

## UNIT – 3

# SALES FORCE MANAGEMENT

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**SYLLABUS:** Recruitment and Selection of the Sales Force, Training the Sales Force, Sales Force Compensation, Sales Force Control and Evaluation.

# SALES FORCE MANAGEMENT

- Sales force management is a strategy that involves planning, organizing, directing, and controlling the activities of a company's sales force to improve their performance and increase sales.
- Sales force management also involves developing plans and tactics to improve results, such as: Prospecting, Approaching the sale, Communication, Countering objections, and Closing the sale.



## RECRUITMENT OF SALESFORCE

- Recruiting include activities to get individuals who will apply for the job.
- The general purpose of recruitment is to get enough qualified candidates, to enable company select the right persons.
- H.R. and sales managers must update information on government employment regulations.
- Recruiting stage / process includes following activities:
  1. Finding the sources of sales recruits.
  2. Evaluating and selecting recruiting sources
  3. Contacting candidates through the selected source.

## FINDING THE SOURCES OF SALES RECRUITS

- For identifying prospective candidates, firms use internal and external sources. They include:

INTERNAL SOURCES	EXTERNAL SOURCES
<ul style="list-style-type: none"><li>• Employee referral programmes</li><li>• Current employees</li><li>• Promotions and transfers</li></ul>	<ul style="list-style-type: none"><li>• Advertisements in newspapers and journals / magazines</li><li>• The Internet (job sites)</li><li>• Educational institutions</li><li>• Employment agencies</li><li>• Job fairs</li><li>• Other companies</li></ul>

## EVALUATING RECRUITING SOURCES

- Recruiting sources are evaluated based on the database built over number of years.
- Evaluating factors are:
  1. Performance rating of salespeople, after 2 years working.
  2. Percentage of salespeople retained, after 2 years working.
  3. Total cost of recruiting.
  4. Selecting most effective source of recruiting at least cost.
  5. For a new company, selection depends on cost.
  6. Contacting candidates through the selected source is done by H. R. department.

## SELECTING SALES FORCE

- Selection process consists of seven major selection steps / tools.
- Companies differ in using selection tools, depending on expenditure budget and time available  
Major selection tools / steps are:

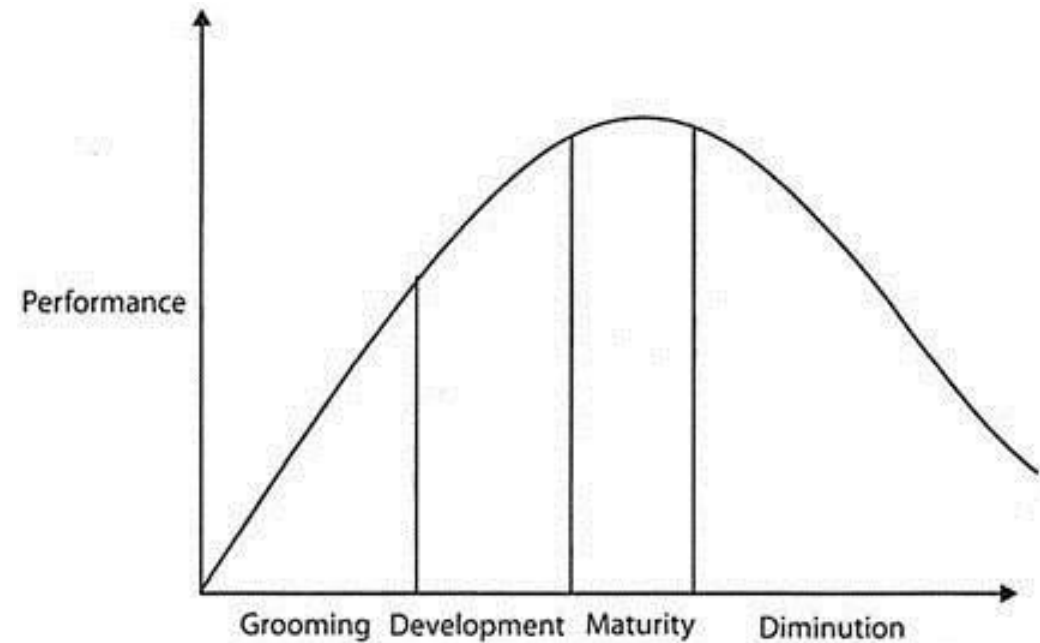
1. Screening resumes.
2. Application blank.
3. Initial interview.
4. Intensive interview.
5. Testing.
6. Reference check.
7. Physical examination

## TRAINING THE SALES FORCE

- Sales training is a process of providing the sales force with specific skills for performing their task better and helping them to correct deficiencies in their sales performance.
- **Objectives of Sales Training:**
  1. Increase Productivity
  2. Improve Selling Skills
  3. Improve Customer Relations
  4. Helps sales people to get promotion
  5. Improves Morale

# SALES FORCE TRAINING PROCESS

1. Identifying Training Needs
2. Setting Sales Training Objectives
3. Deciding on the Training Methods
4. Designing the Training Programme
5. Career Cycle
6. Evaluating Training Effectiveness



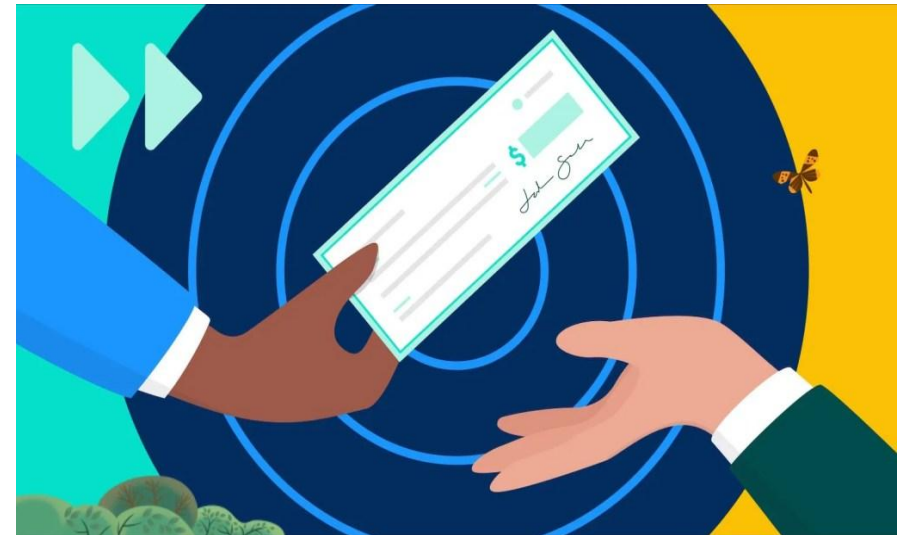


# ADVANTAGES OF TRAINING SALES FORCE



## SALES FORCE COMPENSATION

- The amount that is paid to the sales people based on their performance against predetermined goals. Compensation can be salary, commission, incentives or a combination of these payment types.
- For example, your sales compensation plan could consist of a base salary and a commission rate of 10% on all sales.



# TYPES OF SALES FORCE COMPENSATION

1. Straight Salary
2. Salary plus Commission
3. Commission Only
4. Territory Volume
5. Profit Margin

# STEPS TO CREATE A SALES FORCE COMPENSATION PLAN

1. Determine the goal of your compensation plan
2. Research industry trends and best practices
3. Determine your budget
4. Define the roles of each position in the sales process
5. Decide what type of compensation plan would work best
6. Define performance metrics
7. Set expectations for each position



## ADVANTAGES OF SALES FORCE COMPENSATION

- The purpose of a sales compensation plan is to encourage specific sales rep behaviors and communicate expectations and criteria for the compensation of sales team members.
- **A good sales compensation plan:**
  1. Motivates your salespeople to work harder and be more effective in their job.
  2. Promotes high performance from every member of your sales team.
  3. Drives your company's top performers to higher productivity levels, profitability, and market share.
  4. Encourages them to focus on high-value deals.
  5. Helps in attracting and retaining the right kind of salespeople.

## SALES FORCE CONTROL

- Sales force control involves measuring sales force performance, comparing it with standards, detecting deviations and causes, and, if necessary, taking corrective actions so that performance takes place as per plan.
- **Sales force controlling process involves four steps:**
  1. Setting Sales Force Standards.
  2. Measuring Actual Sales Force Performance.
  3. Comparing Actual Performance with Standards.
  4. Correcting Deviations and Taking Follow-up Actions.

## SALES FORCE EVALUATION

- Salesforce evaluation is a comprehensive assessment of a sales force's performance and productivity. It can help identify areas for improvement and ensure that sales efforts are aligned with goals.
- It is a critical function
- It constitutes comparing objectives with results
- Provides faculty
- Take steps to further improvement

# SALES FORCE EVALUATION PROCESS





## ADVANTAGES OF SALES FORCE EVALUATION

- Identify strengths and weaknesses
- Understand company culture
- Identify barriers to revenue
- Identify mixed messages
- Understand sales quotas
- Understand territory alignment
- Understand market pressure
- Understand how sellers represent the brand