

**SALES FORCE MANAGEMENT**

Sales Force Management Systems are information systems used in marketing and management that automate some sales and sales force management functions. They are frequently combined with a marketing information system, in which case they are often called customer relationship management systems.

**Advantages to Sales People**

Proponents claim that sales force automation systems can improve the productivity of sales personnel. Here are some examples:

- Rather than write-out sales reports, activity reports, and/or call sheets, sales people can fill-in prepared e-forms. This saves time.
- Rather than printing out reports and taking them to the sales manager, sales people can use the company intranet to transmit the information. This saves time.
- Rather than waiting for paper based product inventory data, sales prospect lists, and sales support information, they will have access to the information when they need it. This could be useful in the field when answering prospects' questions and objections.
- The additional tools could help improve sales staff morale if they reduce the amount of record keeping and/or increase the rate of closing. This could contribute to a virtuous spiral of beneficial and cumulative effects.
- These sales force systems can be used as an effective and efficient training device. They provide sales staff with product information and sales technique training without them having to waste time at seminars.
- Better communication and co-operation between sales personnel facilitates successful team selling.
- This technology increases the sales person's ratio of selling time to non-selling time. Non-selling time includes activities like report writing, travel time, internal meetings, training, and seminars.

**Advantages to the Sales Manager**

Sales force automation systems can also affect sales management. Here are some examples:

- The sales manager, rather than gathering all the call sheets from various sales people and tabulating the results, will have the results automatically presented in easy to understand tables, charts, or graphs. This saves time for the manager.
- Activity reports, information requests, orders booked, and other sales information will be sent to the sales manager more frequently, allowing him/her to respond more directly with advice, product in-stock verifications, and price discount authorizations. This gives management more hands-on control of the sales process if they wish to use it.
- The sales manager can configure the system so as to automatically analyze the information using sophisticated statistical techniques, and present the results in a user-friendly way. This gives the sales manager information that is more useful in :
  - o Providing current and useful sales support materials to their sales staff

o Providing marketing research data : demographic, psychographic, behavioural, product acceptance, product problems, detecting trends

o Providing market research data : industry dynamics, new competitors, new products from competitors, new promotional campaigns from competitors, macro-environmental scanning, detecting trends

o Co-ordinate with other parts of the firm, particularly marketing, production, and finance

o Identifying your most profitable customers, and your problem customers

o Tracking the productivity of their sales force by combining a number of performance measures such as : revenue per sales person, revenue per territory, margin by product category, margin by customer segment, margin by customer, number of calls per day, time spent per contact, revenue per call, cost per call, entertainment cost per call, ratio of orders to calls, revenue as a percentage of sales quota, number of new customers per period, number of lost customers per period, cost of customer acquisition as a percentage of expected lifetime value of customer, percentage of goods returned, number of customer complaints, and number of overdue accounts. More complex models like the PAIRS model (by Parasuraman and Day) and the Call Plan model (by Lodish) can also be used.

### **Advantages to the Marketing Manager**

It is also claimed to be useful for the marketing manager. It gives the marketing manager information that is useful in :

- Understanding the economic structure of industry
- Identifying segments within your market
- Identifying your target market
- Identifying your best customers
  
- Doing marketing research to develop profiles (demographic, psychographic, and behavioral) of your core customers
  
- Understanding your competitors and their products
- Developing new products
- Establishing environmental scanning mechanisms to detect opportunities and threats
- Understanding your company's strengths and weaknesses
- Auditing your customers' experience of your brand in full
  
- Developing marketing strategies for each of your products using the marketing mix variables of price, product, distribution, and promotion
  
- Coordinating the sales function with other parts of the promotional mix (such as advertising, sales promotion, public relations, and publicity)

- Creating a sustainable competitive advantage
- Understanding where you want your brands to be in the future, and providing an empirical basis for writing marketing plans on a regular basis to help you get there

### **Strategic Advantages**

Sales force automation systems can also create competitive advantage. Here are some examples:

- As mentioned above, productivity will increase. Sales staff will use their time more efficiently and more effectively. The sales manager will also become more efficient and more effective. This increased productivity can create a competitive advantage in three ways: it can reduce costs, it can increase sales revenue, and it can increase market share.
- Field sales staff will send their information more frequently. Typically information will be sent to management after every sales call (rather than once a week). This provides management with current information, information that they will be able to use while it is still valuable. Management response time will be greatly reduced. The company will become more alert and more agile.
- These systems could increase customer satisfaction if they are used with wisdom. If the information obtained and analyzed with the system is used to create a product that matches or exceeds customer expectations, and the sales staff use the system to service customers more expertly and diligently, then customers should be satisfied with the company. This will provide a competitive advantage because customer satisfaction leads to increased customer loyalty, reduced customer acquisition costs, reduced price elasticity of demand, and increased profit margins.