products—The salesmen push the sales of the goods directly. Thus it is an indirect process of advertisement or publicity. These salesmen are integral part of sales organisation.

6. **Better co-ordination and Control—A**rapid increase in sale depends upon the efficient and co-operative working of the sales force. A good sales organisation ensures better co-ordination and control of the sales force. It assigns authority and responsibilities to the sales-force according to their ability, efficiency and effectiveness. The sales manager co-ordinates and controls the efforts of individuls and motivates them to work in co-operation with others.

7. **Plans the Purchases**—The sales depend upon the needs and moods of the people (consumers). It is the demand of the consumers that decides the pattern and quantity of production. That way consumer is the king. But a good sales organisation plans the purchases and persues the consumers to purchase what is produced.

8. **Reduces Risk element of the enterprise —** A good salesorganisation reduces the risk element of the enterprise. An efficient sales organisation spurs the wheels of purchase, finance and production.

9. **Handles the tasks of Personnel** Management —Every enterprise needs an efficient sales organisation. The authorities have to struggle hard to build and maintain such a sales force. It has to perform responsible tasks like selection, training etc. This responsibility is borne by sound sales organisation.

10.Other Advantages

- In **ensures** effective coverage of the sales territory.
- **It** ensures better customer services.
- It redefines its responsibilities and assignments according to changing market conditions.
- It avoids repetition of activities.
- By reducing cost of production, it offers lower prices of the products to the consumers.
- It receives enquiries, entertains them with latest quotations, appeals for new orders, packs the goods as

per requirements and make all necessary correspondence.

In brief, sales organization is the sheet anchor of the machinery of marketing that keeps on functioning on the sound and solid foundation of this sales organization.

FUNCTIONS OF SALES ORGANISTATION.

Sales organization is part and parcel of the general business organisation. It is that frame work of relation wherein the functions related with profitable sales are carefully and consciously planned and co-ordinated so that the products may properly be placed in the hands of the users. It provides an efficient, economical and flexible administrative set up so as to ensure timely movement of product from the ware houses to the doors of the consumers on satisfactory terms.The sales organization performs the following functions

1. Personnel or staff functions — These functions include the following :

– To recruit and select the sales personnel.
– To train the sales personnel as per need of the organization.
– To remunerate the sales personnel so as to encourage them for more work.
– To motivable them and enhance their morale.
– To provide amenities and welfare facilities to the employees.
To transfer, promote, demote, terminate and retire the sales personnel.

2. **Sales Control functions —** These functions include the following:

– To forecast sales.
– To prepare sales budget and control accordingly.
– To control selling expenses.
– To receive reports and act accordingly.
– To maintain statistical information and sales records.
– To control an over all cost of sales department.

3. **Sales Direction Functions** —These functions include the following:

– To plan sales and review it from time to time.
– To allocate territories to different sales personnel.
– To fix quotas for different sales personnel.
– To review sales reports and make future planning accordingly.
– To finalize routing and scheduling of calls.
– To supervise the activities of the sales personnel.
– To chart out the product and control the office.
– To conduct conferences, seminars and meetings.
– Tb prepare sales manual.
– To evaluate sales performance and prepare reports accordingly.
– To prepare accounts of sales.

4. Product Development Functions—These functions include suggestions regarding (i) Price; (ii) Colour, style and design of products; (iii) Packaging, designing and development; (iv) Srandardisation and grading; (v) New product designing and development; (vi) Ware-housing and transportation, (vii) Competitive selling; (viii) Selection of distribution channels; (ix) Servicing.

5. Sales Programme functions — The functions are-understanding policies of the firm, formulating sales plan, implementing them and follow up of policies in future.

6. Sales Promotion and Advertising functions — These include :

(i) Sales promotion programmes**like —** Organising exhibitions and fairs, issuing catalogues and brochures, motion pictures, displays and demonstrations, contest, price reduction, prize distribution, premums or coupons, window displays, credit policy, market research and after sales services.

(ii) **Advertising** —Advertising budget, advertising copy, advertising media and selection.°

7.Co-ordination Function — This function relates to an effective co-ordination within the department, with other departments and with the public in general.

PRINCIPLES OF SALES ORGANISATION.

Principle of objective —According to this principle, there should be similarity between the objects of enterprise and the objects of sales organisation. Every part of the sales organisation and every activity of the enterprise should exclusively be object-oriented. It other words, the objectives of sales organisation should be clear, definite and in accordance with the over-all objectives of the enterprise.

Principle of specialisation — According to this principle, the distribution of work among employees of the enterprise should be made in the manner that each employee may get the job according to his ability and taste. Only then he will be able to fulfil his duties satisfactorily.,

Principle of Authority—According to this principle, the authority of all the employees working in the enterprise must be clearly defined and this must be in accordance with the duties assigned to them.

Principle of Responsibility— The Sales organistation of the enterprise must be determined in the manner that it may specifically define and determine the responsiblities of all the employees. Every employee of the enterprise must know his resposibilities.

Principle of Assignment of Work—The assignment of work among various employees must be very specific. Every employee must know what he has to do and what he has not to do.

Principle of Exception —According to this principle, duties and rights should be assigned to all the employees so that they may discharge their duties successfully. The sales manager should be responsible to take the decisions only on key problems. Problems of routine nature should be solved by the concerned employees.

Principle of Span of Control —According to this principle, the Span of control of all the officers should be limited so that they may exercise effective control over the activities of enterprise. According to L.Urwick, an executive can control the performance upto 6 subordinates easily.

Principle of Co-ordination — All the departments of the sales organisation and all the activities of an enterprise must be mutually co-ordinated.

Principle of Unity of command — According to this principle, one particular employee should get the orders and instructions from one particular executive only so that he may follow these instructions.

Principle of Unity of Direction — According to this principle, the plans of the organisation should be very clear and all the activities of all the departments of the enterprise must be carried in accordance with these plans.

Principle of Flexibility —This is an important principle of sales organisation. Sales organisation should be prepared in the manner that it may incorporate the changes required in it from time to time. Flexibility does not mean that the organisation can be changed at any time to any extent. It only means the adjustment of necessary changes.

Principle of Continudity— According to this principle the sales organisation must be prepared for a very-very long time. According to Peter E Drucker, "The organisational structure of the enterprise must meet its requirements for a period of 10 to 15 years.

Scalar Principle — Scalar principle states that which employee will work under the supervision of which executive and which executive will supervise which team of subordinates, this all must be clearly defined and properly communicated to all concerned.

Principle of Leadership—Thesales organisation of the enterprise should provide for effective leadership of the activities of the enterprise so that all the employees of enterprise may

contribute in achieving the predetermined objectives under the leadership.

The principle of Simplicity —According to this principle the organisational structure should be kept as simple as possible.

SALES ORGANISATION STRUCTURE

`Sales Organisation' is part and parcel of the general business organisation of the firm. It is that frame work of relations wherein the functions related with profitable sales and carefully and consciously planned and co-ordinated as to place the products in the hands of the final users. The job of a sound sales organisation is to provide an efficient. economical and flexible administrative set up to ensure timely *movement* of products *from the warehouses to the door of consumers, on such* terms satisfactory to both the buyer and the selling house.

Various Forms of Sales Organisation

Main object of an organisation is to bring the economy in the cost of production and to put the business and industrial enterprise in profit earning conditions by exercising effective supervision and control. Needs of all the enterprises are different. Therefore, only that form of organisation should be adopted in an enterprise which may be deemed as most suitable to the particular cicrumstances and the type of that enterprise. Following are the forms of organisation of business and industiral enterprise in common use :

1. LINE TYPE OF SALES ORGANISATION

Prof. James L. Lundy, "Line organisation is characterised by direct lines of efforts flowing from top to the bottom of the organisationalhierarchy and lines of responsibility flowing in an opposite but equal direct manner."

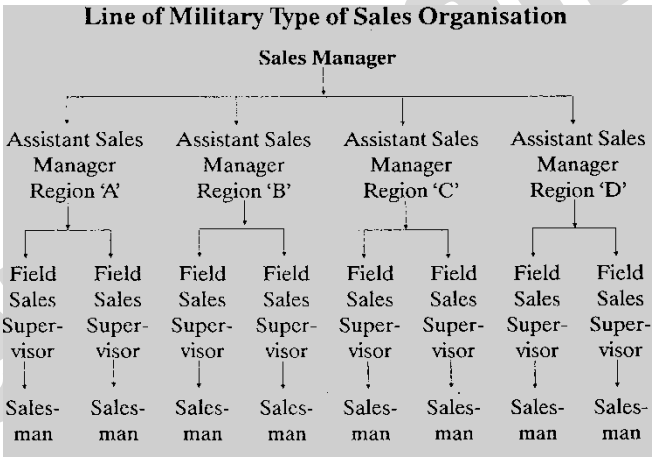
Louis A. Allen, "Line organisation is the chain of command that extends from the Board of Directors through the various delegations and re-delegations of authority and responsibility to the point where the primary activities of the company are performed."

Prof. Raymond Diller, "Line Organisation is one in which the superiors have full authority over their subordinated subjects only to the terms of the contract that bind the employees to the organisation."

Prof. R. C. Davis, "The line organisation is the hierarchy of executives and operating personnel which extends from the executive head of the entire or anisation to the groups of primary operation."

Characteristics of line organisation

1There is linear relation between orders. Orders flow from top to bottom.
2.Communication between all the employees of organisation is serially arranged.
3.Every senior officer has complete command over his subordinates.
4.Every Subordinate is direct liable to his immediate officer.
5.Number of subordinates under the control of every officer is certain and limited.



Merits of line organisation

1.Simplicity —Line organisation is the oldest and simplest from of organistation. Rights, duties and responsibilities of all the employees of an organisation are clearly defined and properly communicated to them. Every employee of the organisation clearly understands his position. So, there is no confusion or misunderstanding at any point.

2.Determinationof Responsibility— As the rights, duties and responsibilities of all the employees are well defined, every person knows his responsibilities. Therefore, in this form of organisation, responsibility can be determined easily.

3.Flexiblity—As each senior officer has full authority and responsibility for his job, he has a right to make necessary decisions for the performance of his duties. It results in quick decisions and quick implementation of decisions into action.

4.Quick Decisions — As the authorities are centralised and well defined, the senior executives can take quick decisions as no other person is to be consulted by them.

5.Easy to control —This form of organisation makes the process of control easier and more effective. All the subordinates clearly know as to whom they are responsible.

6. Effective Co-ordination—Asall the selling activities of a department are under the control of one officer and he is directly responsible for the performance of his department, effective coordination is established through this from of organisation.

7.Proper Discipline — Unity of command, effective control and co-ordination develops the feeling of discipline among all the employees and officers of the enterprise.

8.Economy—Line organisation is economical also, because overhead expenses are not required for different experts.

Demerits of line organization

1.Over Burden upon Top Executives — In line organisation, the burden of one department is upon the single executive. Therefore, in this from of organisation, senior executives are overburdened with administrative work.

2.Autocraticleadership — As one department is under the complete control of one executive, there is a possibility of concentration of all decision making powers with only one person.

3.Lack ofInitiative at lower level —Subordinates have no decision power in this from of organisation. Therefore, there is lack of initiative at lower levels. It lowers their motivation and morale.

4.Lack of Specialisation—In this form of organisation, there is complete lack of specialisation. All the activities of one department are under the control of one executive and no person can be supposed to be expert of all the activities to be performed in his department. Therefore, this form of organisation results in lack of specialisation.

5.Over Dependence on Top Executives — In this form of organisation, the success of an enterprise entirely depends upon the efficiency of its top executives. If any of its top executives is not so much efficient, his department will be lacking success.

6.Inflexibility—Thesuccess and survival of the enterprise depends upon few individuals. There is little scope of the expansion of business enterprise beyond capabilities of these individuals.

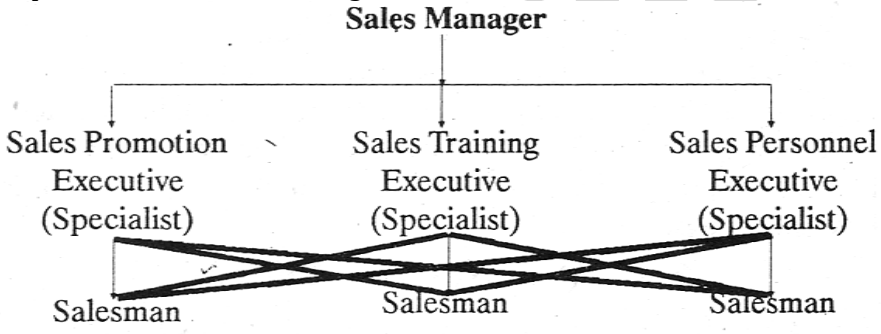
7.Lackof the Spirit of Co-operation and Groupism—As the subordinates have no role to play in the enterprise, it kills their feeling of co-operation. They feel themselves as the machine to obey the orders of their executives only. Therefore, there is a complete lack of co-operation and group feelings.

Suitability of Line Organization- Line organization is suitable only in the following conditions:

– Where the size of enterprise is small.
– Where the number of employees is limited.
– Where the division of work can be made clearly.
– Where the work is of simple nature.
– Where the number of activities to be performed is limited.
– Where the top executives are capable and experienced.

1. FUNCTIONAL TYPE OF SALES ORGANIZATION

Functional organisation was introduced by *E W Taylor* to overcome the drawbacks of line organisation. Taylor emphasized upon ten qualities of an employee so that he may discharge his duties properly. These qualities were as under : (i) Brain; (ii) Education-, (iii) Special or technical knowledge; (iv) Manual strength; (v) Tact; (vi) Energy; (vii) Grip; (viii) Honesty; (ix) Judgement power; and (x) Good health. In this form of organisation, the authority flows from top to bottom. Under this form, a worker gets orders and instructions from different bosses. Every boss gives the orders to him related to his specialized functions. An illustration of functional types of Sales Organisation is presented in the following chart :



Characteristics of Functional Type of Sales Organization -

1) This from of organisation depends on the principle of Specialisation.
2) Under this method, the work is divided to the last possible division.
3) In this method, the experts are in direct touch with the workers.
4) Employees are responsible to their experts.
5) A salesman gets orders and instructions from many different experts at a time.

Merits of Functional Type of Sales Organisation-

1) Every officer is an expert of his specialised job. It increases the efficiency of organisation.
2) This form of organisation makes the production at large scale possible.
3) This form of organisation increases the work of research and development.
4) Under this method, all the employees get the work according to their taste and ability.
5) Under this organisation, all the employees get due remuneration for their services.
6) This form of organisation is based on division of labour. Therefore, the advantages of division of labour are also achieved.
7) Under this form of organisation, officers are in direct touch with the employees.
8) This form of organisation is more flexible.

Demerits of Functional types of Sales Organisation-

1) This form of crganisation results in the slackness in discipline in the organisation.
2) In this form of organisat on, lack of co-ordination is found.
3) In this form, it is very difficult to determine the responsibility.
4) Under this form of organisation, an employee gets orders and instructions from many officers at one time.
5) It causes a great difficulty in the proper discharge of duties.
6) This form of organisation is not practical.It is uneconomical.
7) This form of organisation causes unhealthy competition among officers of the enterprise to get more and more power.

DIFFERENCE BETWEEN LINE TYPE AND FUNCTIONAL TYPE SALES ORGANISATION

Basis of Difference	Line Type of Sales Organisation	Functional Type of Sales Organisation
1. Flow of Orders	In this form, the orders flows from top to bottom.	In this form, every worker gets the orders and instructions from many officers at one time.
2. Responsibility determination	In this form, responsibility of empolyees can be determined easily.	In this form, it is not possible to determine the responsibility of empolyees.
3. Specialisation	This form of organisation is not based on the principle of specialisation.	This form of organisation is based on the principle of specialisation.
4. Role of Experts	In this form, there is no role of experts.	In this form, experts play an important role.
5. Co-ordination	In this from, co-ordination can be established in the activities of enterprise easily.	In this form, it is very difficult to co-ordinate the different activities of the enterprise.
6. Discipline	In this form, there is very hard discipline.	In this form, the discipline is lethargic.

Various Forms of Sales Organisation

1.Line Type of Sales Organisation—It is characterised by direct lines of efforts flowing from top to the bottom of the organisational hierarchy and lines of responsibility flowing in an opposite but equal direct manner.

Merit—Simplicity, Responsibility, Flexibility, Quick decisions, easy to control, Effective co-ordination, Proper discipline, Economy.

Demerits—Over burden on top executives, Autocratic leadership, Lack of initiative at lower level, lack of specialisation, over dependence on top executives, Inflexibility, lack of Co-operation.

2. Functional Type of Sales Organisation—The work is divided in such a manner that all the officers below the rank of assistant superintendents do minimum possible work of decision making and the particular officer is made responsible for particular work.

Merits—Efficiency, Large scale production, Research development, Suitable work, Due remuneration, Division of labour, co-operation, Flexible.

Demerits—Slackness, Lack of Co-ordination, irresponsible, Lethargy, unpracticableUneconomical, Unhealthy competition, Expersive.

3. Line and Staff type of Sales Organisation—It is a combination of both the line organisation and staff organisation.

Merits—Service of experts, Specialisation, Research and Investigation, Good opportunities, clear distinction, unity of command, Responsibility, Better decision.

Demerits—Expensive, Inappropriate, Dependence on Experts, Conflicts, No responsibility of experts, Lack of Co-ordination.

4. Committee Type of Sales Organisation—It consists of a group of people specifically designated some particular assignment on the condition that they will perform it jointly.

Merits—Collective decisions, Communication of information, Mutual Co-operation, Decentralisation of power, Democracy, Indiscrimate decisions, Member's ability, co-ordination, cast' to control.

Demerits—Delay in decision, delay in action, Lack of -motivation, lack of Responsibility, Not Common, Aggressive, Lack of Secrecy, Against minority members, Useless functions, slackness.

Basis of Structure of Sales Organisation-1. Function, 2.Region, 3.Product, 4.Custcmer,

5.Combined.

Factors Determining the Structure-

1. Nature of the Product 2. Price of the Product,
3. Nature of the Market 4. Size of the Enterprise
5. Executive Competence 6. Sales Policies
7. Distribution System 8. Financial Requirements
9. Number of products 10. Extend of competition.

Need and Importance Organisation—

(i) Increases managerial efficiency (ii) Increases profitability
(iii) Encourages specialization (iv) Yields economies of large scale production
(v) Creates demand pattern for products (vi) Better co-ordination and control
(vii) Plans the purchases (viii) Reduces risk element of the enterprise
(ix) Handles the task of personnel management (x) Other advantages.

Functions of Sales Organisation—(i) Personnel or staff functions, (ii) Sales control functions, (iii) Sales direction functions, (iv) Product development functions, (v) Sales promotion and advertising functions, (vi) Co-ordination functions.

Principles of **Sales Organisation-**

1. Principle of Objective 2. Principle of specialisatio
3. Principle of Authority 4. Principle of Responsibility
5. Principle of Assignment of work 6. Principle of Exception
7. Principle of Span of Control 8. Principle of co-ordination
9. Principle of unity of command 10. Principle of Unity of Direction
11. Principle of Flexibility 12. Principle of Continuity
13. Scalar Principle 14. Principle of Leadership 15.Principle of Simplicity.

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