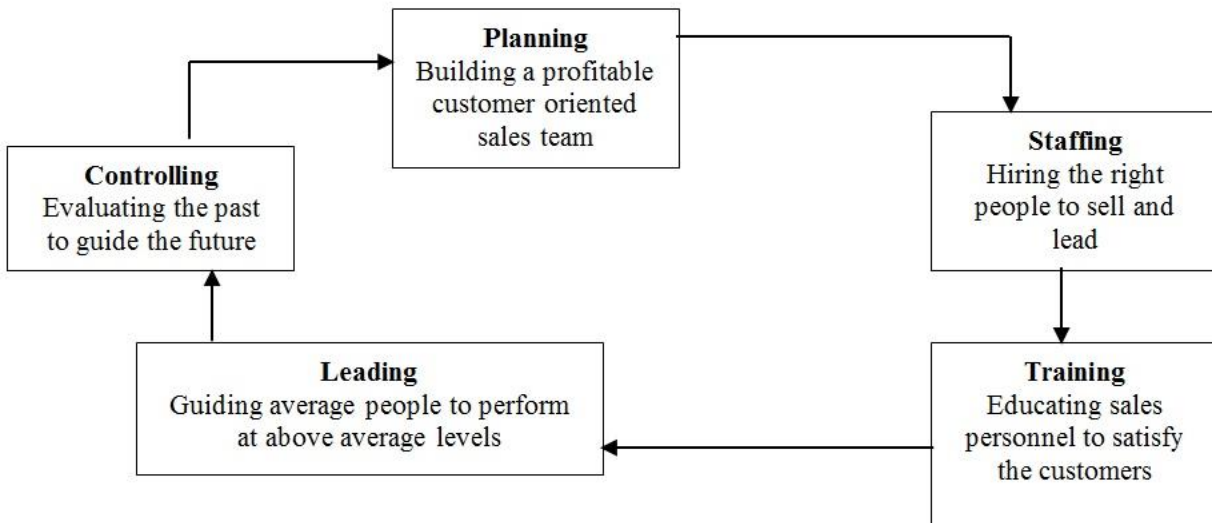


Functions of Sales Managers

The sales manager's job, like those of other line managers, is to make decisions and to see to it that others carry them out. However in marked contrast to the jobs of other marketing managers, the job of the sales manager is more action oriented and less planning oriented. The main concern of marketing management is the "future" and the main concern of sales management is the "present".

Sales managers require a base of experiential and other knowledge, much of which may not be very explicit; this base provides a "feel" for problems and possible solutions. They need keen awareness of company and sales department goals. They must recognise the key business visions of the company and facilitate the contributions (both quantitative and qualitative) of the sales department to realise that. They need the ability to conceptualise problem situations in areas where they have the main decision-making responsibility and in those where they contribute to decisions that have implications in other marketing areas and/or in other parts of the business. In order to perform their jobs, sales managers must know how to analyse information, how to combine its significance with their own experiential knowledge and judgement, how to apply imagination in searching for alternative solutions to problems, how to predict the likely outcomes of different alternatives, and how to choose that alternative with the highest payoff.

Sales Management Functions



Planning
Building a profitable
customer oriented
sales team

Pool Guru™
Share . Care . Grow

Nature of sales management positions

The requirements of the sales manager's job vary from company to company and from position to position within companies. However, certain responsibilities are typically assigned to the same types of managers in different companies. It is possible, therefore, to generalise about the activities and responsibilities of sales managers. Some companies have formulated concise statements of duties associated with various positions, known as job or position descriptions. The general job descriptions of sales managers are discussed below.

Reporting relationship

The sales manager reports to the vice-president of marketing

Job objective

The primary objective is to secure maximum volume of monetary and/or unit sales through the effective development and execution of sales programmes and sales policies for all products sold by the division.

Duties and responsibilities

In working toward achievement of the primary job objective, the sales manager is expected to be concerned with

1. Sales programme: The sales manager takes the initiative in establishing short and long-range sales goals of the division and, in collaboration with other marketing managers, sets sales, profit, growth, market share, and other goals. The sales manager arranges for the development of detailed sales programmes designed to improve competitive positions, reduce selling and other distribution expenses, and reach established sales goals.

The sales manager reviews and approves sales policies, sales strategies, and pricing policies (to the extent that they impact upon sales goals) for all products to ensure that short-term operations are in accord with long-term profitability and do not jeopardise other phases of the company's operations.

2. Organisation: The sales manager establishes an effective plan of organisation, and methods of controlling the activities of members of the sales organisation, that will provide sufficient time for carrying out the full line of departmental responsibilities. The sales manager provides leadership both to immediate subordinates and all levels of the sales organisation in establishing a sound basis for each individual's self-development, and in making certain that rewards are in line with responsibilities and performance.

3. Sales force management: The sales manager identifies promising sources for the recruitment of new sales personnel and sets standards for selection of the most promising recruits. The sales manager provides for the training of new personnel so as to achieve high-level performance in the shortest possible time. At the same time the sales manager provides for the training of veteran sales personnel, so as to improve their performance levels and to prepare them for possible promotion. The sales manager sees to it that there is an adequate supply of sales manager talent for

replacements up through and including the sales manager's own position. The sales manager ensures that sales personnel are properly motivated, so as to achieve optimum sales performance. The sales manager establishes a system of sales supervision that controls waste and inefficiency and points sales efforts into the most Profitable channels.

4. Internal and external relations: The sales manager develops effective working relations with other department heads and the general manager so that significant sales developments can be translated into appropriate courses of action. The sales manager develops and maintains relationships with key accounts that provide maximum long-term participation in their available business. The sales manager develops and maintains effective working relationships with sales, training, and other key personnel in the employ of customers to ensure that cooperation is beneficial to both parties.

5. Communications: The sales manager keeps the vice-president of marketing informed on sales results and future plans of operation.

The sales manager establishes a system of communications with other sales personnel that keeps them informed of overall departmental sales objectives, results, and problems and keeps the sales manager informed of their needs and problems.

6. Control: The sales manager consults with the production manager so that production rates and inventories are geared as closely as possible to actual sales needs. The sales manager reviews and approves sales and expense budgets and evaluates periodically the performance of all sales activities in relation to budget and sales goals and takes such corrective actions as are required. The sales manager delegates authority and develops control records and performance standards to permit a proper balance of time spent on the various activities in this job description.

Performance criteria:

The sales manager's performance is considered satisfactory when the department's money and unit sales are equal to or exceed the quantities budgeted.

The profit contribution of the sales department is in line with plan.

The details of sales plans are in writing and acceptable to marketing management.

The turnover rate of sales personnel is maintained at a level regarded as satisfactory by marketing management.

Generally, the sales manager has two sets of functions viz. operating and planning.

A. The operating functions

These include sales force management, handling relationships with personnel in other company departments and with the trade (middlemen and/or customers), communicating and coordinating with other marketing managers, and reporting to some superior manager (such as the marketing vice-president). In addition, in lower-level sales manager positions, the sales manager sells some accounts personally (to keep a "hand in" and to keep abreast of current selling problems and conditions).

B. The planning functions

These include those connected with the sales programme, the sales organisation, and its control. The sales manager is responsible for setting personal-selling goals, for developing sales programmes designed to achieve these goals, for formulating sales policies and personal-selling strategies, and for putting together plans for their implementation. Sales programmes are put into effect through the sales organisation, and the sales manager is responsible for designing and shaping the sales organisation, for staffing it, for developing the skills of those who are part of it, and for providing leadership to it. Achievement of sales departmental goals requires controls over selling activities, sales volume, selling expenses, and the like. The sales manager is responsible for these and related control activities.

The relative emphasis that sales managers give to the operating and planning functions varies with:

- (1) The type of products
- (2) The size of company, and
- (3) The type of supervisory organisation.

The significance attached to operating and planning functions varies with the product.

- If the product is a consumer good, sales managers attach the greatest importance to planning functions, development of sales programmes, coordination of personal selling with advertising, and building and maintaining relationships with dealers and customers.
- If the product is an industrial good, sales managers attach the greatest importance to the operating functions managing and directing the sales force, making calls with salespeople, and selling personal accounts. Consumer-goods sales managers, in general, spend more time on planning and less on operating than do their counterparts in industrial goods companies.

The amount of the sales manager's time devoted to planning and operating functions is influenced by the size of the sales organisation. Sales managers in small companies spend less time on planning and more on operating. As the size of the company increases, the sales manager devotes more time to planning and less to operating.

Exerting important influences on the way sales managers distribute their time and effort, too, is the type of supervisory organisation. When the sales manager supervises the field sales force directly, he or she spends most of the time on operating functions. When the sales manager supervises the field sales force through subordinate sales managers, more attention is devoted to planning and less to operating. Sales managers who have high-calibre subordinates generally are more willing to delegate most of the performance of the operating functions to them and, consequently, have more time left for planning.

The sales manager will have a number of specific tasks to perform in managing the sales force. These are:

* To determine sales force size: A number of factors will shape the actual size of the field sales force:

- Financial constraints,
- The number of customers, actual and potential,
- The geographical area to be covered,
- Time taken to make calls (five calls a day is a good average),

- The frequency of calls; this will be influenced by the value of the business obtained during visits
- The need for face-to-face contact (i.e. is telemarketing an alternative?)

* To allocate work: The organisation of a sales force can be based on any combination of the following elements:

- Geographic area (this is common, particularly where the organisation's products sell nationwide),
- Products or product groups (in such cases salespeople specialise in a single brand, or group of brands, either because they are dealing with complex technical products, or because the market is so volatile that the salesperson is a market-specialist, for example, in detergents)
- Customers (this occurs when a salesperson deals only with one or a limited number of clients because of their importance in terms of sales volume; known as key account management)

* To support the sales force: It is not just the salesperson's time, travel expenses that make sales force activity expensive. Think of all the support materials that are needed, for example:

- Sales brochures and price lists
- Samples
- Give-aways
- Demonstration aids
- Merchandising
- Order pads and other stationery items
- Laptop computers
- Mobile telephones

- Company cars

*To motivate the sales force: It is important to motivate salespeople in order to raise performance still higher, and to encourage identification with the organisation (sales staff are popularly believed to be rootless). This can be done by:

- Good supervision (i.e. being interested in, encouraging and supportive salespeople),
- Responding to sales force feedback, often an early indicator of a change in the market,
- Target setting: arbitrary targets are usually of short-term benefit, but mutually agreed ones considerably enhance the effect of targets,
- Gradual promotion: to increase self-esteem,
- Financial reward: 'salary only' is less effective than 'salary plus commission'; 'commission only' may keep people on their toes, but can lead to rapid staff turnover.

*To recruit, develop and appraise sales staff - This covers:

- The selection of new staff
- Regular briefings and staff training sessions
- Performance appraisal: quantitatively (e.g. sales volume, number of calls) and qualitatively (e.g. supervisor and self-evaluation of sales skills, customer feedback).

Qualities of effective sales managers

5 qualities common to effective sales managers, as discussed below are most important.

1. Ability to define the position's exact functions and duties in relation to the goals the company should expect to attain:

Sales managers calculate what is entailed in their responsibilities. Whether or not the company provides them with a job description, they draw up their own descriptions consistent with the responsibilities assigned by higher management. Revisions are necessary whenever changes occur in the assigned responsibilities or in company goals.

2. Ability to select and train capable subordinates and willingness to delegate sufficient authority to enable them to carry out assigned tasks with minimum supervision:

Ability to delegate authority is a must. Effective managers select high-caliber subordinates and provide them with authority to make decisions. Within existing policy limits, decisions are made by subordinates; but when an exception falling outside these limits occurs, the superior decides. The more capable the subordinates, the wider policy limits can be and the more the superior's time is freed for planning.

3. Ability to utilise time efficiently:

The time of sales managers is valuable, and they budget it and use it carefully. They allocate working time to tasks yielding the greatest return. They arrive at an optimum division between office work and field supervision. Even the use of off-duty hours is important. Excessive work time and too little leisure reduce efficiency. Successful sales managers balance such leisure-time activities as community service and professional meetings against personal social activities, recreation, and self-improvement.

4. Ability to allocate sufficient time for thinking and planning:

Able administrators make their contributions through thinking and planning. They know how and are willing to think. They recognise that reviewing past performances is a prerequisite to planning. They strive to gain new insight that will bring problems into better focus. Effective sales managers shield themselves from routine tasks and interruptions. Failing this, they retreat to Shangri-Las where surroundings are conducive to thinking and planning.

5. Ability to exercise skilled leadership:

Competent sales managers develop and improve their skills in dealing with people. Although they rely to a certain extent on an intuitive grasp of leadership skills, they depend far more on careful study of motivational factors and shrewd analysis of the ever-changing patterns of unsatisfied

needs among those with whom they work. Skilled leadership is important in dealing with subordinates and with everyone else.

Self-esteem of sales managers

Self-esteem is the respect that one feels for the self. The level of self-esteem could either help or hinder ability to become an effective manager. The higher the self-esteem, the more comfortable sales managers would be with what and who they are today, even as they worked towards what they want to be tomorrow. People with low self-esteem have an urgent need to always win, no matter what even if it is in an area that does not matter to them. Somebody else winning means losing for them. They tend to define themselves based on what they have achieved or accomplished. They always want to make sure that everyone is aware of how successful they are.

A sales manager could be rated as a doing manager or a managing manager based on his low or high self-esteem. A *doing manager* is the one who is responsible for both, personal performance and for managing others. A *managing manager* concentrates solely on managing others' work. They are not assigned personal production expectations, though they have to ensure that their team accomplishes their assigned activities. The issue of self-esteem is one of the major issues most sales managers face in making the transition to a managing manager.

Self-esteem can be evaluated based on skills in three important areas:

View of sales people: Some managers enjoy a feeling that salespeople work for him or her, which is a signal of negative or low self-esteem style of management. Such people usually like to be addressed as 'boss', and enjoy an authoritarian management style.

The source of power: There are two types of power a person can possess:

- a) **Position power:** Position power is derived from the inherent respect people in a company have for a particular job title or assignment. Such power is a poor motivator within a sales force, as very few people actually respect someone because they have to.
- b) **Personal power:** It is the ability to lead and motivate the people. A strong personal power gives definite leadership ability irrespective of title or job description.

A position power sales manager tells his or her people exactly what s/he wants to be done, whereas a personal power sales manager goes to the sales team and asks for their opinions. A sales manager with high self-esteem has a great level of personal power, and hence position power becomes secondary.

- c) The communication style: Statements can be negative, positive or neutral. The ratio of positive to negative communications shows the communication style. The higher the self-esteem, higher the ratio.

Managing and building an individual's self-esteem is the essence of successful management. Managers' competence to manage and build others' self-esteem depends on how they feel about themselves. The more self-esteem a manager possesses, the more easily s/he can manage and create an ambience in which people will be motivated.

Relations with top management

Effective sales managers are well above average in initiative and personal drive. Realising the sales manager's potential, however, depends largely upon relations with top management. Sales managers should want to get ahead, for personal goals are as vital to them as the objectives they set for the sales department, but if they are to achieve these goals, not only must they know-where they are going, but top management must be kept abreast of their progress.

Effective sales managers plan and implement their self-development programmes, and setting definite career goals is essential. They harmonise their own goals with those of the organisation, this being important for maximum progress of individual and company alike. Whenever the sales manager and the company cease to move toward mutually compatible goals, friction causes both to fall short. When this happens, either the two sets of goals must be reconciled, or the manager should leave the firm. Sometimes, sales managers unilaterally reconcile such goal conflicts (usually by adjusting personal goals to fit those of the organisation). More often, they reconcile them through interaction with company top management.

Effective sales managers are highly qualified as problem solvers and decision makers. Consequently, sales managers guard against taking too many of their problems to top management. Asking for help in deciding problems is asking for closer supervision (and less authority). Competent sales managers do not require a close watch over their activities.

Effective sales managers keep top management informed on important decisions and the department's plans and accomplishments. They transmit all ordinary reports promptly, and special reports when appropriate. They exercise restraint in reporting their own activities, but they see that their superiors have all the information needed to evaluate their personal effectiveness. Their reports ensure that top management knows in broad outline the problems encountered in selling the company's products, the ways they are handled, and the results accomplished.

Effective sales managers pay attention to the manner in which they communicate with top management. They do not hesitate to give their superiors the benefit of their thinking, but, unless matters of high principle are involved, they are willing to modify preconceived ideas.

When the sales manager has a great idea and top management is unconvinced, the sales manager must play the role of super salesperson and sell to those with the authority to decide. When the facts do not speak for themselves--when those in authority fail to grasp their full significance--the sales manager, like any competent manager, should bring to bear his or her full powers of persuasion.

Effective sales managers listen and learn. They keep a dated record of important conversations. They refrain from voluntarily discussing the personal competence of fellow managers. They avoid relaying rumors. They control their manager contacts, never missing scheduled engagements without reason. Sales managers following such rules of conduct experience little difficulty in winning top management's confidence and respect.

Relations with managers of other marketing activities

Although sales managers spend most of their time on sales force management, but also are concerned with other marketing activities. The degree of responsibility over these activities, and the amount of time allocated to them, vary with the particular job, but sales managers must always

be concerned with products, promotion, pricing, and distribution in terms of control and coordination.

Relation with Product Management

Product planning and the formulation of product policies require numerous decisions. Periodically each product needs appraising in terms of its profitability and its ability to fulfill buyers' wants. Decisions are made on whether each should be retained, changed or improved, or dropped from the line. Other decisions are made on adding new products and on changes in product design and other features. Still other decisions concern product quality, services rendered in connection with sales, and packaging.

Product decisions are often the shared responsibility of marketing, production, research and development, and financial managers, operating as a product committee. Sales managers provide inputs for these decisions. Their contact with the market through subordinates and sales personnel provide them with feedback about product performance and acceptance generally not available from other sources.

Relations with Promotion Management

Chief marketing managers are responsible for setting promotional policies, but sales managers participate in their formulation. Their knowledge of the market and their control over personal-selling activity make sales managers a key source of information, and they occupy a strategic position in implementing promotional plans. Sales personnel are responsible not only for transmitting sales messages to prospects, but also for securing the use of point-of-purchase displays and for coordinating dealer efforts with advertising programmes. Sales managers, because of their key roles in making and implementing promotional policies, must coordinate closely with other managers in the formulation and implementation of the promotional programme.

Almost every product relies on personal selling as a promotional method at one or more points in the marketing channel. Personal selling's effectiveness traces to the use of personal contact in conveying the sales message to prospective buyers. But personal selling is the most expensive promotional method in terms of cost per sales message transmitted. The proportion of personal

selling in the promotional mix generally must be limited, and it is the sales manager's responsibility to keep selling costs down.

The sales manager makes certain that salespeople keep abreast of current advertising campaigns. Sales personnel need briefing on specific advertising appeals, enabling them to adapt their selling approaches in ways that enhance the total promotional impact. The sales force should know which media are scheduled to carry advertisements for which products and the timing of each ad's appearance. Advertising personnel need access to the sales manager, since this manager is an important source of information about customers, their needs, behavior, and motives.

Sales managers play similar roles with respect to other promotional methods. Decisions regarding the usage of these methods in the promotional mix are normally made by the chief marketing manager or by other specialists. Besides serving as an important source of information, the sales manager secures coordinative efforts by the sales force to ensure that each promotional activity obtains optimum results.

Relations with Pricing Management

When major decisions on pricing policy are required, both the chief marketing manager and the sales manager occupy influential positions in top management councils. Relative to other managers, they generally have much clearer ideas of the prices final buyers are willing to pay, the sales manager because of close and continuing contacts with the market and the marketing manager because of access to pricing information gathered and interpreted by the marketing research staff.

In spite of the fact that these two managers are well qualified to speak with authority on pricing matters, price policies should be formulated and prices should be set by a group of managers. Each department affected should be represented, for pricing policymaking is, by nature, an interdepartmental activity. Included in the policy making group should be representatives not only of the marketing department but also of such departments as production, cost accounting, credit, advertising, legal, and public relations. Pricing policies should result from the cooperative action of the group rather than from compromises among its members.

Once pricing policy is established, its implementation is the responsibility of the sales manager. For example, the pricing committee might adopt suggested list prices, but the sales manager is the

one responsible for informing distributors and dealers and obtaining their conformance. Responsibility for administering prices should be assigned to the sales manager, because the sales department has the closest relationship with the market.

Relations with Distribution Management

Distribution policies are major determinants of the breadth and complexity of the sales department's organisation and functions. Selection of a marketing channel, or channels, sets the pattern for sales force operations, both geographically and as to the classes of customers. It is also necessary to determine the number of outlets for the product at each distribution level, and this affects the size and nature of the manufacturer's sales organisation and the scope of its activities. Furthermore, marketing management determines policies on the amount and extent of cooperation it desires with members of the distributive network-also influencing the size of the sales force, the nature of the sales person's job, the need for sales supervision, and the like. Because of the impact of distribution policies upon the sales organisation and its activities, sales managers play key roles in providing information needed for their formulation, since they are responsible for implementation of these policies.

Field Sales Managers

The first level of management, which could have designations of sales manager, area sales manager, regional sales manager, branch manager, etc. is responsible for supervision and leadership of the entire sales force in order to manage the selling process.

The first level managers play a very important role between the marketplace and the field force. When the situation demands, the field sales managers are required to deal with some key accounts, which are crucial to the firm's profits. The activities of the sales managers are as follows:

1. Analysing the selling situation:

- Review each salesman's performance.
- Measure the trends and conditions of the market dynamics

- Track the changes in the environment

2. *Visualising the long-term goals with planning:*

- Develop sales objectives, strategies and procedures to attain the objectives
- Make the salesmen implement these objectives

3. *Systematise the salesforce to achieve the objectives:*

- Break down the selling jobs into operational jobs
- Craft specific job descriptions
- Select the right salesmen for the task to be performed

4. *Improve the performance of sales team by overseeing their operations:*

- Guide and provide direction to the sales team
- Motivate the sales team to perform better
- Provide training as and when required

5. *Evaluate the performance of the sales team:*

- Measure the performance of the sales team against the standards set
- Take the necessary corrective action, when problems arise.