CHIB Amina Djazia
Associate Professor
International Management of Companies and International Marketing
Abou Bekr BELKAID Tlemcen University
Faculty of Economics, Business and Management
Business Department

Monitoring and Evaluating the Sales Force

1. Introduction to Sales Force Monitoring and Evaluation

Effective frontline sales personnel are the difference between sales success and mediocre performance. One of the ways in which firms can enhance sales effectiveness is by systematically monitoring and evaluating their sales force. At a basic level, monitoring deals with ongoing, routine performance surveillance, while evaluation involves assessments that occur at less frequent periods and usually with a prospective emphasis. The end goal of the sales monitoring and evaluation processes is to influence improvements in sales force performance, motivation, training, and goal-setting, which directly leads to increased business success. Systematically monitoring a sales force will allow a firm to identify the forces, situations, or problems faced by individuals, allowing appropriate action to reduce the likelihood of unfavorable outcomes. Systematic evaluation complements the monitoring process in that it provides retrospective assessments, linked with changes in over-time trends, which are weighted against established performance standards. Future-oriented determinations can be made by a team's review of the validity and specifics of the measured phenomena. As marketplaces are always churning, short-term monitoring and feedback processes are thought to be essential to any effective marketing program. The implications of this approach are reflected in the wide variety of specific tools, models, and techniques found within the next four chapters. This book comprises three discrete areas: people, research, and performance tools. Only after addressing these critical components will the firm be in a position to employ their sales force monitoring and control apparatus.

2. The Importance of Monitoring and Evaluating Sales Performance

Your sales force often represents a huge investment of both time and money. Like any investment, its performance needs to be closely monitored in order to assure a strong return. Effective sales managers constantly evaluate their salespeople's performance and give them periodic feedback on how they are doing. They also provide them with goals to work toward and encourage their growth. The direction set by the sales manager guides the sales force toward its potential in the market.

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One of your sales management responsibilities is to create and maintain a motivational environment in which salespeople are encouraged to strive for higher levels of sales performance. Effective evaluation of the sales force and the sales management team helps you understand whether the goals and plans of the unit are being met. This information is then used to alter and improve sales performance as necessary. It's an ongoing process, since some people may require only a minor course correction to boost performance, while others may require a major change in direction. Remember, no strategy can be implemented without the support of a dedicated sales organization capable of translating it into customer satisfaction and sales growth. Salespeople who do not feel significant support from their sales managers may be working with only partial enthusiasm or ineffectiveness. Knowing what works and what does not work, and what tends to satisfy customers and what does not, can get you to your goals more quickly and with higher productivity.

3. Key Performance Indicators for Sales Teams

Success in any sales team requires close monitoring of sales team performance. Key Performance Indicators (KPIs) are measurable values that demonstrate how well a team is achieving specific sales objectives. KPIs can be tailored according to a company's or a product's sales process. They could, for instance, last over a day, a single transaction, or even over a week or a month. The KPIs include such things as sales volume, conversion rate, average margin per sale, and customer acquisition cost.

Setting the correct targets for KPIs is important for sales motivation. They must be realistic and achievable, but also a challenge. This also applies to corporate and individual targets. KPIs can be used as either a lagging or leading indicator of future sales. Good KPIs change or drive customer and employee behavior towards achieving performance targets in a certain way. They are quantifiable metrics that reflect the critical success factors of the business or sales organization. Good KPIs take value representing the net impact of active performance drivers aligning with the senior managers who have the responsibility and authority to take corrective action. These will often form the basis of a Management Information System, conveying information up through the company structure.

Using KPIs is an essential part of any system of sales monitoring and evaluation. They are crucial for steering business, from the point where it begins to sell, through the process of growing sales, to the necessary measurement of sales success. KPIs

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give decision-makers exceptionally clear, unfiltered feedback on the success or failure of sales activities along with sales strategies. In a tough market, or when sales are hard to come by, KPIs can save precious time and resources from being put into a strategy that isn't working. They provide a quick way to steer the effort in a different, more profitable direction. The data can be collected in a database or other data system ready to be shared and communicated throughout the sales network. KPIs can also keep tabs on how loyal your customers are. If your business doesn't have as many return customers, you will have to allocate your budget into gaining new customers, but if the business has a lot, your budgets could be realigned to make more customer acquisition. Systems need to be put in place to guarantee that KPIs are reviewed regularly; the KPIs can be easily communicated and are straightforward to understand. Best practice reports monthly.

4. Tools and Technologies for Sales Force Monitoring

Executive Summary Sales management is the coordination of people and processes to reach an organization's objectives. It is needed to effectively run a sales organization and integrate technology-driven sales solutions to help managers and sales representatives monitor the activity and performance of the sales teams. These tools vary from simple software solutions that make activity easier to physically track, to analytics platforms that can aid sales managers with decision-making. CRM systems allow sales representatives to track and manage their leads, prospects, and opportunities, while giving management the power to monitor and evaluate sales performance with performance scorecards. Implementing a sales solution within an organization can be a transformative process. The real-time nature of the available data allows management to monitor and make decisions immediately. This can be especially helpful for managers when they are on the road and cannot return to the office. Better communication and collaboration across the sales team can be more easily facilitated because of the technology. Many companies would like to use the power of predictive analytics. They see the potential for uncovering hidden trends in their sales data while detecting future success and shortcomings. The amount of data compliantly collected is, however, only the beginning – businesses need the right tools and strategies. In the case that your sales reps are not seeing success, but your data shows that prospects with a certain set of characteristics should be successful, management can make suggestions on whom to target and how to tailor the sales pitch. The suggestions made to sales reps when armed with the right information can create boosts in the bottom line. The

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predictive models that can be constructed based on artificial intelligence and machine learning would provide those insights. At a strategic level, sales solutions can help companies keep accurate measurements to track their sales strategy and adjust it as needed. If a laid-down strategy is failing, it can be adjusted to ensure that the sales force is spending time on the right leads and customers, ultimately bringing value to the company. It is important that the solution you select for your sales force allows for training and support. Training and support are necessary to help ensure that your sales force uses the tool to the best of its ability, so that your organization can maximize return on investment. There are many training methods that vendors offer, such as email support, one-on-one support, online help manuals, videos, or in-person training. In-person and online training on a regular basis is a positive way to ensure that the tool is used beyond just the basics. A system that is not being used by your sales team, or is only being used on the most basic level, will devalue your initial investment.

5. Implementing a Sales Force Evaluation System

In setting up a sales force evaluation system, it is important to have a clear rationale for its implementation and to decide what you are trying to achieve. An effective system will help to ensure that sales and marketing resources are focused in the most appropriate areas and direct them away from unproductive sectors. It will provide a structured, formal mechanism for the collection and analysis of data on sales force performance. It is also advocated that the process should, wherever possible, engage sales personnel to work towards setting individual goals and objectives, as it makes the evaluation process fairer and more reasonable. This process should also encourage the sales force to take ownership of the evaluation system and be more committed both in implementing agreed action points from the evaluation and in the long term for continually reviewing and updating the system. For an evaluation system to be effective, there are a number of issues that need to be addressed, including the data collection methodologies, periodicity of the performance evaluation, and the evaluation criteria used.

When thinking about data collection methodologies, it will be necessary to establish which methodology will be most appropriate; this will be based upon the information required, the size of the sales force, or appropriate access to the sales representatives, and the organizational or sales force culture. There are various mechanisms that can be used within an organization with regard to sales force performance evaluation. Commonly used methods range from personal observation

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and past performance to some form of predetermined targets. Various sources frequently used to construct performance evaluation criteria include some form of sales targets, objectives, budgets, or some combination of these. This information should be collected for use against actual performance. According to the objectives, targets, or criteria, information can be collected from internal and external sources to help construct the evaluation mechanism. One additional source, which may prove helpful in the construction of an evaluation system but is often overlooked, is the industry data. This information can come from industry trade associations, analysts, market research, customers, or suppliers. The offering of regular and detailed feedback to staff will provide information, both positive and not so positive, which will help the drive for the continued improvement of company performance. Regular feedback also gives sales personnel an opportunity to reconsider their actions, improve their performance, and as such be further monitored with the opportunity to change.

Managers may use a variety of methodologies to ascertain reasons for poor performance, to identify specific development needs of individual staff, to ensure the continuing development of staff, and for future sales staff selection. The setting up of sales force performance evaluations is, in general, a straightforward task. Many companies have some form of performance review system in place; the issue is to identify how that system can be used effectively within a pharmaceutical sales environment. Furthermore, the use of industry or other benchmarks, in particular when analyzing performance compared to competitors, can also help pinpoint and define an area or areas of activity that are not producing to the best of capabilities. The importance of using an industry or other benchmark is also that this brings an element of standardization and objective criticism into the evaluation system, which could be more consistent, hence applying more rigor to the company's overall performance or pinpointing problem areas experienced by competitors that may not have yet been encountered by the company.

6. Best Practices in Sales Force Monitoring and Evaluation

This section provides information on best practices essential to monitoring and evaluating the effectiveness of sales forces. Not only are these practices critical for determining if sales forces are accomplishing tasks and objectives as outlined in their job descriptions, evaluations performed by trained supervisors or managers are essential in determining when further action steps may be needed with an individual. Here are six best practices in sales force monitoring and evaluation.

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1. Consistency 2. Regular Training and Development 3. Constructive Feedback 4. Utilizing Data Analytics 5. Alignment with Organizational Goals 6. Encouraging Open Communication

It is essential to objectively and fairly evaluate the sales team even when unfavorable issues may be presented. Open communication encourages understanding and provides insight into any areas in need of improvement. It has been established that more sales are made not after the first few contacts but after the 5th to 12th contact. A good evaluator consistently evaluates the progress of sales staff and takes into consideration that it may take some time for a salesperson to develop a territory, work through any problems that may become apparent, and make a significant impact in the field. A seasoned salesperson often will take existing accounts and maximize current business with those accounts.

The monitoring and evaluation process provides additional opportunities to individualize the communication, improve performance, and customer service to anyone or any agency that has relationships with the company. Effective feedback communication should include input from a variety of profiles to be viable, meaningful, and beneficial in achieving organizational strategic direction now and down the road. This is a continual process. The supervision and coaching from sales managers are critical to sales performance, service, and customer satisfaction. As an immediate barometer, compensation by the sales team is an excellent indicator in respect to the return on investment enjoyed by the individual representative and the company as a whole. This type of assessment of services does not have to cost a great deal of time or money and can be incorporated in a multifaceted evaluation. Each best practice identified will be discussed in further detail.

7. Challenges and Solutions in Sales Force Monitoring and Evaluation

Many sales forces, regardless of their intrinsic capability, can struggle with being monitored and evaluated and may resist attempts to do either. This chapter explains why this might be the case and how it might be overcome, offering potential solutions for enabling the measurement of performance in an attempt to address these challenges. The challenges faced by many successful sales forces are well established. Setting this aside, there is always reluctance in many sales forces to accept change or to adapt to a system of control from outside the good leader who

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manages this. Resistance, however, is only one issue among many. The current roles of sales personnel also make it hard because sales roles vary. Monitoring and evaluating a team member who is in a lead generation or account team role is different from the sales person who is managing retail distribution. Additionally, many sales organizations do not have the time or the systems to monitor their salesforce in the field. Since leaders do not have time, support, or incentives to monitor as suggested, this would set the entire process up for failure from the start. Culturally or otherwise, the sales force is not supportive of the change and would become resentful over time. Overcoming these sales manager resistance barriers is one aspect that needs to be addressed or managed. Explained well and argued, many of these issues can be understood or overcome. Communicating to the team the logic, purpose, and expected outcomes of an honest and open team works well. Over a period of time, many retail sales environments establish their own dual volume of sales and volume of traffic measures to calculate penetration. Outsourcing the evaluation through systems integrated internally or externally.

8. Ethical Considerations in Sales Force Monitoring

As useful as monitoring may be, there are also ethical considerations associated with wondering who will monitor the monitors: who will protect the privacy rights of the people being monitored, and how will we ensure that the powers of those monitoring will not be abused? Of course, many people regard this concern as overly idealistic. It is true that the employer can make a case for protecting organizational interests. Nevertheless, privacy interests and a respect for the individual are still valid. As new monitoring technologies appear, companies must carefully evaluate their potential effect on individuals. Companies need to be able to explain why monitoring systems are installed, how they operate, and how the information gathered will be used. In this view, the outcome of monitoring will reflect the positive support system rather than the watchdog approach. This does not mean that the employer should not have reasonable monitoring programs to gather data. Although employees may acknowledge the need for reasonable performance evaluations, they may also object to monitoring programs because of "psychological oppression." Early in the day, when performance results are not yet known because the company has time to react, no feedback is given. Would you be open to low morale and negative attitudinal impact if this were the idea you were given?

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9. Case Studies in Effective Sales Force Monitoring and Evaluation

A recent survey of sales managers and officers suggests that many firms can benefit from improved monitoring processes, a conclusion simplified through the subsequent case studies described here. Research has previously shown that firms in different industries have different managerial needs, and it is interesting to see that in these case studies, one size does not fit all. Agency selection increased sales at Anglian Windows, but had limited impact at the heated glass and conservatory divisions that shared an integrated sales force with this successful sector. Prospect marketing increased sales of both tram advertising and outdoor advertising at Ambient Advertising, but had little impact on sales of underground advertising at a related business, where word-of-mouth helped recruit the best of the available candidates anyway. Dhander Energy did not keep good records of recruitment, so our analysis here is based on data from probation-trainee to experienced-hire transition. The total average change in the underlying business was a 27% increase in weekly hourly sales revenue. As expected, the proportionate uplift increases from left to right as the additional impact of turnover delays decreases. Not surprisingly, the greatest simulation selection uplift occurred at the high-turnover entry level, where an average occurs. The average increase was 48%, rising, as indications suggest, to a high deal of 78%. Across all decisions, demand for electricity increased 3% over this period, and period revenue is almost 20% higher. There are a number of limitations to the analysis. Firstly, when assessing turnover, only employees who began at some time close to the probation trainees interviewed were assessed, and only those who applied at that time, which was a non-peak entry season. Secondly, the workforce at the time of assessment is greatly expanded and diversified, making comprehensive turnover data far more difficult to attain.

In both institutions, turnover figures are currently being captured fortnightly for more up-to-date quantitative measures. Compare the two years before and after taking Dhander Energy. A further limitation of this analysis is that no control group existed. The marketplace is currently so stable and competition is so fierce that all sectors and businesses are in the process of weeding out the poor performers, who have been relegated by the financial performance league tables. It is hard to imagine anyone who would put up with below-average performance for continued lost months. A few recruits appeared to blow through a fantastic and better-looking opportunity but did not happen again in the same quality without KSAs. Lessons

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learned • There is no one time to recruit - no broadly 'best time of year'. The right time for you to recruit will depend on your capacity, your goals, your funding, and the aims of other courses. • Whatever time you choose to recruit, advertising is a good investment. Best practice • Retrospectively evaluate your recruitment to inform your future recruitment. (Zoltners et al.2021)(Sharma et al.2020)(Panagopoulos et al.2020)(Tangudu et al.2023)(Inyang & Jaramillo, 2020)(Peterson et al.2021)(Lyngdoh et al.2021)(Mullins et al.2020)

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Associate Professor
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Abou Bekr BELKAID Tlemcen University
Faculty of Economics, Business and Management
Business Department

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