

Evaluating Sales Force Performance

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SALES FORCE PERFORMANCE

- The division of a business that's responsible for selling products or services. In this case, you may expect your **sales force** to handle only the larger accounts, leaving the smaller orders to customer service personnel and order-takers.
- A judgment or assessment of the value of something, especially a formal one. A performance appraisal evaluates how well the salesperson met their prior stated objectives.

DETERMINANTS OF SALES FORCE PERFORMANCE

- Changing dynamics of the market have increased the pressure on sales force
- Many studies were conducted to know the factors which will influence sales force performance
- They are
 1. Internal factors
 2. External factors

INTERNAL FACTORS

- Motivation
- Skill level
- Job satisfaction
- Role perception
- Ego drive
- Empathy



EXTERNAL FACTORS

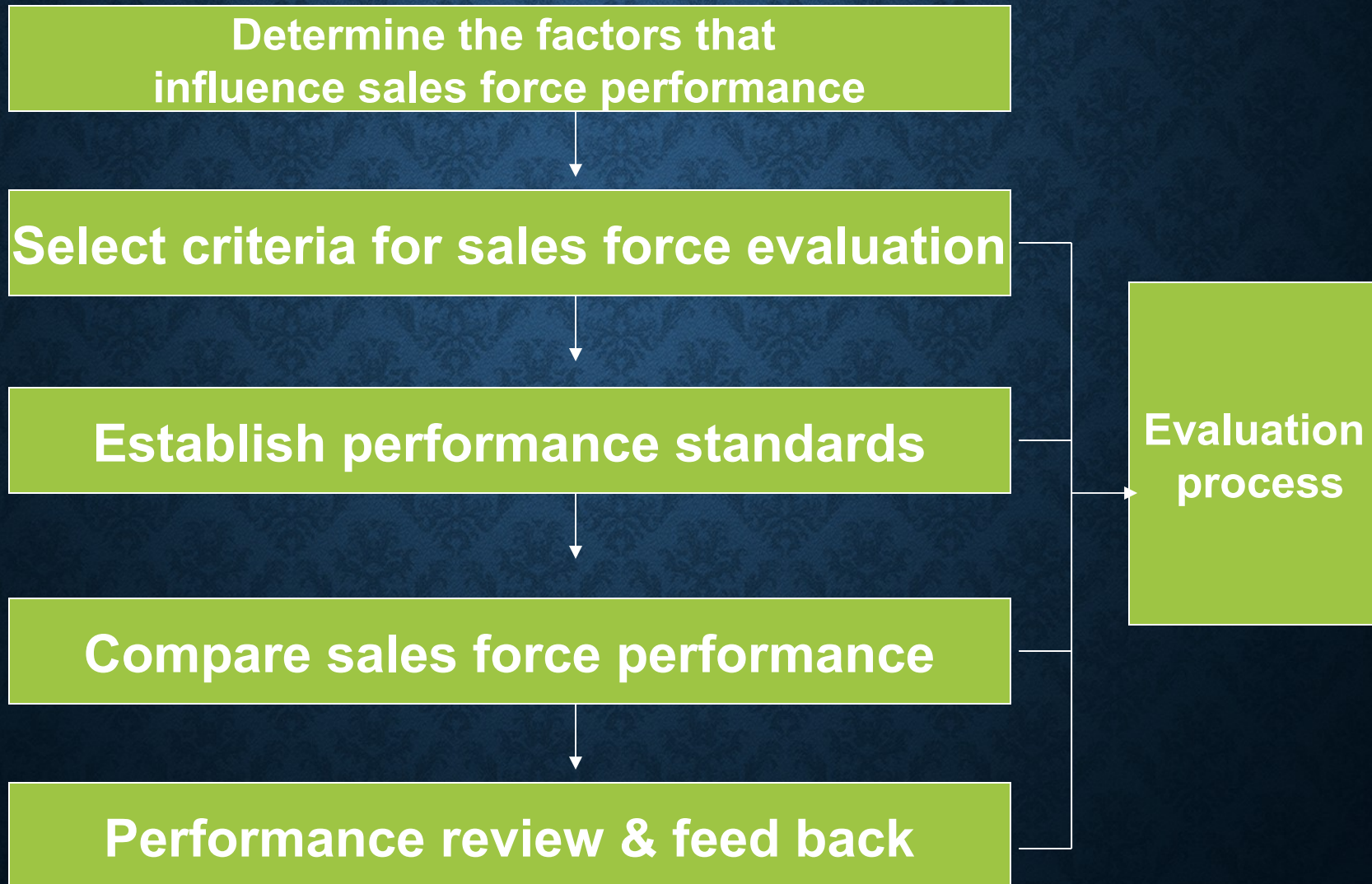
- a) Environmental factors
- b) Organizational factors
 - a) communication & work flow
 - b) compensation system
- c) Sales management functions
 - a) Sales force planning
 - b) Forecasting
 - c) Territory management
 - d) Compensation
 - e) Control



PERFORMANCE EVALUATION

- The process of assessing an employee's job performance and productivity.
- Important process which enhances the way organization is managed & provides recommendations for further improvement.

SALES FORCE EVALUATION PROCESS



MAJOR SOURCES OF INFORMATION

- **Company records**
 - Sales volumes, sales order to call ratio, profitability, selling expenses etc.
- **Reports from sales persons**
 - Activity, expenses, call reports
- **Customers**
 - Inadequacy of sales persons reports can be removed
- **Manager's field visit**
 - Communication skills, interpersonal skills, technical product knowledge, personality traits
- **Other sources**
 - Distributors, personal contacts, published & electronic sources etc.
- **Information from peers & subordinates (360° feed back)**

ESTABLISHING OF PERFORMANCE STANDARDS

- Based on the criteria standards are to be formulated.
- Standards act as a bench mark & helps in evaluating performance.
- Can be prepared by a sales manager singly or in consultation with other sales personnel.
- No. of standards to be used is one of major decisions & difficulty involved in the weight to be given to each factor.
- Large companies will have common set of performance standards.
- Relationship between input & output measures to be kept in mind while setting standards.

SOME OF THE METHODS FOR EVALUATION

1. Essays: where sales manager describes the performance of sales person in few paragraphs.
2. Rating scales: based on standardized performance measures.
3. Forced choice method: where the sales manager is asked to go through groups of statements & select those that best explain the individual.
4. Ranking: useful when entire sales force has to be evaluated. Techniques used are alternative ranking, paired comparison ranking & multiple ranking.

SALES CONTROL

Sales control is one of the functions of sales management which ensures the sales achievement and profit objectives of the company by coordinating effectively and efficiently the different sales functions.

Goals of Sales control

- Optimize number of sales
- Maximize profit
- Control revenue



SALES BUDGET

- Sales budget and sales programmes are the basic available tools to control the efforts.
- Other available tools are
 - Sales Audit
 - Sales Analysis
- The above tools can be used in identifying the strength and weakness of the internal processes and opportunities and threats from the external environment. Further it will help the management in locating the defect in the functioning of the sales department and take corrective measures.

Sales Audit

Sales audit is the systematic and unbiased review of the basic objective and policy of the selling function of an organization. Sales audits help in improving the effectiveness of the sales arm of the organization.

Audits normally examine six aspects such as

- Objective of the company
- Internal policies
- Structure of the organization
- Sales methods
- Procedures
- Sales personnel



Sales Analysis :

Sales analysis is the study of sales volume operations to find the sales and profit trend. It helps in achieving better sales performance. It also provides insights on the sales territories, type of customers and products.

Marketing Cost Analysis:

Marketing cost analysis is a strategy applied in marketing where the costs connected with selling, storing, advertising and distributing of products to particular buyers, are analysed in order to determine their profitability. Distribution.

THANK YOU