Notes –Sales Management

Unit-5

VAISHNAVI VERMA

ASSISTANT PROFESSOR

VISION INSTITUTE OF MANAGEMENT

KANPUR

# UNIT-5

# Recruitment and Selection

### Recruitment and selection of sales personnel

Companies always need employees to help them in realising their goals and objectives as far as operations are concerned. It is the desire of every firm to ensure that they hire the best personnel who will always put the interest of the organisation first to make sure that productivity and desirable results are attained. However, it is never an easy task to select the best employees because people have unique abilities and different ambitions.

When it comes to hiring sales personnel in an organisation, one important aspect that you need to have in mind is that sales require teamwork rather than individual effort. It thus implies that most of them must be willing to be team-players to help in driving sales high. But the fact of the matter is that sales personnel recruitment has to vary from one organisation to the other depending on the needs and products or service of that particular organisation.

### **Factors that influence the Recruitment and Selection of Sales personnel**

### ****Type of product****

Companies that deal with engineering goods or services will indeed require sales staffs that are proficient in technical skills that pertain to the product. The reason behind this is because they will be able to demonstrate to the potential clients how these items work in the process of convincing them to make the purchase. On the other hand, companies offering B2b products need sales personnel who have perfect presentational skills.

### **Designation**

This is also an essential element that is always looked into when hiring sales personnel. The placements usually vary from an ordinary sales staff to regional sales manager. It, therefore, suggests that the approach for recruiting individuals to suit the particular title or rank will also be different. For instance, you will need a regional sales manager that has vast experience, knowledge and understanding of the various sales aspects. This is contrary to hiring an entry-level sales personnel, which probably little knowledge and expertise will be required.

### **Process of recruitment**

Ordinarily, an organisation ought to have a sales department. This is the department that deals with the hiring of sales personnel from recruitment, interviews and ultimately employment. The senior most officers in this particular department such as sales managers and regional sales managers, in conjunction with the human resource department, are involved in the entire process.

It is essential to include all these parties during recruitment process because of it usually a dynamic field and requires a person with strong sales profile. Some relatively small companies may also choose to consult recruitment agencies to help them in identifying the best talents that would suit their needs.

Primarily, there are two methods that companies usually use in recruiting sales team; Internal and external methods. The internal process involves hiring from within, which means existing employees are hired to take the positions that are vacant. It is usually an approach that many people laud within the organisation because it makes it possible for the employees to climb their career ladder from within. The other good thing with this method is that it helps the organisation to use few resources and time during the entire process.

On the other hand, external recruitment involves hiring potential employees from outside of the organisation. The candidates for filling these positions are recruited from other companies to come and feel the required sales positions. It is also an ideal way of hiring because it enables the organisation to get individuals with new ideas on how to carry out the job. But it is also regarded as an expensive and time-consuming process because several things are involved before the required candidate(s) are finally hired.

### **Interviews**

Ultimately, the company will have to put the potential sales personnel they are recruiting into a vetting process to determine their suitability before hiring them. This is the usual way of fine-tuning to get the best talent that makes it possible for you to hire the best out of the selected few.

Summarizing the above, Sales personnel recruitment and selection is generally done in the sales department. Furthermore, this article will outline how exactly can sales personnel be recruited along with sources of recruiting sales personnel.

# Training Sales Personnel

Sales organizations have their own option over the variety of methods and tools of training used for the sales force, depending on its needs and resource constraints. These salesmen training methods may be divided into two individual training methods and group training methods.

### **Salesmen Training: Individual Methods**

Individual sales training methods are micro level training from the angle of each salesman. It is highly personalized which involves direct interaction between the trainer and the trainee. This method is most suitable where sales-force to be trained is limited and needs individual intensive attention. There are two such methods namely — on the job training and programmed instruction method.

### **1.    On the job training**

In this method, the salesman is given the opportunity of observing and performing the selling job of a typical salesman. Keen observation and active participation are two important aspects of learning the job. The trainer observes the performance of the trainee. The trainer corrects him in case of need. This method is also known as **field training method**.

### **2. Programmed instruction method**

In programmed instruction method, the total subject-matter of training is broken down into chunks called ‘Frames’ — the numbered instructional units. Each frame contains specific points, questions. problems and solutions. The trainee is expected to learn through these frames by solving the problems and then verifying them with solutions. He repeats the frame till he gets correct solutions to his problems.

### **Salesmen Training: Group Methods**

### **1. Induction and orientation training**

When a newly appointed employee reports for work, he must be assisted to get acquainted and adjusted with work environment. Thus, it is necessary to give him a friendly welcome when he joins the organization, to get him introduced to the organization and to help him to get a general idea about the rules and regulations, working conditions, etc.

### **2. On-the-job training**

This is considered to be the most effective method of training salesmen. Under this method, the salesperson is trained on the job at his place of work. One of the easiest ways is to give him on-the-job coaching. This enables him to get training under the same working conditions and with the same process, materials and equipment that he will be using for the job execution.

The responsibility of training may be given to his immediate supervisor who knows exactly what he should learn.

### **3. Off-the-job training**

When the job is complicated and requires much technical information or when on-the-job experience has to be supplemented by further knowledge and experience, the employees are required to attend training courses in institutions outside the organization.

Training in a class-room is preferable as the atmosphere is congenial and there would be no fear of interruption of work. In the classroom, actual working conditions may be reproduced to enable the trainees to acquire actual-job experience.

Another increasingly popular technique of training is simulation experience. The widely used ‘case study’ method is a means of simulating experience in the classroom. Similarly, there may be group discussions, brainstorming sessions, and seminars on various problems relating to the job.

### **4. Organization of Lectures**

Under this method, lectures by experts on various aspects of selling are organized by the firm for the benefit of the salesmen (to make the salesmen know the principles of selling). The salesmen attending the lectures take down notes of the lectures. They also take part in the group discussions, seminars and written tests that follow the lectures.

The main advantages of this method are that salesmen get exhaustive information about the products, markets, techniques of selling, etc., and it is an ideal method of imparting factual information. However, this method suffers from a serious defect. That is, lectures provide the salesmen only theoretical knowledge of salesmanship. They do not provide practical training to the salesmen.

### **5. Conducting of Sales Conferences and Seminars**

Under this method, the salesmen are invited to attend the sales conferences at periodical intervals. In such conferences, selling techniques, selling policies of the firm, complaints received from the customers, competition faced by the firm, company’s advertising programme, difficulties faced by the salesmen, etc., are discussed.

#### Merits of conducting sales conferences and seminars

The chief merits of this method are given below:

1. It helps the salesmen to think logically and take balanced decisions.
2. It facilitates exchange of ideas and experiences among the participants. This exchange helps to broaden the knowledge of the salesmen.
3. Salesmen are able to get much information about the latest techniques of selling.
4. It brings administrative staff and sales staff together. This contributes to cordial relationship between the staff of the two departments.
5. It helps to find out solutions by group discussions, for problems for which solutions could not be found out by each individual salesman.

However, this method also suffers from certain limitations. It is a slow and time-consuming method, besides being very expensive.

### **6. Supplying Sales Manuals**

Under this method, sales manuals are prepared and distributed to the salesmen for their guidance. A sales manual is a book prepared by experts to meet the specific needs of the salesmen. Sales manuals contain detailed information, such as the history of the firm, description of the job, product specifications, their prices, sales policies of the firm, selling techniques, etc.

The chief advantages of this method is that the sales manuals serve as ready reference material for the salesmen at work. However, the preparation of sales manual will involve much expenditure.

### **7. Arranging Correspondence Training**

Under this method, postal tuition to the salesmen working in different sales territories is given. The training office of the firm prepares lessons on principles and techniques of selling and sends the lessons to the salesmen by post. The salesmen study these lessons thoroughly. Doubts if any, are referred to the training office by the salesmen by post and clarifications for the doubts raised are received from the training office by post.

### **8. Sending the Salesmen to institutions Offering Courses on Salesmanship**

Under this method, the firm sends the salesmen to institutions which conduct special courses on salesmanship. The tuition fees and other incidental expenses of the salesmen attending such courses are borne by the firm. This method is, no doubt, useful. But it is practicable only in countries like the U.S.A., the U.K. etc., where there are a large number of institutions offering specialized courses on salesmanship.

In countries like India where there are not many specialized institutions offering such courses, this method may not be suitable.

### **9. Arranging for Apprenticeship**

Under this method, a newly appointed salesman is made to work as an apprentice under a senior salesman to learn the art of selling. The newly appointed salesman works under the senior salesman, observes his work and learns the art of salesmanship.

This method helps the salesman to observe and learn the work. But the serious drawback of this method is that some seniors may not teach all the tricks of the trade to the apprentice.

### **10. Arranging for Field Training**

Under this method, the salesmen undergoing training accompany the trainer (i.e., an experienced senior salesman) who actually approaches the prospects with catalogues,
products, etc. The trainee salesmen observe the various steps of the sales talk made by the trainer.

The trainer, after the conclusion of his sales with the prospects, explains to the trainee salesmen the various stages in his sales talk and the selling points he emphasized during the sales talk. After this, the trainee salesmen are asked to approach the prospects and do the job of sales talk, while the trainer observes the whole process.

This gives practical training to the salesmen. However, it is a time consuming process besides being costly.

### **11. Provision of Visual Training**

Under this method, through visual training aids, training is given to the salesmen. Visual, audio-visual and audio aids, such as slides, etc., are used to demonstrate the steps involved in the selling process to the salesmen. Pictures depicting the various stages of the work of a successful salesman are shown to others during certain hours once or twice a week. Tape recorders, record players, etc., are used to record the talks of the salesmen so as to make them improve their style of speaking.

### **Advantages**

Visual aids have the following advantages:

1. Topics which cannot be made clear by explanation can be made very clear through visual aids.
2. Visual aids create more interest in the trainees.
3. They give some sort of practical knowledge to the trainees.

### 1**2. Brainstorming**

Under this method, five or seven trainee-salesmen are grouped under the chairmanship of an experienced salesman. The chairman gives problems to the trainees and the trainees try to find out the solutions to such problems and write the same on notebooks. Either the chairman or the top executives examine the answers and give instructions wherever necessary.

### **13. Case Discussion Method**

The case discussion method is very effective because individual cases and problems are discussed between seminar executives and salesmen. Before discussing the actual cases, some hypothetical cases are framed and discussed at a higher level. The discussion is designed to involve all the salesmen with a view to finding suitable solutions. Sales trainees should identify the problems and choose specific solutions from among the different alternatives available to them.

# Compensation of Sales Force

Sales-force compensation is number one problem confronting every sales management. Compensation, here, stands for the monetary and non­monetary reward given by the firm to, its sales-force in return for the services rendered. Though, compensation stands for contractual payments, there can be non-contractual and ad-hoc payments.

If sales-force recruitment and the training create and develop the manpower needs, the compensation aspect cares for its maintenance in the organization for longer period.

### Significance of sound compensation:

Sales-force compensation is very important because, it directly affects not only the sales costs and the profits but, more significantly, the attitude, interest and the behaviour of salesmen and the nature of their task.

Perhaps, the most difficult task is how to reconcile the conflicting objectives of low sales costs and higher profits on one hand and adequate, attractive earnings with security, on the other.

In that sense, no compensation plan is perfect that meets the needs of management in all respect satisfactorily and sales-force wholeheartedly. At the best, it is the compromise between the two extremes. However; we cannot underestimate a compensation plan that pays well its sales-force.

**In fact, the importance of paying well lies in the following points:**

#### 1. To attract best salesmen:

Gifted, talented and high calibre salesmen are available only at higher rewards, both monetary and non-monetary. Pay more and get the best. In fact, cheap is costlier. Therefore, costlier is qualitative.

#### 2. To keep sales-force contented:

There is direct link between the payment made to the salesmen and their satisfaction. A person is supposed to perform his duties, look at his job well when he is contented or satisfied. Satisfaction being a state of mind depends on what he gets in monetary and non-monetary forms for his job or the efforts put in.

#### 3. To have longing loyalty:

The aim of personnel management is not just to build competent sales-force but have a pool of selected persons expected to serve life-time for the nourishment and nourishment of the selling house.

Loyal and trust-worthy staff makes the organisation rich, dependable and successful. Good pay-masters can expect this.

#### 4. To have sound employer-employee relations:

Bickering, misunderstandings and drags arise mostly due to money matter partial or ill- treatment. The wheels of sales organisation must not squeak. One such wheel is sales-force that can be kept in kilt if paid well and treated well. It is the sound compensation plan that greases the squeaking wheel for frictionless working.

### Compensation Level

Level of sales-force compensation stands for what should be the reasonable compensation for the efforts of the sales-force. Level of compensation is significant to both the employers and the employees.

It is but natural that sales-force expects higher rewards for its efforts and the management is intended to pay lesser amount. The actual level of compensation lies between what the companies intends to pay and the sales- force expects to receive.

However, care must be taken to see that each compensation level is neither too high nor too low for both the extremes are dangerous and undesirable. Higher compensation blunts the sales-staff and makes then complacent and not prepared to move up the higher positions; it also creates good deal of heart-burning.

On the other hand, lower compensation than warranted makes the good salesmen to leave the unit and the continuing sales-force frustrated.

**Whether the level of compensation is going to be high or low is dependent on certain factors. In practice, the actual level of compensation is the compromise of the interacting forces which are outlined below:**

#### 1. Sales competence:

The compensation level is bound to be higher in case of salesmen with calibre, competence or the sales acumen. It is the sales personality experience and other attributes that decide the compensation payable.

#### 2. Extent of advertising:

Sales efforts of sales-force are geared by promotional efforts too. Naturally, higher the level of advertising in the sales organisation, lesser will be the input by the sales-force and hence, lower will be the level of compensation.

#### 3. Degree of training:

A highly trained salesman is quite capable of handling the sales job with ease, confidence and grip. However, the company has invested in him to make him worthy of the sales profession. Hence, more the training intensity, lower will be the compensation level.

#### 4. Financial viability:

It is the financial strength and viability of a sales organisation that puts limits on the levels of compensation. Normally, a company which is well to do will not hesitate to pay higher compensation than the one with moderate means.

#### 5. Bargaining power:

Leaving aside the quality, calibre of salesmen, it is the bargaining capacity that plays a decisive role in putting higher limits. Thus, stronger bargaining capacity of the salesmen fetches them higher compensation level.

#### 6. Method of compensation:

Much depends on the method of compensation plan or the method. We have pure salary and pure commission plan and the combination of the two. The commission plan and salary and commission plan normally work higher compensation level than mere salary scheme.