

Selling and Relationship Strategies

11

EXHIBIT 11.1 Matching Selling and Relationship Strategies

Relationship Strategy			
Transactions	Solutions	Partnership	Collaborative
Stimulus response			
Mental states	Need satisfaction Problem solving		
		Consultative	Consultative Customized

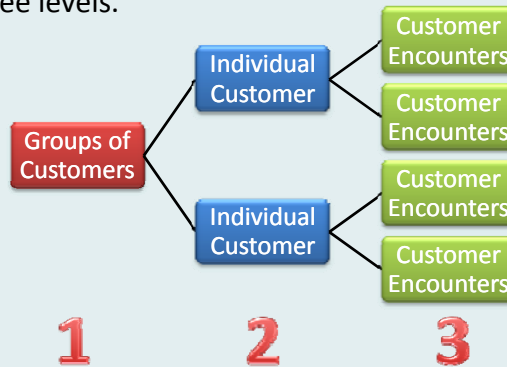
Source: Thomas N. Ingram, Raymond W. Lorange, Ramon A. Arilla, Charles H. Schwepker, Jr., and Michael Williams, *Sales Management: Analysis and Decision Making* (Ammonk, NY: M. E. Sharpe, 2009).

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Developing and Implementing Effective Sales Strategies

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Selling Strategy – Involves the planning of sales messages and interactions with customers. Selling strategy can be defined and executed at three levels.

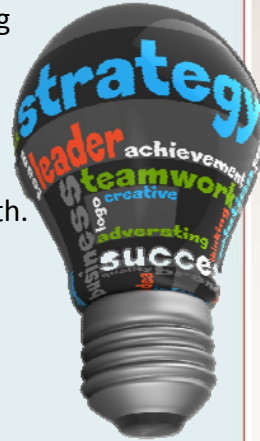


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Sales Channel Strategy

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Determination of how the organization will reach its customers when executing the sales effort. Options include a company salesforce (individual or teams), industrial distributors, independent representatives, internet, telemarketing, and so forth.



independent representatives or manufacturer representatives
Independent sales organizations that sell complementary, but noncompeting, products from different manufacturers; also called manufacturer's representatives or reps.

team selling The use of multiple-person sales teams in dealing with multiple-person customer buying centers.

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1.2 Sales Structure Issues

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Specialization

- The degree to which each salesperson could perform all the selling tasks.

Centralization

- The degree to which authority and responsibility are placed at higher management levels.

Span of Control

- The number of individuals who report to each sales manager

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Sales Organization Alternatives

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EXHIBIT 11.2 Sales Organization Alternatives

Organizational Structure	Advantages	Disadvantages
Geographic	<ul style="list-style-type: none"> • Low cost • No geographic duplication • No customer duplication • Fewer management levels 	<ul style="list-style-type: none"> • Limited specialization • Lack of management control over product or customer emphasis
Product	<ul style="list-style-type: none"> • Salespeople become experts in product attributes and applications • Management control over selling effort allocated to products 	<ul style="list-style-type: none"> • High cost • Geographic duplication • Customer duplication
Market	<ul style="list-style-type: none"> • Salespeople develop better understanding of unique customer needs • Management control over selling effort allocated to different markets 	<ul style="list-style-type: none"> • High cost • Geographic duplication
Functional	<ul style="list-style-type: none"> • Efficiency in performing selling activities 	<ul style="list-style-type: none"> • Geographic duplication • Customer duplication • Need for coordination

Source: Thomas H. Ingare, Raymond W. Luforge, Kenon A. Bell, Charles H. Schmeckel, Jr., and Michael Williams, Sales Management: Analysis and Decision Making (Amosk, NY: M. E. Sharpe, 2004).

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Stage 2.1: Recruiting and Selecting Sales Talent

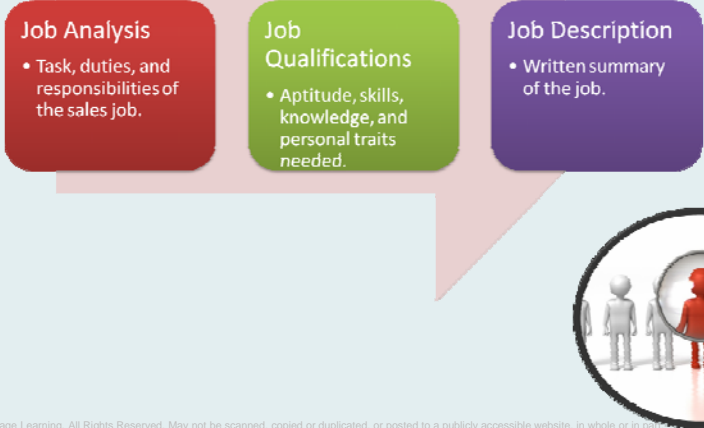
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2.1.1 Recruitment and Selection Process – Planning –

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- Job Analysis**
 - Task, duties, and responsibilities of the sales job.
- Job Qualifications**
 - Aptitude, skills, knowledge, and personal traits needed.
- Job Description**
 - Written summary of the job.

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2.1.2 Recruitment and Selection Process – Locating –

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- Career/Job Fairs
- College Career Centers
- On-line Career Sites
(e.g., Monster.com and Careerbuilder.com)
- Internal (e.g., employee referral)
- Employment Agencies

CAREER FAIR

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2.1.3 Recruitment and Selection Process – Evaluating –

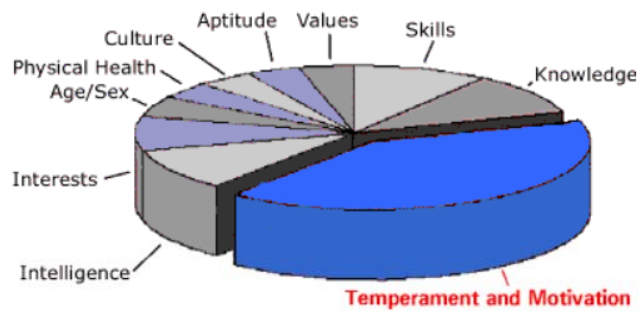
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- Resume Screening
- Interviews
- Assessments
 - Role Plays
 - Written Questionnaires
 - Ride-Alongs
- Background Checks



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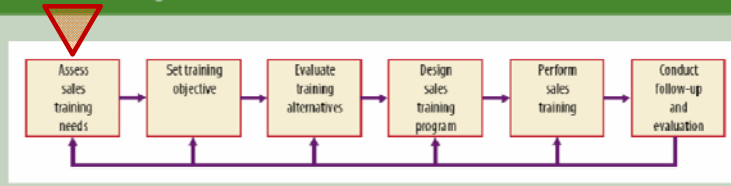


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2.2 Sales Training Process

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FIGURE 11.3
Sales Training Process



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Stage 3: Directing the Salesforce

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Directing the Salesforce

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EXHIBIT 11.3

Multilevel Leadership, Management, and Supervision

	Leadership	Management	Supervision
Senior Sales Leadership	Influencing the entire sales organization or a large subunit by creating a vision, values, culture, direction, alignment, and change, and by energizing action	Planning, implementation, and control of sales management process for entire sales organization or large subunit	Working with sales administrative personnel on a day-to-day basis
Field Sales Managers	Influencing assigned salespeople by creating a climate that inspires salespeople	Planning, implementation, and control of sales management process within assigned sales unit	Working with salespeople on a day-to-day basis
Salespeople	Influencing customers, sales team members, others in the company, and channel partners	Planning, implementation, and control of sales activities within assigned territory	Working with sales assistants on a day-to-day basis

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Directing the Salesforce

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leadership style A general orientation applied to leadership activities. Transactional and transformational leadership styles are two well-known leadership styles.

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The Role of Power

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Sources

- Legitimate
- Coercive
- Reward
- Expert
- Referent

Advice

- Don't be reluctant to use any form of power.
- Be careful not to overuse the power of position or punishment.
- Avoid rewarding all desired job outcomes or behaviors.
- Enhance power through learning and establishing a good working relationship with subordinates.

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Directing the Salesforce

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motivation Composed of three dimensions: intensity, persistence, and direction. Intensity is the amount of effort expended, persistence is the ongoing choice to expend effort, and direction refers to how salespeople spend their time on the job.

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Communication and Coaching

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Coaching:

Focus on continual development of salespeople through provision of feedback and serving as a role model.



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Communication and Coaching

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- Encourage open communication.
- Seek feedback.
- Use persuasion and promises.
- Establish a team approach.
- Encourage self-evaluation and correction.
- Ensure salespeople diagnose success as well as failures.
- Recognize salespeople are individuals.
- Follow-up on coaching sessions.
- Serve as a role model.



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Stage 4: Determining Salesforce Effectiveness and Performance

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sales organization effectiveness An overall assessment of how well the sales organization achieved its goals and objectives.

salesperson performance How well salespeople perform the activities necessary to carry out their sales responsibilities as well as their results and contributions to organizational objectives.



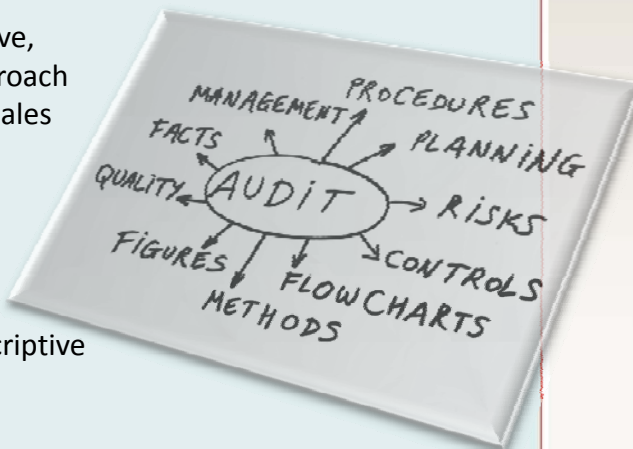
Sales organization structure, strategies, deployment, management, and uncontrollable environmental influences also impact sales organization effectiveness.

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Sales Audit

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A comprehensive, systematic approach for evaluating sales organization effectiveness, which provides management with diagnostic as well as prescriptive information.



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Evaluating Sales Organization Effectiveness

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FIGURE 11.4
Sales Analysis Framework



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Evaluating Sales Organization Effectiveness

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cost analysis Assesses costs the sales organization incurs in the process of generating sales by comparing incurred costs with the planned costs in sales budgets.

profitability analysis Evaluates the results from combining sales and cost data to identify and assess sales organization profitability.



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Evaluating Salesperson Performance 11

360-degree feedback

Involves performance assessments of a salesperson from multiple sources having a relationship with the salesperson.

performance management

A performance evaluation approach that involves sales managers and individual salespeople working together on setting goals, giving feedback, reviewing, and rewarding.

SELF-PERFORMANCE EVALUATION		ANNUAL	Factor	Weight Above (8)	Above (6)
Performance Factors					
1	Quality of Work	Ability to provide neat, accurate and thorough quality work at an appropriate level based on understanding gained through experience, education and training. Adherence to policies and procedures including safety.			
2	Quantity of Work	Ability to produce required volume of work in a timely manner.			
3	Initiative	Competency to start and complete assignments without specific directions, recognize problems and apply or suggest viable solutions; engage in professional growth activities.			
4	Adaptability	Willingness to learn new tasks and adapt to change; establish priorities and handle various tasks simultaneously; perform job under pressure or in critical situations.			
5	Cooperations	Ability and willingness to cooperate with subordinates, supervisors and superordinates to accomplish job requirements and meet the customers' needs to ensure the success of the organization.			
6	Dependability	The extent that the employee can be relied upon to complete work assignments well and on time; willingness to work on when needed and requirements with respect to attendance and punctuality.			

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Evaluating Salesperson Performance 11



Behavior-Based

Evaluation of the activities salespeople perform in the generation of sales and in completing non-selling responsibilities (e.g., training, product demonstrations, sales calls, etc.).

Outcome-Based

Evaluation of the actual sales results salespeople achieve (e.g., sales quota, market share gain, etc.).

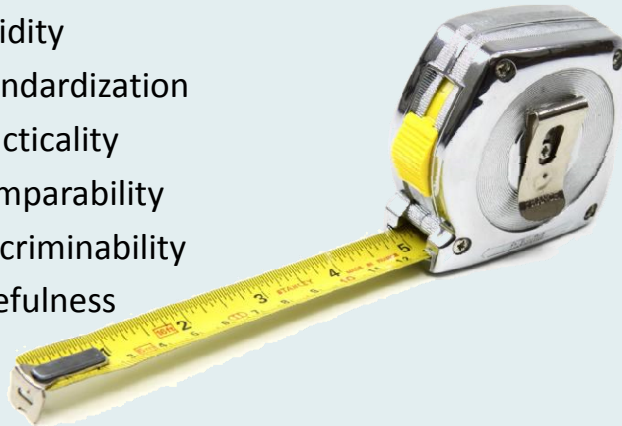
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Criteria for Evaluating Salesperson Performance

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Evaluation Methods Should Possess:

- Reliability
- Validity
- Standardization
- Practicality
- Comparability
- Discriminability
- Usefulness



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