

ORGANIZING, STAFFING AND TRAINING SALES FORCE

Learning Objectives:

- To understand how to organize staff and train a sales force.

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- **6.1 Introduction**
- The sales department is the main revenue-generating department in an organization. The others merely have support functions. By recruiting the right people and providing training to the sales staff, organizations ensure no time is wasted in trial and error methods that individuals might adopt if left to themselves.
- A new sales person needs to be well versed with the product or service that he is going to sell. A training program will give an opportunity to organizations to inform the staff about the products or services that the organization provides.

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- Sales training, imparts knowledge on the fundamentals: it includes the basics of sales procedure – prospecting, needs identification, providing solutions and closing the sale. Additionally, in many industries, organizations need to follow certain rules and regulations while selling a product or a service.
- It is particularly true in the service sector such as the insurance industry where employees have to adhere to the norms set by the local regulatory bodies. If employees are not made aware of these rules and regulations, companies may be answerable to the regulatory authorities. Hence sales team needs to be well-versed with all the mandatory requirements.

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- By providing training in leadership, team-building and communication skills, employees will be better equipped to showcase companies' products/services and use their persuasive skills to convince potential customers that their product/service best meets the requirements of the customer. This ultimately helps in more sales and thereby more revenue for organizations.

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- With increasing sales targets, there is a risk of employees compromising on organizational business values and ethics. For an organization to succeed in the long run, it has to ensure that its employees follow the business values it stands for and training is an appropriate platform to drive home this message to the sales force.

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- The General Manager-Sales takes care of organizing, developing and directing the activities and the people involved in a sales process. The sales force represents their firm and are largely responsible for implementing a firm's marketing strategies in the field.
- Sales people are also responsible for transmitting information on customer needs and problems for designing potential products. Sales people also require more tact and social intelligence and sometimes travel frequently away from home. Sales people also have to face role ambiguity, conflict and stress and should know techniques of self-motivation to stay physically and mentally fit for the sales process.

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- Personal selling is quite different in the current buyers' market than what it was earlier in the pre-1990's sellers' market. An effective sales force needs the attention of the sales manager to stay motivated and contribute effectively to the growth of the organization.
- A mismatch between the ability and aptitude of the sales person and the nature of sales job makes a great waste of the sales persons time & efforts as well as the organizations resources.
- Hence proper planning and attention is required for organizing, staffing and training a sales force to balance the demand and supply.

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- **6.2 Sales Force Organization**
- The sales staff is responsible for finding potential customers and persuading these customers to purchase a company's goods and services. While some companies prefer to hire individual sales representatives, other companies hire whole sales teams that work together to come up with the most effective ways to bring products to market.

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- The Sales force structure takes shape from the strategic marketing planning. The Chief Marketing Officer has a perfect forecast about the quality and quantity of the sales force that can bring success out of the marketing plan.
- The organization structure guides the sales force in carrying out the strategic planning to pursue the sale force goals. Mistakes in the sales force organization can result in poor selection of a sales team and lots of ineffectiveness & inefficiencies can crop up in sales force.

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- A unique formula to calculate the expected number of salespersons needed for future requirement is as follows:
- $N = S/P(1+T)$
- Where;
- N= Number of salespersons to be recruited
- S=Sales forecasts
- P= Present average sales
- T= Turnover rate of sales people

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- **6.3 Job descriptions:**
- The main duty of a salesperson is to add value to a customer's shopping experience. The steps in sales force management are the same as those in general personnel management. The sales manager should prepare the job description before recruiting the sales force.

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- Sales Job analysis is the first critical step in modern sales force management as it provides the data required for preparing written job descriptions. The duties and responsibilities portion of the job description is leveraged to determine the qualifications that the sales person needs to have to perform the job satisfactorily.

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- Since a large component of this job involves customer relations, an ideal candidate for a sales job is someone who enjoys working with people.
- A salesperson's main purpose is to assist the customer and to assess how much interaction a customer wants.
- Adequate product knowledge is a must to increase the total sales by convincing customers to buy the products suitable for them.

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- The responsibilities of sales persons can include the following:
- Maintain current knowledge of all products and services
- Effectively communicate organization policies to customers
- Processing sales leads and assuring leads are directed to the appropriate staff member
- Answer customers' questions, answers telephone calls and channel customer complaints to proper avenues
- Processing sales data, sales progress reports and other sales related records and reports.
- Handle cash and credit sales, and close out till at the end of the day
- Evaluate existing sales space and layout to suggest and implement improvements
- Should have high energy level and should be comfortable in performing multifaceted projects

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- **6.4 Recruiting Sales Personnel :**
- A strong sales team can weather market downturns and help keep pace with competitors while expanding the business's market. However, recruiting the right sales staff is no easy task and can prove to be a daunting task. If you can't explain the duties, responsibilities and goals that the person who takes the job will face, you'll have more trouble selecting the best candidate.
- If you're filling a vacant position you may be able to use the outgoing salesperson's job description as a starting point. However, if you are replacing an ineffective sales staff member, you may need to rethink and redefine your business's needs regarding the position.

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- The recruitment of sales force can happen from internal sources as well as external sources. The internal sources of recruitment includes promoting existing employees, giving a suitable offer to interns who work on part-time basis and through employee referral programs. The external sources of recruitment include campus recruitments, employment exchanges, recruitment agencies, newspapers advertisements, and other industry sources.

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- Recruiting events, recruiting firms and outsourcing are some of the common methods for sales recruiting. Advertising for sales staff recruiting is somewhat different from seeking candidates for other types of positions. One should advertise both online and in print, for focusing on outlets that cater to audiences who fit the profile for your ideal recruit.

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- The selection includes a careful check on the sales persons mental abilities, physical characteristics, experience, personality and personal background. Interviewing sales staff is essential to a successful recruitment process. The interview should include standard questions that deal with a candidate's skills, experience and work history.
- A decision to hire after the written test(which includes aptitude, intelligence, psychology and achievement), interviews, physical examination and reference checks is followed by a formal offer.

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- Sales persons are generally paid compensation in two parts. One is the fixed part and the other variable part is in the form of incentives, fringe benefits, bonus, perks, profit sharing and other facilities based on the performance. Compensation for the sales force are designed to reward individual sales persons in direct proportion to their efforts and performance and to assist the company in meeting its sales projections. Sometimes a flat commission is paid to the sales person after crossing predetermined sales volumes. The commission can increase progressively for achieving outstanding sales volumes. Field sales persons are also provided reimbursement of travel expenses, meals, lodging, entertainment expenses etc.

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- The new recruits undergo an induction program in which they are trained about the tasks associated about their jobs and briefed about the people in various groups with whom they must interact. The entire organizational plan is explained to the new recruits. Sales organizations also pay attention to involving the new employees in socializing for optimizing the value of sales force.

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- Some businesses hire sales staff and place them on probation, which implies a trial period before the employee becomes a permanent member of the sales team. Probation can last from a few weeks to several months and may include mentoring, on-the-job training or a higher level of supervision from superiors. Businesses may use general feedback from customers and supervisors, or specific sales figures and predetermined goals, to decide whether to keep a sales staff member beyond the probation period.

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- **6.5 Building Sales Training Programs:**
- The sales persons product knowledge, understanding of customer needs and selling skills can be built during the training programs. The sales persons are provided shorter programs on specified topics as well as periodic refresher courses to check their application of sales skills in the market as well as to provide them confidence for significant improvement in their overall performance.

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- The sales training program is directly related with the company's marketing objectives and strategies. In today's cutthroat competition, stronger emphasis is placed on winning over the customer by providing solutions to customers problems and building strong relationships.
- The training programs helps the sales persons to improve productivity and prepare for facing the realities of life in sales. To boost the morale of the sales persons, each one of them is explained the purpose of their hiring and their contributions required for the benefit of the company as well as the stakeholders.

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- The sales persons are also taught the basic communication skills and soft skills required to convert a suspect into a prospect and finally close the sales call favorably with a sales conversion or at least by generating some referrals. Special mentoring sessions are also held for improving customer relations and self-management including personality development (dress code, grooming, body language, listening skills, manners and etiquette).

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- In addition to individual selling skills more emphasis is given for team selling skills, time management skills, computer assisted skills and legal constraints on selling. Brand talk and objection handling techniques are specifically taught to prevent any bad name for the company.
- One of the popular selling skills method taught to the sales persons is the SPANCO method; where in:
 - S= Survey of the customer or Suspecting the customer
 - P= Prospecting the customer
 - A=Approaching the customer
 - N=Need development and negotiating with the customer
 - C=Close which means get a confirmed order
 - O= Order processing

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- Many companies are also using web based training to save costs on in-class training as well as to reach employees in remote locations.
- A wide variety of methods is used for imparting training to sales persons. Some of them are lectures, role playing, case discussions, demonstrations, gaming, playing audio and video cassettes on effective selling techniques, seminars, workshops and the do's and don'ts of selling etc.
- Leadership programs are also conducted to inspire sales persons into higher levels of team work. Networking skills are taught in great details to the relationship managers.

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- **6.6 Evaluation of training programs conducted for sales persons :**
- **Accurate sales training evaluation is even more important today due to tighter budgets and the need. Evaluating sales training is a necessary function to ensure the new and current sales force is maximizing its sales skills and leveraging company resources. Evaluation can be made more efficient with employee input and emerging technology.**

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- The effectiveness of the training programs are evaluated to determine the value of training and to improve the design for future programs. Some companies use written test to understand the assimilation and learning of the trainees. The outcomes are measured against the objectives for which the training was designed.

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- Proper time lines and benchmarks should be established for testing and evaluating training. The results of testing should be compared with the sales success achieved by the trainees and a correlation should be established between increased product knowledge and sales success. The results from the ongoing surveys and testing should be used to improve future sales training sessions.
- One needs to note that evaluation of training effectiveness based on sales record won't be 100% correct as the sales volumes are also influenced by economic fluctuations, competitors activities and advertising.

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- After correct evaluation the trainer should implement programs that offer continuing education that build upon the initial training. The trainer should also quantify which demographics require additional training and consider segmenting sales training into different groups of existing sales persons, new hires or senior sales persons. By offering continuing training and matching individual sales results, one can maximize the return on investment by properly evaluate sales training.

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- With this we complete our session on chapter 6 'ORGANIZING, STAFFING AND TRAINING SALES FORCE'

Next we move to Chapter 7
'Setting Personal Selling Objectives'