**SALES DEPARTMENT RELATION**

The sales department occupies a strategic position. It spearheads the organisation effort to supply costumers with ever increasing quantities of products at profitable prices. To the extent that this is achieved, the company’s reputation rests upon a sound foundation.

Good products at competitive prices are not enough. Company success is affected by the dealing and associations of the sales departments with costumers and other publics. Sales department relations with other departments influences the company’s reputation with many publics. Individual sales personnel, as well as the entire department, are in a position to add to or detract from the company reputation. It is important to assure that the are alert to their responsibilities for maintaining good relations.

In companies without separate public relations department, sales executives frequently have additional responsibility for public relations. The main reason is that they have close relations with external publics. Even sales executives not assigned primary responsibility for public relations handle the public relations program as it pertains to the sales department. Under either arrangement sales executive consider the probable public relations impact when planning and administering department programs. They are responsible for maintaining satisfactory relations with all those with whom they or their subordinates come into contact.

Coordinating the activities of all departments so the maximum progress is made towards overall company objectives is top management’s responsibility. Department heads, in addition to implementing top management’s directives, harmonize their activities so that the task of all departments are accomplished effectively. Each understands the funtions of the other departments, and each is responsible for coordinating his or her department’s activities to contribute to company success.

Although the primary responsibility of top sales executives is to manage the sales department, they know the operations od the departments. Sales executives understand how other departments influence by the sales department. These are dynamic relationship, so a change in one department often has repercussions in others.

**Formal Coordinating methods**

Formal coordination among department is achieved by one or more of three methods. The first is to build coordination into the organisation through grouping allied activities inder a high-ranking executive. In most companies, chief marketing executives have reporting directly to them the heads of the departments performing marketing activities, such as sales advertising, marketing research and service. Under this arrangement marketing activities, such as sales advertising, marketing research and service, Under this arrangement, marketing executives coordinate the operations of departments under them.

The second method is to achieve coordination through the general administrative officers-the president, executive vice president, or general manager. Here the coordinating executive coordinates the operations of all companiesdepartments, not just those performing closely related tasks. This explains why the second method is most is most widely used in companies having only a small number of departments.

The third method is to use policy, planning and coordinating committiees made up of representatives of concerned departments. On the surface, this appears the weakest method, as no one executive has responsibility for coordination. But this arrangement often works out quite satisfactorily in practice.

**Informal Coordination**

Informal coordination is generally more important than coordination. Department head may solve an interdepartmental problem informally while it is still being thrashed out through formal mechanisms. Informal coordination procedures are preferred in most companies, and solutions so developed may or may not be formally adopted later by a coordinating body. One thing is certain- unexpected problems with important interdepartmental implications should be handled with minimum delay, for to prolong their solution is to risk costly friction. Sometimes informal solutions are accepted as tentative and are subject to modification after review by the formal coordinating mechanism. To arrive informally at workable solutions to problems affecting the sales department, the top sales executive maintains satiafactory relations with heads of other departments; all think of themselves as members of the same team, cooperating in the effort to reach company objectives.

Sales executives report that informal coordinating procedures are more important than formal methods, particularly where frequent communication is required. A study of four companies revealed that a large amount of communication took place informally among executives responsible for marketing-related activities. Informal coordination was partly through voluntary exchange of informational copies of correspondence, but largely through informal, nonperiodic exchanges of information occurring when executives met, by chance or arrangement, in their offices, or over coffee or meals.1

The same study revealed that one individual, or occasionally more than one, served as a communication center for exchanges of information on each important decision area. These executives were either receivers or senders in almost every exchange of information that took place with respect to their interest area. All executives, acting as “centers,” assumed the responsibility for providing a continuous flow of information regarding their areas to everyone in the company who they felt might need or could use the information. The top sales and advertising executives served jointly as communication centers for all activities that create demand, including personal selling, advertising, merchandising, sales promotion, and packaging.2

The informal communication network is important in coordinating marketing activities, but its existence poses several problems:

1. Marketing person must be made aware of the need for coordination. The traditional lack of close coordination among marketing-related activities makes this a difficult challenge.
2. Marketing personal must be given the opportunity to understand the role and responsibilities of other marketing job and to know the people holding these jobs. This is especially important when personnel responsible for marketing decision areas report to different superiors.
3. Marketing management must establish a climate that encourages a continuous and free exchange of ideas and information .3

Sales department operations influence and are influenced by the operations of departments performing related marketing activities and of others, such as production, personal, finance, and data processing, where influences are indirect. The following discussion focuses upon instances where cooperation and coordination are essential and communications desirable for the top sales executives. It covers the main points of interdepartmental contact, but the dynamics and organizational peculiarities of an individual firm may require cooperation and coordination in other situations.

**COORDINATION OF PERSONAL SELLING WITH OTHER MARKETING ACTIVITIES**

**Sales and Advertising**

The sales and advertising departments work towards the same objectives-the stimulation of demand-but they use different approaches. Personal selling techniques are province of the sales department and non personal selling techniques that of the advertising department. The two types of selling effort need skillful blending to achieve an “optimum promotion mix”. This requires coordination of plans and efforts. The activities of the sales force are planned and directed along lines that increase advertising’s impact, and advertising is geared to help salespeople where and when they need it most. The sales department assists the advertising department in selecting themes and media, in preparing schedules, and in securing dealers’ support for cooperative advertising programs. The advertising department helps the sales department in such ways as furnishing sales aids for the sales force and for dealers and by providing sales leads. Advertising conserves the sales force’s time, for prospects

presold through advertising are easier to convert into customers. Proper timing and coordination of advertising and personal selling are essential, and promotional programs need skillful administration by executives who understand both types of selling effort.

Both departments work toward the same goals, so formal coordination is best achieved by having both department heads report to the same high-ranking executive, for example, the marketing vice-president. However, because so many matters are of joint interest and so many require frequent communication, most coordination between these two departments are on informal day-to-day basis, with frequent interactions heads and subordinates.

**Sales and marketing information**

To obtain maximum returns per dollar spent for marketing information, the sales department works in close harmony with the department or departments producing marketing information. In some instance, this information is provided by marketing research, but in companies with sophisticated marketing information systems, marketing research is only one of the subsystems providing information inputs. Marketing information systems assist the sales department by gathering data needed for analyzing sales problems, assisting in determining sales potentials and setting quotas, measuring the effectiveness of the sales effort, assisting with sales tests, and in other ways. The sales department provides the information system with many of the raw statistics and other information needed for sales and market analysis and forecasting. Fairly often although the practice is controversial, salespeople are made available to marketing research to do field interviewing.

As marketing information systems and marketing research become more sophisticated, the sales department works ever more closely with information personnel. Surprisingly little systematic research has been done in evaluating the relative effectiveness of alternative personal-selling appeals and methods of making sales presentations. When sales and information personnel address themselves jointly to these and related important topics, close cooperation becomes even more critical.

Coordination of the sales department with the information system and its data-processing capacity is important. The sales department provides the marketing information system with definitions both of its information needs (desired “outputs”) and the information it has available (the “inputs”). The data-processing unit may or may not combine the sales department’s own information inputs from elsewhere. Both in designing and operating a management information system, continuing formal and informal cooperation and communications are of the highest importance.

Improvements in data-handling activities have been significant. From the sales department’s standpoint, for example, it has always been important to bill customers correctly and promptly. Automation of order processing not only has resulted in improvement in customer service but has produced as by-products data needed for making rapid changes in sales and production plans, and for inventory control.

Traditionally, sales volume and profit reports are used to measure the performance of the sales force. Computers turn out these reports quickly, frequently, and in great detail. The computer’s capabilities are so great that sales executives call for “exception reports” to avoid being buried in mountains of detail. These reports highlight things requiring attention; details are available but are held in reserve until the executive requests them. Among the exception reports are sales personnel failing to achieve quotas; sales activities exceeding budgeted expenses; territories in which the company

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  | Division Size |  |
| Use Sales  Force | All Respodents | Large | Medium | Small |
| A great deal | 36% | 36% | 29% | 43% |
| Moderately | 54 | 51 | 63 | 48 |
| Not at all | 10 | 13 | 8 | 9 |
| Total  base | 100%  (256) | 100%  (50) | 100%  (119) | 100%  (87) |

is losing competitive position; customers with declining purchases; and product lines having slow sales movement, declining profit margins, or both.4

The distribution systems of many companies provide customers with automatic ordering procedures. Many apparel makers, for instance, have set-ups allowing store buyers to punch out their orders on in-store console teleprocessing stations linked to a central computer at the seller’s plant or warehouse, which, in seconds, scans the customer’s account for a credit okay, examines inventory records to see whether the styles, sizes, and colors can be supplied, discerns the age of the account, types out a shipping order, and stores the new inventory information in memory. This makes it convenient for customers to reorder and speeds up order processing, both improving relations with customers. The continuing need for developmental selling and for keeping in close touch with customer’s problems means that the salesperson’s role has been changed, not eliminated. Automatic reordering procedures are spreading and sales executives work with data-processing specialists both in setting them up and in monitoring their operations, adjusting them as required to meet changing customer requirements.

Sales executives have continuing need to maintain close relations with information and computer specialists. There is room for improved coordination and cooperation between the sales department and the information function. Probably the greatest opportunity lies in the development of closer informal relationships among personnel at all levels. Insofar as formal coordination is concerned, both marketing information and sales department heads generally report to the same superior.

**Sales and service**

In companies manufacturing technical products or products requiring installation and repair services, cooperation and close contact of the sales and service departments are essential. Availability of service, such as technical advice on the installation of a new product, is a powerful selling argument, and there are implications for the service department in a salesperson’s promises to buyers. Moreover, in many industries (commercial refrigeration, for example), the recommendations of service personnel often influence buyer’s decisions, and in selling vacuum sweepers and other household appliances, service personnel act in a sales-making capacity.

Where service is important in sales strategy, provisions for formal coordination are built into the organizational structure. When both sales and service departments are decentralized, the organization should provide for bridging the gap between the home office and the field. Sales and service should relate-usually by locating sales and service personal in the same field offices, with regional managers responsible for both activities. Under both centralized and decentralized organizational plans, sales and service functions are coordinated at the department head level, most often by having both these heads report to the chief marketing executive. Under all organizational arrangements, the need for continuous cooperation between sales and service means that the great bulk of coordinating is informal, and between personal on lower organizational levels

**Sales and Physical Distribution**

Achieving effective coordination of selling and physical distribution operations is important. Most firms accept the notion that all business operations should be geared toward serving customers at a profit. This requires the maintenance of favorable relations between sales volume and costs of various kinds, including physical distribution costs.

Proper packing, accurate freight-rate quotation, and promptness in delivery-all physical distribution activities-are important in securing sales volume yields less profit than it should. Sales policies, such as those on delivery schedules, are coordinated with the capabilities of the physical distribution operation and its costs.

The benefits of effective coordination with physical distribution are significant. These benefits, all of which can help to generate additional sales volume and profit include the following.5

1. Minimize out-of-stock occurrences (helps to reduce sales lost because of “outs” and helps raise the level of customer satisfaction).
2. Reduce customers’ inventory requirements. (If a company develops a more responsive distribution system than competitors, its customers obtain an economic advantage by doing business with it. This is a strong selling point.)
3. Solidify relations with customers (through integrating company delivery facilities with customers’ receiving facilities, consignment of stocks to customers, and similar devices).
4. Allow greater concentration on demand creation. (Development of a well-organized physical distribution activity, in which a separate administrative group is set up to plan and operate the distribution system, can free marketing and sales personnel, allowing them to concentrate more on their basic responsibility –demand creation. In many companies this has led to an increased number of warehouses, and a consequent reduction in total distribution costs.)