



Certified Sales Manager Sample Material

V-Skills Certifications

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1. OBJECTIVE AND SCOPE OF PERSONAL SELLING

Sales Managers today must develop an integrative management style using adaptive, problem solving, extensive information, in many cases is an ever changing market place. The overwhelming majority of business environment workers are service providers such as investment bankers, consultants, and information technology specialists. Sales Managers in the current business environment must have the ability to add value, which means functional expertise in sales and marketing along with knowledge of industry. However managers must also have the skills to lead, communicate, use changing technologies, build teams, motivate sales people, and form strategic alliance with customers.

These are times of **drastic corporate downsizing** in which sales organizations are expected to do more with less. Many internal and external changes in organizations have dictated the need to conduct business differently.

External business environment has experienced changing technology, globalization, more competition and more demanding and sophisticated customers.

Internal changes have included greater emphasis on quality levels in product and service output, faster communication channels and more educated, skilled employee base.

The relationship between sales people and customer is changing faster than sales orders can be processed. Most remarkable is the fact that it is customers who are driving change. They are asking for, if not demanding better service from vendors. The shift has radically changed the way selling is done. Companies are building relationships, improving technologies, processes and systems along the way.

Sales Executive is professionals. The professional approach requires thorough analysis, market efficient personal selling objectives, appropriate sales policies and personal selling strategy.

Sales Executives have responsibilities to their Organization, Customer and Society.

Top Management holds them responsible for

- ✓ Obtaining Sales Volume
- ✓ Providing Profit Contribution
- ✓ Continuing Business Growth

Customers (most often, wholesalers, retailers or industrial user) expect them to supply easily resalable products and services backed up by supporting activities (help in doing training dealer sales force, local advertising, and credit) and assurance that products and services are wise investments in competitive market place.

Society looks to them to assure delivery of goods & services

- ✓ That final buyers want at price
- ✓ Of increasing importance
- ✓ To market products whose potential for damaging the environment is minimal.

If goods and services made and sold are needed and accepted by buying public and if this products are socially responsible, then it is likely that management's objectives will have been achieved. Ultimately, a business's earnings depend upon, how well the interest of the firm, the final buyers and society are blended. To the extent that these interests are in harmony, the firm experiences Sales Volume, Net Profits and Business Growth.

1.1. Sales Management as defined by

American Marketing Association – is Planning, direction and control of Personal selling including recruiting, selecting, equipping assigning, routing,

Supervising, paying and motivating as this task apply to personal Sales force.

Sales Managers are responsible for organizing the sales effort, both within and outside their Companies. Within the Company the Sales Manager builds formal and informal organizational structures that ensure effective communication not only inside the sales department but in its relations with other organizational units.

Outside the Company, Sales Manager serves as a key contact with customers and other external publics and is responsible for building and maintaining an effective distribution network.

Sales Managers have still other responsibilities. They are responsible for participating in preparation of information critical to the making of key marketing decisions, such as those on budgeting quotas and territories. Sales Management helps to respond proactively and effectively to customers, the key to winning business and processing orders during the pre-sales, order management and post shipment phases.

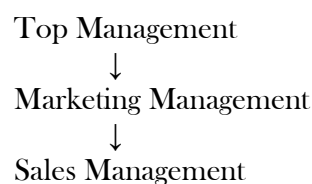
1.2. Objectives of Sales Management

From the Company View point, there are three general objectives of Sales Management

- ✓ Sales Volume
- ✓ Contribution To Profits
- ✓ Continuing growth

Sales Executives, of course do not carry the full burden in the effort to reach these objectives, but they make major contributions. Top Management has the final responsibility, because it is accountable for the success a failure of entire enterprise.

Top Management delegates to Marketing Management, which then delegates to Sales Management, sufficient authority to achieve the tree general objectives In the process objectives are translated into more specific goals.

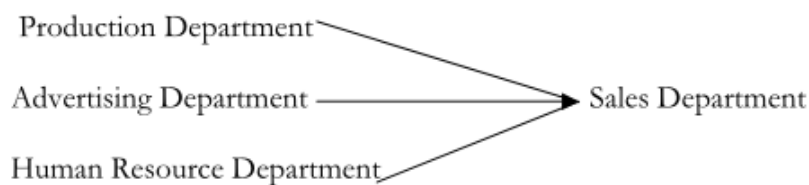


Objectives are broken down an restated as definite goals that Company has chance of achieving.

Before goal setting Sales Executives provide estimate on market and Sales potentials, the capabilities of sales force and middle-men. Once goals are finalized it is the Sales Executives who guide and lead Sales Personnel and middlemen who play critical role in implementing selling plans.

1.3. Sales Executives as Coordinator

Why is it necessary to coordinate sales activities with other departments? Sales Executives have responsibilities to co ordinate sales activities with other departments in the organization. This is essential as the product/service which is the final output of any organization is to be ultimately sold by the Sales Personnel. Higher ranking Sales Executives are those most concerned with obtaining effective co-ordination, but Sales Executives at all organizational levels have some responsibility for coordinating.



1.4. Coordinating with Advertising

Synchronizing personal selling with advertising is important. Advertising may prove uneconomic unless the sales force capitalizes upon interest aroused. Personal Selling effort is wasted in explaining details that might be explained by advertising, but when sales personal and advertising use the same appeals, promotional impact is magnified. The timing and sequence with which different phases of personal selling and advertising efforts are executed affect firm's chances for marketing success.



1.5. Co-ordination with Production

Selling should be coordinated with production. There should be stocks available to be sold in the market. Sales Personnel should have knowledge about production schedule. They should be able to provide the market with precise delivery of materials. Further sales personnel should be aware of changes in product features, quality styles so as to update the market about the product. They in turn provide information about customers want and demand to the production department. This is because they are in direct contact with the customers. Organizations need to add features to their product or constantly improve quality in order to survive in the market.

1.6. Co-ordination with Human Resource

Sales Department works under lot of pressure. They experience rapid changes due to constant development in market place. They have to keep the objectives in mind and there are targets to be achieved. It is essential that there is constant motivation in the department. Human Resource department need to provide the necessary facilities to the Sales Personnel Adequate compensation

package keeping the interest of Sales Personnel is prepared. Sales Personnel should be aware of these benefits.

What is personal selling?

Personal selling involves oral conversations, either by telephone or face-to-face, between salespersons and prospective customers.

Contribution of personal selling

- ✓ Salespeople generate revenue
- ✓ Salespeople provide market research and customer feedback
- ✓ Salespeople provide solutions to problems
- ✓ Salespeople provide expertise and serve as information resources
- ✓ Salespeople serve as advocates for the customer when dealing with the selling organization

1.7. The Four Sales Channels

- ✓ **Over-the-counter selling:** personal selling conducted in retail and some wholesale locations in which customers come to the seller's place of business
- ✓ **Field selling:** sales presentations made at prospective customers' homes or businesses on a face-to-face basis
- ✓ **Telemarketing:** promotional presentation involving the use of the telephone on an outbound basis by salespeople or on an inbound basis by customers who initiate calls to obtain information and place orders
- ✓ **Inside selling:** performing the functions of field selling but avoiding travel-related expenses by relying on phone, mail, and electronic commerce to provide sales and product service for customers on a continuing basis

1.8. Sales Management in the 21st Century

- ✓ Building long-term relationships with customers
- ✓ Creating sales organizational structures that are more nimble and adaptable
- ✓ Gaining greater job ownership and commitment from salespeople by removing functional barriers within the organization
- ✓ Moving sales management style from commanding to coaching
- ✓ Leveraging available technology for sales success
- ✓ Better integrating salesperson performance evaluation to include full range of activities and outcomes

Personal selling which forms part of sales management will be a way to reach out to customers.

Questions

- Q1. How do you define sales management?
- Q2. What are objectives of sales management?
- Q3. How a sales executive acts as a coordinator?
- Q4. What is personal selling?

Annexure 1

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By Jonathan Byrnes

You are what you sell. Sales are the front-wheel drive that pulls a company forward in the marketplace. But in many companies, top managers are frustrated because the sales process seems disconnected from corporate objectives. This presents a serious impediment to management's efforts to manage profitability effectively.

Why does this occur so often, and what can managers do about it?

The process of transforming top management's goals into concrete sales typically breaks down for one or more of the following reasons:

- ✓ Lack of top management clarity about objectives
- ✓ Difficulty translating objectives into an operational business plan.
- ✓ Vagueness communicating objectives and business plan to the sales force.
- ✓ Failure to align compensation with the objectives
- ✓ Problematic individual sales plans and managerial coaching

Each of these can be remedied through thoughtful management.

1.9. A Five-Step Remedy

In order to reconnect sales management to profitability, address each of the points of breakdown. Managers can do this through a five-step process.

Understand profitability: A surprisingly frequent underlying reason why the sales force does not succeed in maximizing company profitability is that the senior managers themselves do not have a clear understanding of the company's key profitability drivers. This makes it impossible for them to communicate to the sales force clear, implementable objectives and systematic procedures to accomplish them.

Some senior managers feel there is no time to analyze and understand the factors affecting profitability, and to devise concrete measures to guide managers in their efforts to maximize profits. This is a major error.

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The core responsibilities of senior management are to set strategy and objectives, secure resources, and maximize profitability. It is imperative that top managers have a deep enough knowledge of profitability management to be able to communicate that wisdom to the sales force. It is futile to simply instruct the sales force to produce the most profitable results.

Translate into business objectives: All companies have business plans, but often these plans, which feature mainly company and market analysis, sets of programs, and numbers, are not adequate to guide a sales force.

The core questions that must be addressed every day by the sales reps and sales managers are who to call on and what each calls needs to accomplish. A sales rep can accomplish a limited number

of things, such as increasing sales in an existing account, changing a customer's product mix, up-selling, cross-selling, obtaining a new customer, minimizing discounts, minimizing returns, etc. Effective business plans must give guidance to the sales force about which objectives they should pursue in given situations in order to produce the highest payoffs. The sales reps cannot maximize everything.

Effective business plans have three essential roles: first, to state clearly the company's objectives; second, to specify new initiatives, required resources, and expected results; and third, to guide the day-to-day activities of the company toward maximum profitability. In most companies, the first objective is usually met, the second is sometimes met, and the third is often neglected. When this occurs, it causes the sales force to become disconnected from profitability.

Communicate the business objectives: In some companies, business objectives and plans are simply not communicated to the sales force. They are created by department heads or staff, and shared only with upper and middle-level managers. Sometimes business plans are considered confidential. This causes the sales force to be disconnected.

There is a parable about three bricklayers who are asked what they are doing: the first replies, "laying bricks," the second replies, "building a wall," and the third replies, "building a cathedral." In the absence of an understanding of business objectives that guide profitability maximization, the sales force is simply laying bricks. They never see the cathedral, and the company loses the inspired performance.

In effective companies, the top managers communicate the company's objectives to the sales force. If the objectives have changed, they explain the decision and why the new objectives are good for the company, the customers, and the sales force. They do not hand off to the head of sales the responsibility for this vital communication.

This direct communication creates two important benefits. First, because most top managers have a deeper understanding of the factors that create profitability across the company, they are able to communicate the nuances of how to maximize the company's profitability in the everyday decision-making that is the heart of the sales process, and they can communicate why this is important to the sales force and the company. Second, the mere fact that the top managers personally communicate the objectives to the sales force strongly underlines their commitment to accomplishing these goals. By demonstrating that they have taken the time to understand and explain how to maximize profitability, these top managers display the "body language" that motivates the sales force.

Every aspect of the account plans should be measurable.

Translate into a compensation plan: In some companies, objectives are changed each year, or more frequently, with little or no change in the compensation plan. There is an old saying that a person can understand a vision and can buy into the vision, but in the end will do what you pay him to do.

Conversely, if a person does not understand how to accomplish the vision, it does not do a lot of good to tie her compensation to its realization. The difficulty with tailoring an effective sales compensation plan is that it requires a set of well-thought-out business objectives that are specific enough to guide the sales force every day. The sales force should be driven by the compensation plan. “Work your pay plan” is one of the central tenets of sales management. Simply telling the sales reps to maximize profitability without giving them an understanding of how to do this, and compensating them to do this, will render the compensation plan largely ineffective.

Sometimes, the sales force is asked to maximize many objectives, or a set of objectives that cannot be simultaneously maximized. In these cases, the sales force defaults to the simplest way to maximize their compensation. Sales compensation is so critical to a company’s success that top management should directly review the plan.

Create individual sales plans: In many companies, sales plans for individual sales reps do not exist or are too vague. This is like writing a paper without taking the time to develop an effective outline. For example, a rep may simply plan to increase revenues by a certain percent for a cluster of accounts. This is a hope, not a plan. By contrast, an effective individual sales plan must be specified at the account/product level, so the rep and sales manager can track progress and continuously improve the rep’s performance.

The building blocks for a tightly-connected sales force are three- fold: 1) clear business plans, which include guidance on what to do to maximize profitability in particular types of situations, and which reflect top management clarity and commitment; 2) compensation that has been tailored to direct the sales reps to meet the company’s objectives; and 3) well-specified account plans that will enable the reps to fulfill the business objectives and allow the sales managers to monitor and coach the reps’ progress. These plans must be developed by the individual sales reps, and include step-by-step, account-specific initiatives to obtain new accounts, to increase penetration in existing accounts, and to increase account profitability.

Every aspect of the account plans should be measurable. They should provide specific answers to the questions: Where will I get sales? How will I get sales? How will I meet my objectives and the company’s objectives? How will I make money? Well-specified account plans provide the basis for management coaching. They also protect the company against losing sales in the event of rep turnover.

Here’s an example of the power of effective account plans. The top management of a company had looked carefully at its profitability and sales force productivity. It determined that the highest-payoff sales objective was to “turn around” high potential, under penetrated accounts that were clustered in areas that minimized installation costs. However, the reps were focused on increasing revenues in a vague way, and consequently spent inordinate amounts of time with “easy” or “friendly” accounts, many of which were only marginally profitable to serve.

A sales rep is most productive when focused on accomplishing the few things that really matter in each sales call.

In order to increase sales force productivity, top management devised a clear set of business plans to guide the reps in account selection and managing their time. They helped the sales manager's work with the reps to identify the highest-potential underperforming accounts in each territory, and to create step-by-step account plans to map the buying center and systematically position the company for the sale. Management understood that turning around an account could be a three-month process, and set up milestones to monitor progress with compensation tied to achieving specific milestones. Sales managers coached the reps account-by-account, milestone by milestone.

The initiative was extremely effective, with sales increasing by more than 30 percent in a number of target accounts within a month. Top management had succeeded in reconnecting the sales force to profitability.

1.10. "Top Gun" Sales Managers

Several years ago, the U.S. military developed "Top Gun" training programs to increase the effectiveness of fighter pilots. These programs were based on the finding that, although technology had improved considerably, many pilots were becoming less effective. The problem was that these pilots were having difficulty with information overload. The best pilots had learned to focus on the few things that mattered most. Once the other pilots were taught what to focus on in specific situations, their effectiveness skyrocketed.

In a similar way, top managers can reconnect their sales management to profitability. A sales rep is most productive when focused on accomplishing the few things that really matter in each sales call. It is management's responsibility to identify those few things, and to tie compensation specifically to their accomplishment. It is the rep's responsibility to get the job done.

The biggest problem in sales force productivity is often that management has not given the reps the necessary goal clarity and focused compensation. This five-step process will ensure that top managers give the sales force what it needs to succeed, in the process ensuring the success of the whole company.