

Chapter 5

Organising and Staffing the Salesforce

Learning Objectives

- To understand the **concepts** of the sales organisation, and the **basic types of sales organisations**
- To know **specialization** within the sales organisation, and alternative organizational approaches **for major accounts**
- To determine the **size of the salesforce** by using various methods
- To understand the major stages of **salesforce staffing process**, consisting of planning, recruiting, selecting, hiring, socialisation and assimilation
- To realise the importance of the various steps included in **planning, recruiting, and selection** stages

Salesforce Staffing

- It is one of the most challenging and important responsibilities / activities of sales management
- **Salesforce Staffing Process** includes following stages:
 - Planning
 - Recruiting
 - Selecting
 - Hiring
 - Socialisation
- We shall briefly discuss each of the above stages

Planning Stage

- It consists of **three steps**:
 - Establish responsibility for staffing process
 - Decide number of salespeople needed
 - Outline the type of salespeople needed
- **Establish responsibility for staffing process**
 - **Company management decides** responsibilities for various stages / activities of staffing process
 - Generally in a medium / large size company, middle and senior levels **H.R. and sales managers** are responsible
 - **Proper coordination** needed between sales, marketing, and HR executives

Planning Stage (Continued)

Decide the number of salespeople needed

- **Steps followed** by each territory sales manager to plan requirement of sales people:
 - 1) Decide **optimum salesforce size** (using methods discussed earlier)
 - 2) **Add** number of promotions, retirements, transfers out, terminations, resignations expected from existing salespeople
 - 3) **Subtract** expected transfers into the territory and existing salesforce
 - 4) Make a **total of new salespersons needed**
- Territory sales managers submit their requirements to national / general sales manager, who calculates the total number of **new salespersons to be hired**

Outline Type of Salespeople Needed

The **steps involved** in the process are:

- Conducting a job analysis
- Preparing a job description
- Developing job qualifications / specifications

Conducting a Job Analysis

- It is done by a person from sales / H. R. department, or a consultant. It consists of **two tasks**:
 - (1) **Analyse environment** in which the salesperson would work – E.G. nature of customers, competitors, products.
 - (2) Determine **duties and responsibilities** of the salesperson. Obtain information from sales managers, customers, etc.

Preparing a Job Description

- It is a **written document** developed from the job analysis
- The detailed job description is a **useful tool** for recruiting, selecting, training, compensating, and evaluating salespeople
- Some of the **points it generally covers** are:
 - Job title, reporting relationship, types of products / services sold, types of customers, duties and responsibilities, location and geographic area to be covered

Developing Job Qualifications / Specifications

- These are generally based on job description
- Job specifications / qualifications include education, sales experience, skills, and personality traits
- Many studies done, but no generally accepted job qualifications for selecting salespeople, due to many types of sales jobs
- Some methods used for developing job specifications are as under:
 - Study job description. Useful for a new company
 - Analyse personal histories of salespersons
 - Ask customers

Recruiting Salesforce

- Recruiting include activities to **get individuals** who will apply for the job
- The general **purpose** of recruitment is to get enough qualified candidates, to enable company select the right persons
- H.R. and sales managers must update information on **government employment regulations**
- **Recruiting stage / process** includes following activities:
 - Finding the sources of sales recruits
 - Evaluating and selecting recruiting sources
 - Contacting candidates through the selected source

Finding the Sources of Sales Recruits

- For identifying prospective candidates, firms use internal and external sources. They include:

Internal Sources	External Sources
<ul style="list-style-type: none">• Employee referral programmes• Current employees• Promotions and transfers	<ul style="list-style-type: none">• Advertisements in newspapers and journals / magazines• The Internet (job sites)• Educational institutions• Employment agencies• Job fairs• Other companies

Evaluating and selecting Recruiting Sources

- Recruiting sources are evaluated based on the **database** built over number of years
- **Evaluating factors** are:
 - Performance rating of salespeople, after 2 years working
 - Percentage of salespeople retained, after 2 years working
 - Total cost of recruiting
 - **Selecting** most effective source of recruiting at least cost
 - For a **new company**, selection depends on cost
- **Contacting candidates** through the selected source is done by H. R. department

Selecting Salesforce

- **Selection process** consists of seven major selection steps / tools
- Companies differ in using selection tools, depending on expenditure budget and time available
- Major **selection tools / steps** are:
 - Screening resumes
 - Application blank
 - Initial interview
 - Intensive interview
 - Testing
 - Reference check
 - Physical examination

Screening Resumes

- It is done when the company receives many resumes
- This step / tool not required, if somebody else like employment agency does initial screening
- Initial screening of resumes are done by **comparing with job specifications**

Application Blank

- Widely used, it is a methodical way of collecting relevant information from the applicant
- **Advantages** of using application blank (also called “formal application form”) are:
 - (1) Easy comparison of many applicants
 - (2) Useful for asking question during interview sessions

Interviews

- Widely used selection tool
- A good predictor of the candidate's performance
- Initial interviews are used for screening candidates
- Intensive interviews are conducted to get indepth view of candidates
- Interview structure / type of interviews:
 - Structured / patterned / guided interviews
 - Unstructured / non-directed / informal interviews
 - Semi-structured interviews
 - Behaviour and performance based interviews
 - Stress interviews
- Purpose is to decide a candidate's fitness for a job

Testing

- Many firms use tests as a selection tool – P&G, IBM
- **Purpose** of testing: To find whether applicants have traits / characteristics that lead to success in sales job
- **Type of selection tests:**
 - **Aptitude** tests measure ability for selling and learning
 - **Intelligence** tests find out mental intelligence or intelligence quotient (IQ)
 - **Interest** tests find out level of interest in a sales career
 - **Knowledge** tests measure knowledge of products, markets, etc
 - **Personality** tests find out attitude or traits like empathy, self-confidence
- Tests must have reliability and validity
- Tests should be **one of the selection tools** and not the only tool

Reference Checks

- They are **important** due to possibilities of resume frauds and false personal information
- They are done by letters / e-mails, telephones, or personal visits
- Instead of candidate's references, **previous employers / customers** to be included for reference checks

Physical Examination

- **Objective** is to find a physical problem that may prevent job performance of an applicant
- Most companies want their prospective employees to undergo physical examination
- Increasing number of firms ask applicant to complete the health information form without seeing a medical doctor

Hiring Stage

- After completing selection process, a list of candidates to be hired is made
- In hiring stage, **two activities** are performed:
 - (1) The company making the job offer
 - (2) Persuading the applicant to accept it

Socialisation Stage

- It is the **process** through which new salespeople learn values, norms, attitudes, and behaviour of people working in the firm
- **Socialisation process** starts before the new salesperson accepts the job offer and continues until the person is assimilated into the company culture
- **Assimilation** is the second stage of socialisation process
- Companies have this process, in order to **retain new salespeople**

Key Learnings

- A sales organisation assists a sales manager to **carry out needed tasks** efficiently and effectively
- **Basic types of sales organisations** are : (1) line, (2) line and staff, (3) functional, (4) horizontal
- **Specialisation** within sales organisation, which are needed to increase effectiveness of salespeople, are: (a) geographic, (b) product, (c) market, (d) combination
- Companies use alternate approaches to deal effectively with **major accounts**
- Methods available for deciding **optimum salesforce size** are: workload, sales potential, and incremental

Key Learnings (Continued)

- **Salesforce staffing process** includes five stages: planning, recruiting, selecting, hiring, socialisation
- **Planning stage** includes (1) establishing responsibilities, (2) deciding number of salespeople needed, (3) profiling the type of salespeople needed
- **Recruitment stage** consists of (a) finding sources of sales recruit, (b) evaluating and selecting recruitment sources, (c) contacting candidates
- **Selection process** consists of seven steps / tools: (1) screening resumes, (2) application blank, (3) initial interview, (4) intensive interview, (5) testing, (6) reference check, (7) physical examination
- **Hiring stage** includes (a) making the job offer, (b) persuading applicant to accept it
- **Socialisation stage** is required to retain new salespeople