Sales Management Analysis and Decision Making

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Book Review

Sales Management Analysis and Decision Making. [Edited By Thomas N. Ingram, Raymond W. LaForge, Ramon A. Avila, Charles H. Schwepker Jr., Michael R. Williams] (2020). New York: Routledge, 357 pp., ISBN-13. 9780367252748

This book is written with the aim of providing a comprehensive understanding of sales management, including the analysis and decision-making required to develop effective sales strategies and tactics, as well as helping readers understand the various concepts, techniques, and tools used in sales management, as well as how to apply them in practice. The book discusses an overview of personal selling, organizational strategies and the sales function, sales organization structure, and salesforce deployment, acquiring sales talent: recruitment and selection, continual development of the salesforce: sales training, sales leadership, management, and supervision, motivation and reward system management, evaluating the effectiveness of the organization, and evaluating the performance of salespeople.

The role of personal selling in marketing involves interpersonal communication between buyers and sellers to initiate, develop, and enhance customer relationships. In this case, the salesperson has various roles, including financial contributor, change agent, communication agent, and customer value agent. Relatedly, there is a difference between trust-based selling and transactional selling, as trust-based selling focuses more on customer needs and strategic priorities than the seller's desire to make an immediate sale. Sales strategy, therefore, needs to involve planning sales messages and interactions with customers, with customer value as a key element, as well as adaptive selling, which involves modifying sales messages and behaviors during presentations and sales dialogues. Current trends in sales professionalism include complexity, collaboration, and accountability. This requires salespeople to be customer-focused, build long-term relationships based on trust, and be more strategic and customer-oriented. Salespeople must also be trained in problem-solving, conflict resolution, and service recovery.

Organizational strategy and the sales function also need to involve strategic decision-making at the corporate, business, marketing, and sales levels. This is because corporate and business strategy decisions can influence the sales function by providing direction and guidance for sales managers and salespeople. In this case, personal selling is seen as a marketing communication tool that has the advantage of being able to tailor messages to specific needs but has the disadvantage of high costs. This means that personal selling is usually emphasized in business markets with few buyers, complex products, and sufficient margins to support high costs. In this case, an effective integrated marketing communications strategy usually consists of a mix of personal selling, advertising, and other tools. Where organizational buyer behavior involves the buying situation, buying center, buying process, and buying needs. Furthermore, the account targeting strategy classifies accounts in the target market into categories to develop a strategic approach to selling to each account or group of accounts. Different relationship strategies, sales strategies, and sales channel strategies, in this case, have their own advantages and disadvantages.

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Sales organization structure and sales force deployment are also important considerations in sales management. The sales organization structure involves decisions relating to specialization, centralization, management level, span of control, and line versus staff positions. The appropriate type of sales force specialization depends on the characteristics of the sales situation, such as customer needs, the complexity of the product offering, the market environment, and the professionalism of the sales force. There are advantages and disadvantages to different sales organization structures, and a hybrid approach may be best. In this case, sales force placement decisions involve allocating sales efforts, determining the size of the sales force, and designing territories. Meanwhile, analytical approaches, such as single factor, portfolio, and decision models, can be used to determine the allocation of sales effort, and there are various methods to calculate the size of the sales force, such as the breakdown method, workload approach, and incremental method. The territory referred to here is the assignment of accounts to salespeople, and the territory design process involves identifying planning and control units, determining opportunities, forming an initial territory, and assessing workload. As such, people considerations, such as the relationships that exist between salespeople and customers or sales organizations, must also be considered when making sales force placement decisions.

Salespeople, as described above, need to be selected first, so getting sales talent through recruitment and selection is very important to building and maintaining a productive sales force. The recruitment and selection process involves several key activities, including conducting a job analysis, determining job qualifications, writing job descriptions, setting objectives, formulating strategies, sourcing potential employees, evaluating potential employees, and making hiring decisions. However, legal and ethical considerations must also be taken into account, as discrimination against job candidates is a potential risk, and misrepresentation of the job and the use of stressful interviews can be unethical. Achieving realism and appropriateness during the socialization process is also important for job satisfaction, engagement, commitment, and future performance.

After getting salespeople through the recruitment process, it is necessary to include these salespeople in training because sales training is very important in the socialization of newly recruited salespeople and in strengthening previous training for existing sales force members. In this case, the sales manager is responsible for the overall sales training program, which consists of six interrelated steps: assessing sales training needs, setting training objectives, evaluating training alternatives, designing sales training programs, implementing sales training, and conducting follow-up and evaluation. Sales managers can assess needs through various methods, such as sales force audits, performance testing, observation, surveys, or job analysis. Common sales training needs include product, customer, and competitive knowledge, sales techniques, and time and territory management. In addition, setting sales training objectives is useful for sales managers to prioritize training, allocate resources, communicate training objectives, and gain top management support. Key issues in evaluating sales training alternatives include selecting trainers, determining training locations, and determining training methods and media. Legal and ethical issues are incorporated into sales training because of the increase in product liability litigation. It is recommended to address these issues in sales training through lectures and role plays.

In the context of sales leadership, it refers to all activities undertaken by those in the sales organization to influence others to achieve common goals for the common good of the sales organization and the company. Whereas sales management activities are concerned with planning, implementing, and controlling the sales management process, sales supervision involves working with subordinates on a daily basis. There are several important situational factors in determining the most effective sales leadership approach, and different situations require the use of different leadership styles, relationship strategies, power bases, influence strategies, and communication approaches. In addition to these factors, there are five power bases that influence sales leadership, which include coercion, reward, legitimacy, referral, and expertise. Thus, the influence strategies used by sales managers can be based on threats, promises, persuasion, relationships, or manipulation. So sales managers need to train salespeople by involving continuous sales force development because integrative sales meetings can achieve several sales management functions and fulfill ethical responsibilities that are critical for long-term success in a sales career.

Motivation management and reward systems are also important aspects of sales management. Motivation is determined by three main components: intensity, persistence, and direction. Salespeople are motivated by compensatory and non-compensatory rewards. Financial compensation in this case can be in the form of salaries, commissions, and bonuses, while non-financial rewards can be opportunities for career advancement, personal growth, and recognition. Direct salary and direct commission plans have limitations, while combination plans are the most popular. The appropriate level of financial compensation can be determined through benchmarking methods. Sales reimbursement is controlled through budgets, allowances, and documentation requirements. Sales contests, team compensation, global compensation, and changing reward systems all present challenges for sales managers. Six managerial guidelines for motivating and rewarding salespeople include matching recruitment to job requirements and rewards, incorporating individual needs into motivational programs, providing adequate information and skill development, using job design and redesign as motivational tools, fostering salespeople's self-esteem, and proactively uncovering and eliminating motivational problems.

There are several methods used to evaluate the effectiveness of a sales organization. These methods include sales organization audits, sales analysis, cost analysis, profitability analysis, and productivity analysis. A sales organization audit is a comprehensive evaluation that assesses all aspects of the sales organization, while sales analysis compares sales results to forecasts, quotas, and previous time periods. Cost analysis focuses on the costs incurred to generate sales, and profitability analysis combines sales and cost data to assess profitability. Productivity analysis focuses on the relationship between output and input, while benchmarking and Six Sigma are continuous processes that aim to improve processes and performance by comparing current practices with best practices and eliminating defects in any process.

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In addition to the organization, it is also necessary to evaluate the performance of the sales force. Evaluating salesperson performance, in this case, serves several purposes, including compensation determination, promotion or dismissal decisions, identifying training needs, and improving performance. There are two perspectives for evaluating and controlling sales force performance: results-based and behavior-based. A comprehensive evaluation of sales force performance needs to address four dimensions: behavior, professional development, results, and profitability criteria. Various methods of evaluating salesperson performance include graphical assessment/checklist methods, rating methods, goal-setting methods, and behavior-based rating scales (BARS). Salesperson performance information can be used to identify problems, determine their causes, and suggest sales management actions to address them. Finally, salesperson job satisfaction is very important because dissatisfied salespeople tend to be absent more often, leave the company more often, and work less than satisfied salespeople.

This book is a valuable reference source for sales managers, sales management students, and anyone interested in improving their sales performance. Ingram et al. write this book well, comprehensively, and provide practical insights into the complex world of sales management.

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