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# Introduction to Selling, Sales Management and Personal Selling

## 1. Chapter 1: Understanding the Sales Process

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In terms of activity, selling is the most important aspect of marketing. In fact, the popularity of the term marketing has developed largely because of the ways in which it implies a strategic and orderly approach to the selling function. But there is no substitute for selling products or services. The value of producing is measured by the degree to which production meets the needs of the economy. Selling helps both consumers and producers achieve their objectives. It matches the products of the producers with the needs of the economy. It requires effective dissemination of pertinent product information, effective sales packaging, reasonable prices, prompt order handling, customer satisfaction, and a following for future business. Recognizing the importance of the selling prospect, responsibility in selling activities is often directed to sales managers.

The term sales manager has various meanings. Many individuals dislike selling, and many of the physical structures surrounding the salesperson's job are unpleasant. The sales manager determines policies and procedures that implement corporate marketing strategies and goals. He/she determines what types of customers the company should serve and in which geographic areas. He/she evaluates market opportunities and assigns sales territories. He/she prepares plans and budgets and establishes policies and procedures in various areas of sales operation such as sales volume, price, delivery service, prospecting, selling, training, and sales force organization. The sales manager is the one who leads or points out the direction for the accomplishment of the sales targets. His responsibility is not only the success of his sales force but also his moral responsibility because his success also depends upon the success of the members of his sales force. He must establish a personal rapport with his people, maintain their morale and loyalty, and keep abreast of their work, working conditions, and personal problems.

## 1.1. 1.1 The Importance of Selling in Business

In its broadest sense, selling is the cultural and business institution that allows people to change the personal and business resources they offer to others for the things they desire as a result of creating value for others. In its most popular meaning, selling means making a living by persuading people to buy goods for which they are paid through employment, commission, or ownership of a business. Because of its economic and cultural importance, many people are interested in selling. Some of them want to sell things or services while others are looking for more generalized information in the selection of marketing as a major field of business study. Others need to develop knowledge and skills in the selection of marketing as an elective field of study in a business curriculum. A few people need to study sales management and personal selling to better prepare for another business career.

Decisions about selling have deep cultural significance. Every person must determine the importance he or she will place on the sales culture. Fundamental differences in values and attitudes about sales have emerged between individuals, social groups, and nations. As graduation approaches, college students decide what type of business career they will pursue. Some of them will want to sell things. These people are interested in a career in personal selling. Even if engaged in traditional wage and salary employment, many more people will work in businesses that sell products or services. Therefore, they will want to develop a better understanding of sales management and the dynamics of selling. Our purpose in this text is to help close the gap between what people know and what people need to know about selling, sales management, and personal selling.

## 1.2. 1.2 Key Elements of the Sales Process

This book provides a complete flow of selling, sales management, and personal selling, from making marketing decisions at the highest levels to planning, implementing, and evaluating sales activities at the lowest level. Selling is just one element of an organization's promotion mix. However, sales tend to receive the greatest attention because they are among the more costly promotional elements for many organizations. Selling also provides the highest degree of personal contact between the organization and members of the firm's target market.

How can companies sell products without a market? Selling activities, therefore, differ significantly from advertising activities. For example, companies cannot afford to sell products that have little or no demand or, in some cases, contravene laws and social norms. The existence or potential of demand is the key factor that determines the degree of prospecting that salespeople carry out. In other words, organizations are only likely to devote time and resources to projects that have a realistic chance of succeeding.

# 2. Chapter 2: Sales Strategies and Techniques

In today's competitive business world, it is becoming increasingly difficult to get the big sale. Since this level of sale is a major weapon in most companies' competitive arsenals, salespeople must continuously strive to keep ahead of their customers. Personal selling has become an integral part of the total marketing strategy. It is important by itself and because it probably will be included in any other sales strategies or techniques discussed. The good salesperson knows in depth the ins and outs of each sales technique or strategy possible in order to make the best possible application when needed. Just because personal selling is only a part of a company's total marketing efforts, the profit dollars from this effort often represent 50% or more of a company's total marketing costs.

For the purpose of definition, personal selling means communicating directly with prospective customers in an attempt to provide the product or service that is desired by the prospect and that meets the purchaser's needs. Then the process is one of determining and matching the customer's requirements to the firm's products. It is a combination of telling, selling, informing, persuading, advising, and suggesting. But above all, it calls for problem-solving skills. All five aspects must be used in varying proportions as conditions warrant. With respect to personal selling, more concrete and descriptive refinements are necessary. These refinements necessarily come from the practical experience of salespeople who have had opportunities to observe, understand, and solve a set of problems frequently encountered in the performance of their sales jobs.

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## 2.1. 2.1 Types of Sales Strategies

The most important outcome of marketing is the ability to create successful long-term relationships in the market. The long-term success of both sellers and buyers depends on collaborative communication and relationships that provide short-term and long-term rewards to both parties. For sellers to succeed, they must help buyers see the personal value of goods, services, and ideas. This is where sales professionals are important. Sales professionals possess a wide variety of skills for achieving customer satisfaction and trust, providing information, integrating traditional and electronic activities, and working in a socially responsible way. In addition, the future appears promising for people with selling, sales management, and related skills.

Traditionally, sales activities could be divided into several different sales strategies or sales types. The first type is the length of the sales cycle, how long it takes to complete a typical sale. Some sales transactions are completed in person, whereas others are done via phone or mail. Another distinction is the number of customers served during the sale. In many B2B purchases, a small number of customers ask lots of questions and take a long time to make the decision. These sales are usually done in person. At the other end of the spectrum, telemarketing is done over the phone and involves a relatively large number of customers. Such sales are usually made quickly. A third kind of sales strategy is the opportunity offered to check and provide after-sales service. Companies can offer more personal service when customers must come in to shop, and their representatives become familiar with the customers and their needs. In stores, personnel can easily provide assistance with products and information about their selection and use. When the sales transaction takes place at a distance, relationships tend to be less personal. Types of relationships are more common when several members of the buying center are involved in the decision.

## 2.2. 2.2 Effective Sales Techniques

We have covered some of the basics of selling, what good manners are, and that our responsibility is to satisfy our customers' needs. However, we really need to know what we should say and do in order to fix our customers' problems. There are many techniques that allow us to make the most effective use of our time and that have been very successful for others. These techniques can guarantee our success just like if we have a magic recipe. Needless to say, the results are also improved if we make effective use of the techniques.

In general, effective sales techniques include, among others, customer profiling, follow-up with customers, and customer communication with the company. When we know our customers well, we can help them more easily and quickly. We keep in touch with them by notes, calls, phone messages, or visits, and maintain a positive, professional, friendly communication that makes them remember us. In addition, various techniques help us identify customer needs, develop sales presentations that gain customer commitment, and create questions that cause customers to reveal their problems. Finally, the development of references becomes an effective means to ensure the continuity of our sales business. We will examine these techniques in the next sections.

# 3. Chapter 3: Sales Management

Sales management is an integral part of business. It involves gaining market position and generating the company's revenues. It also blends efforts with advertising, sales promotion, and pricing efforts to ensure demand creation and maximize demand levels in the company's sales. The definition of sales management is relatively simple. Sales management is the planning, direction, and control of personal contact programs designed to achieve the sales volume objectives of the firm. The management philosophy incorporates the concept that "the customer tends to buy from companies that keep in touch and repeatedly offer the best overall set of benefits to him." The planning, direction, and control concept as it relates to the sales management process is an integral part of the prescriptive planning assessment-action cycle model. Proposed planning is to help managers forecast and operate with the future environment. The actions are the marketing mix strategies – in this case, personal selling, sales promotion, advertising, and pricing approaches that are to be used to satisfy customer needs.

They are stated in the form of specific objectives for each area. For the next cycle, we suggest that the type of sales force and salesperson selection be the next appropriate sequence. Perhaps the most comprehensive textbooks on this topic are

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## 3.1. 3.1 Role of Sales Managers

The primary objective of sales management is the maximization of profits for the organization. To achieve this objective, sales executives implement sales strategies. Sales strategies are closely related to the organization's overall competitive marketing strategy, which is a plan that the organization developed to achieve its central objectives. The specific role of the sales manager will vary according to the level of management that the manager occupies. Sales managers play many different roles within a company. Sales executives might be involved in addressing the company's mission, setting objectives, formulating strategies, or establishing the overall marketing strategy. A sales manager is responsible for the common goal of unifying and harmonizing the activities of his team to be the most productive. Data shows very clearly that competitiveness and success in the marketplace are in direct proportion to the ability of a sales manager to lead, guide, and inspire his sales staff. The leadership style he employs is closely linked to his skill levels of human understanding and the motivational capacity of his sales staff. With the appropriate resources, the leading styles of the sales manager may have a powerful positive impact on the activities of the sales force.

## 3.2. 3.2 Sales Team Organization

"Traditional sales organizational structures at the country level" include simple country structures, where a national manager or sales director is responsible for the country as a whole, forming a sales unit. A wide span of control in this situation is made possible by an emphasis on management by objectives or management by results. However, simple structures can result in the sales unit becoming isolated from corporate headquarters, perhaps concentrating too much on the country rather than on the customer segments, and too much on sales and not on sufficient customer service. Similarly, the scope for individuals is limited.

The country product groups structure, meanwhile, requires a core of country managers supervised by a country manager and also requires subsidiary sales management with operational responsibility for the products. The structure can be used to overcome a potential problem in a simple structure and simple control against market stereotypes. Its potential problem is the high probability of country managers specializing in specific national cultures, which can be deleterious to the creation of the international corporate culture. Starkly different cross-country results are a sign of too much localization. The scope for individuals is generally greater with this structure.

# 4. Chapter 4: Personal Selling Skills

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Key Learning Points

The chapter aim and learning points

This chapter uses a case study to illustrate the personal selling manager's role when building a sales force. The chapter shows how sales skills mapping and career progression can help a manager optimize his or her sales team. The case study discusses coaching and disaster-averse routines and sets the scene for the subsequent chapters on managing a sales force.

Keywords relevant to this chapter:

Direct selling, external sales force, internal sales force, national account managers, new business developers, personal selling, sales force management.

Chapter Aim and Learning Points

Aim

The aim of the chapter is to introduce the reader to the role and responsibilities of the direct sales manager.

Learning points at the end of the chapter you should be able to:

1. Understand the role of an external sales force in customer management and business development.

2. Explain the extent of the sales manager's role in business and sales management and the importance of building a competent and motivated team willing to maximize its contribution.

3. Recognize that sales is a senior role and the importance of mapping sales skills and managing career paths to ensure that the right salespeople are hired and developed to prepare for the roles that sales personnel will be required to fill.

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## 4.1. 4.1 Building Rapport with Customers

One of the first principles of selling is to get to know your customer. One of the easiest ways to break the ice and start a conversation is to ask people about themselves because everyone's favorite subject is themselves. By building rapport through small talk and non-controversial comments, the sales representative is perceived as non-threatening. These types of interactions with the customer can build a connection on which the salesperson and the sales representative can start building relationships.

Another way to get to know your customer is to ask them to share their opinions about products and the companies from a non-threatening position. While there is always the possibility that the sales representative may not agree with the customer's opinion – a sales representative is never right; they must always make the customer feel he is getting a fair hearing. It is a good policy to listen to the customer and thank him for sharing his or her opinion with you. Always avoid arguments. You may not agree with their opinion, but the customer has the right to their opinion. Listening to what the customer has to say will make the customer feel important, and the customer won't feel like "just a sales pitch." Always try to get the customer to talk in terms of their plans and their capabilities. When the customer is discussing himself or herself or their company, you have smoothly put the customer in the position where he or she is telling you information that may help you close the sale.

## 4.2. 4.2 Effective Communication in Sales

In 4.1, we gave a number of reasons why an effective seller must be more conversational, expressive, and engaging than a trained chimpanzee. Say the word "communication" and most likely a detective will not be the first thing that comes to mind. However, decoding of written (rather than spoken) messages can serve as a model for some essential features of selling. As in any communication activity, sales involves two basic functions: encoding and decoding. The sender encodes a message and the transmitter sends it. At the other end, the receiver decodes the message sent. Simply stated, encoding is the process of putting thoughts, intentions, and sometimes emotions into visible or audible signals. Once translated into visible or audible signals, the message must be transmitted over some medium, a process that uses visual, vocal, or electronic senses.

Neither encoding nor decoding is a simple process. Even though researchers estimate that most of us are capable of transmitting auditorily acceptable messages per minute, the same research indicates that generally listeners could not effectively recall and recognize more than three or four messages per minute. Limitations of the sender and receiver often cause flawed encoding and decoding. The sender may not fully understand the listener or may assume they already have valuable knowledge about a topic, which tells us more about the topic.

# 5. Chapter 5: Technology in Sales

Selling, sales management, and personal selling rely heavily on the use of technology. This chapter discusses many of the most common technologies used by sales organizations, either on their sales staff's desktop computers or on their customers' computers. Salespeople and sales organizations use desktop computers to retrieve and input information. The use of communication software for email, voicemail, and fax is discussed, along with how mobile sales applications interface with not only management but also with the other divisions within the sales organization. Data warehousing and data mining drive many of the selling organization's activities, as diverse as sales calls, group presentations, trade shows, and executive selling.

Data warehousing is the use of a database for creating relational databases. Data mining, on the other hand, helps salespeople with personal selling and has wide applications in sales. The use of a number of technology applications in the sales organization is closely linked to the success of the sales staff. We are witnessing tremendous growth in many of these applications, particularly in sectors that apply these technologies to selling for strategic and tactical planning decisions. The use of technology is vital for companies under conditions of increasing customer purchasing agents, not enough buying companies that are creating cross-functional teams to make demand reduction decisions, and a change in the way products are sold. Organizations should be creating inside multifunctional selling centers at capable salespeople's desktops or wireless devices, which require the company to compete effectively now and in the future.

## 5.1. 5.1 CRM Systems in Sales

Customer relationship management (CRM) systems provide sales managers with important support documentation, including account-specific targeting data, information about customer behavior, sales pipelines, contact histories, and potential areas for cross-selling and/or up-selling. By using CRM data in the sales coaching process, salespeople can be more productive and goal-oriented when they interact with specific accounts. This forward-looking approach gets salespeople to really think about how their accounts are operating, what they need, and how they can be helped in the future. By sharing this data, sales executives can provide the sales team with the information they need to build relationships with and sell into their accounts over the long term. With this kind of forward-looking data and planning provided with a CRM approach, the entire sales force can be better prepared to sell accounts in a more proactive manner. Again, the job of the sales manager becomes more that of a coach and less that of a police officer. From a sales perspective, CRM data can provide sales management and salespeople with a wealth of balance sheet analysis data and forward-looking performance-based information.

## 5.2. 5.2 E-commerce and Online Selling

Customers can buy virtually anything, anywhere, at any time over the internet. E-commerce is the use of the internet and other electronic means for buying and selling goods, work, and services. E-commerce consists of retailing, direct marketing, and advertising. Electronic retailing is a small but rapidly growing segment of retail sales using the internet as a virtual outlet store. E-tailing generated an estimated $232 billion worldwide in 1999. E-tailers target customers directly through the internet, often selling niche products and providing geographically wide coverage. However, their low market power often precludes economies of scale and limits their ability to penetrate large established markets, so they tend to have relatively low sales. Manufacturers generate about half of e-tailing sales. To take advantage of the growing trend towards buying books, music, and consumer electronics online, some internet businesses specialize in titles and products tailored to each nation's tastes, as about half of their sales derive from what they refer to as "international businesses."

Direct marketing includes direct sales, direct advertising, and mail-order selling. It includes all kinds of companies that deal directly with a customer to retrieve responses. Using the technique of one-stop selling, a customer can order a variety of products, even from several retail channels, over the internet from midsize online shopping websites. These websites create windows into products of a variety of manufacturers. Any purchases that are made are placed with the retailer in order to fulfill the customer's order. Internet service providers generate 75% of this market—a fact contributing to the growth of interest in e-commerce. In fact, using a number of different e-tailing methods, two-thirds of U.S. households accessed the internet in 1999, up from just 20% a year earlier in 1994. The other companies provide a variety of products and services, including home banking and phone service, buying concert and sports tickets, financial market information, travel services including online booking, retail products, and electronic commerce services. The electronic commerce market is currently worth $17 billion. Recommendations are that the present trend should continue at least through 2004.

# 6. Chapter 6: Ethical Considerations in Selling

In selling, like in all business activities, there is always an ethical or moral side to every decision or action. A moral analysis must be made consciously or otherwise by the parties involved in a selling transaction. The seller must decide what moral claim the buyer possesses. The buyer must, on the other hand, decide what 'purity' level to adhere to in the course of the selling transaction. In this chapter, we shall consider specific moral rules and principles applicable to sales transactions. The chapter discusses these principles in the context of sales behavior in general. However, because the buyer is generally regarded as more vulnerable than the seller, we shall be focusing mainly on the seller's moral and ethical considerations. We do not mean by this emphasis to shortchange buyer concerns. Rather, the heightening of sales morality is often the responsibility of sellers who engage in such activities in order to effect moral change in selling.

## 6.1. 6.1 Importance of Ethics in Sales

Ethics in sales are very important, as the effects of the seller's behavior in front of the customer can have legal consequences. Salespeople act on behalf of the company and are expected to do so in virtue of shared values. Team spirit is achieved when everyone holds a common set of ethical standards and values. Additionally, salespeople enjoy a significant amount of autonomy, so ethical practices must be maintained and managed. Employees look to their sales manager to serve as a role model. Gender and age do come into play when ethical decisions are made. All these issues are explored, and examples of salespeople in these circumstances are provided.

High personal ethics are necessary in the business world today. Salespeople face pressures in the field and cannot afford to ignore the ethics society deems necessary for its protection. Ethics have become very important topics of corporate attention. With the aim of increasing junior managers' levels of moral reasoning, some companies provide training and utilize systematic development programs related to integrated social responsibility in their sales forces. In addition to salesperson behavior affecting the company's reputation in the customer's opinion, orientation to and satisfaction with the salesperson can also be influenced by the customer's belief regarding the emphasis placed on professional ethics as a characteristic of the salesperson. Such tactics would benefit any company.

## 6.2. 6.2 Ethical Dilemmas in Selling

Ethical Dilemmas in Selling

Ethics and ethical behavior relate to determining what is right or wrong in the successful conduct of selling and refer to the application of moral standards of behavior to selling situations and activities. Ethical behavior often requires decision-making ability on the part of sellers with respect to dilemmas they frequently have to face. At the heart of many of these dilemmas lies the incentive for salespeople for profitable activities for both customers and employers.

Two categories of sources of ethical dilemmas for sales managers and representatives have been identified. The first includes business-related aspects that involve setting objectives and performance standards of the sales force, designing sales territories, organizing the sales effort, compensating, selecting, and training the sales staff, influencing and motivating the sales staff, and carrying out sales force performance. The second category in the source of these dilemmas is the total marketing and consumer interface. Directly, this includes social interactions with other company components, customers, competitors, suppliers, advertising media, and society as a whole.

The Ethicality of Salesforce Practices in the 21st Century

Ideally, ethical behavior could be swiftly codified in a strict manner. However, deviations do occur due to several reasons. The individual salesperson may exhibit ethical behavior due to philosophical beliefs, self-interest, a combination of both. In certain cases, policies of the sales organization may require sales personnel to engage in practices that are questionable in terms of their ethicality, thereby leading to the rise of ethical dilemmas. Some of the settings that may lead to a sales representative being confronted by an ethical dilemma include.

# 7. Chapter 7: Sales Forecasting and Budgeting

This chapter describes the procedures by which sales forecasts can be improved through the use of techniques such as econometric modeling. It also deals with the management of personal selling using a forecasting-driven appointment control technique. The chapter discusses sales engineering and demonstrates how the classification of a firm's sales engineers as being either farmers or hunters is critical to the success of selling strategies. Sales budgeting and sales force control are also examined, and the chapter concludes by emphasizing the indivisible relationship between personal selling performance and the management of salespeople.

The primary function of a sales forecast is to assist in the management of a firm's resources. This chapter discusses the limitations of sales forecasts and describes some of the methods that can be used to help firms reduce the level and degree of uncertainty involved in forecast preparation. After considering the measurement of selling expense, we demonstrate a forecasting-driven approach to the management of appointment control, territory size, and the sales force, and we examine two important issues in personal selling: the attributes of hunters and farmers.

## 7.1. 7.1 Methods of Sales Forecasting

Non-statistical sales forecasting is based on the evaluation and judgment of those engaged in the sales marketing process. The determination and right choice of the method of sales forecasting is based on the experience and specialized knowledge of the salesmen, sales managers, and top management of the trading organization. The non-statistical methods of forecasting are: the sale of merchants, average sales of traders, seasonal sales forecast, and break-even points. Statistical methods of sales forecasting are techniques that help traders anticipate future sales using certain historical data. They are based on processing the data received over a few years in the trading organization or the trading market. The methods are grouped by time series and the number of factors studied. Data used are usually the sales forecasts of the trading organization. These statistical methods are very difficult for experts, but hopefully, the accuracy of results will improve.

## 7.2. 7.2 Creating a Sales Budget

Even though the sales budget represents a key section of the overall budget, it does not operate in isolation from the other budgets. Almost all other sections of the budget contribute to the sales section in some form, whether through advertising, travel, or other means. But before the sales budget can be compiled, certain other elements must be settled, including distribution costs and service departments: purchasing, advertising, sales training, and estimating. Similarly, after the sales budget has been prepared and agreed, many other matters must still be settled, such as selling expenses, vehicles, and salespeople themselves. Some of these factors cannot be estimated without first preparing the sales budget, but others must be agreed upon before the sales budget can be completed, and adequate information should be available from departmental heads before the sales expenses, such as salesmen's salaries, selling expenses, and distribution costs, are prepared.

Producing a sales budget is not a matter of allocating percentage increases to take account of expected rises in sales. Indeed, the sales department needs to know what resources are required, in both quantitative and qualitative terms, in order to achieve a given sales level. First, the methods to be employed in sales budgeting have to be ascertained, and under these, the formulas required to specify the elements in the calculation of the required sales levels must be considered. Second, the information required for the sales budget needs to be collected and processed, involving interdepartmental liaison where necessary. Third, the individual items making up the sales and distribution budgets can be calculated. Fourth, preliminary checks should be made on the adequacy of the calculated budgets. Finally, where changes in the overall budget, in terms of planning assumptions or sales budgets, are required, the necessary rescheduling will be effected. Sales personnel expenses, which vary directly with the level of authorized salespeople, are based on standard advertising costs, and the total comes conveniently under the control of the directors by hourly reviewing all instances of the appointment of sales personnel, for which prior authority should normally have been obtained.

# 8. Chapter 8: International Sales and Global Markets

There has been an increasing trend among many multinational firms in recent years to 'go global.' This strategy allows a firm to accomplish several marketing goals, including market development, diversification, and producing and selling throughout the world. Multinationals sell their goods and services in 140 countries, with the largest markets being in Western Europe, Japan, the United States, and Canada. Traditionally, firms that export to other countries are seen as being the first group of international firms. The second group of internationally oriented firms consists of those that either license their brands, patents, trademarks, and technology to other companies or engage in offshore production of goods.

In today's globally minded world, consumers are being exposed not only to exported goods but also to the stores and shopping complexes of other nations. Created almost a century ago, the foreign trading and investment promotion agencies of today provide guidance and incentives for encouraging businesses to take advantage of international marketing opportunities. These agencies provide guidance to non-exporters on potential overseas markets and the best ways to enter them. They also provide guidance and counseling to small businesses that export. They offer an export clearance service to facilitate trade, identify cultural problems, ensure that products are properly labeled, establish warehouse facilities, navigate customs brokerage, and provide information on potential overseas buyers. With government subsidies from various participating federal organizations, they sponsor a program to give businesses the opportunity to meet on a one-on-one basis with in-country marketing consultants. In essence, they provide a comprehensive array of services to help facilitate successful marketing efforts by enterprises.

## 8.1. 8.1 Cross-Cultural Sales Practices

In today's highly connected and dynamic global economy, it has become generally more important for managers, particularly for marketing and sales managers, to be able to appreciate and understand the socio-economic and socio-cultural norms, practices, and conventions of people from other socio-economic and socio-cultural backgrounds. This is particularly the case when preparing an organization's sales personnel to visit and attempt to sell to people from international and various regional areas of one's own country. Clothing, language, handshaking, personal distances, office protocol, oral and written discussion, and communication—the manner in which these things are conducted will reflect the norms of the salesperson's home environment. Dealing with the cross-cultural issues of visiting salespeople is not only a challenge for the visitors but for the hosts as well.

During a visit or meeting to conduct business, the host organization's staff are also representing the firm, their country of operation, or particular socio-cultural groups.

The design and execution of a positive visit by a salesperson can directly influence the establishment of working relationships with an overseas buyer or sales personnel. A little cross-cultural violence and understanding can go a long way. In recent years, much emphasis has been placed on cross-cultural training for international management. United States business and its people historically have been accused of not understanding or knowing how to work with persons of other cultures and have, as a consequence, begun to address and ameliorate these issues. Seldom mentioned or discussed, however, are the cross-cultural issues faced by and the unique role of the salesperson. Yet, with the proliferation of direct selling and trade show opportunities, businesspeople in general and salespeople in particular find themselves interfacing daily with representatives of supplier countries.

## 8.2. 8.2 Entry Strategies into Foreign Markets

Firms that operate internationally either as exporters or as companies with foreign manufacturing facilities often execute various marketing activities in their host countries via local intermediaries such as agents, distributors, or importers. When marketing products in a country where one's presence is via an intermediary, the marketing manager must find or select an appropriate local representative who knows the language, operating methods, rules, and regulations specific to a country. In choosing an intermediary, one of the most important considerations is to identify the kind of intermediary form that best meets the company's goals and circumstances, and in particular the product, the country, and the company at hand. Overseas intermediaries can perform several functions for an exporter; these functions include: representing the firm and acting as a local commercial resident in a foreign country; understanding the customs and procedures of the export market; employing local commercial staff; maintaining local retail exposure for the exporter by providing inventories; examining trade leads for the exporter; handling specific non-market related trade problems; providing real-time updated foreign credit information; finding and securing innovative, reliable transportation or logistics services; and finally, providing local market communications and sales promotion programs that are familiar and that do not involve cost overruns or poor execution.

# 9. Chapter 9: Sales Metrics and Performance Evaluation

The role of the sales manager can be a challenging one. The manager must carefully design and implement a series of performance evaluations and metrics that measure the individual performance levels of company sales personnel. This is the only way to tell whether they are doing an effective job. If salespeople want to challenge the performance criteria being used to evaluate their contributions to the organization, they should ask themselves how they would perform without the establishment of performance standards against which they can be objectively measured and evaluated. There is no question, of course, that one's sales performance will be identified in a number of ways. The key, objective question the individual salesperson will want to ask, if asked to justify the price of both time and money spent in the area they work in, may well be, "How much?"

Measurement of the contribution made by sales assistance can and should involve the establishment of specific performance benchmarks that define how well a salesperson should perform on the job. Sorting out these performance issues involves evaluating both the outcome and the performance drivers leading to this outcome. For sure, a company will only achieve its sales goals if the salespeople who are performing jobs that have been assigned to them are successful.

## 9.1. 9.1 Key Performance Indicators in Sales

Most sales organizations have many sales KPIs, too many in many cases. It is telling to observe that one of the downsides of Salesforce Automation technology deployed is that it appears to breed sales KPI greed! It is really created so that sales managers are able to monitor what salespeople are doing out on the road or in the office, and these KPIs should be determined by the selling model and organization KPIs that emanate from the sales organization’s internal and external stakeholders. Not being able to record in SFA KPIs that are relevant to key stakeholders reduces the perceived value of KPIs to those using it. As KPIs are the quantifiable scorecards used to evaluate the company, it is best to consider that rather than negatively impacting the strategic performance of the sales organization by overwhelming the organization with sales KPIs, it is better to focus on the 10 driver KPIs.

The KPIs result from the following KPI organizational selling model: Vision, Culture and Values; Structures; Systems; Sales Team; Portfolio of Sales Opportunities; Customers and Customer Segments; Business Partner Ecosystem; Processes; Infrastructure; and Results. In some cases, sales KPIs can be linked to stakeholders’ KPIs. Some KPIs could take the form of a question concerning whether or not an activity takes place. An affirmative answer to the question signifies that the KPI has been achieved. There are three perspectives on how a KPI should be structured, namely revenue, efficiency, and effectiveness. The leading performance KPIs are few in number, often no more than seven or eight. These KPIs must come from a balanced scorecard approach, focusing sales resources where they are most required to win new business or harvest existing customer business.

### 9.2. 9.2 Evaluating Sales Team Performance

There are essentially three ways to evaluate salesperson performance: output, input, and behavior-based models.

Output Approach The simplest evaluation model is called the output approach. This approach weights the output or results the salesperson produces. This can vary across sales positions but may include order volume, number of new accounts, margin growth, or even market share when the salesperson gains a commitment in addition to other factors.

Input Approach The second approach to salesperson evaluation is the input model. Rather than conducting a forward focus on results, this model takes a retrospective approach, focusing instead on activities such as cold calls, sales calls, and contract signings. This is the best model to use if you must evaluate the performance of repetitive telemarketers.

Behavior-Based Model A third way to evaluate salesperson performance is to focus on behavior. This is the most comprehensive evaluation approach and includes evaluations of the quantity and quality of all behavior types, such as selling, service, and administrative activities. This is the most difficult method to develop and is often a loss for the salesperson. Behavior evaluation is the best approach to use for salespeople who provide consultative or complex sales.

## 10. Chapter 10: Sales Negotiation and Closing Deals

Why do salespeople need to negotiate with customers? Salespeople negotiate to get customers to agree to spend their scarce time with them. This time is necessary to submit an explicit proposal. Negotiating to set up an appointment and to present an initial proposal is included in the introduction and approach stage of the selling process. Furthermore, salespeople negotiate at this same stage to get access to mid-level managerial and key operational people who can convey valuable information to the salesperson about the customer organization, its problems, and the key executives and managers who will be involved in the decision-making process. In the next stages of the selling process, salespeople negotiate to help develop an explicit proposal that will best satisfy the customer's needs and will result in a profitable outcome for their firms. This most frequently involves intense negotiations with the customer's purchasing manager, whose role is to secure what the organization needs at the lowest possible cost. Note that by reducing the other party's cost, the salesperson will improve the customer's financial performance, building a stronger relationship.

One can describe the steps of the selling process as a series of negotiations between the salesperson and the customer's representatives and managers. These negotiations lead to the resolution of a core issue for each step of the selling process. There are two possible outcomes for these negotiations: (1) a negative or rejective outcome in which neither party is willing to make sacrifices to reach an agreement or (2) a mutual gain outcome in which both parties believe that the final agreement is fair and that they are getting more value from the agreement than they are giving up. Sales negotiation is the process of achieving a mutually advantageous agreement between salespeople and customers. It results from a four-step process in which various frames of reference are exchanged. At each step, the frames of reference move closer together as more and more information is shared.

## 10.1. 10.1 Strategies for Successful Negotiation

Negotiation is a fundamental skill for managers. It involves reaching an agreement about issues when others have different preferences. The following general strategies may be used successfully in negotiation.

Interest versus Position: An interest is a basic concern, need, or desire that underlies the position in the negotiation. A position is the decision the negotiator wants. The interest is the reason for the position. In most negotiations, the bargaining strategy should be directed at satisfying interests rather than taking a position.

Separate the People from Issues: People and issues should be treated separately in negotiation. The issues that need to be resolved should be tackled separately from personalities. In this way, issues can be discussed without participants becoming angry or anxious.

Base Negotiation on Objective Criteria: Make the negotiation fair and open by negotiating on the basis of objective criteria or standards rather than on the personal positions of the participants, so that all involved parties perceive negotiation as fair rather than a trick.

"Win-Win" Strategy: Most of the time in negotiation, people tend to be forced to take a "win-lose" stance. Of course, relationships will get damaged if the winners always try to take advantage of the losers. In the "win-lose" scenario, the former will get only grudging compliance from the losers, who are likely to find ways to get even later. This is against the principle of a "partnership" approach. The "mutual gains" approach helps negotiators to solve conflicts through joint problem solving and provides an opportunity to look for mutually beneficial options. Adopting a "tit-for-tat" strategy in negotiation is, in principle, much more suited for developing a long-term partnership, even though in the short term its competitive aspect may be used.

Know Alternatives to a Negotiated Agreement: The key to negotiation is a negotiator's ability to strengthen his or her hand. This is determined by the alternatives negotiators have to a negotiated agreement, which in turn is stated as the "best alternative to a negotiated agreement." In principle, it is easier for people in small companies to create and walk away from agreements than for those in big companies. This makes the latter more difficult to negotiate and less likely to reach any agreement.

## 10.2. 10.2 Closing Techniques in Sales

Closing in sales occurs when the salesperson presents the product or service in a way that makes the salesperson's case so strong and compelling that the customer accepts the salesperson's proposition and decides to purchase. Effective communication is sometimes referred to as artful persuasion. A successful sales experience, one that combines process knowledge with fine-tuned communication skills, requires capturing the customer's attention and then closing the sale. In a perfect meeting, the buyer is so pleased with the salesperson and the product or service that he or she decides to buy. Many so-called closing techniques can appear manipulative if they seem separate from the salesperson and the sales context. Good closing techniques do not close a sale; they are staged within the selling process. Closing the sale is the final step and outcome of the overall selling process. Persistent and well-timed use of the proper closing technique, in conjunction with skilled salespeople who possess a thorough understanding of the needs of their customer, will result in a sale. Period. (Maffett and Brusa2022)(Lim et al., 2020)(Wang et al., 2024)(Hastings et al., 2020)(Wongkitrungrueng et al.2020)(Qin et al., 2021)(Liu et al.2020)

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