

LESSON 2

Sales Management and Role and Functions of Sales Person, Role and Functions of Sales Manager

SALES MANAGEMENT

- Introduction
- Definition of Sales Management
- Objectives of Sales Management

ROLE AND FUNCTIONS OF SALES PERSON

- Role and Function of Sales Person

ROLE AND FUNCTION OF SALES MANAGER

- Role and Function of Sales Manager

OBJECTIVES

After studying this lesson, you would be able to understand-

- Meaning and Objectives of Sales Management
- Role and Functions of Sales Person and Sales Manager

SALES MANAGEMENT

“Sales Management” originally referred exclusively to the direction of sales force personnel. Later, the term took on broader significance- In addition to the management of personal selling; “Sales Management” meant management of all marketing activities, including advertising, sales promotion, marketing research, physical distribution, pricing and product merchandising.

As the time passed, modern business experts started to use the term “Marketing Management” rather than “Sales Management” to describe the broader concept.

DEFINITION OF SALES MANAGEMENT

The Definition Committee of the American Marketing Association defined the term "Sales Management" "As the planning, directing and control of personal selling, including recruiting, selecting, equipping, assigning, routing, supervising, paying and motivation as these tasks apply to personal sales force."

In short we can define sales management "As the management of sales force." The sales managers today have been assigned all important functions in connection with selling goods and services to maximizing profits, sales volume, sales growth, maintenance growth and development of sales force and the overall prosperity to the sales organization including that of enterprise.

Objectives of Sales Management

The main objectives of sales management are as follows:

- (1) To achieve adequate volume of sales.
- (2) To provide maximum contribution to profits.
- (3) To project continuous growth of the enterprise.

(1) To Achieve Adequate Volume of Sales

The foremost objective of sales management is to achieve adequate volume of sales. The top management fixes the sales volume to be achieved by the sales management during a given period. This target is fixed on the basis of information regarding market, extent of competition, present and future market conditions, sales potentials, capabilities of sales force and the middlemen, and the like. Once the sales target is fixed, it is up to the sales manager to guide and lead the sales force and middlemen to implement the selling plans and thereby achieve the target so fixed.

(2) To Provide Maximum Contribution to Profit:

The second major objective of the sales management is to provide maximum contribution to profits of the enterprise. In this connection the sales management should bear in mind that whatever formula is adopted to achieve this objective, it should be acceptable to consumers. Generally, the following accounting formulas are followed by the top management.

$\text{Sales} - \text{Cost of Sales} = \text{Gross Margin}$

$\text{Gross Margin} - \text{Expense} = \text{Net Profit}$

Sales management is both directly and indirectly responsible for ensuring the success of this formula. An increase in sales and gross margin and a reduction in the cost of sales and expense both depend on the efficiency, ability and skill of the sales management. Unless its performance is satisfactory, the goal of maximizing the profits can not be achieved. Targeted net profits can be achieved provided the cost of production and distribution is brought down to the minimum. In this connection the sales management can be held responsible for bringing down the cost of sales.

(3) To Project Continuous Growth of the Enterprise:

The third major objective of the sales management is to project the continuous growth of the enterprise as whole. This requires a perfect coordination between different

departments-production, advertising etc. The sales department should work closely with these departments if it desires to have continuous growth of the enterprise as a whole

Role and Function of Sales Person

Since the nature of work done by salesman varies from one job to another and from industry to industry, it is difficult to enumerate the duties or functions performed by all salesmen. Different types of salesmen are to be appointed for different types of work and hence their duties to differ widely. However, in general the following are the major duties which are to be performed by a salesman

1. **Making call:** The first and the foremost duty of a salesman is to call or meet the customers in their respective houses or in their place of business at their convenience. Every possible effort is to be made to make this meeting successful.
2. **Territory Determination and Development:** It is the duty of a salesman to cover the territory as assigned to him as a manufacturer's, wholesaler's or retailer's representative. The object is to contact old and new customers seek business and satisfy them.
3. **Provide Product Knowledge:** Since the customer is not aware particularly to a new product, it is the duty of salesman to provide necessary knowledge about the use of that product and handle minor service calls.
4. **Promote Goodwill:** A salesman promotes the goodwill of the owner and the firm by explaining the policies of the firm and also handling complaints, if any, most satisfactorily and efficiently. The customer is always correct is the principle which he generally follows.
5. **Welcome the Prospective Customer:** As soon as the customer enters the premises, it is the duty of a salesman particularly indoor salesman to welcome him by using very polite words etc.
6. **Increase Sales:** A salesman is appointed for selling the products. Hence he must make every possible effort to increase the sales.
7. **Contributes to Employee's Morale:** The salesman contributes to employee morale by developing the spirit of cooperation amongst the fellow workers discouraging 'gripping'.
8. **Assists the Customer in Selecting the Product:** When different varieties are presented before the customer at a time then it becomes difficult for him to take decision in selecting the right type of product which may be useful for him. Under these circumstances the salesman assists the customer in making right type of selection which may be suited to him.
9. **Acts as a Counselor:** The salesman acts as a counselor in matters of increasing sales such as window displays, show rooms and sales promotion campaigns.
10. **Miscellaneous Duties:** Safeguard the interest of the owner, Provide full information about the product as and when 'emended / required by the prospects', Perform non-selling duties, fulfill responsibilities entrusted by the employer from time to time.

Role and Function of Sales Manager

Duties, role and responsibilities of the sales manager differ widely from company to company and depend upon a number of factors like the size of the organization, the type of the product to be sold, the methods of distribution, size of the market, the number of salesmen. The following are some of the important role and function of the sales manager.

- 1. Compensating the Sales Personnel:** A flexible compensation policy can ensure remuneration for hard work and devotion, otherwise, employee's morale may come down and dissatisfaction among the employee may increase, monetary reward, promotion and transfer should be there to keep the morale and motivation of employees high. The sales force of an organization usually put their whole hearted efforts only when they paid accordingly the sales manager has to determine an attractive as well as reliable compensation policy for the sales personnel.
- 2. Advising Management:** The manager also has to advise the top management about opening new branches or closing down the branches which are not doing well or improving the performance of the existing branches. From time to time sales manager advises the board of directors regarding the location and layout of the sales office and the expansion programmes of the sales department.
- 3. Selection and Appointment:** The responsibility of the sales manager is to appoint the right person in right place. After the appointment, the sales manager assigns the candidates duties and responsibilities. The sales manager selects and appoints suitable sales personnel to work in different department of the sales organization. Selection process includes (a) Inviting application either through advertising or through employment exchange (b) Scrutinizing the applications, (c) Sorting them (d) Calling the candidates for the interview (e) Selecting them through written and / or viva-voce test (f) Medical examination and (g) Finally appointing the selected candidates
- 4. Coordinating and Directing:** The sales manager direct and motivate the sales personnel towards achieving their best performance. The unit can not achieve its objectives in the absence of proper guidance an efficient direction from the sales manager. He assigns duties and responsibilities to the respective heads of different departments. He issues necessary orders, guide and supervise the activities of the subordinates. At frequent intervals manager holds conferences of all department heads, review their working and suggest possible improvement wherever necessary.
- 5. Planning the Sales:** Planning entails the process of studying the past, referring to the present and looking into the future with a fair amount of accuracy, setting of targets or objectives and trying hard to achieve them is the base of planning

and involves a lot of thinking, foresightedness and sound judgment the targets, which are to be set in the sales planning process are :

- (a) Estimating the demand for product and services
- (b) Meeting the consumers demand by the firm
- (c) The capability of sales force in achieving the sales targets.
- (d) Fixing item-wise, product-wise and territory-wise sales targets.

- 6. Training the Sales Force:** The sales manger has to see that new employees are given proper training initially and existing workforce also receiving training at regular intervals to update their skill and knowledge. It is also the duty of sales manager along with the training department to see that the best and most suitable training is given to the sales force.
- 7. Allocation of Sales Territories and Sales Quotas:** The fixation of sales quota varies from organization to organization. Generally quotas are fixed on an annual basis. However, sales quotas are also fixed on half-yearly and monthly basis in order to make periodic assessment. However the sales quota is flexible and can be changed by the sales manager according to the need of the situation. The sales manager divides the whole marketing area into number of sales territories, which is ideally suitable for the organization. Each of such territory is allocated to a particular salesman or a group of salesmen who are given the responsibility of selling in that specific area. The sales manager decides sales quota for each territory.
- 8. Maintaining the Sales Office:** The degree of centralization and decentralization has also to be determined. The organization chart has to be drawn in clear terms so as to determine the vertical, horizontal, inter and intra-personal relations within the sales organization. This ensures a clear understanding of the duties and responsibilities by each personnel in the sales organization.
- 9. Managing Sales Promotion and Advertising:** Sales manager should see that the advertising and sales promotion measures are undertaken in such a way that they contribute to enhance personal effort of the sales force. Sales promotion and advertising activities are of prime importance in assisting the efforts of the sales force. The sales manager has to see that the product to be sold are properly displayed and given adequate publicity with the consultation of the publicity manager, he should identify certain effective media through which the advertising campaign can be done to yield maximum result.
- 10. Controlling the Sales Activities:** Controllable factors need to be put under close scrutiny, evaluation and subject to necessary corrective measures to have a control over the selling activities. Besides, the salesman has to see that accounts are being properly maintained and dues from customers are collected in time. The sales manager should enforce proper control over the selling

activities of the sales force. He should evaluate the actual performance of the sales force as against previously set sales targets, at regular intervals.

11. Studying Market Conditions: The sales manager is also responsible for studying the market conditions at regular intervals. Generally big organizations have a separate market research department. This department undertakes the market research relating to price, discount, terms of payment, publicity, types of products, competition and so on. On the basis of such market research and analysis, the sales manager takes decisions regarding the various selling activities of the organization.

SELF CHECK QUESTIONS

1. What do you mean by sales management? Discuss the objectives of sales management.
2. Discuss the role and function of sales person
3. Explain the role and function of sales manager