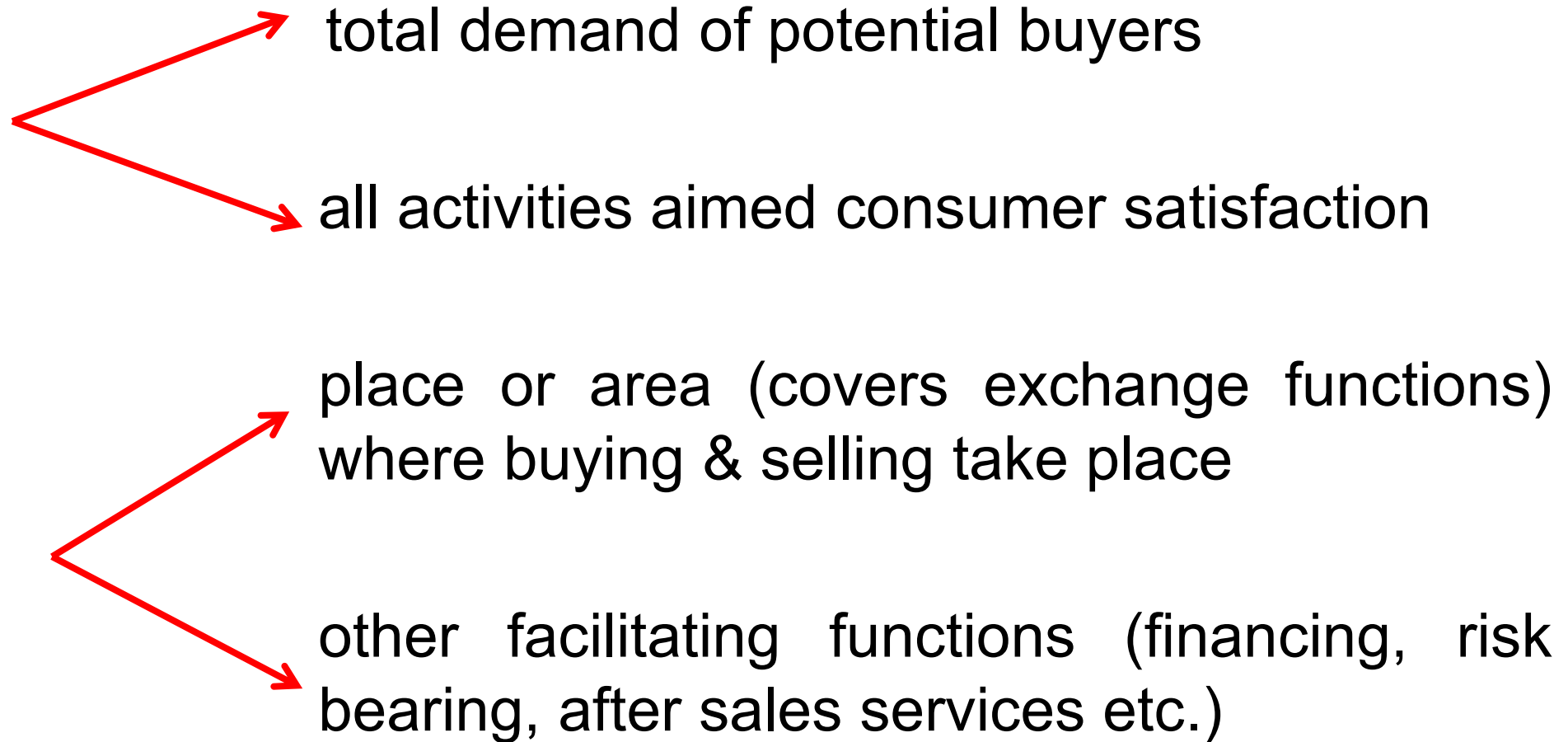


Sales Management

THE ONLY BUSINESS FUNCTION THAT GENERATES REVENUE.



MARKET & MARKETING



SELLING & MARKETING

**Starting
point**

Focus

Means

Objectives

**Selling
Concept**

Factory

Product

**Selling &
Promotion**

**Profit through
Sales Volume**

**Market
-ing
Concept**

**Target
Market**

**Customer
needs**

**Integrated
market**

**Profit through
customer satisfaction**

SELLING & MARKETING

Sl. No	SELLING	MARKETING
1.	Selling begins with the seller and the emphasis is on the product.	Marketing starts with the consumer and the emphasis is on the needs of the customers.
2.	Narrow in scope.	Considers business as a consumer satisfying process.
3.	Considers business as a goods producing process	Considers business as a consumer satisfying process.
4.	The product that is to be offered is determined by the seller.	The product that is to be offered determined by the buyer.
5.	Packaging is considered as a mere protection or a mere container for the goods.	Packaging is designed to provide the maximum satisfaction and convenience to the customer.

SELLING & MARKETING

Sl. No	SELLING	MARKETING
6	Price is determined on the basis of cost.	Price is determined by the consumer.
7	Production is the central function and sales is a secondary function.	Marketing is the central function. The whole concern is organized around the marketing function.
8	Internal, company orientation	External, marketing orientation.

Sales Management

Evolution

- ❖ Industrial Revolution - Production Orientation
- ❖ How Marketer can increase Sales of the Goods?
- ❖ Split the marketing functions into sales functions and
 - ❖ other support functions like
 - ❖ advertising, sales promotion, marketing research and market logistics (or physical distribution).
- ❖ It is important to understand that
 - ❖ in spite of fragmentation of marketing functions,
 - ❖ the sales department continues to occupy an important position even today

Sales Management

Background

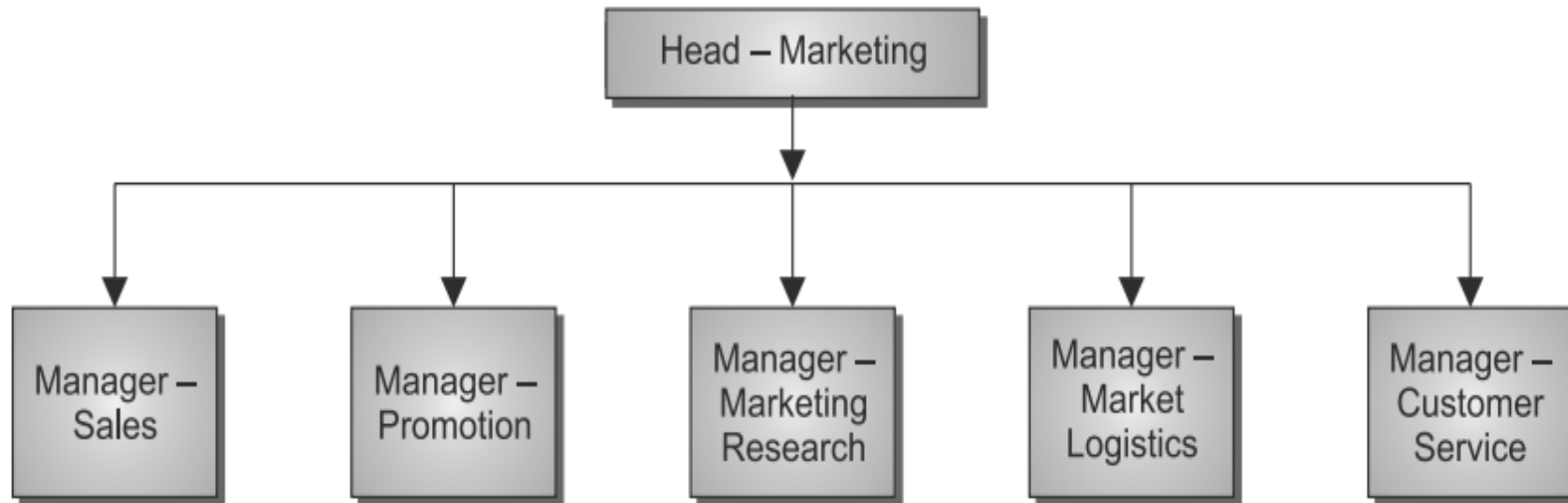


Fig. 1.1

Typical Marketing Organization Structure

Sales Management

What is Sales Management

- ❖ Sales management has been defined in many ways.
- ❖ *“Sales management is the management of the personal selling part of a company’s marketing plan.”*
- ❖ Definition from American Marketing Association is:
- ❖ *“Sales management means the planning, direction and control of personal selling, including recruiting, selecting, equipping, assigning, routing, supervising, paying and motivating as these tasks apply to the personal sales force.”*

Sales Management

What is Sales Management

The responsibilities of modern sales managers, in addition to the above mentioned definition, are:

- (i) building sales force organization structure and territories;
- (ii) coordinating and communicating internally with other functions or departments of the company and
 - (i) externally with customers, intermediaries and agencies like advertising; and
- (iii) working as a member of strategic management team.



The salesman

-they make more noise and more mistakes, create more cheer, correct more errors, adjust more differences, spread more gossip, hear more grievances, pacify more belligerence and waste more time under pressure, all without losing their temper, than any other class of professionals –including politicians.



The salesman

- ...they live in hotels, cabs and tents on trains, buses, eat all kinds of food, drink all kinds of liquids –good and bad- sleep before, during and after business, with no sympathy from the office.
- They draw and spend more money with less effort, they come at the most inopportune time, under the slightest pretext, ask more personal questions.
- Yet they are a power in society...



The salesman

- With all their faults, they keep the wheels of commerce turning, and the currents of human emotions running. More cannot be said any man. Be careful whom you call a salesman, lest you flatter him.
- Donald Benenson in Ziglar on Selling

Sales Management

NATURE OF SALES MANAGEMENT

The nature or characteristics of sales management can be explained by the following three ways:

- 1) Its integration with Marketing Management
- 2) Scope of Sales management
- 3) Role and skills of modern Sales Managers

Sales Management

NATURE OF SALES MANAGEMENT

Integration with Marketing Management

As sales management is a part of marketing management,

- sales planning should be integrated with marketing planning.

A company's marketing team typically consists of two basic groups:

- (i) Field selling (or personal selling) team
- (ii) Headquarter marketing team

Sales Management

NATURE OF SALES MANAGEMENT

Integration with Marketing Management

(i) Field selling (or personal selling) team

- ❖ Field selling teams (or field sales force) remain in their territories/branches/regions,
- ❖ contacting existing and prospective (new) customers

(ii) Headquarter marketing team

- The headquarter based marketing team performs support and service functions or activities to assist field salespeople.
- Promotion / Marketing Communications, Marketing Research, Market Logistics, Customer Service, Coordination,

Sales Management

NATURE OF SALES MANAGEMENT

Scope of Sales Management

- ❖ Earlier scope was narrow ...
 - ❖ The main activities of sales management were
 - ❖ recruiting,
 - ❖ selecting,
 - ❖ training,
 - ❖ motivating and
 - ❖ supervising salespeople

Sales Management

NATURE OF SALES MANAGEMENT

Scope of Sales Management

- ❖ Now, Sales managers are responsible for many more tasks.
- ❖ These include participating in
 - ❖ strategic planning,
 - ❖ forecasting sales,
 - ❖ taking part in budgeting process,
 - ❖ designing sales territories,
 - ❖ developing sales force organization structure,
 - ❖ coordinating

Sales Management

NATURE OF SALES MANAGEMENT

Scope of Sales Management

- ❖ The primary objective of sales management is to achieve the targeted or budgeted sales volume.
- ❖ Sales managers are also responsible to reach the goals of market share and sales growth.
- ❖ They are involved in the process of setting these objectives or targets.



Objectives of sales management

□ 3 general underlying objectives:

1. SALES VOLUME
2. PROFITS
3. GROWTH

Sales – cost of sales = gross margin.

Gross margin – expenses = net profit.

Sales Management

NATURE OF SALES MANAGEMENT

Scope of Sales Management

- ❖ Goals are achieved or not, depends
 - ❖ not only on the performance of the sales team,
 - ❖ but also on the quality of marketing decisions,
 - ❖ the company's products and services as well as
 - ❖ on marketing environment.
- ❖ Scope of modern sales management extends from the management or administration of sales force to the various tasks

Sales Management

NATURE OF SALES MANAGEMENT

Role and Skills of Modern Sales Managers

- ❖ The role of a traditional sales manager has changed.
 - ❖ Instead of giving orders in an arrogant manner like a “boss”,
 - ❖ a modern sales manager behaves like a team leader
 - ❖ with an ability to influence the salespeople
 - ❖ towards achievement of objectives and
 - ❖ treats them equally

Sales Management

NATURE OF SALES MANAGEMENT

Role and Skills of Modern Sales Managers

- ❖ Some of the important roles or functions of the modern Sales Managers are as follows:
 - ❖ Strategic Planning
 - ❖ Coordination
 - ❖ Use of Technology
 - ❖ Managing Multiple Channels

Sales Management

NATURE OF SALES MANAGEMENT

Role and Skills of Modern Sales Managers

- ❖ Management thinkers propose a long list of skills, which can be summarized into three important skills:
 - ❖ (i) People skills,
 - ❖ (ii) Managing skills
 - ❖ (iii) Technical skills.

Sales Management

IMPORTANCE OF SALES MANAGEMENT

Importance to a Company

- ❖ Sales managementbrings in revenue.
- ❖ sales management and financial results of a company are closely related.
- ❖ Financial results of a firm are stated in terms of
 - ❖ Sales (or sales revenue) and
 - ❖ Net profit (sales minus expenses).

Sales Management

IMPORTANCE OF SALES MANAGEMENT

Importance to a Company

- ❖ Thus,
 - ❖ the financial results of an organization
 - ❖ can be influenced to a large extent
 - ❖ by the **quality** and **performance** of sales management.
- ❖ The marketing effectiveness of a company depends
 - ❖ not only on the development of the marketing plan,
 - ❖ including sales strategy,
 - ❖ but also on implementation of the plan and the strategy.

Sales Management

IMPORTANCE OF SALES MANAGEMENT

Importance to a Student

- ❖ Many students find their career opportunities in Sales and Sales management
- ❖ Various types of Sales Positions are available
- ❖ Many Sales Management jobs available
- ❖ Generally, compensation is much higher for sales management positions than any other management areas.

Sales Management

LEVELS OF SALES MANAGEMENT POSITIONS

- ❖ There are three levels of sales managers in the organization structure of many firms
 - ❖ Strategic or top-level managers,
 - ❖ Tactical or middle-level managers,
 - ❖ Operational or first-level managers

Sales Management

LEVELS OF SALES MANAGEMENT POSITIONS

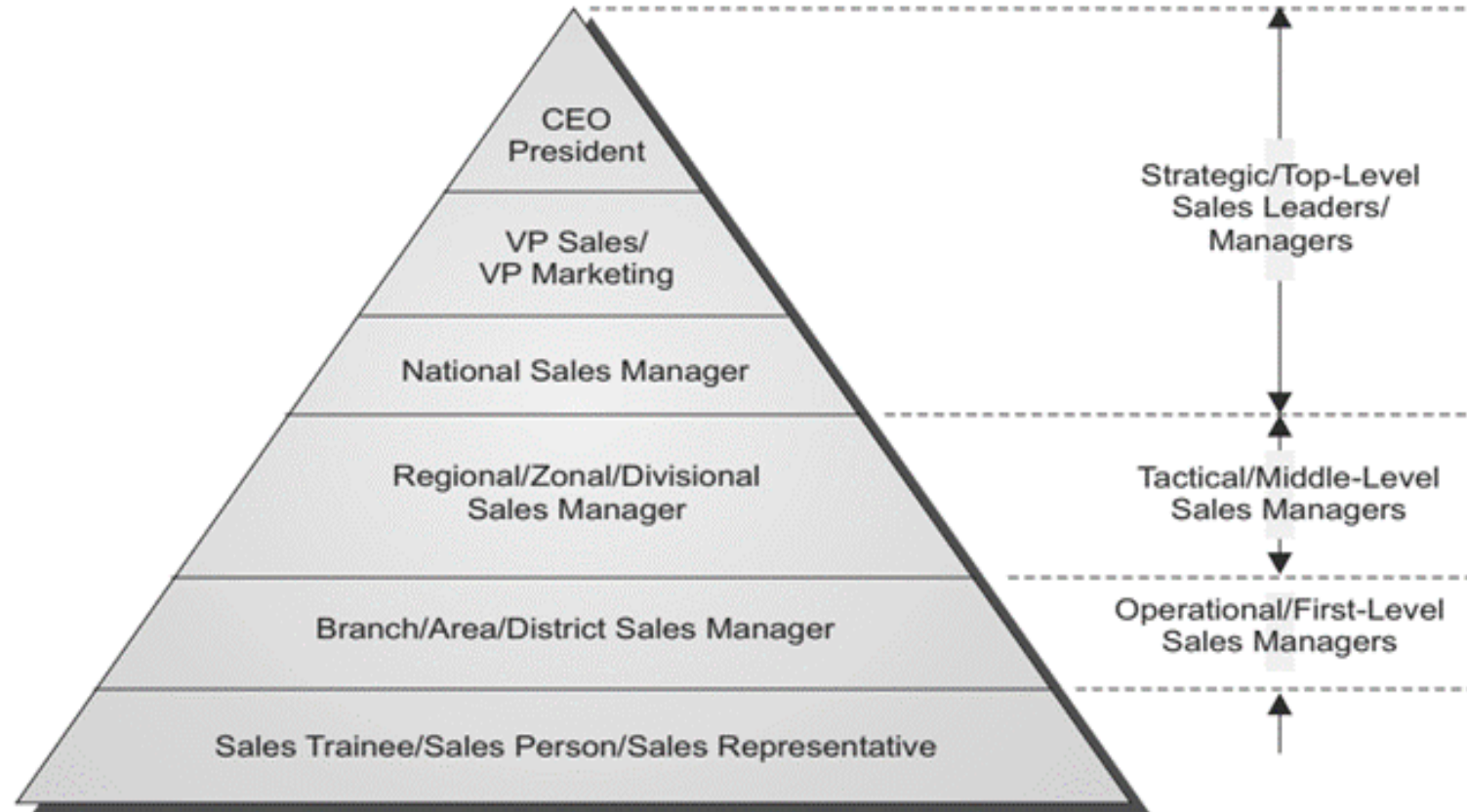


Fig. 1.2 Levels in Sales Management—Organization Hierarchy

Sales Management

Different/Varying Sales Positions/ Sales Jobs

- ❖ Delivery Salesperson
- ❖ Inside Order Takers
- ❖ Outside Order Takers
- ❖ Creative Sellers
- ❖ Consultative Sellers/New Business Sellers
- ❖ Key Account Sales Executive
- ❖ Sales Support Salespeople
- ❖ Missionary Salespeople



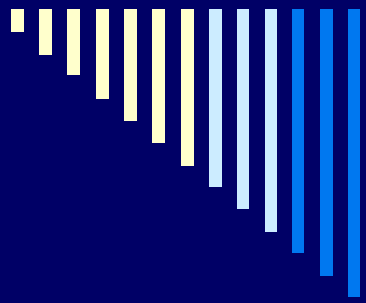
Sales organization

- With various tasks required to be performed the enterprise had to create a structure to ensure that work is done. (the Sears story)
- Principles of structure: authority, responsibility, performance, support/co-ordinate.



Sales organization

- Concept of organization: Group of individuals working jointly to achieve a defined goal and bearing formal and informal relations with one another. An organization is oriented towards and a co-operative endeavor and a structure of human relationships.



Purpose of organization

- ❑ Eliminate waste of effort
- ❑ Minimize friction
- ❑ Maximize co-operation
- ❑ Permit development of specialists
- ❑ Ensure that all activities get done
- ❑ Achieve co-ordination/balance
- ❑ Define authority
- ❑ Fix responsibility