

A

Seminar report

On

Sales Management

Submitted in partial fulfillment of the requirement for the award of degree
Of MBA

SUBMITTED TO:

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Preface

I have made this report file on the topic **Sales Management**; I have tried my best to elucidate all the relevant detail to the topic to be included in the report. While in the beginning I have tried to give a general view about this topic.

My efforts and wholehearted co-corporation of each and everyone has ended on a successful note. I express my sincere gratitude towho assisting me throughout the preparation of this topic. I thank him for providing me the reinforcement, confidence and most importantly the track for the topic whenever I needed it.

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Introduction

Sales Management has two schools of thought: Sales as an ART and Sales as SCIENCE. But this argument is invalid since sales personnel can be trained /groomed for selling. Hence, it is strategic function.

In mature industries, salespeople face more objections on the issues related pricing; in emerging sector like IT customer's complaints are related to adaptability of technology. In retail selling, demonstration efforts are less significant, whereas in business to business the seller has to demonstrate the product and its function. In hi-tech consumer product consumer education is very important.

This indicates that sales people must work strategically in different situation and different conditions etc. They are like market intelligence team, which works closely with customer and posse's information about customer and their behavioural pattern. It helps the organization in demand forecasting, territorial redesign and collecting competitor's information

“Sales management” is originally referred as systematic management tool used for directing sales force personnel. As per American Marketing Association's sales management means “the planning, directing and control of personal selling, including recruiting, selecting, equipping, assigning, routing, supervising, paying, and motivating as these tasks apply to the personal salseforce.”

Although in modern times the concept of sales management has broaden, sales managers are in charge of personal selling activity .Sales managers are responsible for organizing the sales effort, both within and outside their companies.

Within the companies sales managers build formal and informal organizational structure that ensures effective communication with sales and other departments.

What is sales management?

Sales management is a business discipline which is focused on the practical application of sales techniques and the management of a firm's sales operations. It is an important business function as net sales through the sale of products and services and resulting profit drive most commercial business.

Objectives of Sales Management

Sales management entails numerous objectives which are executed by sales managers. There are mainly three such objectives

1. Sales Volume
2. Contribution to profits
3. Continuous Growth

The sales executives in this case are the ones who help implement these objectives. However it is the top management who has to outline the strategies to achieve these objectives of sales management. The top management should provide products which are socially responsible and are marketed in a manner which meets customers expectations and does not break it. Thus sales management involves a strong interaction between Sales, marketing and Top management.

Importance of Sales Management

Even if you have a knack for closing deals or have effective brochures, advertising and website pages for generating individual sales, that's often not enough to maximize your profits. Using a variety of sales management techniques to reach that extra 5 percent to 10 percent of your potential can mean the difference between keeping your head above water and generating profits that fund your continued growth and expansion.

Sales Management

Sales management includes more than tracking the business you book and providing support for your sales team. It starts with helping develop the right products, setting the right prices and distributing in the right places, and continues with marketing messaging, customer service and other selling efforts. All of these efforts must be coordinated so one doesn't interfere any of the others. Setting plans, monitoring them and tracking results lets you continue to adapt, eliminate weaknesses and take advantage of opportunities.

Improves Product Development

A sales management program includes having your sales staff keep in close touch with customers and watching the competition to determine if your product line is as relevant as it can be. Adding a new product to your line, changing or eliminating features or dropping items from your product mix can all help you maximize your sales and profits. Conduct regular reviews of what you sell to make sure you offer the optimal product or service to generate high sales volumes and profit margins.

Optimizes Distribution

Sales reports not only provide you with information about what's selling and how much you're selling, but where you are making your sales. A sales management program evaluates your distribution methods and maximizes their use. For example, if your online sales are strong but your retail volumes are lagging, you might find this is because customers get more information when they shop online, helping them buy with confidence. To improve retail sales, you might provide better retailer training, more in-store promotions and change your product packaging.

Better Financial Decisions

Some of your best-selling products, in terms of volume, might provide your lowest profit margins, causing a burden on your production and administration departments. Detailed sales reports provide you with information on your overhead and production costs, cost-of-sales expenses and profit margins. A low-margin item with high sales volumes might provide a nice profit margin, making it a no-brainer item to keep in your line. If you can eliminate this item, causing a corresponding increase in higher-margin item sales, you might want to discontinue

selling it. Sales management looks at the profit contribution, opportunity cost and impact of carrying each product on your operations.

Improves Staff Quality

A sales plan is only as good as the people who use it, and a key part of any sales management program is recruiting, training and managing sales staff. This includes developing their product knowledge, coaching them on calls, improving writing and presentation skills and helping them work their territories effectively.

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Types of Sales Managers

The role of a sales manager is to oversee and motivate the sales staff. According to the American Society for Training and Development, sales managers most often come up through the ranks and get promoted following a successful sales career. Each manager brings a different set of strength and skills to the job. As a sales manager, you may fall into a certain type, but to be truly effective, you should incorporate the characteristics of each of the various types of managers.

Hands-On

At first, you may be more inclined to operate as a hands-on manager because of your own effectiveness in sales. The hands-on manager is on the sales floor, in meetings with clients and involved in closing sales. While you may get the job done, you may not be fulfilling your duties to your sales staff by providing them with the support and training they need to excel.

Reactive

Without a clear plan and definite rules for your sales staff, you could end up being tagged as a reactive sales manager. When you find yourself putting out fires, responding to customer complaints and reporting to the executive office more than participating in planning sessions with your sales staff, you may be developing a reactive style of management that could lead to burnout.

Coach

The coach acts as a teacher and mentor for the sales staff and stands back to watch each salesperson's presentations. This type of manager allows salespeople to make mistakes and follows up with regular sessions to go over the sales approach, guiding salespeople and listening to their problems. If you want to be a coaching manager, you have to prepare to lose some of your numbers while you remain in the background. This could make your own bosses unhappy if they don't understand the approach.

Tyrant

The tyrant sticks to the facts, continually bombarding salespeople with numbers, quotas and threats. The tyrant is demanding, constantly pushing the sales staff for results. Managing a sales staff through fear can get results in the short run, but salespeople usually come to resent the tactic. When you need team support for your staff to rally around a common goal, they might be reluctant to give you the support they don't receive from you.

Cheerleader

The cheerleader is a motivator who's often seen as a positive force by the sales staff. As a cheerleader, you may give your staff sufficient praise but have trouble pointing out problems or areas that need developing. The cheerleader runs contests and gives prizes for exceptional sales efforts, but such incentives can be hard to get from top management.

Controlling

The controlling manager resembles the hands-on manager in some ways, but where the hands-on manager is energetic and involved, the controlling manager micromanages salespeople and doesn't let them take the initiative. If you find yourself becoming a controlling manager, you need to learn to delegate or you will burn out and alienate your sales staff.

Evolving

An evolving manager seeks new ways to build sales and experiment with novel techniques to motivate the sales force. If this is your style, you need to balance the innovation with consistency to avoid being seen as wishy-washy. Don't leave your staff wondering what work will be like next week when you try yet another new approach to sales management.

Process



Principles of Sales Management

- 1. Manage your people individually.** To be a successful sales manager, you cannot manage your people in groups. It's appropriate to give praise in a group environment, and I encourage you to do so. But whenever you're training, giving constructive criticism, taking disciplinary action, or providing a coaching session, do it one-on-one, privately.
- 2. Lead by example.** Your people look to you to provide a positive example. Managers who follow the "Do as I say, not as I do" maxim will lose the respect of their staffs. You must follow all the policies, procedures, and standards of your company. In fact, a successful sales manager has higher standards and stricter policies than the company requires. To be a leader, you must have self-discipline.
- 3. Instill discipline in your organization.** People want to live and work in an environment that has justified rules and regulations. Could you imagine living in a society without laws or an entity to enforce them? You must know the reasons and justifications for the rules and regulations, be able to explain them, be willing to enforce them and take the disciplinary actions necessary to maintain them, and have them written down. Remember, if it isn't written down, it isn't real!
- 4. Follow the golden rule of sales management.** Treat others as you want to be treated. Everyone wants and needs to be treated with respect. If you treat people like children, you'll have children working for you. If you treat people as adults, you'll have adults working for you. You want a professional, mature staff, so treat them as mature human beings. The days of managing by fear, intimidation, and penalties are long gone.
- 5. Manage on objective information.** When salespeople despise their sales managers, it's usually because the sales manager does his or her job based on opinion rather than objective information. Everyone is entitled to opinions, but they have no place in sales management. Your coaching, training, and discipline must be based on fact, and performance statistics must be objective. People will improve what you inspect, not what you expect.
- 6. Be goal oriented.** As a sales manager, you have to establish goals and insist on achieving them. In many cases, the only thing you have in common with your salespeople is the quest to achieve goals. Through talking about numbers and goals, you'll be able to instill and maintain a goal-oriented operation, and your people will know that hitting the goals and targets is the primary purpose of being in business.
- 7. Get on the floor.** You can't be effective from behind a desk. The only way to be an effective sales manager is to be involved in the sales process. In a store situation, you have to be on the floor listening in on your salespeople's presentations. It's the only way to know precisely how to help them.
- 8. Be direct and to the point.** When giving your salespeople coaching or training, it's essential to be straightforward. It's easy for your people to become confused or misunderstand what you're saying if you beat around the bush. People need to know exactly where they stand.

Through your direct, clear, and concise conversations, they will get the message you're conveying to them.

Sales Management has the following key roles

- 1) Hire, fire, and train sales staff - selection, maintenance and training of the sales staff is key to any company's success. Sales managers must hire sales staff that can competently manage the sales process and meet or exceed quota. The Sales Manager must train and motivate the staff to perform. The Sales Manager must also replace underreporting sales staff. On-going training is key to understanding the company sales process, sales value propositions and product sets.
- 2) Develop and manage sales territories and quotas, and manage any conflicts that arise as a result of customer, territory, quota or commission questions
- 3) Develop and implement sales compensation plans
- 4) Create, document and train in the company sales process
- 5) Interact with all departments that contribute to product delivery and support, customer service and finance.
- 6) Prepare and manage a sales budget in line with company financial objectives.
- 7) Coach sales staff to maximize their professional performance
- 8) Plan and facilitate regular sales meetings to keep staff and rest of company informed, energized and motivated.

Emerging trends in Sales Management

•**Global Presence-** Being a global, it is very necessary to face stiff challenges from global companies. Due to differences in culture, language and taste and preferences of customers it is not easy to adopt global condition. So sales force should have well equipped with improved technology, strategy and operational to upgrade themselves for international level.

•**Innovative technology-** Revolution in technology helped companies to communicate with world-wide customers in ease way. To promote products sales management on behalf of organization should adopt new innovative technology. So it is important for sales manager to aware off recent technologies using to get edge in competitions

•**Better Customer Relationship Management (CRM) -** Being a successful organization in today's competitive world it is necessary to build long-term relationship with customers. It is less costly to retain an old customer rather than acquiring a new one. So building up long term relationship will help the organization to know better about needs and wants of the customers as referral process is very important for the organization. It is not only building the brand image but also provide favorable condition to operate.

•**Diversity among Sales-force-** There is always exist diversity between sales-force of an organization. Sales manager has to accommodate himself with people of different background within his sales-force.

•**Team Based Selling Approach-** In recent years it is common approach for the organization to sell the product as a team to build long-term relationship with potential customers. It is also very useful when technically complex products are in the process to sell. Generally sales team consists of top management, inbound and outbound salespersons, technical specialists etc.

•**Multi-channel Operations-** in today's competitive world, multi-channel operation system is very useful to reach out for potential customers in different ways. It is very handy for i) lowering channel cost, ii) customized selling techniques with broad coverage.

•**Ethical and Social Issues-** In recent years it is necessary to abide social and ethical issues such as legal constraints, provide social value to customers' expectations and taking part in events related to corporate social responsibilities. Sales manager has to understand the complex nature of the society and take necessary steps to deal impartially with various social groups.

Job Duties and Tasks for: Sales Manager

- 1) Resolve customer complaints regarding sales and service.
- 2) Monitor customer preferences to determine focus of sales efforts.
- 3) Direct and coordinate activities involving sales of manufactured products, services, commodities, real estate or other subjects of sale.
- 4) Determine price schedules and discount rates.
- 5) Review operational records and reports to project sales and determine profitability.
- 6) Direct, coordinate, and review activities in sales and service accounting and recordkeeping, and in receiving and shipping operations.

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