



Sales Organization & Tactics

Solutions for improving the sales function in medium sized B-2-B companies

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<p>Abstract:</p> <p>The thesis is a work summarizing the most important obstacles in the sales function in a mid-sized B-2-B company. It suggests solutions to the problems on both an organizational and a tactical level. Practical knowledge and case studies are intertwined in the theory for the reader to quickly grasp the vital points of both organizational and tactical issues. It then provides a guide for applying the suggested solutions in practice. The thesis is helpful to any company or start-up aiming to improve their sales functions. The practical knowledge provided will also help any sales person or manager to understand sales on a deeper level in areas such as customer focus, marketing and pyrrhic sales.</p>	
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<p>Sammandrag:</p> <p>Examensarbetet är ett verk som sammanfattar de viktigaste hindren i försäljningsfunktionerna inom medelsrota B-2-B företag. Det presenterar förslag på lösningar till problemen både på en organisatorisk och taktisk nivå. Praktisk kunskap och fallstudier är infogade i teorin för att läsaren snabbt skall uppfatta de vitala poängen i både de organisatoriska och taktiska problemen. Den fungerar sedan som en guide för att applicera de föreslagna lösningarna i praktiken. Examensarbetet är av hjälp för vilket företag eller entreprenörskap som helst som vill förbättra försäljningsfunktionen. Den praktiska kunskap som presenteras är också till hjälp för en enskild försäljare eller försäljningschef som vill förstå försäljning på en djupare nivå inom områden som kundfokus, marknadsföring och pyrrhisk försäljning.</p>	
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1 INTRODUCTION

The work entitled "Sales Organization & Tactics: Solutions for improving the sales function in medium sized B-2-B companies" is based on sales literature and experience in both the organisational and tactical areas. The work experience mentioned is in small to medium sized multinational companies with the main emphasis on sales undergoing extreme growth even during the financial crisis. The experience is emphasized on consultancy and management in sales, including but not limited to the expansion to new markets and launching of new products.

The work is based on a few assumptions in the business world revealed to me throughout my economic studies. The main responsibility of employees is to please the owners of the company. Most owners, excluding those in non-profit organizations, wish to see not only revenue, but growth. A logical assumption is that the emphasis in a company; should be to favour growth and increased revenue. To define this we will focus on increased efficiency in sales which results in increased profit, which is revenue-cost. The thesis will focus on increasing the revenue opposed to decreasing cost, even if some actions (such as better time management) may improve cost efficiency, the ultimate gain will be had from increased sales and thus revenue.

1.1 Problem area

The problem area chosen by the author is the sales functions in companies today. The problem more specifically being:

- Unclear sales strategies

Causing noncompliance and unhappiness among sales personnel

- A trend to separate the management further from the customer

Causing sales to lose perspective

- The big difference created between marketing and sales

Sending mixed signals and a confused picture of the company to customers

- Improper sales management

That allows unethical and unprofitable behaviour in the sales department that hurts the sales and the company image.

1.2 Purpose

The thesis will suggest solutions to problems on an organisational and a tactical level.

On an organisational level, it will focus on:

- Aligning the sales structure
- Suggesting a solution to the differences between marketing and sales
- Providing overwhelming arguments for re-implementing customer focus in sales

On a tactical level, the focus will be on:

- Pointing out and solving the main issues of unprofitable behaviour by sales personnel
- Suggesting more efficient solutions for prospecting and selling

This all will be concluded in a work that can enlighten sales managers to avoid some of the pitfalls of sales and to improve the efficiency of their own sales departments. The revelations of the study are provided by in depth practical analysis through case studies and the extensive experience provided by the authors host companies.

1.3 Delimitation

The demarcation will be drawn at areas not concerned by marketing, sales or organisational leadership. This involves for example production and logistics. Also, the thesis will focus solely on business to business companies. Totally excluded from the study are the functions that act solely internally without any focus on the customer.

The study also focuses on small to medium sized companies, mainly to gain a clearer insight into the interaction between departments and for the author to have a larger role, making altering decisions himself.

1.4 Method

The method of conducting the study is action research, there are many different variations of action research and mine can be compared to the one described by Andriessen (2006) but is less detailed. Participative action research is done so that the researcher is a part of the process and affects it. It is a way to forge both practical and theoretical studies. I claim this is a method especially suited for Universities of applied sciences, like Arcada.

The role I have played in the case studies in the thesis is sometimes the role of an observer. However, I still choose not to define this method as being used in the empirical research, since I very rarely stay completely uninvolved when a situation of interest arises. The case studies have their origin in work with a large number of different high status companies. Company names will not be mentioned in the specific case studies since the contents of this document is made public and the expressed consent concerning different cases will not be possible to obtain. Companies I have been directly involved with on an upper management level during the empirical research phase vary from small locally active companies to several international companies with over 5 billion euro in turnover.

In my short period (13 months) of working with sales, I have come to realize experience cannot be expressed only in time; it has to be an amount. Therefore I state that I have a short period but a large extent of on-hands experience to base my empirical research on.

The action research has been made in two companies.

1. "French IT company"

This company sells bundled IT products and services in the graphical sector. An extremely marketing and sales oriented medium sized B-2-B company. The company has two offices, the head office in Paris with Sales as the main function, the other office abroad with Service and Support as the main activity.

In effect, the IT stands less for Information Technology and more for Innovative Technology when comparing to company number two. The French company never sells software alone, only with their bundled product.

My role: Develop foreign markets and sales.

2. "Finnish IT company"

This is a medium sized software and consulting company, developing and selling products mainly for workstation administration.

My role: Develop foreign markets and sales.

In both companies, my role was similar, but the methods were different. As mentioned before I participated actively in both companies developing the sales functions into what they are today. Through this practical experience, I have achieved a great deal of knowledge in several areas. Those are the ones I am concentrating on in this study:

- Customer Focus
- Pyrrhic Sales
- Marketing as a Sales Function
- Negotiations
- Reference Selling

An area I have been given a great deal of instruction in:

- Reward Systems (Aligning the sales force)

I have used my expertise and practical knowledge to write the case studies, which are all factual cases. The cases have been selected based on two criteria; one is that they have to have great relevance in sales, and the other is that they need to show examples of an unsuccessful tactic or a successful implementation of tactics, in the areas presented above.

The method chosen was the correct one and has been successful far beyond the results in this thesis. The practical experience gained by me by performing the study has been vital to developing my business knowledge and advance in my career.

2 SALES ORGANISATION

I will assume that the company organisations main concern is to get the company to generate profit; this is done through sales. A key aspect of sales is to minimize the flow of information needed (internally) in order to make a sale. This should be a focus for any company that wants to ensure they respond to the market needs.

Sales can be achieved in different ways and the truly separating point is the first one, which is establishing initial contact through pull or push strategies. These are seen as marketing (pull) and sales (push) strategies, while the rest of the sales cycle concerns only the sales department. This is one of the most general misconceptions in sales and marketing today.

The two departments depend on each other for success. Marketing needs customer input to know the whole sales process and sales needs to have efficient pull to increase the success of their sales effort and time management. Even Kotler et al. (2006), who is very concerned about seeing marketing as a function of the company and not a department, points out problems that, in his opinion, are unsolvable in the communication between the departments. The thoughts Kotler has are based on marketing people and sales people having two different mentalities from the beginning that cannot be changed. Marketing is analytical and sales is result driven, however true this might be, there is nothing that says these ways of thinking are mutually exclusive.

There are other big problems in sales today that need our attention; one important problem is the communication difficulties that companies have because of managers refusing to accept the roles that have been given to them, and for sales rep's not applying the strategy because of lack of relevance. The situation can be worsened by bad account managing and growing disputes that are handled incorrectly leading to an inefficient sales force. In this chapter, we will look further into administrative strategies and how they should be applied efficiently.

2.1 The Company Structure Promoting Sales

The sales structure in a company is the foundation of how information travels and therefore it might favourably be decentralized. The reason for this is that the workflow will be much more fluent when a manager does not have to be involved in every deal. Another big aspect of decentralisation is that the communication will flow faster and the company will be able to react faster to market developments. This does not only save time, but it ensures that the vital information reaches the persons concerned by it.

2.1.1 Decentralisation

For a sales strategy to be successful in a company everyone involved needs to be aware of it. A decentralized organisation serves exactly this purpose; acting fast strategically within the company is an underrated quality. Zoltners et al. (2006) write about the gains from matching the sales force structure to the business life cycle. A properly decentralized organisation with the right outsourcing allows for rapid changes in the structure, which in turn makes the business adaptable and more competitive.

Hamel and Prahalad (1994) consider many of the same aspects, which are abilities to adapt. A company needs to be able to adapt to the changes around it, and these changes affect all departments. This can be compared to what Zoltners et al. (2006) mentions about adapting to the company life cycle. However, what Hamel and Prahalad refer to is much more fundamental than that. The organisation needs to adapt to be able to compete in the future; managers need to become leaders and architects of the future. This is something that needs to be taken into account in businesses. Managers are too concerned with time-consuming activities that are not important while they should be focusing on development and improvement. One company can for example concentrate on making sales by lowering prices, while another company finds a better solution/product and gains market share. Hamel and Prahalad take this phenomenon one-step further by comparing the strategy and structure of a company to DNA. This provides a very accurate comparison to inbreeding when the company does not adapt and develop. According to a university professor, who wishes to remain anonymous, this is something we

can see in fossil fuel industries where companies collapse because they have lost the edge in the business by refusing to acknowledge the natural developments of the market towards less expensive and renewable fuel options.

There are a lot more things to take into account when evaluating a strategy. Having the needed flexibility is something we will discuss in "Outsourcing" but the decentralisation is a means of spreading information fast and throughout the departments concerned. As Anderson-Onyemah (2006) wrote, it is important for a strategy to be clear to everyone for it to work. The managers and sales representatives cannot have differing opinions about the company priorities.

2.2 How to align the sales force

Aligning the sales force is important and one of the best existing models is the one by Anderson-Onyemah (2006) that describes the Outcome Controlled and Behaviour Controlled Systems. This is an action that is never too late to take, changing the reward structure has to have the best interest of the company in mind.

Outcome Controlled System

Outcome Controlled (OC) System is a system based on the expression Customer is King. As derived from the expression, the power here lies with the customer and is therefore more in the hands of the sales person than a sales manager. (Anderson-Onyemah 2006. p. 4-11)

The OC system has a structure that gives a lot of freedom to the sales representatives. The managers do not as much manage as give advice and persuade the representatives to thinking that their instructions is in the representatives best interest. The OC system celebrates a winning mentality and has a very high commission percentage. The more the sales representatives show their success, the better; often the rewards are also very

tangible, like cars, trips and merchandise. This creates envy and therefore a more competitive spirit. (Anderson-Onyemah 2006)

Behaviour Controlled System

Behaviour Controlled (BC) System is a system that can be said to be based on an opposite expression; 'Boss is King'. This system gives the power to the manager and can be a lot more time consuming in a company. (Anderson-Onyemah 2006)

The BC system is very focused on good managers and on educating them in the company. Companies with OC systems often recruit managers from BC systems since they do not have a system for growing managers themselves. The BC system is very hierarchical and the managers supervise intensively what the sales persons actually do. The reward structure is based on what the managers want from a sales person; a good effort is rewarded while a big easy sale might not be. (Anderson-Onyemah 2006)

To choose the right system is not as important as managing it in the right way. Sales personnel might perform well under the circumstances but a lot of effort is wasted. It can also be the other way around that the sales representatives will not perform since the system is not managed. (Anderson-Onyemah 2006)

Anderson-Onyemah (2006) tells us there is no optimal strategy, some are better suited for some companies. The most important thing is that the sales force has to be aligned and the control system consistent. A model of how the control system can be measured can be found below.

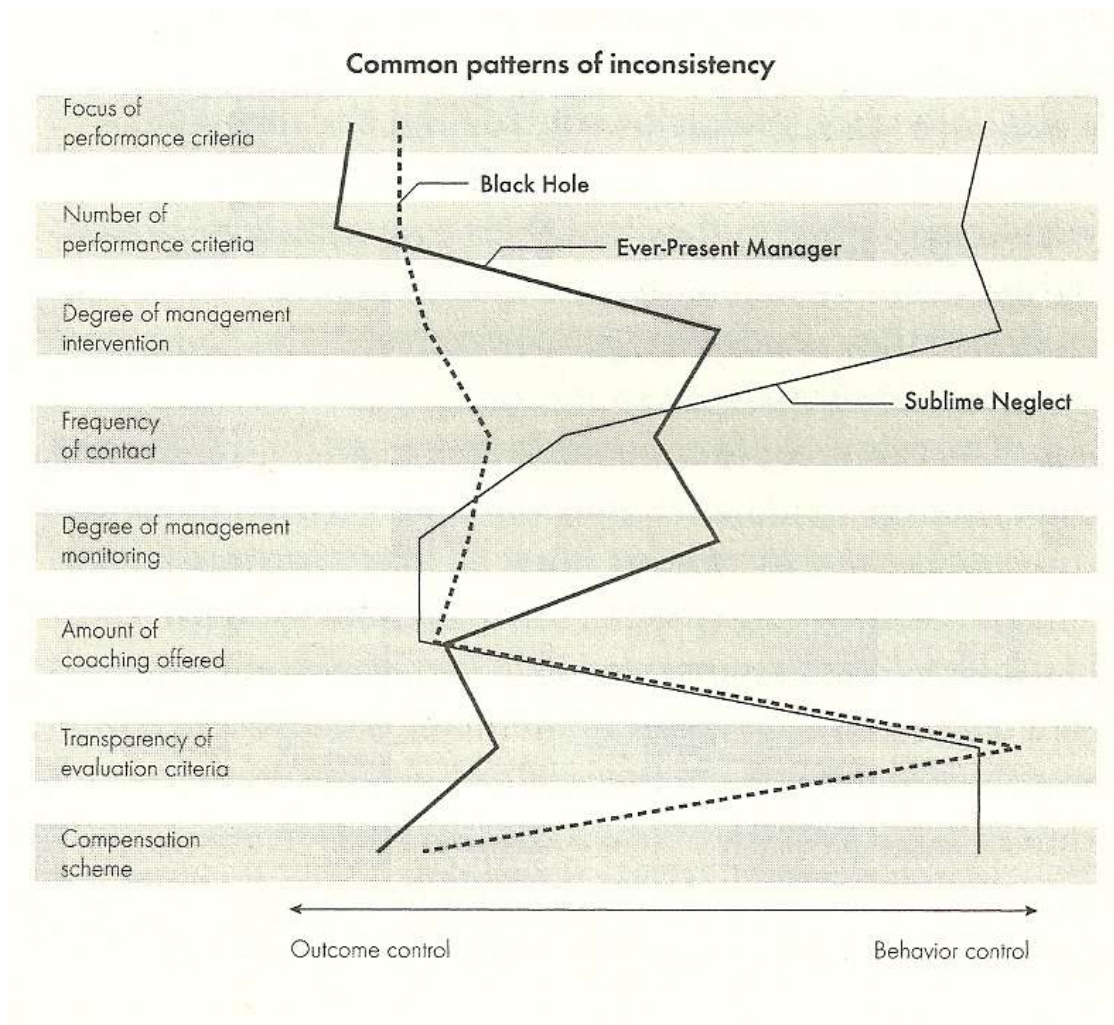


Figure 1: Salesforce consistency Anderson et al (2006).

If the line zigzags then the control system is misaligned, this means that inappropriate measures for the rewards are being used. For instance, if there is a focus on performance, no management monitoring, and a lot of coaching then the system is clearly not aligned. If the performance is being rewarded but the performance is not being measured, only sales, then the sales force will not be correctly compensated and the performance will suffer. Anderson-Onyemah (2006)

2.2.1 Seizing control, or relinquishing it – Empirical Study One

To align the sales force the company must have a clear reward system and a clear strategy. A company that rewards the employees for making sales should only interfere

when this is not happening. If there are other priorities to take into account then the reward system should be adapted accordingly.

As mentioned above, there are other rewards than money. The reasons might not always be clear but it is important to remember that money is not always the biggest motivator. The envy or respect of co-workers is a great source of inspiration for many sales personnel. This is why using promotions in a BC system and prizes in an OC system is something that should be considered quite often.

Case Study 1: Unaligned Sales Structure

The situation with an unaligned sales structure can clearly be explained by this case study. The case study is done in the French Company selling bundled IT supplies B2B. This is a mid-sized company with a large turnover that relies a lot on their sales personnel making consistent sales. The equipment they sell is very effective and has a long life span. Because of this, there is very rarely repeat business between the sales person and a customer. In this case, I acted as an observer during a long period, and participating by suggesting alternative solutions to the management. The solutions were not implemented within the time period of the research and are therefore not mentioned in the study.

The sales person concerned is one, which is given very free hands on the market according to his job description and is working with a newly assigned commission that still is not the larger part of his salary. He is an area manager. The commission is a percentage of the total price he sells the equipment for, not correlating directly with the profit the company makes. The responsibility, and partly his salary, would describe him as being in an OC system.

The sales rep is very much on the customer's side since the sales are the most important indicator of work progress for his managers. This is the only measurement they have that is reliable. This generates a lot of problems since the sales person also adapts the bundled packages more than the managers want. This leads to a lot of disputes between the managers and sales personnel, and while direct sales do not suffer from the disputes, other territories might not develop as fast since managerial resources are misdirected and there is no way for the sales managers to control what the sales person does on the market since the salary is not adjusted by behaviour. In other words, they are only happy when the outcome is sales and this is the only factor in determining the sales persons reward. On the other hand they wish to control his behaviour, possibly resulting in limiting his personal sales and thereby the commission.

There are a couple of issues in the case study presented. One issue is to find out why the managers disapprove of adapting the equipment. The solution to the problem is then adapting either a BC or OC system. In this case, adapting the equipment is not decreasing the profit on the sales.

For an OC system the managers would relinquish control and let the sales rep achieve his sales the best way he can. Trusting his abilities to develop the market is the hardest part, and would involve relinquishing a lot of control and placing a lot of responsibility on the sales person. This assumes that the sales person knows what is good for his market, while the manager might not.

To adapt a BC system commission is replaced by other variables. The only package offering commission is the bundled package or removing commission completely and instead motivating bonuses for hard work. Here we consider that the sales person might not know what he is doing separating the products since the entire solution might not work as well, therefore hurting the market.

There is no clear solution to the problems caused by the situation. However, there are only two ways to go to align the sales structure and it depends completely on the individual situation; increasing sales short term might be OC, with a smart Sales rep it might also increase long term profit etc. This is a matter of judgement and does not have to follow the entire sales force. It may be adapted to regions or products as the company sees fit. The most important part is to align the structure even if it is a customized solution.

The conclusion to align the sales force in a company is to do it according to one simple statement; Let the sales personnel win when the company wins. In an OC system, this might mean finding a direct correlation between the commission and the company profit. In a BC system, this might mean rewarding the person representing the company in a beneficial way.

2.3 Customer Focus

“Most important, whatever corporate structure you are in, the goal is to serve the customer” Schwartz (2006)

According to Schwartz there are two questions everyone involved in the organisation has to ask themselves;

“What does your company define as a successful customer?”

“What is the desired customer experience?”

The new trend in B2B is for the whole company to please the customer; contrary to the old days when pleasing the customer was something for customer service, marketing and sales. Now companies are realising they need to integrate their whole company into a customer experience supplying company. This is where products follow the needs of the customers and logistics and finance integrate their systems with the customers to improve communication flow. This does not mean that all departments need to have regular customer interaction, it simply means they should be integrated enough to take part of the information supplied by the customer. (Schwartz 2006 p. 51-53)

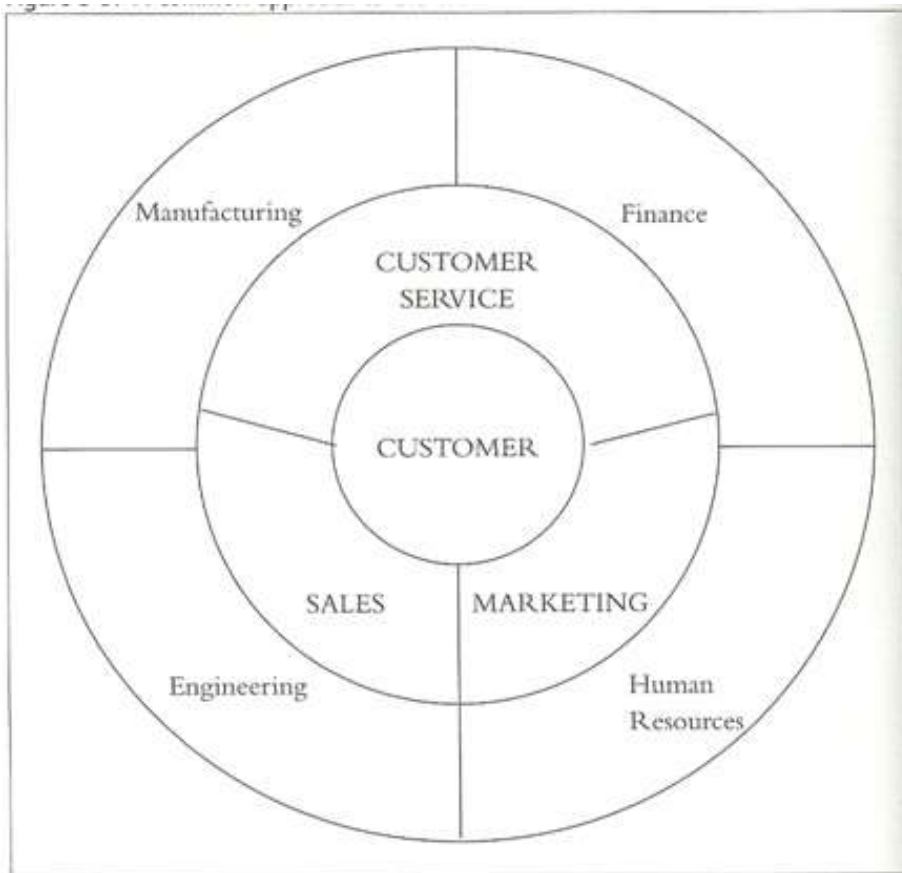


Figure 2: The old way to interact with customers by Schwartz (2006).

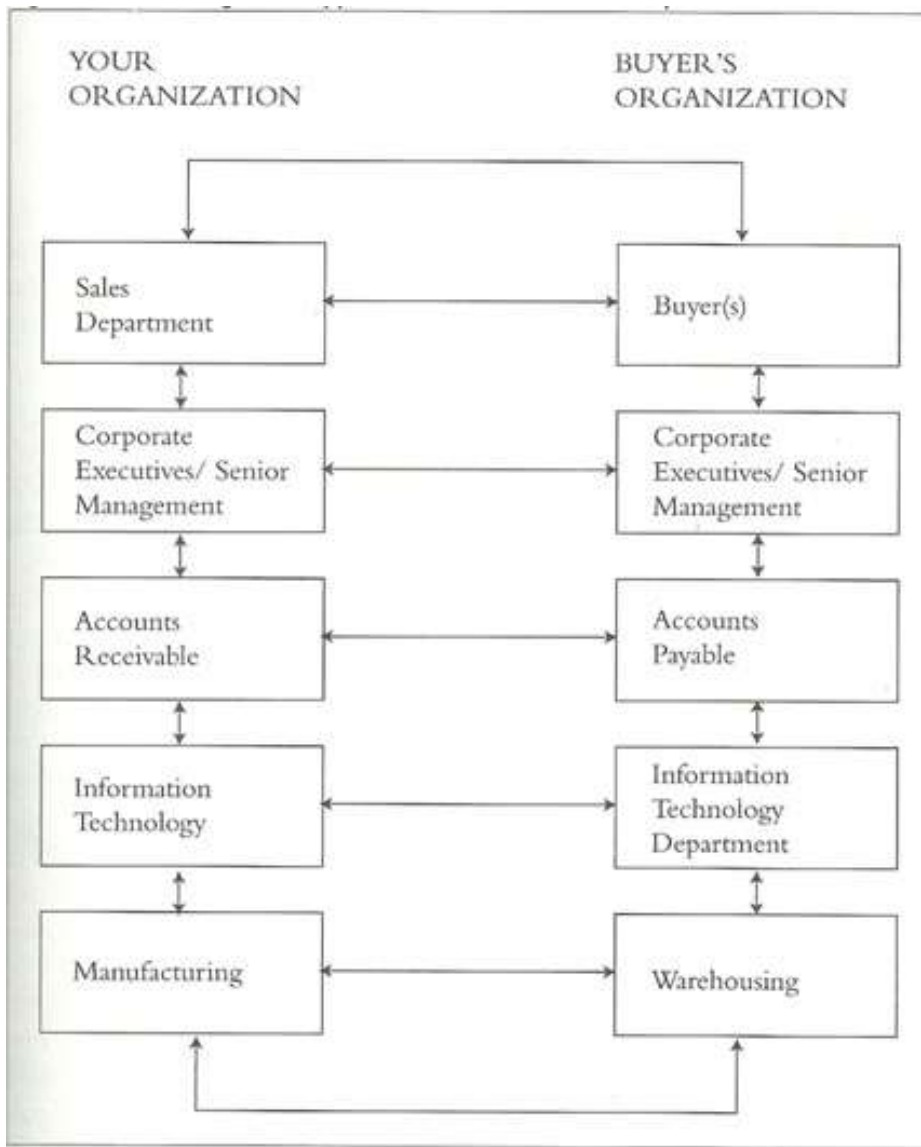


Figure 3: The new way to interact with customers by Schwartz (2006).

2.3.1 The Customer – Empirical Study Two

There are two parties that should be in focus in a company, one is the owner and the other is the customer. The owner should be in focus because that is the one for whom the sales personnel work, the one paying their salary and profiting from what they do. The customer is the source of all profit and should always be the main concern, not because he is more important than the owner, but because it is in the owner's best interest that the sales person thinks of the customer first. Hence, the expression in leading companies "The customer is always right".

This is an important point since some companies have lost touch with their customers completely on an administrative level and the operative level is desperately trying to change the course of the company to better suit their customer demands.

Earlier, we discussed the importance of adapting and reacting faster to market changes. This is something that cannot be done unless the ones making the changes understand the customer input. A company fighting for customers without the right tools is not going to win. The sales managers need to focus on adapting to the customer needs all the time. A company can waste a lot of time developing solutions and adapting new strategies that will not benefit the customer anyway. The customer will give you the feedback needed to sell more products; one only needs to ask the right questions.

Case Study 2: Failing to respond to market needs

This case study concerns the earlier mentioned company selling bundled IT solutions B-2-B. The company relies extensively on direct sales and therefore the area managers handling the sales have a lot of responsibility. They need to handle direct sales and sometimes support, and they need to co-ordinate the marketing teams' efforts in their region. My involvement was as an observer to the sales person and consultant to the management.

This is about an area manager focused on direct sales, experienced in his area but not involved in the overall strategy or planning in the company. In 2008, the area manager realized that customers wanted a more expensive component with their bundled package, when inquiring about this from the management team they said it is strictly forbidden. This would raise costs too much and the product works fine with the normal component. The area manager realized he did not have the power or time to convince them otherwise, but the requests were increasing and the customers were more determined.

He then made the decision to sell them the package anyway, and put them in contact with the producer in Taiwan to get the means to alter the product with the better component, once it arrived to the customer. This went on for a very long time, and the area manager acquired the trust of his customers, and he solved problems for them. Sales increased for him while he also took over unsuccessful sales in other regions.

In 2010, the company started noticing the increased demand for the more expensive component, they made the decision to finally include it as an option. Now the option was two times more expensive compared to acquiring the product in the way the area manager had enabled two years back for his customers. The true problem was not that trust for the company products lowered, the problem was the outbreak of competitors. A reseller noticed this in 2009 and terminated their reselling agreement; they later got a manufacturer to produce a similar solution themselves, and offered the better option. Today, one year later, this competitor is the biggest one on the market. All this is because the management of the French company who would not listen to the sales person.

The situation above could have been solved by integrating sales higher in the company hierarchy. By giving more weight to the opinions of the sales department, the company gives more weight to the opinions of the customers. This would make sure the company has the ability to react to changes on the market. It would ensure that the company keeps the lead in the industry. When failing to trust the sales team, one no longer controls what is being communicated to the customers.

2.4 Combining marketing and sales

Combining marketing and sales is more than the topic suggests to anyone familiar with the subject. I wish to bring a new perspective on both marketing and sales, this is imperative to making a change. Theory that can be applied is the one of Schwartz (2006) and an argumentative view is supplied by Kotler et al. (2006)

There are two distinct views on the co-operation between Sales and Marketing. I chose to show the one of Kotler et al. (2006) and Schwartz (2006) as two opposing views. This leads to a comparison on the subject in the case study.

Kotler et al. (2006) describes marketing as a whole, and sales as a function. The sales function is very much based on the human resources and the opinions of the sales representatives and managers. The founding thought is on that which depicts sales people as money grabbing people serving one purpose: selling. According to Kotler this leads to problems as the marketer is usually very analytical and predictive and every plan they have is threatened by the individual sales representatives' personal agenda.

Schwartz (2006) view on sales and marketing is based on the keyword co-operation. Marketing needs to co-operate with sales in order to not make promises that cannot be upheld, and a big insight into marketing is required by the sales department. Schwartz suggests some very attractive corporate models for how to combine sales and marketing. One good suggestion is to have a "Vice President of marketing and sales", thereby combining the departments well. Sometimes the line between marketing and sales is also perceived as blurry, since Business Development can sometimes be a function of

Marketing and sometimes of Sales. It is however important to understand the difference to promote interaction. (Schwartz 2006)

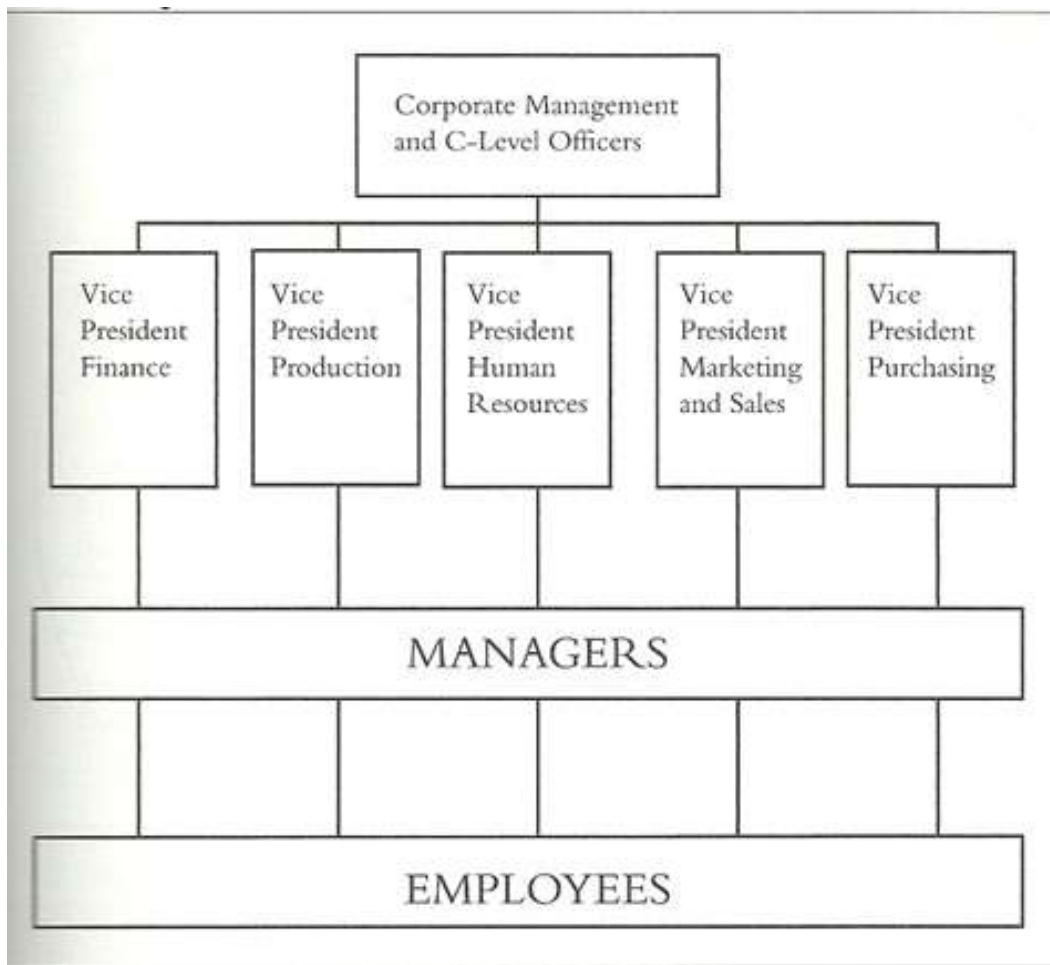


Figure 4: Combining Marketing and Sales, Schwartz (2006).

2.4.1 Sales Focus – Empirical Study Three

Since the Study does not involve B2C companies one must also conclude that all marketing directed at consumers will not be concerned. I make the claim that, in a B2B company, marketing is a function of sales, and nothing more. It is in effect the pull strategy for the sales department and should not be confused with consumer marketing where it is, in fact, the “Convincer” in sales. This is why I emphasize sales so much, to be able to reach the optimal flow of information between the company and its customers.

Everyone is focused on marketing being the term for all functions of promotion in a company; some even go as far as saying that marketing is selling. The latter brings one closer to the truth. A concern we have today is that everyone is not only trained to grasp everything, but seems to think their specific area concerns absolutely everything. While this gives one a more adaptable workforce, it also makes one less efficient when not focusing on the things one does best.

Sales is selling, it is also a very wide subject, in fact this is the only one that should actually stretch into other departments; not the other way around. Why? Because the key word should always be customer focus, the chapter above displays this very clearly. Sales is the only department qualified to make decisions based on customer need.

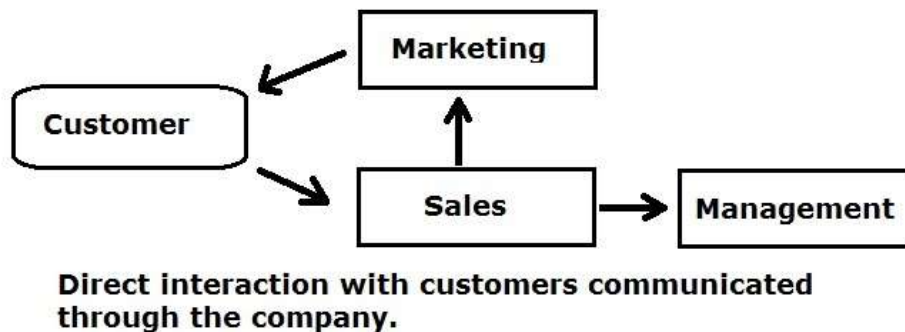


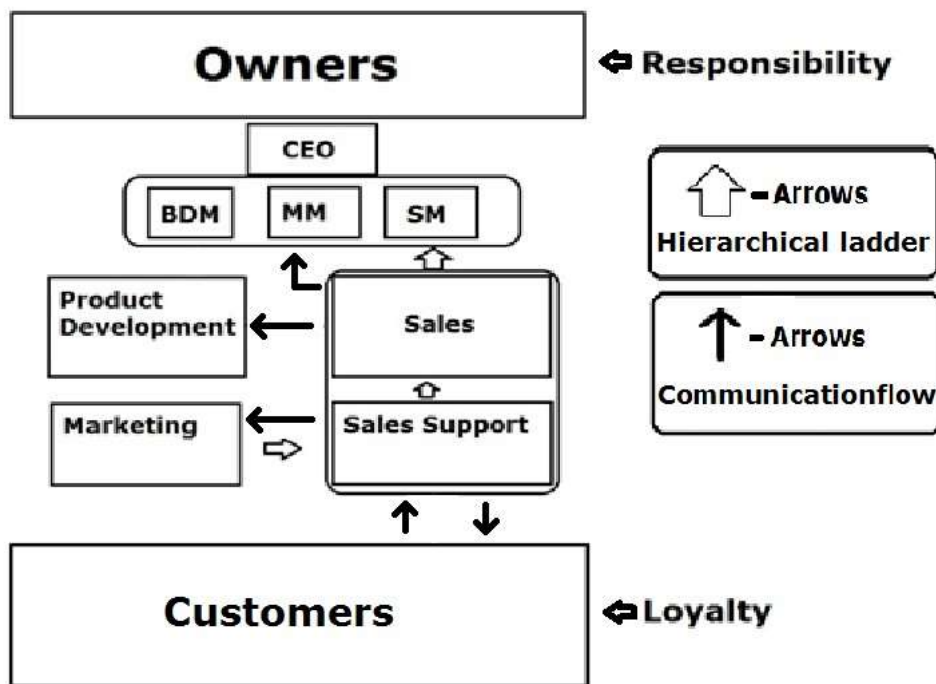
Figure 5: Communication flow

This diagram shows that the only department, directly involved with the customers and responding to their needs, is sales. This is why the direct interaction with the customer should be communicated through the company.

Some might think that a person concerned only with personal short term profit, a very common description of a typical sales rep, should not be part of the decision making process. This is correct. I am stating that this is not the true description of a sales rep. This is a description of an extremely bad sales rep, demonstrated by Case study 3.

The placement and management of the marketing department is often a large part of what is wrong when co-operation is not working. Earlier the concern was that the sales representatives are not making the right decisions for the company because they are too

focused on an outcome-controlled system. Their focus lies on the money, which is the customer. A system that works, absolutely, but it might not allow sales representatives to focus on the best interest for the company to grow; this effort is provided by the marketing department. The department in which many scenarios show there is too little experience in real customer interaction, here real should not only mean “actual”, but “updated”. In the end we have the sales department, well equipped to make decisions for obtaining customers in the future but are unable to do so because of their place in the hierarchy. While we have a marketing department that is not able to know how the customers react to their campaigns and the company communication on a basic level, they will thereby make the wrong decisions.



BDM: Business Development Manager, MM: Marketing Manager, SM: Sales Manager

Figure 6: Hierarchical structure

No one should be able to affect customer communication without real customer interaction. The model depicts a hierarchical structure for a B2B company that gives the sales department more control over marketing. It also ensures that the management has a customer interaction mentality and that the sales department communicates the customer

needs to the rest of the company. The possibility of having one manager for both sales and marketing exists in case the company grows. This model is for a medium sized company that is less product-oriented than most.

Case Study 3: Marketing Obstructing Sales

This case study concerns the French IT company which rely a great deal on e-mail campaigns for gaining leads. All marketing efforts in the region concerned are co-ordinated by the Marketing Manager. The person in charge of sales is specifically assigned to manage the areas leads. There is therefore no real pressure from the sales department on the marketing department; this is where it can go wrong.

The sales person in question, temporarily in charge of the region mentioned is me. Actively participating in the marketing should be made easier than the case describes.

The e-mailings go out according to the preset schedule for the area in question, taking into consideration holidays and work hours. The campaign is directed to a large audience and leads usually amount to a lot of work. The problem with the leads is that even though they are quantitative they are not qualitative. The area managers objections forwarded to the marketing manager are met with simple responses, to treat every single lead carefully and follow up on it no matter what, which is a given.

The problem is that in leads that amount to 100, only about 20 will not be absolutely shocked by the price-level of the products. This is something of a concern on the market since word spreads about the products being expensive, not high tech. Furthermore, a lot of time is wasted on companies responding to the emailing, that are not at all interested in something high priced and is therefore a waste of time.

Instead of listening to the area manager and optimizing the ad-campaigns to attract people who know it is expensive, the marketing manager, above the area manager in the hierarchy simply thinks he is doing a good job because the click-rate is high and is not concerned with the complaints from the area manager since he thinks that sales should be like that.

A hierarchy structure such as the one in model 1.2 would make an incident such as the one mentioned in the case study above impossible since the marketing manager would be able to take the complaints seriously. The case is clearly a failed one which could be avoided with the practical implementations presented in this thesis.

3 SALES TACTICS

Sales efficiency is something that can only be achieved by aligning the whole company with the same strategy and focusing on growth in terms of increased turnover and increased profit for the company. This should of course be the main concern of most companies. Once the strategy and structure is aligned, we can focus on the sales tactics. That means using the tools at our disposal and to our best ability in order to save time and make more profit.

3.1 Prospecting

Prospecting is necessary in most B2B companies to acquire sales effectively. There are however many ways to do so. Here we will consider old and new ways of prospecting to compare for one that might be favourable on an operational level.

Prospecting is a means of getting customers; a push strategy from a marketing perspective. Traditionally this is carried out by salespeople and the old way would refer to Cold Calling. Prospecting is necessary in B2B sales in order to reach the right people and start a dialogue. This is the first step to selling in case the customer has not made contact.

Cold Calling

Cold calling is very often a necessary tool. This is simply making a phone call to a company that might be unaware of your company, and is unaware of you. Then reach-

ing the person concerned with one's issue and pitching the product to him (Misner-Morgan 2007). This is a skill one cannot take lightly since it is the only way of initiating new relationships with contacts, important or not. Everyone develops a strategy very fast and this depends very much on the market one is working in.

Referral Selling

According to Misner and Morgan (2007) Referral Selling is one of the "new" ways to prospect. This is a way, which is widely used among experienced sales managers and representatives. This is however used in many different ways, all of them more effective than the old way of cold calling.

Misner and Morgan (2007) do not clearly explain referral selling in detail, but a short clarification about the term follows. Referral selling is to prospect one person who can get in touch with ten customers instead of prospecting each customer. This is a perfect example of how an experienced sales person works. This does not exclude the possibility of an inexperienced person doing the same; it is something that can be learnt. (Misner-Morgan 2007)

Some sales personnel have simply developed a network of people, who spread Word of Mouth. This is something that can be achieved when people trust the sales person. Most sales personnel might not even know how they do it; they are simply kind by nature and are honest about the product they sell, that is they never try to oversell it. Focusing the efforts towards finding one customer at a time might actually be less efficient than speaking to only a few people and convincing them of the benefits. If they become your contacts, they will become your prospectors in the field. (Misner-Morgan 2007)

3.1.1 The New Way – Empirical Study Four

Knowing who to talk to is one of the most important steps when trying to use referral selling. Practical examples of referral selling can be given from all different fields; the

best examples are displayed in areas where the people one wants to reach can be found through some sort of network, e.g. government establishments.

Case Study 4: Referral selling

This case study is about the Finnish IT company. They are a mid-sized company with a great deal of resources nationally, only this does not help them internationally because of language barriers and the difficulties acquiring contacts in other countries. This is why they have hired a consultant part-time to penetrate some export markets, the consultant in this case being me.

The sales consultant is tasked with bringing the company and its products in on a new market that he is familiar with. The company has chosen to approach the market with the newest and most general product acceptable by a wide range of segments, a new kind of software. The company leaves the consultant with the advice to call around organisations in the public sector, more precisely schools to present the product. After a while, calling and calculating the interest rate and time consumption of getting single sales the consultant chose referral selling as an option.

To do this he contacted several large organisations within the public sector, such as school district managers, and IT managers for the governmental IT administration. He did this since they have the largest networks in the public sector.

After three weeks of work, only handling four contacts and freeing up more time to concentrate on other work he was able to convince them all to see the product in action. Not only did this result in a big sale and acquired good references, but the persons in these companies knew many other people, and after seeing the effects of the product purchased, they were able to recommend it to all of their contacts on the market. Entrance was thereby ensured.

The results for the region were four times as high as expected and the contacts are also easier to handle in the future. The consultant did therefore not only ensure an entrance to the market, but also increased sustainable profit.

Referral selling is what all salespeople should strive to achieve. This is the best way to increase sales and maximise time usage. Referral selling is also most likely going to result in more sales since a reference can sell the product much better than a sales person can.

3.2 Sales Tools

After discussing the different methods of selling on an operative level there are several important notes on the tactics of selling. This does not include big structural changes but is important no matter which system management chooses to adapt. Shapiro - Posner (1974) explains about the segments on multi level selling and team selling which are very important issues in Business to Business sales.

Multi-level selling

Multi-level selling is a technique for selling solutions that are high priced in relation to the customer's business. This concerns getting in touch with the person highest in the chain of command for this particular product and discussing the matter with this person first. They will then refer you to someone else and when making the sale in that department you will already have the purchase pre-approved or at least introduced at the highest level in advance. This is a technique that might not prove to be invaluable while using it, but the sales person might never figure out that this is what is wrong if they do not use it. Most purchases fall on the highest level and the sales person will never have a chance to correct that. We need to keep in mind that the ones concerned by the product might not be the sales people, i.e. very good at selling the idea upwards; this is the salespersons job. (Shapiro - Posner 1974)

Team Selling

Team selling is a bit more specialised way of selling, Shapiro and Posner explain the situation to be where one is selling to a company and need someone higher in the chain of command to handle the other company's executives, while the sales person handles the sale on a lower level. This can be used in multi-level selling as a more effective strategy and with good teamwork it might very well prove effective. (Shapiro - Posner 1974)

An important note on Team selling and multi-level selling is that these levels can concern technical departments just as well as economic departments. This is where the team selling really comes in handy, to have an engineer talking to the technical department while a Sales Consultant talks to the executives is a technique that get everyone to relate. This might also get valuable input straight to the technical department in one's own company and increases the efficiency of product development. (Shapiro - Posner 1974)

3.2.1 Sales Negotiations – Empirical Study Five

Negotiating is the foundation of sales; reaching a point where both parts are completely happy with the result is a skill that the sales person needs to have. It is only in the sales person's interest that the sale is beneficial to both him and the customer. The customer is only concerned about his own situation and lets the sales person worry about his.

Tools for lowering a price need to be known to every successful sales person who needs to manage himself in negotiations. Just like in a knife fight, no matter how shocking it is to study, but to protect from a knife, one needs to be efficient in attacking with it. This is why I will show an example of one of the most efficient ways to lower a price.

Lowering a purchase price can be very simple. This is however a very simple way to lower it to the minimum margin in my experience.

- It starts with asking the counterpart for the lowest price possible for some reason, e.g. budget restrictions. Then when they give you the price, you tell them it seems high.

Then you ask them to please get back to you *if* they find a motivation for a more reasonable price.

Most often a situation like this leads to the seller getting back with a motivation for a larger discount (Reseller prospect, possible future purchase, etc.) and thereby a minimum price, otherwise there is no deal. This is a very powerful tool in the negotiation process and it is not a safe assumption that the weaker part (the one needing the deal more) will be the one that caves.

To prevent this one creates more levels in the sales process. For a single sales person it is always good to have a situation where one is the person solely responsible for the client, but there is still someone above that they cannot talk to who decides about the discounts. This creates a situation where the customer is not able to put one on the spot, and one is able to find out if he really is going to buy.

The final stage of negotiations

The final stage of a sale for the customer is when he gets the discount he has decided he will purchase for. The final stage for the sales person is when he can be sure that the customer has made his purchase decision.

How does one advance to that final stage? How does one make sure it is still alive and that the customer indeed will purchase. There are a few questions along the process; the features of the product/service are always an informative process; the responsibility to answer all questions and assure the customer of the features included. The real final stage however is asking, “When are you considering a purchase?”

The question about ‘when’ is not in fact bound to time alone. It is an inquiry of where the meeting point is, in time, concerning price and possible perks. A sale is only successful when the situation is profitable for both partners. This means that the question “When are you considering a purchase?” is really a way of asking, “What is your profitable scenario?”

Case Study 5: Another view on Team Selling

The Case study concerns the French IT company. The company profile shows that they are very actively attending international trade fairs. This is where they can demonstrate their products and sales are very often made on site, which is also a goal for the company, showing rapid ROI. The sales person in this case study is me, actively participating once again, using the tools taught to me by the company, in this case: a phone-call.

The situation plays out on a fair. Sales-on-site is always important for the company. The fair is a promotional fair, which is usually very profitable for the company. The last day a prospect visits the booth, and a certain sales person, to decide on the purchase of a solution that costs ~14 000€. The price advertised on the trade show is a bit higher to then allow a larger trade show discount. When the prospect, a CEO of a company, enters and discusses the product, the sales person asks if a sale on site might be of interest. The prospect answers that it is too expensive; the sales person then gives the standard price and implies a trade show discount is included. The prospect says that he will buy the product for 12 000€ if it includes transport, and he can sign right there.

The question “When are you considering making a purchase?” has just been answered and the price is within the margins for the sales person, but just barely. This is where multi-level selling comes in; the person at the other level does not need to be present for it to work.

The sales person calls the head office asking about the margin. The sales manager is very happy about the immediate return on investment and congratulates the sales person. The sales person continues the conversation with a negative tone, conveying that the price is not acceptable. The salesperson has understood that the prospect is indeed the only decision maker involved and that he has decided on purchasing the solutions no matter what, but if the sales person refuses to give him a good deal he will refuse. This is why the sales person appears to bring down the price as far as he is allowed according to the margin on the product. Therefore the sales person counters the offer with 12600€ and the deal is immediately signed.

The case shows that this is where a win-win situation is achieved since the value of the deal brings a large profit to both companies. The price, that actually is an 8% discount, was one that neither the customer nor the sales person needed to take time to reflect on. This shows that the deal is profitable to the sales person, not only in terms of direct profit, but an assurance of gaining a satisfied customer increasing brand value and a company reference.

This way of multi level selling is one very commonly used in B-2-B sales; it allows setting a limit for the price after negotiations and the limit won't seem to be the sales person's choice at all.

3.3 The Pyrrhic sale

Shapiro (1974 p. 179, and 115) mention in HBR the sale he calls the Pyrrhic sale. This is a sale that the company might profit from short term but long term it will lose on it. As examples, he says that a sales person, might push for a sale, which concludes in losing the customer. If the sales person is not paying attention to maintaining a sustainable co-operation but is only thinking about short-term gain, he might jeopardize the relationship; this would result in a Pyrrhic sale. Making the sale is one-step in the process to establish the relationship; it is not the final goal. If the process does not have a possibility for a continuing relationship due to unprofitability for the customer then the sale should not be made. A pyrrhic sale is any sale that might jeopardize future relations with the client or one that is not maintained afterwards. (Shapiro 1974)

Time management in lead handling is also a very important issue in sales; this is when one needs to know if one is putting too much time and effort into the sale to make it profitable. Thomas (2008) writes about the differences in behaviour between the experienced sales person and the novice when handling prospects. The experienced sales person judges the situation as a whole and treats it accordingly while the novice only sees incidents and treats them individually. In certain fields, there are different warning flags that can be apparent or subtle but an experienced sales person knows how to react. (Thomas 2008)

3.3.1 Making the responsible choice – Empirical Study Six

A sale may jeopardize the relationship when a sales person does not know the customer or the product well enough, thinking that this solution is good for them and actually not making the right call at all. This is true for other ways of hurting the relationship; a sales person might know full well that a competitor's product would suit the customer much better in this particular situation but chooses to remain silent about it and sells his product to a customer that is likely to remain loyal otherwise.

Situations such as these, when a risk for a pyrrhic sale appears, are opportunities. This is where the sales person must, in the best interest of the customer and the company advise against short term profit for the company. This is a phenomenon such as in service industries when a mistake happens, the sales person corrects it and it turns out even better in the customer's eyes. When advising against profit for the company this shows the customer that this company is the one he can go to first in any situation; he is guaranteed to get the best solution.

One might conclude from this that "The Pyrrhic Sale" is not a term used correctly, Pyrrhic meaning futile work that does not benefit anyone. In fact, a sale as the one above is not only in vain, but actively ruining future business. This is something that Sales Managers need to be very observant about and that Sales Representatives need to be trained to refrain from.

Case Study 6: Pyrrhic Sale

This is a special case since both sales persons, one of them being me (sales person no. 2) work for the same company, the French IT company. As mentioned earlier the sales rarely lead to a future relationship since the products are long-term high-price products without obsolesces. The sales persons do however rely a lot on word of mouth in the market, and a sales performance will, as in all cases, affect future sales. The company focuses on very active prospecting and the case study shows a situation where referral selling is neglected.

In one situation, there is a sales person no.1 caring only about the sale and advices all his customers according to what they need, and not to what he can offer them. This involves everything from promising earlier than possible transportation to ensuring features of the solution that are impossible to supply the customer with. If there is a defect in the product, the sales person will do everything in his power to avoid the subject. Up-selling is something he does to the point of stupidity when lying about the capacities of the products when the customer is known to be a rich company.

It is no surprise that this person makes sales, it was not a surprise to his colleagues that he was the leading sales person for some time and not either a surprise when his sales dropped by a consistent 10% per month on the market until the market was no longer profitable.

This problem was solved by taking in a sales person no.2 to turn the situation around. His way of doing business was very honest and he more often advised customers against purchasing a more expensive product than the times he actually convinced businesses to buy a product. Marketing was put at his disposal to no longer attract quantity but quality. The sales increased with an immediate effect and effort and support was invested in maintaining old disappointed customers to turn them into valid references.

Sales person no.2 later became a regional sales manager for the company.

The situation seen in the case can be easily explained based on the empirical research and theory at hand; every time the sales person no.2 advised against buying a solution they understood why, and the sales person was able to refer the customer to a company supplying that service, that better suited the company. This made the sales person no.2 the go-to-guy on the market with any needs, of the kind he supplies, very fast. Every advised customer would act as an added point for referral selling.

So while no.1 made short-term profit, in the beginning more than no.2, he was not accepted on the acting market for long since word of mouth spread. No.2 was aware of the situation and no longer forced sales in a region where he knew that it was not acceptable.

The situation described is an OC system backfiring. It means that either the sales person is bad at his job, or the reward system is not taking into consideration customer relationship management and the sales manager fails to observe this. The case study example of the first sales person is one we will return to, since it is a good example of how sales personnel are usually viewed in the Nordic countries.

4 APPLYING THE SUGGESTED SOLUTIONS IN PRACTICE

Linking operative and administrative tasks together is where the challenge lies. People tend to think very differently and there only needs to be one mistake to bring down an otherwise successful plan. Give a too high commission to a sales representative in a BC system and the sales person might change his priorities to suit an OC system. There is the challenge of expansion and the conflicts that transfer of accounts will bring.

4.1 The re-implementation of customer focus

Customer focus is the key, which is mentioned throughout the thesis in both theory and case studies. This is something that companies do remember and they do stress it. The issue is that it might be done wrong just because no one knows how to do it anymore.

They know the answer to the question “why?”, to keep ahead of the competition by satisfying the market demand. The problem is that the answer to “how?” is lost. We do this by decentralising the company so that information flows properly to decision makers and by developing the sales department to convey the information and also to act on it.

4.1.1 Aligning and utilising your sales force

Aligning the sales force is a continuous project and the plan is to adapt a model comparative to the OC system but that does not have the weaknesses of a regular commission system. The challenges are to make the system as customer focused as possible, but still not hurt the profit of the company. I will outline the basic principles for this to become possible.

One principle is to base the commission on profit, not turnover. This is a system long in use by companies famous in the corporate world for active direct selling, such as Xerox. This is based on eliminating all the costs for the product to the zero profit margin; and, from that point upwards, a hefty commission is given. This is done so that when sold without a discount the commission is larger than it normally would be with a commission based on turnover.

The other principle is to make the sales person customer focused. This is by adapting the strategies of the OC system and reward the best sales person with tangible rewards, like trips and watches and so on, and also by remembering to encourage the sales person by giving him as much power as he needs to make his own decisions on his market. This will motivate the sales personnel to do as much as they can to increase the profit and sell more for the company.

The third principle is to monitor sales personnel’s behaviour. By encouraging sales, the managers might cause a sales person to lose focus on improving the image of the company. This needs to be strongly outlined and will also be considered in the chapter, Avoiding the Pyrrhic Sales.

4.2 Broadening the marketing perspective

When customer focus is the objective of the company, marketing is a very important element. When talking about B-2-B sales, marketing needs to react according to what the sales department says. There are B-2-B companies where sales are going through a reseller to the end consumer; the reseller acting as a middle-man effectively makes the marketing department's role much more important and changes its nature completely. With direct sales to the end user at least to some extent within the company, a decentralized organisation can provide the feedback that is needed for development; in my mind this should always be considered in a B-2B environment.

This is the case where a simple feedback from the sales department can make a lot of changes in marketing, and even product development. The idea is to have recurring meetings between the sales department and the marketing department to go over the changes in communication that has to be made. The price might need to be higher since the customers are less price sensitive but demanding better deals. A communication containing something confusing might awake suspicion with the customers.

A practical example of “something confusing”

One example of this is a company selling a commercially available product with their bundled solutions claiming that they configure the commercially available product in their factories to suit the bundled product better. This was not entirely false, but the statement awoke more suspicion with the customers than it settled their minds about the price of the complete package. The customers often wondered why they could not get a discount and buy the commercially available product themselves, feeling like they were being fooled into paying a high mark-up. So the claim was removed from the marketing communications after a long time upon my request, as I was tired of always explaining this particular case. The communication changed according to my pitch, and now claims that this product is actually just included in the product, for free.

This is why the sales department should have a possibility to react faster to changes in the communication. It is their job to sell and it is the marketing department's job to support that activity. Not the other way around.

4.2.1 Co-operation through unification

Through Schwartz (2006) model (Figure 4: Combining Marketing and Sales) we can see an example of a VP of sales and marketing. This is in my opinion the easiest solution for a mid- to large sized company to handle the disputes between the departments. This will unify the departments to the point where they can no longer think "us versus them", as they have the same manager to report to and the choices will be made in the best interest of the company, not of a single department.

Adding to this using the hierarchy model (Figure 6: Hierarchical structure) in which sales has more influence and the management is more involved in the sales, therefore also understanding the customers' opinions. In this hierarchy model there is however no clear management hierarchy, BDM, SM and MM are all on the same level, and this is of course because of the small size of the company. There still needs to be some interaction on the same level between upper management, requiring the same level in the hierarchy.

4.3 Adapting the prospecting model

Cold calling can be seen as a necessary activity to get to referral selling, but diverting from using cold calling as a main strategy should never mean to give it up entirely. It is a very useful skill and will be necessary at times.

In the beginning of researching for the thesis I was of the opinion that one should outsource the prospecting, an easy enough task that can act as an extension to the sales force, making it more adaptable. Testing the two ways, having prospectors in the company and outsourcing prospecting, I have come to the realisation that prospectors are

much more effective in one's own company. They prospectors also need to be very aware of the company's product and need to be constantly supervised.

There is of course still the option of outsourcing the prospecting, but the option is in my mind not optimal. The solution might be to take in sales personnel to start out with prospecting. This is a good position for accepting interns, it is a simple enough job, and when they evolve far enough to actually make the sales in the prospecting process, they can start to be considered for a sales person's position, promoting already qualified salespeople within the company.

4.3.1 Resellers and reference selling

There is one part of the sales administration that has to be considered in a thesis entitled "Sales Organization & Tactics". It is something that can be considered as large parts of a B-2-B organisation and some people, like me, can choose to refer to them as tools for sales. These are the resellers. I am a fan of direct sales and I think this should never be discontinued.

Using resellers is a great way to expand into new territories. It allows one to get first-hand knowledge of the area and sales will automatically adapt to the sales culture of the region. However, this is in a perfect world, and to avoid problems such as price wars, disputes over leads and other things that can reflect badly on the company sales and image. This means that managing resellers needs to be done well, and their evaluation needs to be continual.

I developed an evaluation system for resellers for one of the abovementioned B-2-B companies. The company also does direct sales, which is according the rules for optimisation. As mentioned earlier, it is important to have direct customer interaction. To reach more distant areas, they sometime acquire the help of resellers.

The Criteria

There are three basic criteria through which one can evaluate the resellers, some might be unnecessary and can simply then be skipped. They are in descending order with the most important first. The scale is A-F and the points are issued by the company in question. How each company exactly values their resellers influence in the region is not for anyone else to decide. The grades are however preset and easy to figure out.

1. Influence

This is the most important criteria for the company concerned. This is how much influence they have in the region, this adds to the company image and gets the one in touch with the customers. This needs to be evaluated in the beginning as well. It might not be profitable to accept a reseller with a great influence if one knows they are not going to work hard, the company's sales and marketing effort in the region will ultimately result in the resellers benefit instead of the company's. A reseller with a great influence cannot be discontinued. However if this value is high it will most likely be very good for the company and reputation of its products. It gives added influence in the region and will most likely increase sales.

Measuring

This can be measured only through interviewing their customers and other contacts in the region. If people are very happy with the reseller and one's contacts have a great deal of respect for them, then they will have a high grade in influence.

2. Marketing Effort

The marketing effort is simply an indicator of how much of the reseller's sales profit/margin will be used to promote the company's products. This includes active marketing, prospecting and selling investments. If the reseller has personnel that are fully devoted to selling the company's products, and e.g. puts in an advertisement in the local paper every month, then this rate will increase.

Measuring

This is measured through a clear report on funds spent on direct sales of the company's products.

3. Location

The location of the reseller needs to be evaluated in relation to how much influence the company has in that region. Can the company manage sales well from where they are with all the tools at the company's disposal, e.g. a native sales person in one of the company's offices influencing the region? A high grade means that unless the company has another alternative and the influence is not too low, a reseller is a good option.

Measuring

As mentioned, the measuring is compared to the company influence. This is solely up to ones judgement and puts the reseller in relation to what influence one thinks the company has in the region.

The scale is set A-F and is used to evaluate the company's resellers bargaining power or even their discount. A high bargaining power from them is achieved by a high grade in Influence. While a high grade in Marketing Effort could allow a greater discount/margin. A low grade on Influence can also have a negative effect on the company's brand.

One can also affect these numbers yourself if necessary. This is where reference selling comes in.

Reference Selling is a very powerful tool and can be used in many different ways. One that has proved successful is to allow a discount to people using the company's product if they sign a deal that they will be able to demonstrate the product and how efficient it is. If one trusts the company's product enough and have a good connection with the customer the sales person can hereby get a very powerful reference. This can also replace resellers as a more profitable option.

Having ten customers in an area demonstrating the company’s expensive products without gaining anything themselves is very convincing to new customers. Of course a gift, updated product accessories, money return should be discussed, but never to exceed the amount where the reference pushes the product on the customer. If a pleased user recommends a product to a customer, they are more likely to buy than if a salesperson recommends it.

Reseller evaluation							
Scorecard	Grade	A	B	C	D	E	F
Criteria	Points						
Influence	?	6	4	2	-2	-4	-6
Marketing Effort	?	4	2	1	-1	-2	-4
Location	?	2	1	0	0	-1	-2
Score	?						
<i>Reseller No 1</i>							
	Grade	A	B	C	D	E	F
Criteria	Points						
Influence	-2	6	4	2	-2	-4	-6
Marketing Effort	-1	4	2	1	-1	-2	-4
Location	1	2	1	0	0	-1	-2
Score	-2						

Figure 7: Reseller evaluation scorecard – Aller (2010)

Instructions

A= Very Good, B= Good, C= OK, D= Bad, E= Very bad, F= Horrible

Points can be modified according to the company values. In this case I appreciate Influence the highest and Location the lowest. Influence can get 6p for A and -6p for F while this is not possible with Location, since the reseller will not be worth as much with a very good location as he would be for improving the company and product image very much.

A reseller evaluation scorecard can be like the one above. The grade can vary a lot and the priorities of companies are not always the same. The factors that are the same are the criteria. So to evaluate one's own sales tools and resellers, one must first insert their own points based on their exact values. A low score means little bargaining power, while a negative score might mean this reseller has to be discontinued.

There might be people needing more tangible evaluation methods, but this is the foundation and is made more tangible by tying them to the company's own priorities.

Avoiding the pyrrhic sales

The pyrrhic sale is the most time consuming in a company, this is why we need to know when to let go. The other kind of pyrrhic sale which, is presented through Case Study 6: Pyrrhic sale is the one we need to be really adamant about preventing. The sale that ultimately brings down other sales is not only a pyrrhic sale, since it is not only time consuming and futile, but it is a pernicious sale.

A pernicious sale is what I would like to refer to when the description of a pyrrhic sale doesn't quite cover the definition of it. The pyrrhic sale is more relevant when talking about large companies or companies with long-term sustainable relationships with their clients. Losing a big client is a risk when an overzealous sales person is let loose. The pernicious sale however is a very dangerous one to a company since this involves dishonesty towards clients and can ultimately bring down the image of a mid-sized company.

This is why sales managers always need to supervise their sales personnel when they are new and watch out for behaviour that can be interpreted as dishonesty. All complaints need to be handled seriously in order to prevent a trend of pernicious sales.

Know when the lead is dead

The important thing to remember when talking about profitability is that it does not always add up to figures and numbers, a buck spent and two bucks earned are not always relative to profit. The odd factor eating away at the profit is time. This is very well displayed in Pareto's principle, also known as the 80-20 rule, where 20 percent of the customers provide 80 percent of the profit. It is definitely not easy to spot these 20 percent, but it is increasingly important to shed the workload with which the remaining 80% encumber the sales force. In the beginning of a sales person's career, some managers choose to simply cut off certain negotiations for the sales representatives just to make sure they learn how to invest their time.

Knowing when to drop a sale is as important as knowing how to close it. Because if it is done properly this is the activity that saves the most time in a sales department. Experience is one solution but developing a model is very important in some companies, this can consist of a manual to follow and warning signs to look out for. Usually companies have the normal model for a sales force "Turning a 'no' into 'yes'. Very seldom they have the manual for cost efficiency, "Knowing when the lead is dead".

5 CONCLUSION

Bringing up negative aspects in the corporate world is a complicated matter. Most people do not want to get negative feedback the same way that most people will not learn from positive feedback. This is why this essay is mostly concentrated on negative points that need fixing.

Being a mechanics son I like to think of a company as a car and the sales department as an engine. Money fuels the car and as long as it is propelled forward, we have no complaints. It is only when that car breaks down that we learn how it really works, this is why all problems from minor hiccups to recessions are good for the economy, we need to start repairs and learn something.

So where do we learn from? How do we make something more efficient when we have no idea where to even start? Now with a background in martial arts I like to think along the lines of Multiple Martial Arts competitors. When they ask how they should improve, sitting in the corner ring with a lot of all-rounders, they will never get an edge. You start learning punching from a boxer and you learn choking from a Brazilian Ju-Jitsu practitioner.

This is how we come to the conclusion that when the problems hit your company, you seek help from someone who has experience in fixing them. And when you need to improve sales, you learn from companies specialised in sales. This is what the study has done and the result can briefly be summarized in key sentences.

- Customer focus is the most important guide to increased profit
- Never lie unless you know it is in the best interest of everyone
- Know the value of your staff and compensate accordingly
- Do not waste time

The different methods described explained, tested and evaluated have developed into a compilation of methods to improve the efficiency of the sales functions. The areas I have paid extra attention to is the Sales Structure, Marketing, Prospecting and avoiding Pyrrhic and Destructive Activities. These areas have all been dealt with thoroughly and solutions have been suggested.

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