

Brown University  
School of Engineering

Selling and Sales Leadership in Entrepreneurial Firms

Fall 2020

September 10 – November 24 2020

Tuesdays and Thursdays 1:00 P.M. – 2:20 P.M.

Professor Howard Anderson

[Howard\\_Anderson@Brown.edu](mailto:Howard_Anderson@Brown.edu)

[handerson@yankeetek.com](mailto:handerson@yankeetek.com)

(617) 959-7400

TA's

[Joseph\\_Vayalumkal@Brown.edu](mailto:Joseph_Vayalumkal@Brown.edu)

[Gianna\\_Devincenzo@brown.edu](mailto:Gianna_Devincenzo@brown.edu)

[John\\_Norton@brown.edu](mailto:John_Norton@brown.edu)

## **Sales in the Age of Corona Virus**

### **How will sales change and how will this course change because of Corona 19?**

Sales has always been a person-to-person interaction but what happens when the number of face to face meetings becomes the exception? Example: a young couple begins a company that gives information to people exploring fertility treatments. Their market is the corporate HR directors for major companies. The traditional rules of thumb say an industrial sales call will cost their company about \$1000 – including sales time, transportation, travel expenses. But now the Employee Benefits Managers are all working out of their homes and don't want visitors. But if the company can schedule a Zoom meeting, their sales force can do as many as four meetings a day for a cost of \$200/meeting. Yes, there is more prep and the more strategy, but this is today's reality. Adversity sometimes means opportunity.

So we will do the same thing in class. A significant amount of this course is Role Playing where you and your sales partner will sell to each other. First you sell to your partner (5 minutes) and then your partner sells to you (5 minutes) Except now you will do this virtually.

You will pick a partner. We will send you the registration list. If you can't find a partner, you can join another team.

You will read the case. They are quite short.

Since even students on campus will be taking the course remotely, we will do the following.

1. Each student will partner up. One of you will schedule a Zoom meeting with your Brown Zoom account and then send the Zoom meeting invite to the other.
2. You will each log into your Brown Zoom account to start/join the meeting and the host (whoever scheduled it will hit the Record Button and you will do the entire role play – including reversing roles.
3. After you and your partner are done, the meeting scheduler will receive a link to the “cloud” recording and will be able to share it with your partner. Then you will share it with the instructor and the TA. You can share it with us via email if you wish or Canvas if you can - we are working on getting a brown.edu email just for role play submissions.

Check the quality – did you have a good connection? Can you hear clearly?

4. PRACTICE before you record.
5. The first case is Divers Delight. You are selling to an experienced buyer at a high-end chain of scuba dive shops. What questions will he have? What might your answers be?

Be prepared to discuss the case in the first class September 10<sup>th</sup>.

## **Objectives of the Course**

This course will require approximately 120 hours inside and outside of the classroom as it is a full – credit course. There are about 20 class sessions of 1.4 hours = 32 hours. Each case will require approximately 1 hour to read = 23 hours and there is either a 15 Powerpoint or a memo on your plan for each class = 23 hours.

We will do role playing and each student will prepare for this with a partner = 23 hours. There is usually a supplemental reading of 1 hour = 23 hours. There are two White Papers which should take 3.5 hours each = 7 hours.

The objectives are to both understand and demystify the entire process from Sales to Management of a Sales Team.

This course goes into two very different professions: Sales and Sales Management. The first deals with how to find prospects, how to understand their buying motivation, how to Approach each prospect, How to Demonstrate the advantages of the opportunity, how to overcome objections and how to close the sale itself. The salesperson is really in charge of his or her time. They must make decisions on where and how to spend their time, they must be able to categorize prospects into categories which mean Time and Territory Management and Building an ongoing relationship. Further, the Sales professional must be able to Forecast future sales by customer, by closing date and by product.

The second process, Sales Management, deals with the management of a sales team – how to recruit sales professionals, how to train them, how to build a compensation system, assign territories and understand new trends in management of technology. Further, forecasting is key because the entire

company must have knowledge of which products to build, what parts to order and what will be the impact on the company's finances. The Sales Manager is really an integral part of Senior Management.

There will be video role playing where students will take turns being both the salesperson and the customer. The rationale is to understand first the buyer's agenda and to hone the presentation to the points most important to him or her.

Grading: Class participation is 25% of the grade. Written assignments are 25% of the grade – these will be either the Power Points or Memos which are

for each class. The White Papers, one dealing with an interview with a salesperson and the other with a sales manager will be 20% of the grade. The final 30% of the grade will be an evaluation of the student's role-playing videos which will be graded by the professor. The student teams will submit their videos of them and their partner taking turns becoming the salesperson or the buyer using case facts. Each of these videos will be approximately five minutes long.

- Class participation - 25%
- Role Play Videos - 30%
- Powerpoint or short written assignments (instead of video that class) - 25%
- White papers - 20%

Sometimes the students will be "selling" to their boss, sometimes selling to a potential customer, sometimes selling to their peers. Cases will be evenly split between the role as sales manager and the salesperson. Students will be evaluated on their ability to understand the buyers sometimes hidden agenda. They will be using tools such as Approach, Demonstration, Overcoming Objections and Closing.

This is an acquired skill and grading will be geared to achieving continuous improvement during the course.

Many of these cases were written by the professor. Other cases will come from HBS and some articles also from HBR. There is no textbook.

The objectives also break down into subcategories, which will be brought out in class discussion and through lectures.

1. To learn How to Sell. Selling is the art of persuasion, a process whereby the salesperson dovetails his/her presentation into the needs and wants of the buyer.
2. To learn How to Buy. Only by understanding both sides of the process can understanding be gained. Every buyer has a vague set of criteria by which they will rank any decision. By understanding how decision makers buy, the salesperson can tailor the presentation to harmonize with the buyer's agenda.
3. To learn how to arouse hidden interests that the buyer may choose to emphasize in deciding.
4. To learn the specific parts of the sale – the Approach, the Demonstration, the Presentation, Overcoming Objections and the Close; to understand how selling intangibles and tangibles are sold in completely different ways.
5. To examine a completely different skill set: Managing Salespeople. Here the issues are complex – How to Hire and Fire; How to set goals and quotas, how to build a compensation system that is understandable, fair and which accomplishes the goals of the corporation.
6. To master How to Assign Territories, dealing with internal departments, and How to Negotiate with large customers who have special requirements.

7. To explore how new technology can fundamentally change the nature of the sales function. Technologies such as the Internet, Web Access and Social Networks have made one function, that of imparting information to buyers, less of a task but has brought new opportunities because of advances in Sales Force Automation. The logical assumption is that customers are always online and have direct access to both information and to customer satisfaction information. So, the salesforce must bring a consulting focus to add value if the relationship is worthwhile to the buyer.

8. To examine how new technology has made one previous onerous job – prospecting – easier but has made another – overcoming objections – more difficult. Companies now find that Inbound Marketing combined with advanced sales metrics can help in qualifying prospects.

9. The sales manager must learn the skills of negotiating inside of his own firm and putting together a tiger team to pursue large purchases. Further, an inside sales force can be the front end and can effectively sell products and services that carry a price tag of \$10,000 - \$50,000; a price point which cannot justify a field sales force.

10. A field sales force is expensive but is not appropriate for all customers. The sales manager must also explore alternative channels such as dealers, value added resellers, and distributors. This is a cost-effective solution for some customers and often for embryonic international markets, but these channels are independent organizations who often carry competing products and have limited sales support.

Few professions have changed as much in the last ten years as Sales. This is the subject of Selling and Sales Leadership. This challenge is one of the reasons you are going to love this course.

The goals are three: to teach how to sell; to outline the job of management of the sales force - creating, motivating, and executing; to understand the theory and recent research into making sales and marketing coalesce into the goals of the corporation.

Sales itself may not be for everyone, but the objective of the course is to demystify the process. Very few people succeed in business without knowing how to sell.

"There are damn few hunters...but everyone likes to eat meat" – Jim Brown, NFL Hall of Fame.

Nothing happens until a sale is made. That simple point underlines the critical importance of sales. Every business plan "assumes" a certain amount of sales, but that assumption is the tipping point. Without sales the entire business model is an exercise in frustration.

The CEO, CFO and the General Manager must not only understand the sales process but also embrace the fact that the ability to sell is the *single most critical success factor* of any enterprise, whether new or ongoing. This course does not approach sales from the vaunted perspective of just 'strategy.' It gets right into the very practical and tactical ins and outs of how to sell products and services to a sophisticated marketplace. Then the course moves into the more complex subject of how to build and manage a sales force and covers subjects such as building compensation systems for a sales force, assigning territories, resolving disputes and dealing with channel conflicts.

In a larger sense even the entrepreneur has to "sell" his vision to perspective employees, to angel and venture investors and to strategic partners. The general manager must continually sell to his existing customers and recruit new customers and must make decisions about which products the market needs and which channel can most effectively sell those products.

Some selling is in "Tangible" products – such as computers; other selling is in "Intangibles" – such as Investment Banking or Consulting. Partners in banking



and consulting firms got there because they were “rainmakers” – which is just another phrase for excellent selling skills.

The Selling and Sales Leadership course teaches the perspective of Top Management. It assumes that there will come certain decision points where the company is faced with alternative options in the face of a major problem/opportunity. It is at this point that judgement and astute decision making are buttressed with an in-depth analysis of what data is available.

The job of the student is to identify the issues, outline what the viable options are which will lead to a better sales/management/channel decision. Often sales execution will be the difference in upsetting the status quo and re-establishing it on a more favorable basis – such as increased market share, alternative and cost-effective distribution or the use of social networking to reduce the cost of customer acquisition.

## **Thursday, Sept 10**

Theme: Why Sales

*The following short powerful case puts the buyer and the salesperson in the same room. The salesperson has a demonstrably better product, but the buyer has some loyalty to his existing supplier. By understanding what the economics of the products are, the salesperson learns that a well-crafted presentation that appeals to the head, heart, and wallet of the buyer can overcome objections. The case involves a sophisticated decision maker for a medium sized chain of dive shops who will resell the product.*

Case: Divers Delight

This case deals with the five key parts of every sale: The Approach, Presentation, Demonstration, Overcoming Objections and Close.

What information would you want to have *before* you meet Jake Q. Snow, the Senior Buyer? What will be his main objection? His other possible major issues?

*Assignment: Be ready to discuss during class*

## **Tuesday, Sept 15**

Case: Delphi

This case deals with an advanced product which you are selling to the Chief Information Officer of an insurance company. His firm has built a solution to the problem, but that solution is obsolete – and he knows it. He will have a number of objections, some of which are reasonable, others not. Prepare to answer – “We don’t need it,” “Our existing vendors tell us that they shortly will have a solution.” “How do we know you guys will be in business three years from now?” “The price is too high.”

Discussion: How do senior buyers think? What is the best way to gain attention? After the discussion, how does the salesperson take it to the next step? Assume that senior buyers have weeded out potential suppliers down to a select few, all of whom have passed the litmus test of acceptable product and company reputation – why will one company win and the others not?

How do these two cases differ? Or do they?

Reading: How to Deal with Resistance to Change

Paul Lawrence, the Harvard Business Review

*Assignment: Prepare a role play video with a partner*

## **Thursday, Sept 17**

Theme: Who is the Customer? *The following case explores the idea of finding the real buyer. This represents a "missionary" salesperson who has a new application that cuts across lines of authority and where the insight is finding who has the buying authority and how to move the product through the channels.*

Case: Marty Stark/Stealth Wax

Marty Stark, a brilliant inventor, has developed a car wax that makes autos "stealth," unable to be detected by radar. But who is his customer? Sports car owners? Those whose license is in danger of being revoked? And what is the insurance premium for moving violations? Or is it those whose livelihoods depend on their ability to drive, such as Uber drivers or sales and service people? Further, how should the product be priced? What is the right distribution? Which states are better than others? Are car washes a potential market? And how can social networks help define the market?

Assignment: present to a VC a "business plan" which gets to how you will hire, a brief compensation plan, a plan to divide the US into 6 regions and an Internet/Social network plan... - in short, a business plan....You have a legal product and an untapped market. which market are you going after? why? are you going international? or not?

you have to protect your IT, so talk about that. Submit a typed one page memo with this information.

*Assignment: Write a one page memo describing your sales attempt and why*

## **Tuesday Sept 22**

### Case: Pill Caddy

Your company has developed a unique device for older Americans who are living in private residences but who must take as many as 10 pharmaceuticals each day, some both morning and night. The problem is over or under medication. The device solves one problem, but the selling price at \$500 is high. You have demonstrated the product to Harvey Rosenthal, Senior Buyer at CVS, and he is quite intrigued, but you have not been able to close the sale. Why and how will you overcome this?

Assignment: Again, prepare two five-minute videos, where each of your team is first the seller, and second Harvey Rosenthal, the buyer. Hint: When a CVS pharmaceutical customer enters a nursing home, CVS loses a customer which it has been serving some time for decades. CVS has spent years becoming a Trusted Third Party.

*Assignment:*

*Do not submit the video but write a one-page memo on how you did the:*

*Approach*

*Presentation*

*Demonstration*

*Overcoming Objections*

*Close*

## Thursday Sept 24

*The following case and the one that follows deals two sides of the same coin – getting the proper team in place. The sales manager must make a decision on which of three candidates to hire and which of three candidates to terminate. Using role playing in class, the student will discover that while resumes can tell one story, an in-person interview can often be the deciding factor.*

Theme: Hiring and Firing

Case: Global View

Global View, a fast-growing telecommunications giant is about to interview three excellent candidates for its San Diego Office. In this *role-playing session*, you will find that each has a particular strength and a weakness. In the end you must decide. What are the criteria you will use? In real life, how are the candidates different from their resumes? Remember that you are selling as well as hiring. What can you do to make these candidates excited about your company as they will have other offers?

*Assignment: build a Grid of Attributes – no more than 5 – and rate each of these candidates on those attributes BEFORE CLASS... then in case we will have students BE each of these candidates and you will rerate them based on your criteria. Be prepared in class to take the part of any of the three candidates and of the Sales Manager.*

*Please also submit a role play video*

## Tuesday, Sept 29

Case: Mary Mahoney

Mary's boss has told her to reduce by one her headcount of sales people. Three of her current salespeople are below quota. Decide on the criteria that you will use when you interview each of the three and in this *role-playing exercise* decide which of them you will terminate. How did you pick your criteria? Which of the two you have decided to keep can have better performance with training, and better technical skills? Why do you feel the one that you have chosen for dismissal will be most unlikely to meet your performance goals for the coming year? Why?

Discussion: the most important task a sales manager has is selecting his/her team. What is the best way to hire? What are the red flags? How does a sales manager perform due diligence? What are questions you may and may not ask?

Reading: How do you Motivate Employees - Frederick Herzberg, HBR

*Assignment: Using the same Grid as you developed for the previous class, rate each of these candidates based on just the case facts. Bring your grid to our Zoom class and be prepared to be any of these three salespeople and Mary Mahoney who has to a tough decision.*

*Submit a video*

## **Thursday Oct 1**

*The following two cases represent that often building an internal team inside a company is necessary to align corporate stovepipes. In both cases, the company must find a way to damper individual goals for team goals and find a form of cooperation, without which these major opportunities will slip away.*

Theme: team selling

Case: Carly Fiorina (Fast Company)

Carly Fiorina, then CEO of HP, learns that her firm, new to the Outsourcing Services industry, has come in third in a massive contract with P & G. What can she do to reverse this decision, which has gone to EDS and IBM? Where can she show depth and commitment which may convince P & G to reconsider? Who does she put on her team and why?

*Assignment: Submit a Powerpoint detailing your approach, possible objects, your close, and other aspects of a sale you think should be included*



## **Tuesday, Oct 6**

Case: Ava Mac

A major contract is available to Ava Mac, but the profit centers goals are getting in the way of cooperation. Barb Bellhead, a young MBA, must get three operating divisions to subjugate their divisional profit guidelines or the company will lose a major contract. What are the leverage points? What can be done that will not harm the profit centers, yet allow their contract to win? Interdivisional profit goals can work to the detriment of a company and that is clearly the example here.

Discussion: the day of the 'lone ranger' in sales is rapidly passing as companies have to assemble tiger teams to go after large complex sales. Top management attention is a requirement, but this sometimes is in juxtaposition to the mandate of accountability. This requires 'internal selling' where the hardest work may be within a company instead of between the company and its customer.

Reading: Shapiro, Benson P. "Strategic Sales Management: A Boardroom Issue," HBS 9-595-018

*Assignment: You should be prepared to be anyone of four people here: Barb Bellhead, Rob Edwards, Morse Kencode and Howard Weird. For each of you, your team's bonus is dependent on making its numbers and 20-30% of their bonus is dependent on getting the full price in the proposal.*

*Submit a video*

## Thursday Oct 8

Theme: Selling Intangibles

*Selling intangibles, such as advice, consulting, wealth management are much different than selling specific products. The time frames are longer; price is less a criterion than trust and credibility. Decisions are often more emotional than rational. The ability to have empathy with the decision maker is key. All the same rules apply but they lead times are longer and often the decision makers rely on the judgement of others.*

Additional Assignment: Interview with a Salesperson is due today. Find a salesperson that has a quota and interview that person. Hopefully in person but Skype interview is allowed. This is an individual assignment. Assemble a list of key questions that you would like to ask. How did they get the job? What parts do they like? Dislike? How often do they interface with their manager? What is their territory? How much training do they get? The goal in this written assignment (no more than 1500 words) is not just to report their answers but to see your analysis of what you heard. Would you hire this salesperson? Promote them? How well are they doing their job? What is your estimate that they will still be with the company in three years? Hint: the aware student may want to search out a salesperson in a company or an industry that they hope to work in the coming year. Do not interview your classmates but using your network of classmates to find a commissioned salesperson is perfectly acceptable.

*White Paper 1 is due*

## **Tuesday Oct 13**

Theme: Selling Intangibles

Case: Morgan Care

The young salesperson in this case is due to make a presentation to a wealthy entrepreneur who has, so far, mismanaged his estate by some foolish decisions and has decided to pick a private wealth management team. What are the inter motivations of the customer and what will the competition, in this case, Goldman Sachs, be emphasizing. The prospect will use his lawyer and friend to help him make this decision and his spouse will also be part of the decision-making unit. Selling intangibles, such as wealth management, professional services, and consulting is quite different than selling a more traditional product or service. Price is often less a decision point than confidence.

Reading: How to Build Employee Trust and Productivity, Thomas H. Mallon, HBR

*Assignment: Submit a video*

## **Thursday Oct 15**

Theme: Managing a Large Sales Force

Case: Cabot Corporation, HBS, 510030-PDF-ENG. Bob Marsh, an intelligent and motivated salesperson, has been inside of Cabot Corporation for a number of years, but his career has been uneven. He is asked to resign, but his former clients, all doctors, have complained vigorously and the Vice President of Sales investigates. Marsh has had five supervisors, some for very short amount of time. Cabot's strategy has changed often, and Marsh has been both rewarded and reprimanded. How does a corporation align its own strategy with its sales force and what lessons are to be learned about ongoing performance measurement?

Reading: "Appraisal of What Performance" Harry Levinson, HBR

*Assignment: Submit a Powerpoint*

## **Tuesday Oct 20**

*The sales manager is often the person in the middle. He/She protects their sales force and at the same time must manage the ongoing dialogue with the rest of the corporation. The sales manager must first make his/her numbers and then make decisions based on the needs of the corporation. The Sales Manager has a key seat at the table and is often the only one whose success and failure is most easily measured.* Theme: Sales Forecasting, Training, Quotas, Compensation

Case: Catherine A&B. This venture backed company has just finished hiring its seven-person sales force and is meeting for its first two-day sales conference. Design a training schedule to fill the two 8-hour days. What do you want to teach? How can you make it interesting? Exciting? What people from the company do you invite? What do you want them to do? You have a budget of \$25,000 and this does not include travel or hotel but would let you hire an 'outside' expert if you so choose. Do you do breakout sessions?

In the B part of this case, salespeople will be selling to Enterprise companies so use this *role-playing* exercise to help your salespeople understand why this segment is different; there is a professional team inside the company who will evaluate, test and certify your product; their requirements are more stringent on price, delivery and service. The average number of meetings before a sale is made often exceeds 15. How will you, as the sales manager, keep track of progress or lack of progress? How can you forecast sales with a sales cycle that is so long?

*Assignment: Submit a video*

## Thursday Oct 22

*The following case recognizes that an effective sales strategy may employ direct salespeople, channel partners, distributors, and value-added resellers. The ability to direct is mitigated because these other organizations do not directly work for the sales manager; they only get paid when they make a sale and often there are grey areas about exclusivity, territory, pricing and service. Further, moving internationally makes the entire process more difficult and may stretch the span of control to the breaking point*

Theme: Inside Sales and Multiple Direct Channels

Case: Centra Software (HBS 9-502-009)

As product prices come down, the application of *telesales* has become a viable option. Products costing as much as \$50,000 can be sold via this channel. Further, as the price of software goes down, it is sometimes impossible to justify the cost of a dedicated full-time sales force for products of modest cost, as the cost of sales can be 50 -75% that of sales. Who are Centra's customers? Should Centra use all three channels? What changes would need to occur with respect to sales force compensation?

*Assignment: Submit a one page memo*

## **Tuesday Oct 27**

*In the past, firms could move internationally at a measured pace, but the realities of high cost research and development now mean that a company must gain a footprint as soon as possible. The days of sequential distribution where overseas markets could be offered last year's product are over; perfect market knowledge means that these clients are as demanding as domestic national accounts. Yet the support issues are similar. How does one make decisions and what is the right organization structure? Further large National Accounts domestically often require the same solution – everywhere and supporting an international market with sales and service is a key buying criterion*

Theme: Complex Sales/International Sales

Case: Edge Analytics. At one time, firms would develop new products and release its older products to international markets. Those days are over: the cost of R & D is so high, as much as 14% of sales. Because of this expense, firms need to get as much market share as possible as soon as possible as quickly as possible to justify this large expense. Solution? Go Global! But are international markets different? How much customization is necessary? Are government bodies who certify some products an impediment to a global rollout? Further, international markets have peculiar habits; building distribution through channels has the advantage of lower cost but that distribution often is only good in clients where they already have a relationship. Should a company go direct?

*Assignment: Submit a video*

## **Thursday Oct 29**

Case: Avaya (B) (Stanford E-184B)

This major technology company has 25,000 accounts. What structure should be used with channel partners? Since the firm's Global Account managers have a fair amount of independence should there be a payout curve. What should it look like? *Roll playing* will help understand the issues between Spectrum, your most valuable channel and the company? What are the options that Spectrum has? Risks?

*Assignment: Submit a Powerpoint*



## Thursday Nov 5

*The following two cases deal with how technology is changing the landscape. The first case deals with a strong company with an obsolete model which has succeeded despite itself. It hopes that it can jumpstart its revenue driver with use of social networks and search. The reading also details how hiring a field sales force too soon may be dysfunctional.*

Theme: Changing the Business Model

Case: LuLu Instruments, a Bell Labs spinoff, has a particular expertise in corrosion detection. The company is considered the technology leader but seems to have stagnated.

An aggressive sales and marketing strategy might energize it and tying this to a web site and social networking might be the key as many of its clients are international.

What would you recommend? At what cost? What would be the expected results of your detailed plan?

Reading: The Sales Learning Curve, Leslie and Holloway, HBR

*Assignment: Submit a video*

## **Tuesday, Nov 10**

*Disruption occurs when a new entry attacks the edge with products that gradually or rapidly move from the bottom of the pyramid of buyers to a higher level. Freemium is one method that customers may try a product and graduate to an enhanced version. But how many free users can one paying user support? The upside is that if the freemium version is good, the users become a low-cost marketing arm as they tell their friends and colleagues. But the downside is that the better the freemium version, the harder to convert to a pay tier.*

Theme: Freemium

Case: Dropbox (Eisenmann, Pao and Barley (HBS 9-111-065)

A young entrepreneur, Drew Houston, builds a product that would be exactly what he and his friends would want. It grows organically and has millions of users – except that only a small percentage actually pay; the majority, 97%, are “free”. Can this company be viable? Profitable? Should they reduce what they give away for free or continue to enhance the free version? Should they abandon their “one product for all” which makes it easier to build or should they build special versions for specific markets?

Case: Pandora is a company that has gained great use by the consumer market. It also has a “paid” version and a freemium version, which is partially supported by advertising. How much advertising turns off consumers? What happens when rights fees escalate?

Reading: Tomorrow’s Advance Man; Mark Andresen’s plan to win the Future, New Yorker Magazine, 5/18/15

*Assignment: Submit a Powerpoint*

## **Thursday Nov 12**

*Companies merge all the time. What is the proper way to handle the merging of two sales forces? If there is a reduction in total force, what methods should be used to decide who stays and who goes? How is the issue of customer control handled? Key accounts? International? Different pay scale/bonuses? Training?*

Theme: Dealing with Mergers

Case: Bay Networks (A)

Two well run companies merge – one on the East Coast, one on the West Coast. Both own specific parts of the telecommunications equipment market, one with 300 salespeople, one with 200. To make the economics of the merger work, the final number will be 400. How will you divide the sales force? Who stays and who goes? How do you decide?

Which salesperson gets client responsibility when both were calling on the same decision maker? What about International? What happens to sales compensation plans? The goal is to keep as many of the best salespeople as possible and to make decisions quickly before uncertainty drives good talent away. Ok, how? How should the company cross train each salesforce in the other company's products?

Reading: "Keeping Your Sales Force After the Merger" Bekier and Shelton, McKinsey Quarterly

*Assignment: Submit a Video*

## **Tuesday Nov 17**

Theme: Sales Economics

Case: Zaplet (Stanford OIT-37)

The initial vision for the product underwhelmed the market. The Board pivoted and explored five market opportunities to which the technology might be effective. Using the concept of LEAN and A/B testing, how would you design a test? As a new CEO, what information would you want to make an informed decision? As the economy spins downward, it appears that raising additional capital will be a problem. Cutting the workforce until you can center on which of the five opportunities is obvious – but is it?

Exercise: The Sales Force Simulation Exercise...Each student will make decisions over the next few weeks as to pricing, market, etc. Winners will win a free trip to Hawaii (virtual trip). Losers will win a free trip to Trenton, New Jersey.

*Assignment: Submit a one page memo*

**Thursday, November 19**

Case: Carol electronics. Design a Systems Solution for your customer, Spike Electronics. Make sure it is vigorous enough that it could be used by you and your other clients. Your goal is to help your firm get a larger volume from each of your customers. If you can add items to each delivery, the profitability of each customer improves. Your compensation is based on 5% of your total sales, but you know management is considering turning the metric as a percentage of profit in the future.

*Assignment: Submit a Powerpoint*

## Tuesday Nov 24

Additional Assignment: Take a Sales Manager to Lunch. In this assignment you will hear the other side of the management issue. Find a sales manager who has at least six direct sales reports. Either meet with him/her in person or arrange a Skype call. This is an individual assignment. Prepare a number of key questions which you might want to send to your interviewee before your call so that he/she can think about what you have asked. Again, students may wish to concentrate on an industry where they are hoping to work upon graduation. Pick a different company than your interview with a salesperson. What does the sales manager do? How does he/she spend their time? In the field? In the office? When and how do they recruit? How is compensation set? What is the 'on target' compensation? Are All Star salespeople treated differently than those in the middle?

Theme: running a Region

*District sales managers have the most difficult job; they often control a number of sales and service people and they have a definite target to hit in terms of sales and sales by product line. Their restrictions are often severe into the number of sales slots they may fill, and they also may rely more on channel to make their goals. These two cases present the district manager with tough options, but specific decisions must be made*

Case: Bay B

You are the Sales Manager for New Jersey; you have three regions and the responsibility for \$4 Million in sales. You have a combination of Direct and Indirect channels and the quota to increase sales 30+% in the next year while only increasing your sales force budget by 10%. How will you do this

*In our last class, we will touch on each of the sessions and discern a number of keys "take-aways". The goal of the course is to demystify sales and sales management as well as the technologies that are changing the function.*

*Assignment: Submit White Paper 2 and Lessons Learned(due in a couple days)*