SALES FORCE RECRUITMENT

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The sales plan is put into practice through the tasks associated with sales plan implementation. Whereas sales plan formulation focuses on "doing the right things," implementation emphasizes "doing things right." The three major tasks involved in implementing a sales plan are (1) salesforce recruitment and selection, (2) salesforce training, and (3) salesforce motivation and compensation.

1. Sales Force Recruitment and Selection

Effective recruitment and selection of salespeople is one of the most crucial tasks of sales management. It entails finding people who match the type of sales position required by a firm. Recruitment and selection practices would differ greatly between order-taking and order-getting sales positions, given the differences in the demands of these two jobs. Therefore, recruitment and selection begin with a carefully crafted job analysis.

There are some aspects of the marketing strategy which play a decisive part, focusing on the sales force of the enterprise. For instance, the enterprise's politics regarding the market segmentation. The delivery decision of one packet of products and services on the market or, the modification of this packet for satisfying every group of clients can have a real impact on the sales managers' decisions. So, the enterprises have to decide which strategies are best suited, for covering the target market. Philip Kotler has grouped these strategies in *undifferentiated strategies* (without any segmentation), *differentiated strategies* (making a different offer for different clients seen as individuals) or *concentrated strategies* (different offers for many groups of clients). Whatever the segmentation base is, we can appreciate: whether or not we can apply the rule "80/20" - 80% of the deals are made by 20% of the clients, if the structure of segments' and market's composition suffers major changes and what is the effect of this modification on the enterprise's deliveries.

A sales manager must organize the sales force so that all the necessary tasks are done well. A large organization might have different salespeople specializing by different selling tasks *and by* the target markets they serve. Sales managers often divide sales force responsibilities based on the type of customer involved. For example, Bigelow-a company that makes quality carpet for homes and office buildings-divided its sales force into two groups of specialists. Some Bigelow salespeople call only on architects to help them choose the best type of carpet for new office buildings. These reps know all the technical details, such as how well a certain carpet fiber will wear or its effectiveness in reducing noise from office equipment. Often no selling is involved because the architect only suggests specifications and doesn't actually buy the carpet. Other Bigelow salespeople call on retail carpet stores. These reps identify stores that don't carry Bigelow carpets-and work to establish a relationship and get that crucial first order. Once a store is sold, these reps encourage the store manager to keep a variety of

Bigelow carpets in stock. They also take orders, help train the store's salespeople, and try to solve any problems that occur. [McCarthy J., 1993]

It is important to hire *good, well-qualified* salespeople. But the selection in salespeople is a hit-or-miss affair-done without serious thought about exactly what kind of person the firm needs. Managers may hire friends and relations-or whoever is available-because they feel that the only qualifications for sales jobs are a friendly personality and nice appearance. This approach has led to poor sales-and costly sales force turnover.

Progressive companies try to be more careful. They constantly update a list of possible job candidates. They schedule candidates for multiple interviews with various executives, do thorough background checks, and even use psychological tests. Unfortunately, such techniques can't guarantee success. But a systematic approach based on several different inputs results in a better sales force.

A job analysis is a written description of what a salesperson is expected to do, and therefore it differs among firms. This analysis identifies eight major job factors and describes important activities associated with each. Note particularly the frequent mention of customer service functions, relationship building, and the specific reference to personal integrity and selling ethics.

Firms use a variety of methods for evaluating prospective salespeople. Personal interviews, reference checks, and background information provided on application blanks are the most frequently used methods.

The idea that good salespeople are born may have some truth-but it isn't the whole story. A born salesperson-if that term refers to an outgoing, aggressive kind of individual-may not do nearly as well when the going gets rough as a less extroverted co-worker who has had solid, specialized training.

2. Sales Force Training

A salesperson needs to be taught-about the company and its products, and about giving effective sales presentations. But this isn't always done. Many salespeople fail-or do a poor job-because they haven't had good training. Firms often hire new salespeople and immediately send them out on the road-or the retail selling floor-with no grounding in the basic selling steps and no information about the product or the customer.

It's up to sales and marketing management to be sure that the salespeople know what they're supposed to do-and how to do it. A job description is helpful in telling salespeople what they are expected to do. But showing them how to get the job done is harder-because people may be hired with different backgrounds, skills, and levels of intelligence. Some trainees are hired with no knowledge of the company or its products-and little knowledge of selling. Others may come in with a lot of industry knowledge and much selling experience-but some bad habits developed at another company. Still others may have some selling experience but need to know more about the firm's customers and their needs. Even a firm's own sales veterans may get set in their ways and profit greatly by-and often welcome the chance for-additional training.

The kind of initial sales training should be modified based on the experience and skills of the group involved. But the company's sales training program should cover at least the following areas: (1) company policies and practices, (2) product information, and (3) professional selling skills.

Many companies spend the bulk of their training time on product information and company policy. They neglect training in selling techniques because they think selling is something anyone can do. More progressive companies know that training on selling skills can pay off. For example, training can help salespeople learn how to be more effective in cold calls on new prospects, in listening carefully to identify a customer's real objections, and in closing the sale. Training can also help a salesperson better analyze why present customers buy from the company, why former customers now buy from competitors, and why some prospects remain only prospects

Training on selling techniques often starts in the classroom with lectures, case studies, and videotaped trial presentations and demonstrations. But a complete training program adds on-the-job observation of effective salespeople and coaching from sales supervisors.

Whereas recruitment and selection of salespeople is a onetime event, sales force training is an ongoing process that affects both new and seasoned salespeople. For example, new IBM salespeople train for two years, and experienced IBM salespeople are expected to spend 15 percent of their time each year in additional training. Sales training covers much more than selling practices. On average, training programs devote 35 percent of time to product information, 30 percent to sales techniques, 25 percent to market and company information, and 10 percent to other topics, including ethical practices. [Kotler Ph., 2006]

Training salespeople is an expensive and time-consuming process. On the job training is the most popular type of training, followed by individual instruction taught by experienced salespeople. Formal classes and seminars taught by sales trainers are also growing in popularity.

To recruit-and keep-good salespeople, a firm has to develop an attractive compensation plan designed to motivate. Ideally, sales reps should be paid in such a way that what they want to do-for personal interest and gain-is in the company's interest too. Most companies focus on financial motivation-but public recognition, sales contests, and simple personal recognition for a job well done can be highly effective in encouraging greater sales effort.

3. Sales Force Motivation and Compensation

A sales plan cannot be successfully implemented without motivated salespeople. Research on salesperson motivation suggests that (1) a clear job description, (2) effective sales management practices, (3) a sense of achievement, and (4) proper incentives or rewards will produce a motivated salesperson. A study on the attractiveness of different rewards given to salespeople by companies indicates that more pay was most preferred, followed in order by opportunities for personal growth, a personal sense of accomplishment, promotion, liking and respect for peers, job security, and recognition.

Once a firm decides on the general level of compensation, it has to set the method of payment. There are three basic methods of payment: *(1) straight salary,* (2) *straight commission,* or (3) a *combination plan.* Straight salary normally supplies the most security for the salesperson-and straight commission the most incentive. These two represent extremes. Most companies want to offer their salespeople some balance between incentive and security, so the most popular method of payment is a combination plan that includes some salary and some commission. Bonuses, profit sharing, pensions, insurance, and other fringe benefits may be included too. Still, some blend of salary and commission provides the basis for most combination plans. What determines the choice of the pay plan? Four standards should be applied: control, incentive, flexibility, and simplicity.

Of course. *nonmonetary* rewards are also given to salespeople for meeting or exceeding objectives. These rewards include trips, honor societies, distinguished salesperson awards, and letters of commendation. Some unconventional rewards include the new pink Cadillacs, fur coats, and jewelry given by Mary Kay Cosmetics to outstanding salespeople.

Effective recruitment, selection, training, motivation, and compensation programs combine to create a productive sales force. Ineffective practices often lead to costly sales force turnover. U.S. and Canadian firms experience an annual 27 percent turnover rate, which means that about one of every four salespeople are replaced each year. The expense of replacing and training a new salesperson, including the cost of lost sales, can be as high. Moreover, new recruits are often less productive than established salespeople.

The final function in the sales management process involves evaluating and controlling the sales force. It is at this point that salespeople are assessed as to whether sales objectives were met and account management policies were followed. Both quantitative and behavioral measures are used [Meghişan F., 2002].

3.1. Quantitative Assessments. Quantitative assessments are based on input- and output-related objectives set forth in the sales plan. Input-related measures focus on the actual activities performed by salespeople such as those involving sales calls, selling expenses, and account management policies. The number of sales calls made, selling expense related to sales made, and the number of reports submitted to superiors are the most frequently used input measures.

Output measures focus on the results obtained and include sales produced, accounts generated, profit achieved, and orders produced compared with calls made. Dollar/euro sales volume, last year/current year sales ratio, the number of new accounts, and sales of specific products are the most frequently used measures when evaluating salesperson output.

3.2. Behavioral Evaluation. Less-quantitative behavioral measures are also used to evaluate salespeople. These include subjective and often informal assessments of a salesperson's attitude, product knowledge, selling and communication skills, appearance, and demeanor. Even though these assessments are highly subjective, they are frequently considered, and in fact inevitable, in salesperson evaluation. Moreover, these factors are often important determinants of quantitative outcomes.

3.3. Control. The proportion of a salesperson's compensation paid as salary affects how there is close supervision much *control* the sales manager has. It also affects how much supervision is required. A salesperson on straight salary earns the same amount regardless of how he or she spends time. So the salaried salesperson is expected to do what the sales manager asks-whether it is order taking, supporting sales activities, or completing sales call reports. However, the sales manager maintains control *only* by close supervision. As a result, straight salary or a large salary element in the compensation plan increases the amount of sales supervision needed.

If such personal supervision would be difficult, a firm may get better control with a compensation plan that includes some commission-or even a straight commission plan with built-in direction. For example, if a company wants its salespeople to devote more time to developing new accounts, it can pay higher commission for first orders from a new customer. However, a salesperson on a straight commission tends to be his or her own boss. The sales manager is less likely to get help on sales activities that won't increase the salesperson's earnings.

An *incentive* plan can range anywhere from an indirect incentive (a modest sharing of company profits) to a very direct incentive-where a salesperson's income is strictly commission on sales. The incentive should be large only if there is a direct relationship between the salesperson's effort and results. The relationship is less direct if a number of people are involved in the sale-engineers, top management, or supporting salespeople. In this case, each one's contribution is less obvious-and greater emphasis on salary may make more sense.

When a company wants to expand sales rapidly, it usually offers strong incentives to order-getting salespeople. Strong incentives may also be sensible when the company's objectives are shifting or varied. In this way, the salesperson's activities and efforts can be directed and shifted as needed. One trucking company, for example, has a sales incentive plan that pays higher commissions on business needed to balance freight movements-depending on how heavily traffic has been moving in one direction or another.

Flexibility is probably the most difficult aspect to achieve. One major reason that combination plans have become more popular is that they offer a way to meet varying situations.

Flexibility in selling costs is especially important for most small companies. With limited working capital and uncertain markets, small companies like straight commission-or combination plans with a large commission element. When sales drop off, costs do too. Such flexibility is similar to using manufacturers' agents who get paid only if they deliver sales. This advantage often dominates in selecting a sales compensation method

Sales potential usually differs from one sales territory to another, so it is desirable for a compensation plan to offer *flexibility among territories.* Unless the pay plan allows for territory differences, the salesperson in a growing territory might have rapidly increasing earnings-while the sales rep in a poor area will have little to show for the same amount of work. Such a situation isn't fair-and it can lead to high turnover and much dissatisfaction. A sales manager can take such differences into consideration when setting a salesperson's **sales quota -** the specific sales or profit objective a salesperson is expected to achieve.

Flexibility among people is important because most companies' salespeople vary in their stage of professional development. Trainees and new salespeople usually require a special pay plan with emphasis on salary. This provides at least some stability of earnings.

Flexibility among products is desirable because most companies sell several different products with different profit potentials. Unless firms recognize this fact, the salespeople may push the products that sell best-ignoring overall company profit. A flexible commission system can more easily adjust to changing profit potentials.

A final consideration is the need for *simplicity.* Complicated plans are hard for salespeople to understand. Salespeople become dissatisfied if they can't see a direct relationship between their effort and their income. Simplicity is best achieved with straight salary. But in practice, it's usually better to sacrifice some simplicity to gain some incentive, flexibility, and control. The best combination of these factors depends on the job description and the company's objectives.

In conclusion, the sales force follows the marketing strategy of the enterprise for bringing a whole life satisfaction to their clients. We can affirm that any situation of sale is unique, because the context is unique, due to the complex and distinctive personalities and psychological features of the two parts.

The fundamental purpose of the sales agents' recruitment is not only the fluidization of the current deliveries, but also the acquisition of new customers. Today, the sales activity is adapted to any situation, depending, off course, on the clients' particularities and the actual circumstances of the deal. There are no easy answers to the compensation problem. It is up to the sales manager-together with the marketing manager-to develop a good compensation plan. The sales manager's efforts must be coordinated with the whole marketing mix because personal selling objectives can be accomplished only if enough money is allocated for this job. Further, managers must regularly evaluate each salesperson's performance-and be certain that all the needed tasks are being done well. The compensation plan may have to be changed if the pay and work are out of line. And by evaluating performance, firms can also identify areas that need more attention-by the salesperson or management.

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