

Sales Management HANDBOOK

edited by Patrick Forsyth
of Marketing Improvements Limited

A GOWER HANDBOOK

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Arnold Bowman (*Using direct mail*), currently at General Advertising Direct, has considerable experience in the area of direct mail and in creating campaigns for most markets. Previously at JWT, Saatchi & Saatchi Group Agency, Leo Burnett and Media Four Direct. Winner of American Direct Mail Association Awards.

David Bruce (*Recruiting successful sales people*) is a Director of Bruce, Womack Associates Ltd, a marketing and management consultancy firm which he founded in 1979. He was previously employed with ICI as a General Manager. His past career in sales and sales management has included employment with the Beecham Group and Calor Group Ltd. Mr Bruce's consultancy assignments have covered a range of industries, including transportation, finance services, chemicals, estate agency, agricultural supply and food. In addition he has kept in touch with reality by working on an interim basis with clients in a line management capacity.

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Soli Doctor (*Value factor in selling*) started his career as a sales trainee in an internationally-known distribution house and moved up to the position of Senior Branch Manager. Later he was appointed Managing Director of an Indian marketing company. He was President of the Bombay Management Association and has been guest speaker at various institutes and management schools. During his career of nearly four decades he has personally covered and worked in over 500 markets in India and has trained more than 12 000 sales personnel. He is currently Director of MARC Services, a consultancy organization specializing in manpower development, sales and sales management training, which he started in 1970.

Gerard Earls (*After-sales service*) is an Associate Consultant of Marketing Improvements Ltd and a Senior Academic of Middlesex Business School at Hendon. After having completed his studies as a linguist and economist, he joined ITT's international division and after three years moved to the sales force and then the sales management of Dexion Ltd. After ten years he moved to the international division where he was mainly responsible for the Western European market. He joined Marketing Improvements as International Operations Manager and after four years' work in Western Europe and North America, he joined Middlesex Business School while retaining his links with Marketing Improvements, and also working as an Associate Lecturer for the City University having carried out several consultancy assignments for the University of Timisoara, Romania.

John Edwards (*Business-to-business selling; Managing the business-to-business sales function*) is Managing Director of his own consultancy company, Marketing Futures Ltd, specializing in long-range marketing planning and diversification studies for industrial marketing organizations. Prior to that, he was Marketing Director

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David Horchover (*Sales promotion*) is a graduate of the British Institute of Management, a Member of the Institute of Marketing for over 20 years, twice Chairman of its Central London branch and holder of the President's Award. He was originally trained as an accountant but moved to sales promotion with Energen Foods and G-Plan furniture. He later joined Astral Marketing and then Dorland Advertising as Senior Sales Promotion Executive, handling Rootes/Chrysler, British Leyland, Heinz and many other leading brands and products. For ten years he headed the marketing operation of a US-based direct sales and marketing company before becoming a promotions consultant and field operations executive to major agencies and companies.

Peter Keel (*Planning for major customers*) began his career in marketing and sales with Unilever where he dealt with both retail and commercial markets. He then spent nearly seven years with Johnson Wax in a variety of roles marketing products and service-based operations to major commercial, government and leisure companies working closely with their international operations in Europe, the US and Japan. After a short spell as a Senior Consultant with Marketing Improvements Ltd, he joined Fine Fare Ltd as Business Development Manager responsible for their discount supermarket division. He is currently Business Development Manager for Eastern Counties Newspapers Ltd.

Peter Kirkby (*Working the territory; Improving sales productivity; Creating major sales*), an Oxford graduate, spent his early career with Ferodo Ltd, where he gained experience in sales, sales management and management training. He is a director of Marketing Improvements Ltd which he joined in 1967 and has since worked in a variety of consulting and management training assignments for leading companies throughout the world. This work has taken him into consumer, industrial and service-based organizations, as diverse as plant hire, pharmaceuticals, foods, chemicals, banking, motor distribution and stockbroking; and to countries as far apart as South Africa and the Philippines. He has written a number of articles for management journals and is co-author of the Gower book *Organising for Improved Sales Effectiveness*.

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Simon Majaro (*Sales aids*) is visiting Professor of Marketing at Cranfield School of Management. He is one of Britain's leading thinkers on marketing subjects and has taught in many prominent training establishments including Ashridge Management College, Centre d'Etudes Industrielles, The College of the Institute of Marketing, 'De Baak' Holland, Strategic Management Learning. He has had extensive business experience in the plastics, chemicals and packaging industries as Managing Director of an EEC-based Unilever company. Since 1968 he has combined an academic career and authorship of two books with an active consultancy practice, initially as a senior partner with Urwick Orr & Partners and now as the head of his own international consultancy firm, Strategic Management Learning.

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Patrick Parsons (*Physical distribution*) has considerable senior management experience in international trade gained in Indonesia, West Africa, as well as in England, with Unilever Group, Johnson, Matthey and Fisons, and has specialized in physical distribution for much of his career. Latterly, he has lectured at colleges of technology on commercial subjects and is now a freelance consultant. He has also carried out training projects for Pitman in Saudi Arabia. He is a

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Michael Rines (*Motivation programmes*) had senior experience in industry before becoming editor of *Marketing* magazine, a position he held for ten years. He has written extensively for a wide range of business publications, ranging from the *Financial Times* to *Management Today*. He edited the second edition of *Marketing Handbook* (a sister publication to the present one). He is now principal of Michael Rines Associates, marketing and communications consultants.

David Senton (*Working the Territory*) is a Senior Director of Marketing Improvements Ltd. He has held various sales and marketing positions in industry, and has worked in different roles in Marketing Improvements, including a three-year period as Director of their European activity in Brussels. He is now responsible for the Marketing Improvements Training Resource which aims to produce training excellent for clients through all the groups specialization and with all the most appropriate training technology. He is noted for having little time for theorists. His practical approach drawing on wide international experience produces a firm base for a compelling lecturing style. He is co-author of the new workbook published by Gower entitled *Organising for Improved Sales Effectiveness*, and has worked in more than fifty countries throughout the world.

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Douglas Stephens (*Testing for sales ability*) began his career in 1938 with the international Swiss company CIBA. During the war he did research in the UK for various civil and military projects and in 1945 transferred to the production side and became manager of a group of fine-chemical manufacturing plants. After attending the Administrative Staff College at Henley, he gave up his job to study the subject of management in the USA, Europe and the UK. In 1956 he returned to industry as a General Manager and Director, and in 1964 joined a firm of consultants where he was able to apply his own ideas about selection, appraisal and identification of potential. In 1967 he set up Douglas Stephens Associates to extend the use of the procedures he had developed, and to carry out further research into the human side of management. In 1973 he developed a computer-based analysis for the company's own attitude test, now widely used and known as the Four Factor Questionnaire.

Jeff Thomas (*Using the new technology*) is Managing Director of Acumation Ltd, a consultancy formed in 1981 to specialize in the design and implementation of marketing information systems. His 25 years of marketing and systems experience have been gained in a variety of posts with Unilever, Dexion, Thomas De La Rue, BPC and Logica.

Mike Wilson (*Finance and the sales manager*) is Managing Director of Marketing Improvements Ltd, the leading European marketing consultancy and training organization. Marketing Improvements was formed in 1964 by Mike Wilson following experience in the Institute of Marketing and Ford Motor Company, which he joined on graduating from Manchester University. Mike Wilson is widely known for the hundreds of seminars and courses on all aspects of marketing which he has run in all five continents. He is perhaps even better known within industry for the highly creative and perceptive consultancy advice given to companies throughout Europe and Asia Pacific, both multinational and national. He is particularly involved with helping clients improve their strategic marketing processes and activities in such industries as banking, hotels, computers and chemicals as well as in a broad spectrum of consumer and industrial organizations. His books *Managing a Sales Force* (Gower) and *The Management of Marketing* (Gower) are standard texts within many companies and his articles on marketing appear regularly in business publications.

Robert Womack (*Controlling sales activities*) is a partner in Bruce, Womack Associates Ltd, a marketing and management consultancy which works closely with clients to achieve improved business performance. His career emphasis has been in personnel management, especially industrial relations, recruitment and training and includes senior line management accountability. This experience was gained in local authorities and in the transport sector leading to his previous appointment as Group Personnel Manager with the Scottish Transport Group. His consultancy assignments have covered a range of industries, including agriculture, manufacturing, professional services and transport with organizations varying in size from 40 to 20 000 employees. He has been actively involved in personnel issues, both at the workplace and nationally. He is a Fellow of the Institute of Personnel Management and serves on its Council.

The sales manager must first and foremost be a manager. Like other managers in the company he is responsible for getting things done through other people towards economic objectives. This simple definition has many implications.

‘Getting things done’ implies that the sales manager must be action-oriented and must be concerned with results rather than means. He will be judged by what is ultimately achieved rather than by the processes he manages. ‘Through other people’ suggests that the results will be, in fact, achieved by others. He is not there to do their job for them although this is what far too many sales managers do. It is often easier to handle personally a difficult customer than to develop a salesman to cope with him. ‘Towards economic objectives’ means that the sales manager must constantly consider the financial implications of his actions.

Mike Wilson, Marketing Improvements Limited
Managing a Sales Force, second edition, Gower

Preface

Success in business is less likely to come about because of the brilliance of one individual than because of the efforts of a well-orchestrated team. It may be invidious to single out the efforts of any one section of the company as the sole reason. Many factors and many people are involved, each playing their role.

One thing, however, is certain. Whatever plans have been laid, whatever research done or product development carried out, whatever marketing and promotion schemes are implemented, the final, vital, link is the same. The sales force carries the ultimate responsibility of getting through to customers and securing orders. Only when this occurs can the company stay in business, and success, in terms of profit, follow. Indeed, if this does not happen then all other activity in the company will have been in vain.

Of course the quality of the selling is also crucial, in terms not only of sales technique but of customer management in the broadest sense. Whatever the calibre of the individual sales person the factor which has potentially the greatest influence on success, not only of the individual but of the whole team, is the quality of sales management.

The sales manager's task is very specific. It is to achieve sales results *through* the team (not for them). The sales manager must:

- *plan* the overall activity of the team, setting both long-term strategy and immediate objectives
- *organize* the team into the right structure to achieve the objectives set
- *recruit and select* staff who can perform the jobs specified within the organization structure
- *train* staff to develop and refine the skills necessary to do the jobs
- *motivate* staff, so that jobs are continuously performed to the right levels

Preface

- *evaluate and control* activity to ensure that objectives are met and any necessary correcting action is taken.

All these key activities take time. In addition, the sales manager may also play a part in both personal selling, perhaps to major accounts, and many administrative tasks. Ensuring that sufficient time and attention are given to, say, field training is crucial. And other urgent pressures may all too easily distract from the important tasks.

The balance is never easy. What is more, the situation in which the sales manager must operate is not static. In the market, for example, competitor activity or the relative power of major accounts may be changing continuously. In technology, the revolution in office equipment is changing everything from the way orders are taken to the analysis that is possible and the sheer volume of data available.

The successful sales manager is therefore not simply the one who masters the essential techniques, though this is a good start. It is the one who continually monitors the nature of those techniques, assesses their relevance to current market conditions and adjusts the approach taken to meet the present need and anticipate the future.

This book is offered as a catalyst to that process of review and readjustment. It is not intended to be a comprehensive text on sales management, though it may prove useful to those taking their first look at the subject. Its aim is to inform and to stimulate the practising sales manager. It therefore highlights those areas that have a direct bearing on success and profitability.

As such, it is but part of the audit of effectiveness that any manager should apply to the activity with which he or she is involved in order to improve business results. If it provides just a few practical suggestions, or prompts a few thoughts that lead on to improved action, then it will have fulfilled its purpose.

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Acknowledgements

The handbook editor's job is first to seek out people who know their subjects, experts in their field; but this is not enough, they must have the ability to set down their message in succinct form. And, not least, they must be prepared to spend the necessary time on the project and deliver on time. As people qualified in the first respect are always busy, the second imposes particular demands on them. I should therefore like to thank all those who contributed to this volume, and whose time, effort and expertise have created a book with which Marketing Improvements is proud to be associated.

Thanks are also due to Mike Rines, whose useful advice on editorship when I embarked on an earlier volume *Managing Sales and Marketing Training* was again of value.

Finally, thanks are due to my fellow Directors at Marketing Improvements whose combined efforts create an environment that makes projects of this nature possible, and helps contribute to our goal of improving the business results of our clients.

PF

Introduction: Surviving the future

David Senton

To say that the job of the sales manager is to manage the men and women who make up the sales team makes it sound deceptively simple. So much is bound up in the words ‘to manage’ – the scope of the chapters in this book make that immediately clear.

The business context within which today’s sales managers must operate adds another dimension to an already complex task. The steady and established climate of the 1950s and 1960s has given way to an uncertain, dynamic and fluctuating environment. Increasingly, sales managers must be quick to anticipate and respond to market conditions which demand change in the attitudes, knowledge and skills of their sales force, now and in the future.

And changes there have been. The species ‘Salesman’ has experienced a series of ‘annual culls’, both in the UK and internationally. Some people, the salesman not least, have begun to wonder whether there is a future for the genus at all. Certainly, in some industries, numbers have been decimated.

If we examine how and why extinction occurs of any species, we can see two main causes – changes in environment, and highly active and organized hunters and poachers.

That there have been drastic changes in the sales environment in the past ten years is manifest. Markets have changed in nature as well as in scale. Some have even disappeared altogether. Distribution channels have modified, developed and in some cases even dominated manufacturers. Often very small numbers of very large customers has meant, in many industries, that it is vital to the company’s welfare that they are individually profitable. The cost of keeping a representative on the road has continued to spiral upwards making the size of budget loom large in the calculations of management who

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