

Sales force Evaluation & Control

Supervising and Motivating Salespeople

Supervision

- The goal of supervision is to help salespeople work smart by doing the right things in the right ways

Motivation

- The goal of motivation is to encourage salespeople to work hard and energetically toward sales force goals

Sales morale and performance can be increased through:

- Organizational climate
- Sales quotas
- Positive incentives

Sales morale and performance can be increased through:

Organizational climate

describes the feeling that salespeople have about their opportunities, value, and rewards for good performance

Sales Quotas

are standards stating the amount salespeople should sell and how sales should be divided among the company's products

Positive Incentives

- Sales meetings that can provide social occasions to meet management and discuss opportunities and challenges
- Sales contests to motivate the sales force to make additional effort

Perspectives on Salesperson Performance Evaluation

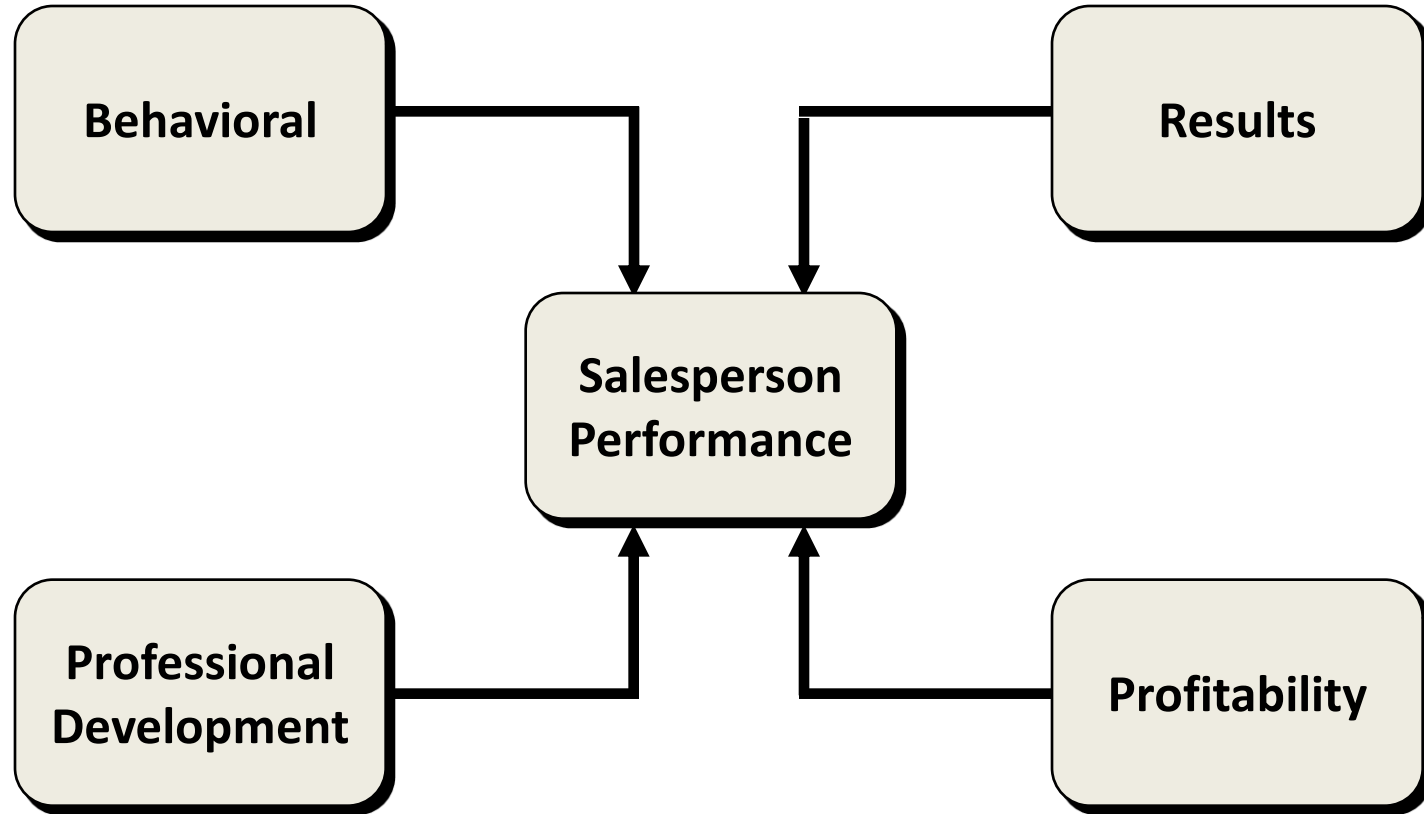
Outcome-Based

- **Little monitoring of people**
- **Little managerial direction of salespeople**
- **Straightforward objectives measures of results**

Behavior-Based

- **Considerable monitoring of salespeople**
- **High levels of managerial direction of salespeople**
- **Subjective measures of salesperson characteristics, activities, and strategies**

Dimensions of Salesperson Performance Evaluation



Criteria for Performance Evaluation

Behavior: Consists of criteria related to activities performed by individual salespeople

- Sales calls,
- customer complaints,
- required reports submitted,
- training meetings,
- letters and calls

Should not only address activities related to short-term sales generation but should also include non-selling activities needed to ensure long-term customer satisfaction.

Criteria for Performance Evaluation

Professional Development:

- **Assess improvements in certain characteristics of salespeople that are related to successful performance in the sales job**
- **Characteristics include - Attitude, product knowledge, initiative and aggressiveness, communication skills, ethical behavior**

Criteria for Performance Evaluation

Results:

- **Salespeople measured objectively based on results such as – sales, market share, and accounts**
- **A sales quota represents a reasonable sales objective for a territory, district, region, or zone**
- **Some research shows that rewards for achieving results have a negative effect on performance and satisfaction**

Elements Important in Assigning Sales Quotas

- **Concentration of businesses within the territory**
- **Geographic size of the territory**
- **Growth of businesses within the territory**
- **Commitment by the sales manager to assist the sales representative**
- **Complexity of products sold**

Elements Important in Assigning Sales Quotas

- **Sales representative's past sales performance**
- **Extent of product line**
- **Financial support (e.g., compensation) a firm provides**
- **Relationship of product line**
- **Amount of clerical support**

Criteria for Performance Evaluation

Profitability:

- Salespeople have an impact on gross profits through the specific products they sell and/or through the prices they negotiate for final sale.
- Salespeople affect net profits by the expenses they incur in generating sales.
- **Criteria Examples**
 - Net profit dollars
 - Gross margin per sale
 - Return on investment
 - Number of orders secured
 - Selling expenses versus budget



Evaluating Salespeople and Sales Force Performance

- Sales reports
- Call reports
- Expense reports

Controlling Sales Activities

Steps in Sales Control Process

1. Establishing Performance Standards.

- nature of the Selling job
- considerable market knowledge

2. Recording Performances

- Sales & expense records
- Sales reports

3. Evaluating Performance Standards

4. Taking Action

Purpose of field sales report.

- 1.To provide data for evaluating performance:
- 2.To help the salesperson plan the work:
- 3.To record customers suggestions & complaints.
- 4.To gather information on competitors activities.
5. To report changes in local business & economic conditions.
- 6.To keep the mailing list updated for promotional & catalogue materials.
- 7.To provide information requested by Marketing research.

Types of sales force Reports

1. Progress or call report:
2. Expense Report
3. Sales work plan
4. New business or potential new business report
5. Lost sales report.
6. Report of complaint.