

EXERCISES

While it is quite possible that some companies will not use advertising and sales promotion, very few fail to have some element of face-to-face selling in their marketing mix. Often the sales force was in existence long before the company became concerned about marketing. This sometimes explains why, in many organizations, sales and marketing are regarded as two separate functions.

When the total cost of recruiting, managing and providing salespeople with all the necessary resources and support systems is taken into account, the sales force is likely to be one of the most costly elements of the company's marketing activities. In order to obtain value for money, it will be important to plan how personal selling will be integrated into the 'communications mix', and then organize the logistics to ensure that the right results are achieved.

Exercise 8.1 looks at how the role of the sales force can be established.

Exercise 8.2 tackles the task of how to set quantifiable objectives for the sales force.

Exercise 8.3 examines issues about managing the sales force and, in particular, how to set the right motivational climate.

As a further exercise, try following the step-by-step guide to creating a key account management portfolio in the section within this chapter on 'Planning for a key account portfolio'.

Exercise 8.1 The role of personal communication in the communications mix

Before attempting to produce a sales plan, we must spend a few minutes getting back to basics and examining exactly what information customers will require from the sales force.

For different sorts of businesses, the role of the salesperson can be entirely different. In some they will just be order-takers, in others negotiators, in others demonstrators, and in others perhaps a composite of these and still other roles. Clearly, then, to claim that a salesperson 'just sells' is very much an oversimplification of the role, and sometimes can be downright misleading.

Taking your marketing objectives as the starting point, i.e. which products/services go to which markets or segments, select one of your key markets/segments as a study vehicle and focus on the customers. What sort of information do they require from your sales force?

The next worksheet (overleaf) is designed to help with this task. There are three steps to be tackled:

1. Establish the communication areas that need to be covered.
2. Because of the costs of having a sales force, assess if there are less costly feasible alternatives to personal visits to achieve the same results.
3. List what these alternatives are, together with when and how they will be used.

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Thus, on completion of the worksheet you will have a complete breakdown of the personal communications necessary to achieve the company's marketing objectives in your study market segment. In addition, you will have other information to show how personal visits can be a 'backup' to other methods of contact.

Worksheet What information do customers want from sales representatives? (Exercise 8.1)

For study purposes, just consider *one* important market segment. You can repeat the same procedure for others afterwards.

Recognizing that the sales force plays an important part in the company's communications mix, study the list below and then tick those 'demanded' by customers in column A. Now look carefully at the activities you have just ticked, and, taking each in turn, ask yourself if this information/communication could be provided in a more effective way than by a sales visit. For example, knowing the customer usage of a particular product might make it possible to obtain repeat orders by telephone.

Whenever you see the possibility of an alternative approach, place a tick in column B and make a brief note about the alternative.

<i>Customer info. requirement</i>	<i>A</i>	<i>B</i>	<i>Alternative provision of information</i>
About: product range product performance price discounts special offers promotions placing order after-sales service running cost in use guarantees spares and accessories new developments competitor products/performance assistance with displays assistance with merchandising training for own staff technical services quality assurance			

proof that product/service works warehousing/storage reordering load sizes leasing agreement delivery arrangements franchise agreement answers to objections joint ventures demonstration of product long-term contracts financial arrangements Add any other information requirements that are pertinent to your business			
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Exercise 8.2 Quantifiable objectives

Having decided what role the sales force is to play in the communications mix to service your chosen market segment, you can now get down to drawing up some quantifiable objectives. These stem quite logically from the marketing objectives and should cover three main areas:

1. How much to sell (value of unit sales volume)
2. What to sell (the mix of product lines)
3. Where to sell (the markets/segments that take the company towards its marketing objectives).

Please note that in Exercise 8.1 you have already chosen one component, 'where to sell', by selecting an important market or segment.

The sales plan is in effect the translation of these 'ball park' figures into individual targets for each sales representative, taking into account special factors such as their territory/sector size, the size of customers within a particular territory/sector, etc. Thus, how much to sell breaks down into individual targets. The mix of the product lines becomes an individual target. Where to sell becomes a specific customer list.

In addition, there can be other quantifiable objectives, typical examples of which are given on the next worksheet. Using this worksheet, you will be able to devise a set of targets appropriate for each of your sales representatives. The entries towards the end of the worksheet show how the basic targeting can be made somewhat more elaborate if it suits your company to make it so.

If you use one sheet per person, the total will become the sales plan for this particular market segment.

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Worksheet Individual sales targets (Exercise 8.2)

Market segment _____

Salesperson _____

Territory _____

Period to which these targets apply,
e.g. year, month, week, call cycle, etc. _____

<i>Target</i>	<i>Number</i>	<i>Qualifying notes (assumptions, special local factors, etc.)</i>
Units sales volume Product A Product B Product C Product D Number of calls planned to be made Number of interviews to be secured Number of enquiries to be raised Number of quotations to be submitted Number of orders to be taken Call/interview ratio* Interview/enquiries ratio* Enquiries/quotations ratio* Quotations/order ratio* Cost per visit Calls per day planned Average length of call Average daily mileage Number of new accounts planned Number of letters to be written Number of reports to be written Number of point-of-sale displays to be organized Number of meetings to be held, e.g. with trade Number of service calls to be made Number of customer complaints Number of customer training sessions to be run Number of competitor activity reports to be submitted Number of general market condition reports to be submitted Add any others that are relevant to your type of business		

*based on past experience and future expectations.

Exercise 8.3 Managing the sales force

Although some purists might claim this is an oversimplification, the key *management* activities are:

- Setting performance standards (both quantifiable and qualitative)
- Monitoring achievements against these standards
- Helping/training those who are falling behind
- Setting the right motivational climate.

The word 'management' has been emphasized because many sales managers perceive themselves to be 'super' salespeople and continue to put most of their energies into selling rather than managing.

Setting performance standards

Exercise 8.2 concentrated on the quantifiable standard – *what* has to be achieved. Equally important are the more subjective elements of *how* the tasks are achieved: the quality of the actions.

Some companies have quite deliberately set out to create a style to which salespeople are expected to conform. This can cover appearance (of people and their property), the layout of presentations and reports, the way work is planned, the way customers are addressed and various other aspects of the work. You might have to give some consideration to this question of 'the way we do things around here'. But please note that in the examples given above, there is a standard to work against and performance is, therefore, measurable.

Place less emphasis on non-measurable factors, such as creativity, loyalty, interest, enthusiasm – relying on them too heavily is to plant the seeds of discord. Such subjective judgements can easily be misconstrued as favouritism by some and unfairness by others who have been 'scored' lower. Nonetheless, they can be relevant, so we have included a way of 'measuring' these elements in this exercise.

Monitoring performance

What salespeople are doing can be largely measured by reports, sales figures, internal memos and suchlike. *How* they do things can in most cases only be assessed by being with them and observing their actual performance.

Thus, performance will have to be monitored at these two levels, and the frequency for doing so will depend upon the experience of the salesperson, the newness of the operation and the uncertainty of the situation. As a rule of thumb, the higher the uncertainty surrounding the salesperson, the territory/sector, the product range, the customers, etc. the more

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frequently should performance be monitored. The appraisal summary (Worksheet 1) provided will enable you to monitor and 'measure' all the relevant quantitative and qualitative elements of your sales force.

Helping/training those whose performance is below par

By having measurable standards of performance, it becomes possible to be quite precise about the area and nature of help that salespeople need. After discussing the problem with them, you will be able to decide if it can be best solved by providing the salespeople with:

- More information (about products, prices, etc.)
- More support (report writing, more joint visits, etc.)
- More training (which generally means improving their skills).

Often training, which can be the most costly solution, is rushed into when other actions would serve the purpose more effectively. Should training be required, much of it can be carried out on the job by a suitable skilled instructor, who would follow a process like this:

1. Instruction/demonstration by instructor
2. Practice by the salesperson
3. Feedback by the instructor
4. Further practice with feedback until performance is acceptable.

Setting the right motivational climate

Perhaps little of the above will really work unless the motivation of the sales force is right. While this subject could be the basis of a whole book by itself, it is possible to see a fairly straightforward way of cutting through much of the theoretical undergrowth.

By and large, if you can reduce those factors which tend to demotivate your staff and at the same time accentuate those which motivate them, then the motivational climate must improve. In saying this, it is important to recognize the difference between removing a demotivating factor and accentuating a motivating one. Removing a demotivating factor will not of itself bring about motivation. All it will do is to stop the complaints about the situation. In contrast to this, accentuating or adding to the motivating factors will undoubtedly lead to a higher commitment to the work. Worksheet 2 enables you to establish exactly what these factors will be for your organization.

Worksheet 1 Individual appraisal summary (Exercise 8.3)

SALESPERSON _____
 DIVISION _____
 TERRITORY _____ YEAR _____
 MANAGER _____

Note:
 Score between 5 and 1, when 5 represents excellent and
 1 represents poor.

Salesmanship	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Product knowledge												
Pre-planning												
Objectives												
Introduction												
Participation												
Handling objections												
Use of benefits												
Visual aids												
Third-party proof												
Investment merit												
Closing techniques												
Merchandising												
Range selling												
TOTAL												

Organization	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Territory planning												
Use of time												
Reporting												
Records												
Sales statistics												
New account												
Follow-up												
Care of equipment												
TOTAL												

Attributes	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Enthusiasm and drive												
Training and self-development												
Appearance												
Punctuality												
Cooperation												
Customer relations												
TOTAL												
GRAND TOTAL												

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Worksheet 2 Motivational climate

Get your salespeople to consider the various things, incidents or situations, that have happened to them in their work over the last, say, six months. (You can select the time period.) Then ask them to make brief notes under the headings shown on the form.

<i>Those things I found DISSATISFYING</i>	<i>Those things which gave me SATISFACTION</i>

Find ways to reduce or eliminate as many of these factors as possible

Find ways to build on or add to these factors. These are the real motivators.