

The Recruiting Process of Salesforce

The organisation for recruiting and selection of sales personnel varies from company to company. Company size, executives' personalities, and departmental structure all influence the organisation used. Where the sales manager has a personnel staff assistant, recruiting and selection usually is handled entirely within the sales department. Companies with small sales forces sometimes assign sole responsibility for recruiting and selection of sales personnel to the company personnel manager, but this is unusual. It is more common for the personnel department to handle certain, but not all, aspects of recruiting and preliminary screening and for the sales department to handle other aspects of recruiting and screening and to make the hiring decisions.

Placement of responsibility for recruitment and selection of sales personnel in concerns with regional or district sales offices also varies. These functions tend to be centralised at the home office when the firm requires high-calibre sales personnel, such as those needed to do technical selling. Other factors, for example, size of regional and district organisations and location of training programs, make it difficult to draw further generalizations. However, decentralised recruitment and selection result in reduced interviewing costs and time, and facilitate the hiring of local applicants for sales work.

Deciding the size of the sales force

The management need to determine how many number of salesmen required meeting sales volume and profit objectives. If a company has tee few sales persons, opportunity for sales and profits will be unexploited, and if it has too many, excessive expenditure for personal selling reduce net profit.

Three basic approaches are used in approximating the sales force size as discussed below:

1. Workload method:

According to this method the basic assumption is that all sales personnel should share equal workloads. Management estimates the total workload involved in covering entire companies market and divides by the workload that an individual sales person should be able to handle, thus determining the total number of sales people required. The companies applying this approach generally assume that the interactions of three major factors viz. customer size, sales volume potential and travel load determine the workload involved in covering the entire market. The six steps in calculating workload approach is as follows:

a) Classify customers, both present and perspective, into sales volume potential categories assume that there are 1000 customers and prospective customers, classified by sales volume potential as:

Class A: Potentially Attractive = 200

Class B: Moderately Attractive = 300

Class C: Unattractive segments = 500

b) Decide on the length of time per sales call and desired call frequencies on each class. Assume that both present and perspective customers require the same amounts of time per sales call and the same call frequencies per year as follows:

Class A: 60 min/call x 52 calls/ year = 52 hours/year

Class B: 30 min/call x 24 calls/year =12 hours/year

Class C: 15 min/call x 12 calls/year = 3 hours/year

c) Calculate the total workload involved in covering the entire mark considering our example this calculation is:

$$\text{Class a} = 200 \text{ accounts} \times 52 \text{ hours} = 10,400$$

$$\text{Class b} = 300 \text{ accounts} \times 12 \text{ hours} = 3,600$$

$$\text{Class c} = 500 \text{ accounts} \times 3 \text{ hours} = 1,500$$

$$\text{Total} = 15,500 \text{ hours}$$

d) Determine the total work time available per sales person. Suppose in our example, sales manager decides that sales personnel should work 40 hour per week for 48 weeks in a year (allowing four weeks for vacation etc.) then each person has available:

$$40 \text{ hours/week} \times 48 \text{ weeks} = 1,920 \text{ hours/year}$$

e) Divide the total work time available per salesman by task. Assume that management specifies that sales personnel should apportion their time as follows:

$$\text{Selling task} \quad 45\% \quad 864 \text{ hours}$$

$$\text{Non-selling tasks} \quad 30\% \quad 576 \text{ hours}$$

$$\text{Travelling} \quad 25\% \quad 480 \text{ hours}$$

$$\text{TOTAL} \quad 100\% \quad 1,920 \text{ hours}$$

f) Calculate the total number of sales people needed. This is a matter of dividing the total market workload by the total selling time available per sales person.

$$15,500 \text{ hours}/864 = 18 \text{ sales people needed (approx.)}$$

Workload approach is quite useful to practicing sales executives, it is easy to understand and easy to apply.

2. Sales potential method:

This method is based on the assumption that performance of the set of activities contained in the job description represents one sales personnel unit. A particular sales person may represent either more or less than one sales personnel unit. If the individual's performance is excellent, that individual may do the job of more than one unit, if the individual performance is below par, s/he may do less. If management expects all company sales personnel to perform as specified in the job description, then the number of salespersons required equals the number of units of sales personnel required. Generally it is observed sales descriptions are constructed on management's assumption that they describe what the average sales person with average performance will accomplish. With that assumption, then one can estimate the number of rupees of sales volume that each sales person should produce. Dividing this amount into forecast sales volume the company's sales volume objective and allowing for sales force turnover results in an estimate of the number of sales people needed. These relationships are summarised by the equation:

$$N = S/P + T (S/P)$$

By simplifying above equation we get,

$$N = S/P (1+T)$$

Where, N= Number of sales personnel units

This is a simplified model for determining the size of sales force; it does not include the lead time required for seeking out, hiring and training the sales people to the desired level of sales productivity. Difficulty in making estimates for this model varies with the factor being estimated N, I, S, P or T and the company.

3. Incremental method:

The incremental method is the best approach to determine sales force size. It is based on one proposition that net profit will increase when additional sales personnel are added if the

incremental sales revenues exceed the incremental costs incurred. To apply this method an organization needs two important items of information namely:

- Incremental revenue
- Incremental costs

Though this method is conceptually correct, it is also the most difficult to apply. It requires lot of efforts from the organization side to develop a sales response function to use in approximating market behaviour in relation to alternative levels of personal selling efforts, and one needs to have an efficient research and information team in the organisation.

The pre-recruiting reservoir

Because of uncertainties as to when new sales personnel will be needed, many companies have a pre-recruiting reservoir. This is a database of individuals who might be recruited when the need arises. The names of individuals added to the reservoir come from diverse sources such as:

- Volunteer walk-ins ("gate crash")
- People who come by the sales department inquiring about job opportunities
- People who come from chance remarks made by people with whom the sales executive comes into contact at professional meetings, in conversations with customers, at the club or while travelling on field
- People may come from "centres of influence" that have been developed by the sales executive; the centre of influence is a person who occupies a position in which s/he meets many individuals who have high potentials as possible sales personnel and are often seeking suitable job opportunities. Examples of centres of influence include the university/college/B-school faculty of marketing and sales management, the trade association executive, the placement advisor of educational institutions.

Names in the pre-recruiting reservoir should be reviewed periodically so that redundant data may be replaced by useful ones.

Recruiting sales Personnel

Fielding the sales personnel needed to service the company's customers and prospects is a key responsibility of sales management. Having determined the desired kind of sales personnel, implementation requires Job analysis, the writing of job descriptions, and the deriving of job specifications so that recruiters will know the qualifications they should look for in prospective sales employees and sales trainers will know what additional qualifications they should aim to provide newly recruited sales personnel. Having decided the appropriate number of sales personnel, implementation requires recruiting that number initially and replacing those that are lost (for whatever reason). Implementing personal-selling strategy, then, is a never-ending process—the nature of the selling job tends to change rather slowly (so changes in the kind of sales personnel desired are infrequent), but having and keeping the right number of sales personnel is a continual concern.

Recruitment is the process of generating a pool of candidates from which to select the appropriate person to fill a job vacancy. It involves:

- i) **Job analysis:** This is the process of analysing the content to produce an account of the tasks and competencies that comprise a particular job via interviewing job holders and supervisors as well as by observation. Job Analysis includes Task, Job context, Knowledge, Skill and Ability
- ii) **Job description:** This is the document that outlines the purpose of the job, the tasks involved, the duties, and responsibilities, the performance objectives and the reporting relationships
- iii) **Person specification:** This is the document that describes the skills, knowledge, and qualities needed to perform a particular job; translates the job requirements into tangible features that applicants need to demonstrate.

Recruiting and selecting sales personnel is an important part of implementing personal-selling strategy, but it is not all that is involved. Initial sales training is required to bring new sales personnel up to expected productivity levels, and continuing sales training is needed to maintain more experienced sales personnel at high levels of productivity. Motivational and supervisory

efforts help in stimulating sales personnel to apply their skills effectively. It is one thing for sales personnel to know what they are supposed to know, but it is a different thing to get them to apply what they know.

There are three main steps in recruiting and selecting a sales force.

Step 1 is to evaluate the sources from which sales personnel with good potentials are obtainable.

Step 2 is to tap the identified recruiting sources -and build a supply of prospective sales personnel.

Step 3 is to select those who have the highest probability of success.

The recruiting Company looks for Qualifications in individuals according to job requirement. They find the best possible sales people to suit the requirement. An applicant looks for compensation, position, growth or security in a company, which acts as a motivation.

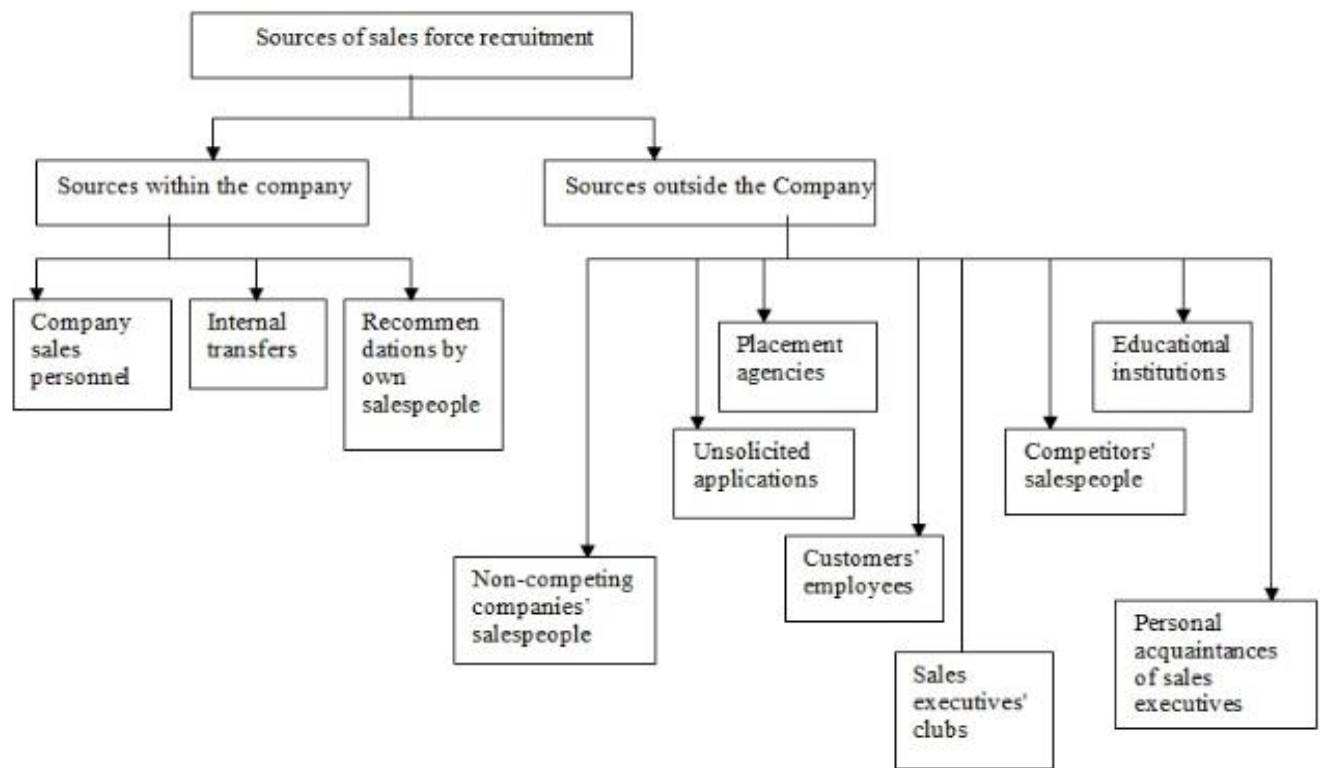
While recruiting, the employers, recruiters or managers whoever in charge look for:

- Education
- Interview performance
- Sales related experience
- Personal appearance
- References
- Psychological test results–aptitude–personality–skills
- Demographic characteristics
- Personal background
- Current status and lifestyle

Sources of sales force recruitment

The sources of sales force recruitment can be classified in two major divisions, viz. the internal source and external source. Each of these broad classifications can further be divided into different sub-divisions as shown in the following figure:

The various sources of sales force recruitment



Sources within the company

1) Company sales personnel:

The salespeople's recommendations may constitute an excellent source. Often such applicants already know something about company policies, and the fact that they apply indicates a favourable disposition toward the company. Salespeople have wide circles of acquaintances since they continually meet new people both on and off the job and also have many friends with similar interests and potentials. Salespeople are a particularly valuable source of recommendations when jobs must be filled in remote territories. Sales personnel in the same or adjacent areas may know more about unique territorial requirements and local sources of personnel than home office executives. However, some salespeople are not discriminating in their recommendations, and their recommendations need careful appraisal.

2) Recommendations by own salespeople:

Recommendations of the sales manager and salespeople are another important source. Sales executives' personal contacts may yield top-calibre people because of their understanding of the needed qualifications. Experience is the way to evaluate each executive's worth as a source of recruits.

3) Internal transfers:

Two additional internal sources are other departments (like production) and the non-selling section of the sales department (like sales accountant). Employees desiring transfers are already familiar with company policies, and the personnel department has considerable detailed information about them. Transfers are good prospects for sales positions whenever product knowledge and not selling aptitude makes up a substantial portion of sales training, since it may be possible to accelerate field assignments.

Sources outside the Company

1) Direct unsolicited applications:

All companies receive unsolicited "walk-in" and "write-in" applications for sales positions; but the unsolicited applications do not provide a steady flow of applicants as the number fluctuates with changing industry and company conditions. Some sales managers favour these types of applicants, as they believe that this indicates selling aggressiveness whereas some others reject all direct applications because they believe the proportion of qualified applicants from this source is low. The most logical policy in treating unsolicited applications should be to consider only those applicants who have met minimum requirements as set forth in job specifications.

2) Placement agencies:

Sales managers traditionally regard employment agencies as unpromising sources. Many use agencies only after exhausting other sources. Many believe that good salespeople neither need nor will use an agency's services. Experience, unfortunately, tends to reinforce such attitudes, because frequently agency referrals fail to meet sales job specifications. Sometimes this traces to agency deficiencies (such as the overzealous desire to receive placement fees), but often the fault is that of prospective employers, who may be using unrealistically high job specifications, may not make the company's requirements clear, and so on. Experiences with individual agencies need re-viewing periodically.

External placement agencies or consultants may be a good source of recruitment. Whenever an agency is used, it should receive a clear statement of the job's objectives and a complete rundown of job specifications. The recruiter should meet with an agency counsellor to assure that pertinent information is furnished and understood. Agencies need time to learn about an employing firm and its unique requirements--considerable gains accrue from continuing relationships with agencies. Agencies often administer batteries of tests, check references, and perform tasks otherwise done by the employer. Of interest to sales Executives is the growing number of agencies that take the initiative in searching' out promising job candidates, employed or not, instead of confining themselves to "volunteer" applicants.

3) Personal acquaintances of sales executives:

The purchasing director is in contact with sales personnel from other companies and is in a position to evaluate their on-the-job performances. The purchasing director meets high-calibre salespeople for whom jobs with the company would be attractive both financially and in other respects. In well-managed companies, the purchasing director, serving as a "centre of influence," contributes names to the pre-recruiting reservoir.

4) Employees of customers:

Some companies regard their customers as a recruiting source. Customers recommend people in their organisations who have reached the maximum potential of their existing jobs. Such transfers may have a favourable effect upon morale in the customer's organisation. A customer's employees should be recruited only with the prior approval of the customer.

5) Sales executives' clubs:

Many sales executives' clubs operate placement services. Salespersons seeking new positions submit personal data sheets that are duplicated and forwarded to members. At club meetings, sales executives have opportunities for informal discussion and exchange of placement information.

6) Sales forces of non-competing companies:

Individuals, currently working as salespersons for non-competing companies are often attractive recruiting prospects. Such people have selling experience, which can be utilised easily. It is especially more applicable for those who have worked in companies in related industries, as they are supposed to have more knowledge about the product, market and consumer behaviour trends. For salespeople who seek to upgrade their employment from their present dead-end jobs, this source provides a channel for career advancement.

6) Sales forces of competing companies:

Because of their experience in selling similar products to similar markets, personnel recruited from competitors' sales forces may require only minimal training. However, competing sales forces are costly sources, since generally premium pay must be offered to entice sales personnel to leave their present positions. Some sales executives, as a matter of policy, refrain from hiring competitors' salespersons since they feel that an individual hired away from one organisation for higher pay or other enticements may be similarly tempted in the future.

In considering the recruitment of individuals currently employed by competitors, a key question to answer is why does this person want to leave his or her present position? When the new job will not improve the applicant's pay, status, or future prospects, the desire to change companies may trace to personality conflicts, or instability. But dissatisfaction with a present job may not mean that the fault is the applicant's. If the applicant has sound reasons for switching companies, there may be an opportunity to obtain a promising person who is ready for productive work.

7) Educational institutions:

This source includes colleges and universities, community colleges, vocational-technical institutes, business colleges, high schools, and night schools. It is reasonable to expect that graduates have attained certain educational levels, the amount depending upon the type of school. Many have training in general business, marketing, and sales techniques. Schools are a fruitful source of new sales personnel at graduation time, and some maintain year-round placement services for their graduates. Recent graduates are new to the labour market and, consequently need not be attracted away from other jobs.

Colleges and universities are important sources of sales and management trainees, and competition is keen for their graduates. Often the graduating senior is in a position to choose from among several job offers. Companies not maintaining close relations with the colleges are at a disadvantage, frequently being unable to obtain appointments on overcrowded campus recruiting schedules and finding it difficult to attract students away from companies' better known .to the college. Even better known companies face stiff competition in hiring the cream of the graduates. A few companies offer sales training programs to outstanding juniors during vacation periods.

Thus, the trainee and the company have an opportunity to evaluate each other, and trainees who prove satisfactory are offered jobs upon graduating.

Recruiting effort

The sales personnel recruiting effort differs from one company to another, mainly as to the sources of recruits and recruiting methods, and stem from management's size up of the appropriate combination of selling styles. Different selling styles call for individuals with varying qualifications as to type and amount of education, other training, and experience. If trade selling is the basic style, the management seeks individuals with minimal or general education and little or no experience. If missionary selling is the basic style, management looks for higher-calibre individuals with specialised educations (as in science or pharmacy, if the job involves calling on physicians or hospitals) or equivalent qualifications, perhaps gained through experience in a similar job with another company. If technical selling is the basic style, management looks for even higher-calibre individuals with scientific or engineering educations and/or backgrounds. If the selling job also involves new-business selling, management looks for individuals with the required abilities to apply this selling style. Therefore, if the job specifications call for special talents, such as knowledge of engineering or pharmacy, then management tends to emphasize educational institutions as sources of recruits and solicits applicants through personal contacts. Conversely, if trade-selling ability is the main job qualification needed, management taps diverse sources and emphasises indirect recruiting methods like advertising in "situations vacant" columns and responding to "situations wanted" advertisements in newspapers and business magazines.

The scope of the recruiting effort is influenced by the number of recruits desired, which, in turn, is influenced by the size and maturity of the sales organisation itself, the sales personnel turnover rate, the forecasted sales volume, distribution channels, and promotional strategy. A large sales organisation must recruit more new people just to maintain its average strength than is true of smaller organisation. Two firms of comparable size (as to sales volume) may have different-sized sales forces, often because one uses a different distribution channel or stresses advertising more in its promotional strategy. As might be expected, companies with high sales personnel turnover rates must do more recruiting than those with lower rates.

College recruiting:

Personal recruiting is used for recruiting graduates of educational institutions. Campus interviewing is often planned as a company-wide affair, because this avoids much duplication of effort. Representatives of different departments do the interviewing, and the personnel department plans and coordinates the drive. In many companies an assistant sales manager shares the responsibility for interviewing students with the regional or district sales manager located nearest the specific campus. In other cases, home office sales executives rotate campus-interviewing responsibilities among themselves; sometimes each returns annually to the same campuses, thus building long-term relationships.

College recruiting requires thorough planning. Statements of trainee requirements should be mailed to college placement officers early, preferably no later than January. The list of colleges, based primarily upon past interviewing experience, is updated, and interview dates are requested. The best months for recruiting June graduates are February, March, and April and March is the most in demand. If the visit comes too late in the spring, interviewers find that many of the best-qualified graduates have already taken jobs. After visiting dates have been confirmed, colleges are sent letters specifying such details as salary, the training programme, and starting date of employment. Some recruiters also send copies of promotional materials, company histories, and application blanks.

College placement officers schedule a 20- to 30-minute interview for each student. All interested students are granted interviews, the only screening device used. The most promising candidates are invited to company offices for follow-up interviews. However, some campus interviewers have the authority to hire if it appears that promising candidates will be lost through delay.

Recruiting direct-to-consumer sales personnel:

One situation where personal recruiting sees widespread use is the direct-to-consumer selling industry where presence of too high number of companies results in that have a difficult time recruiting sales personnel. The type of selling, unattractive to many people, and the uncertainty of earning result in high sales force turnover rates. Experience has taught many of these companies that their best source of new salespeople is their own salespeople so many (if not most) direct-

selling companies offer bonuses (sometimes referred to as "bounties") for each new salesperson recruited.

Recruiting consultants:

Independent firms operate as specialists in recruiting sales personnel for client firms. They maintain contacts with diverse local and national organisations such as schools, training specialists, salespersons' associations (especially applicable for Medical Representatives) and have files identifying possible candidates for sales jobs. Companies using recruiting consultants generally provide the appropriate job descriptions and job specifications. Sometimes, recruiting consultants are referred to as "headhunters," when they are commissioned to locate top-ranking executives.

Indirect Recruiting through Advertisement in newspapers

City newspapers carry numerous advertisements publicizing openings for sales personnel. Such advertisements appear both in classified (situations vacant) and display advertising. Many newspapers now have a dedicated jobs page once a week like Jobs (by The Telegraph on Tuesday), Ascent (by Times of India on Wednesday) or Careers (by Hindustan Times on Thursday). There are mainly 2 types of newspaper advertisements.

- An open advertisement reveals the company identity
- A blind advertisement hides company identity behind a "box number, C/O the publication's name."

For the well-known and respected companies, open advertisements are preferred over blind ones, to attract the best applicants.

Recruiting Brochures

Some companies like insurance companies looking for Insurance Advisors, distribute brochures outlining sales career opportunities to applicants or prospective applicants at job fairs. Besides describing the company and its history, the brochure details the qualifications required for sales

jobs, and the salesperson's duties, responsibilities, and advancement opportunities. Short write-ups on those who are and have been successful company salespeople are included. Effective brochures use pictures, charts, diagrams, and other presentations; some even give the telephone number of a "hot line" where the prospect can get more information.

