04. SALES FORCE DEVELOPMENT

RECRUITMENT & SELECTION OF SALES PERSONNEL

A sales job is very stressful by nature and the attrition rate in the sales profession is the highest. The vertical growth of salespeople in most organisations is slow, which results in their migrating to other organisations, including those of competitors. A mismatch between the ability and aptitude of a salesperson and the nature of the sales job usually makes a salesperson quit and look for better career prospects. Salespeople are the front end of an organisation and represent the company to the customers. Effective sales recruitment and induction into the organisation improves the company’s image, performance and work environment. Quality manpower helps the organisation to build strategies that can contribute to the long-term success of the organisation.

The hiring and the recruiting of the salespeople is costly and if companies have to frequently resort to recruitments, it will only add to the manpower retention costs. Companies, therefore, need to be careful in selecting their sales staff and ensure that they within the rank and file of the organisation and grow in order to take up additional responsibilities. Only people with the right aptitude and mindset for building a career in sales should be selected. The recruitment and selection of efficient people is always a competitive advantage. Sales managers perform the sales force management function. They execute the entire human resource management function in an organisation. They recruit, select, train, motivate, lead, control and compensate the sales staff for achieving the desired goals of the organisation. While in many companies, the recruitment and selection process is just a vacancy filling exercise, for many successful organisations, however, it is planned process whereby the scientific principles of management are utilised for finding out and filling up the positions in the right territory with the right people.

The Hiring Process

The process of hiring involves four stages. The first stage involves the human resource planning process where key decisions are made on examining a salesperson’s turnover in an organisation, establishing the hiring objectives, conducting the strategic position analysis and deciding on the number of salespeople for a particular period of time. The second stage is called the recruitment stage where decisions are made on identifying the best source of candidates and generating a pool of candidates for selection. In the third stage various techniques are used to identify the right candidate for the organisation. A typical selection process is centred round decisions on the method of screening, conducting interviews, testing, reference checks, and medical examinations. The fourth stage involves the process of socialisation where the new employees are oriented towards the organisation as also to the units or territories in which they would be required to work.

Stage 1 – Planning

This process begins with the analysis of the annual turnover of salespeople of a company to arrive at a sales manpower forecast. Turnover is defined as the average percentage of the sales force that leaves a sales organisation in a given period of time. An analysis of the sales force turnover includes the field sales force, telemarketing staff, support staff and the account managers. The manpower forecast determines the number of salespeople required by the organisation. A sales manager should look at the long and short-term hiring objectives of the organisation when deciding the number of new sales staff. A sales organisation has two types of hiring objectives. The first objective is to plan the replacements of people who have left or would leave in the near future, and the second is the recruitment for expansions and for new market coverage. Hiring when there is an opening in a territory, is known as just-in-time hiring whereas, the hiring of people before a territory opens, on the assumption that a territory will become available in near future, is known as stock piling. Once the hiring objectives are determined, the sales manager conducts a strategic position analysis to determine the number and type of salespeople required by the organisation. The strategic position analysis, which is a systematic procedure that describes the way a sales job is to be performed and the skills and abilities needed to perform the job, helps to identify the qualifications and experience of the applicants required for the sales job and which are included in the job description.

Stage 2 – Recruitment

Recruitment is defined as the process of generating a pool of qualified candidates for a particular job. The purpose of recruitment is to locate the sources of manpower to meet the job requirements and the job specifications. The recruitment process is an act of inducing qualifies and appropriate people to get interested in and apply for a salesperson’s position within a sales organisation. The process starts with prospecting for employees and stimulating them to apply for jobs in the organisation. It is a process by which suitable sources of manpower are identified to fit the organisational requirements. Its aim is to attract qualified job candidates.
The job description helps in identifying the kind of applicant required for the job. Because of uncertainties as to when new sales personnel will be needed, many companies have a pre-recruiting reservoir, which is a file of individuals who might be recruited when the need arises. The names of individuals added to the reservoir come from diverse sources. Some come from volunteer walk-ins – people who come by the sales department inquiring about job opportunities. Others come from chance remarks made by people made by people with whom the sales executive comes into contact – at professional meetings, in conversation with customers, seat partners on planes, and the like. Still others 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 he meets many individuals who have high potentials as sales personnel and who are seeking job opportunities. Examples of centres of influence include the university professor of marketing and sales, the trade association executive, the placement officer of a college, and the like. Names in the pre-recruiting reservoir should be reviewed periodically so as to eliminate very old entries.

Sources of Recruitment
The sources of recruitment are divided into two categories: internal sources and external sources.

Internal Sources: Internal sources of applicants are found within an organisation. The process of recruiting internally achieves two goals – vacancies are filled up quickly and group morale is influenced positively. This process results in lower investments in training and the cost of recruitment is also low. However, the internal recruitment process discourages new recruits to the organisation which adversely affects the jobs that require thinking and creativity. The primary sources of internal recruits are – lateral or upward moves, internal transfers, interns and cooperative students, and employee referral programmes.

- Lateral or upward move: Salespeople can move to higher positions in an organisation after completion of desired years of service or through lateral movements from one territory to another. Most sales managers are hired from the internal sources through the elevation and transfer of the existing sales force. The advantage of such movements is that the incumbents possess the knowledge of the market, the product, and the level of competition based on previous experience within the organisation.
- Internal transfers: Two additional internal sources are other departments and the non selling section of the sales department. Employees desiring such transfers are already familiar with company policies and the personnel department has considerable detailed information about them. While little is known about their aptitude for selling, they often possess excellent product knowledge. Aptitude for selling, of course, can be tested formally or by trial assignments to the field.
- Interns and cooperative students: Interns include all those employees who are either paid part-time or are non-paid and who take up jobs in order to gain work experience while studying. Cooperative students pursue programmes that allow them to take break from studies and work full time for organisations. In this process organisations gain access to free or inexpensive manpower and at the same time get to monitor the performance of the students and include the more efficient ones in the recruitment pool.
- Employee referral programmes: Many organisations value the referrals given by the existing employees like
  - Company sales personnel: Salespeople have wide circles of acquaintances. Many of their contacts have potential as sales personnel – indeed, many now sell for other firms. Salespeople are a particular valuable source of recommendations when jobs must be filled in remote territories; sales personnel may know more about unique territorial requirements and local sources of personnel than the head office executives.
  - Company executives: Recommendations of the sales manager, the president, and other company executives are an important source. Their personal contacts may yield top-calibre people because of their understanding of the needed qualifications.

External Sources: The recruitment sources located outside the organisation from where applicants are recruited are called external sources. Hiring from outside the organisation enables the flow of fresh ideas and thoughts to the organisational environment. External sources of recruitment include – responses to direct and open advertisements, walk-in-interviews, direct unsolicited applications, other industry sources, educational institutions and campus recruitments, employment agencies, networking referrals, and web consultants.

- Advertising: Newspapers, magazines and trade journals are extensively used media for advertisement for ensuring nation-wide competition for several openings. The advertisement should give sufficient information about the company that is advertising the posts. The role and functions of sales persons should be given in a broad manner. The specific educational qualifications should be given along with personality characteristics expected. The compensation package may be included. The advertisement should be drafted in such a manner that it is motivating enough for suitable prospect to apply. The main advantage of advertising sales persons’ position is its capacity to generate a large number of applications in a short time; and at a low cost. The major drawback is the screening involved to weed out unsuitable applications.
Walk-in-interviews: More and more organisations prefer the walk-in method of recruitment over the formal recruitment advertising. Walk-ins include unsolicited applications given by applicants, where the applicants usually desire an interview opportunity to the positions advertised or openings arising in the organisation.

Direct unsolicited applications: All companies receive unsolicited walk-in and write-in applications for sales positions. The most logical policy is to treat volunteer applications the same as solicited applications – applicants not meeting minimum requirements as set forth in job specification should be eliminated; those meeting these requirements should be processed together with other applicants.

Educational institutions and campus recruitments: Corporate houses visit business schools and engineering colleges and select candidates for their organisations. The sales organisation, during such visits, gets a chance to test the various skills of the candidates such as communication skills, leadership qualities, as well as levels of dedication and ability to work in teams. This method offers the advantage of selecting people from a captive source where the quality of manpower is assured and the cost of recruitment is low. This also shortens the selection cycle and time.

Other industry sources:
- Salespeople making calls on the company: Salespeople of other companies who visit an organisation and meet purchase managers stand a good chance of being evaluated on their on-the-job performances. The purchase managers, in turn, may serve as centres of influence.
- The employees of customers: Industrial customers, sometimes, recommend people in their organisations who have reached the maximum potential of their existing jobs. Such transfers may have a favourable effect on the morale in the customer’s organisation.
- Employees of competing and non-competing organisations: These people have work experience and established contacts within the industry, and bring good potential business to the hiring organisation by allowing them to access information about potential candidates.

Employment agencies: Employment agencies include the government established employment exchanges as well as the private employment agencies and placement consultants. These agencies develop databases of employment offers are extended to applicants surviving all the steps. It has to be remembered however; no selection system is infallible; all eliminate some who would have succeeded and recommend hiring some who fail subsequently.

Stage 3 – Selection
Selection systems for sales personnel range from simple one-step systems, consisting of nothing more than an informal personal interview, to complex multiple-step systems incorporating diverse mechanisms designed to gather information about applicants for sales jobs. A selection system is a set of successive screens, at any of which an applicant may be dropped from further consideration. Companies using multiple-step selection systems differ as to the number of steps and their order of inclusion. Each company designs its selection system to fit its own information needs and to meet its own budgetary limitations. A selection system fulfils its mission if it improves management’s ability to estimate success and failure probabilities. Management makes more accurate estimates of the chances that a particular applicant will succeed in a company sales position. As applicants survive through successive steps in the system, the additional increments of information enable increasingly accurate estimates of success and failure probabilities. Employment offers are extended to applicants surviving all the steps. It has to be remembered however; no selection system is infallible; all eliminate some who would have succeeded and recommend hiring some who fail subsequently.
Pre-Interview Screening and Preliminary Interview:
Pre-interview screening is for the purpose of eliminating obviously unqualified applicants, thus saving the time of interviewers and applicants. Almost all companies ask applicants to complete interview application forms, which obtain information on the applicant’s basic qualifications, education, experience, health and the like. The interview application form enables management to detect the presence or absence of predetermined minimum qualifications. Applicants not possessing these minimum qualifications do not receive appointments for interviews. The applicants, on the other hand, are provided information about the company and general details about selling positions in it through a well prepared recruitment brochure. Interested applicants may stay back for the preliminary interview.

The preliminary interview can be handled by a clerk or secretary. This is generally the lowest cost selection step. The preliminary interview is short. Questions about the company and the job are answered while the company employee determines whether the applicant meets minimum qualifications. If this hurdle is passed and the applicant expresses interest, he is asked to fill out a formal application form, and an appointment is made for one or more formal interviews.

Formal Application Form:
The formal application form serves as a central record for all pertinent information collected during the selection process. The completed formal application amounts to a standardized written interview. Sometimes, sections are reserved for later recording of the results of such selection steps as reference and credit checks, testing and physical examination. Ideally, each company should prepare its own formal application form, since no two companies have the same information requirements. But, smaller companies may go for a standard form. They ignore items inappropriate for them and obtain through interviewing needed additional information. Certain items of information relevant to selection decision which are included in the formal application form are – present job, dependants, education, employment status, time with last employer, membership in organizations, previous positions, records of earnings, reasons for leaving last job, net worth, living expenses, and length of job-hunting period. Final decisions as to the items to include on the form should be based upon analysis of the existing sales force. The names, arranged along a continuum - best performer at one end and the worst at the other, is then divided into more parts, for example, good, average and poor.

The Interview:
The interview is the most widely used selection step and in some companies it comprises the entire selection system. No other method is quite so satisfactory in judging an individual as to ability in oral communication, personal appearance and manners, attitude towards selling and life in general, reactions to obstacles presented face to face, and personal impact upon others. A good interviewer reviews the completed application form before the interview and refrains from asking questions already answered. Perusal of the completed application form indicates areas that require further questioning. The usual practice is for several persons to interview and evaluate each applicant. In large organizations, applicants surviving initial formal interviews handled by district or branch sales managers, or their assistants, are invited to the head office for subsequent interviews.

Interviewing Techniques:
*Patterned interview:* The interviewer uses prepared outline of questions designed to elicit basic information.
*Nondirective interview:* The applicant is encouraged to speak freely about his experience, training, and future plans. The interviewer asks few direct questions to keep the interviewee talking. Expert interpretation reveals much about the applicant and yields maximum insight into an individual’s attitudes and interests.
*Interaction (stress) interview:* This form of interview simulates the stresses the applicant would meet in actual selling and provides a way to observe the applicant’s reaction to them. Because of their subtlety, the delicacy
Rating scale: One shortcoming of the personal interview – its tendency to lack objectivity – is reduced through rating scales. The scales are so constructed that interviewer’s ratings are channelled into a limited choice of responses. E.g. in evaluating an applicant’s general appearance, an interviewer chooses one of five descriptive phrases: very neat, nicely dressed, presentable, untidy, and sloppy.

References:
References provide information on the applicant not available from other sources. Personal contact is the best way to obtain information from references; however, a telephone call may substitute for personal contact. Applicants tend to name as references those on whom they can rely to speak in their favour. In addition, there is a tendency for references to be biased in favour of an applicant. These tendencies are partially offset by contacting persons not listed as references but who know the applicant. These people often are excellent sources for candid appraisals and fall into four classifications: Present or formal employers, Former customers, Reputable citizens, and Mutual acquaintances.

Credit Checks:
Many companies run credit checks on applicants for sales positions. Credit files are compiled by local credit bureaus. A heavy burden of personal debt may indicate financial worries interfering with productivity, or a motivating factor serving to stimulate productivity – to determine which requires further investigation.

Psychological Tests:
When used, psychological tests are one of the last steps in the selection system, because of their relatively high cost. The difficulty in validating psychological tests and securing the empirical data to prove that results are predictive of successful job performance, have made more and more companies to either abandon or rely less upon psychological tests in recent years. Results of certain tests may underestimate the true abilities of disadvantaged applicants and cause tests that are valid for the advantaged. Nevertheless, useful and reliable tests are available and it is advisable for test users to employ a psychological testing specialist for purposes of selecting, administering, and interpreting tests. Three types of psychological tests are, generally, used in selection systems for sales personnel. Tests of ability measure how well a person can perform particular tasks with maximum motivation. Tests of habitual characteristics gauge how prospective employees act in their daily work normally. Achievement tests measure how much individuals have learned from their experience, training, or education.

Physical Examination:
Since good health is important to a sales person’s success, most companies require physical examinations. Because of the relatively high cost, physical examination generally is one of the last steps. However, if physical condition is critical to job performance, it may be positioned earlier in the selection system.

Stage 4 – Socialization
It is defined as the process of orienting a new salesperson to the sales organisation or the territory or division in which he or she will be working. Socialisation is the process by which new employees are introduced to their work environment, territory, and to the job. Without a proper socialisation programme, the new employee may misunderstand the sales goals, the organisation mission, and chain of command in the organisation. The process of socialisation is divided into three broad stages – anticipatory, encounter, and settling in. In the anticipatory stage, the new employees, who have certain pre-determined expectations about the organisation and the job, are subjected to an exercise called realistic job preview (RJP). In this method, a sales manager provides a realistic picture of the job demand, the organisation’s expectations of the salesperson, and the work environment in the organisation. RJP can be presented orally, in a written format, or in a videotape, either to the applicants or to the final list of candidates. In the encounter stage, the new employee has started working on the job and may, while facing reality, need additional information about company policies, procedures, rules of the job, reporting relationships, and other details. Such an attempt to provide new information helps in forming a better image of the company. In the settling in stage, the new employees start feeling that they are part of the organisation. If this stage is successful, the worker will feel comfortable with the job and his role in the sales territory. A program called ‘employee mentoring’ performed under the supervision of an experienced employee helps the new employee to settle down with the job and in the organisation with success.
06. SALES TRAINING

The purpose of sales training is to achieve improved job performance. Training substitutes for or supplements experience, so sales personnel given training reach high job performance levels earlier. If sales training helps new sales personnel to perform their jobs satisfactorily, the rate of sales personnel turnover declines, recruitment and selection costs fall, and overall efficiency of the personal selling operation climb up.

Considerable opportunity exists for improving sales force effectiveness through training. The overall efficiency of a company’s personal selling operation is influenced by the state of relations with customers and prospects. The sales force plays a crucial role in moulding and maintaining these relations. Experienced sales personnel maintain better continuing relations with established accounts and make better impressions on prospects. Sales training contributes through accelerating the process of learning through experience.

There are several types of sales training programs. The most comprehensive and longest is the induction training program for newly recruited sales personnel. More intensive and shorter programs on specialised topics, as well as periodic refresher courses—collectively known as continuing sales training—are presented for experienced sales personnel. In addition, many companies offer sales training programs for sales personnel of their distributors and dealers. Some sales training programs are designed to develop individuals as sales trainers or as junior level sales executives like district or branch sales managers. Each type of program serves a different purpose, and its content reflects that purpose.

**A-C-M-E-E Model**

Building a sales training program requires five major decisions. Some sales training specialists refer to these decisions as the A-C-M-E-E decisions—Aim, Content, Methods, Execution, and Evaluation. The specific training aims must be defined, content decided, training methods selected, arrangements made for execution, and procedures set up to evaluate the results.

The aims, contents and methods steps are the why, what, and how decisions, while the execution step is the who, where and when decisions. The evaluation step is the appraisal of results, that is, the extent to which the ‘why-s’ were accomplished. Evaluation requires comparison with the program aims.

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**Defining Training Aims**

General aims are translated into specific aims phrased in operational terms. Specific aim definition begins with a review of general aims and the means currently employed to attain them. The process cannot be completed until sales management perceives the training needs from which specific training aims derive directly.

**Identifying Initial Training Needs**

Determining the need for, and specific aims of, an initial sales training program requires analysis of three main factors: job specifications, trainee’s background and experience, and sales related marketing policies.

- **Job specifications**: The qualifications needed to perform the job are detailed in the job specifications. The set of job specifications needs to be scrutinised to ascertain the points on which new personnel are most likely to need training.
- **Trainee’s background and experience**: Each individual enters an initial sales training program with a unique educational background and experience record. The gap between the qualifications in the job specifications and those a trainee already has represents the nature and amount of needed training. In some organisations, where training mechanisms are highly flexible, information about trainees’ qualifications makes possible some tailoring of programs to individuals, increasing both trainee satisfaction and program efficiency.
- **Sales-related marketing policies**: Differences in products and markets mean differences in selling practices and policies. To determine initial sales training needs, sales related marketing policies must be
analysed. Differences in product, price, promotion, and physical distribution all have implications for initial sales training. Selling a line of machine tools requires emphasis on product information, whereas selling non-technical products demands emphasis on sales techniques. If advertising is relatively little, sales training should prepare sales personnel to handle considerable promotional work, but if advertising is used extensively, new sales personnel need to learn how to coordinate their activities with advertising.

Identifying Continuing Training Needs
Determining the specific aims for a continuing sales training program requires identification of specific training needs of experienced sales personnel. Basic changes in products and markets give rise to needs for training, as do changes in sales-related marketing policies, procedures, and organisation. Sales management must know a great deal about how sales personnel perform to identify training needs and define specific aims.

Deciding Training Content
The content of a sales training program derives from the specific aims that management formulates after analysing its training needs. Initial sales training programs provide instruction covering all important aspects of performance of the sales-person’s job; continuing programs concentrate on specific aspects only. Every initial sales training program should devote some time to each of four main areas: product data, sales technique, markets, and company information.

• Product data: New salespersons must know enough about the products, their uses, and applications to serve customers’ information needs. Companies with technical products need to devote more time in product training. For standardised products sold routinely, new sales personnel require minimal product training. Product knowledge is basic to a salesperson’s self-confidence and enthusiastic job performance. Understanding product uses and applications is also very important. Salespersons need to know the features of the products and how to convert these features into benefits for solving the customer’s problems. Some training on competitors’ products is also desirable.

• Sales technique: New salesmen need basic instruction in how to sell. The scientific selling process needs to be explained and different steps such as prospecting, approach for seeking an appointment, closing techniques, objection handling etc practised through role playing and other training methods.

• Markets: The new salesperson should know who the customers are, their locations, the particular products in which they are interested, their buying habits and motives, and their financial conditions. The salesperson needs to know not only who buys what but, more important why and how they buy.

• Company information: The training program should include coverage of sales-related marketing policies and the reasoning behind them. The salesperson needs to know company pricing policy and other policies such as those relating to product services, spare parts and repairs, credit extension, and customer relations.

Selecting Training Methods
It is important to select those training methods that most effectively convey the desired content. The program content often limits the training method to be adopted. If the content is a new policy on vacations and holidays, the training methods like role playing and demonstration are ruled out and lecture method supplemented with visual aids may be adopted.

Sales Training Methods

Individual Training Methods
  a. On-the-job Training
  b. Programmed Learning

Group Programs
  a. Lecture
  b. Personal Conference
  c. Demonstration
  d. Role-Playing
  e. Case Discussion
  f. Gaming
  g. Correspondence Course
There are a variety of training methods to choose from:

- **The Lecture**: The most ancient instructional method, in which trainees mainly watch and listen. Although some versions of lecturing permit questions, the lecture method features passive, rather than active, trainee participation. A lecture can be effective if the lecturer is able and enthusiastic and uses examples, demonstrations and visual aids. Lecturing may be the only practical way to handle instruction when the training group is too large to permit constructive audience participation.

- **The Personal Conference**: In a personal conference, the trainer – often a sales executive or supervisor – and the trainee jointly analyse problems such as effective use of selling time, route planning, and handling unusual selling problems. The personal conference is an unstructured and informal method and may be held in offices, restaurants, outside the prospects home (kerbstone conference), and elsewhere.

- **Demonstrations**: Effective sales trainers use demonstrations to the maximum extent because they enliven an otherwise dull lecture.

- **Role Playing**: This method has trainees acting out parts in contrived problem situations. The role-playing session begins with the trainer describing the situation and the different personalities involved. The trainer provides needed props, and then designates trainees to play the salesperson, prospect and other characters. Each plays his or her assigned role, and afterward, they, together with other group members and the trainer, appraise each player’s effectiveness and suggest how the performance of each might have been improved. In another version, a training group is given information on, for example, a buyer’s objection to a particular product and then is asked to extemporise a solution. This gives individual trainees a chance to apply what they have learnt.

- **Case Discussion**: This method, also called a sales seminar, begins with the trainer making a brief oral presentation on an everyday problem. General give-and-take discussion follows. Group members gain an understanding of many problems that otherwise is acquired only through long personal experience.

- **Gaming**: Also known as simulation, this method somewhat resembles role-playing, uses highly structured contrived situations, based on reality, in which players assume decision-making roles through successive rounds of play. A unique feature is that players receive information feedback.

- **On-the-job Training**: Also called the coach-and-pupil method or field-training, this method combines telling, showing, practising, and evaluating. The trainer begins with describing particular selling situations, explaining various techniques and approaches that might be used effectively. Next, accompanied by the pupil, the coach makes actual sales calls, each one being followed by discussion and appraisal.

- **Programmed Learning**: This method breaks down subject matter into numbered instructional units called frames, which are incorporated into a book. Each frame contains an explanation of a specific point, plus a question or problem for the trainee to use in testing his understanding. Trainees check answers by referring to another designated frame. If the answer is correct, the trainee is directed to new material; if it is incorrect, additional explanation is provided and the trainee is rested before going on to new material.

- **Correspondence Course**: This method is most appropriate where personnel are scattered over large geographical area, and assemble only periodically.

**Execution Arrangements**

Execution of sales training program is concerned with three questions – *Who*, *When*, and *Where*.

**Who?**
- **Who will be the trainees**: Identifying the trainees is more complex for continuing sales training programs than initial trainings. In most companies the general practice is to select trainees based on the following four criteria – Reward for good performance, Punishment for poor performance, Convenience of trainees and trainers, and Seniority.

- **Who will be the trainer**: If the sales training program is considered as a line function, training responsibilities are assigned to top most sales executives. If the training program is considered as a staff function, training is done by the personnel director and the sales department has an advisory role.

**When?**

Newly recruited sales personnel should receive formal group training before starting to sell. Continuing sales training programs may be scheduled at a regular interval or as and when need for training arises.

**Where?**

Some sales training programs are held at the branch offices, while some are held only at the head office.

**Evaluate Results**

The evaluation step focuses on measuring program effectiveness. A sales training program represents investment of time, money, and effort. Sales management expects returns commensurate with the investments. The starting point is to compare the program’s aim with the results – such as improved selling performance. But, the core of the measurement difficulty is in determining the training results.