

# MercuriMail

THE INDIA JOURNAL OF MERCURI INTERNATIONAL  
JULY-SEPT 2000

## Get the most out of your sales force

- Derek A Newton  
Harvard Business Review on Management Vol 2

## VINTAGE



The typical sales executive does a lot of wondering about his sales force.

Not only about what they are doing 'out there' but also about his own management practices.

Is he deploying his men correctly? How good is the selection and training procedure? Is he paying his men too much or too little? Are controls sufficient? How can he find the right people, get the best out of them and keep them?

To help the sales executive in this dilemma, a study was conducted and the findings would probably give the right direction.

The following measurements were derived for each of the responding organisations.

- Turnover rate    ■ Performance index    ■ Compensation rates
- Span of control    ■ Opportunity rate    ■ Earnings opportunity ratio (EOR)

The eight major findings from the digested data revealed:

1. Turnover rate does not directly influence its performance index
2. A turnover rate of 10% or more is excessively costly in all classifications and should be avoided if possible
3. The turnover rate is directly influenced by the opportunity rate
4. Turnover is also directly influenced by compensation level
5. The performance index is also directly influenced by the character and effectiveness of the reporting system used to control the force
6. Average chronological age differs among the four sales force classifications, but for each classification, there is an optimal average age
7. Job content is a critical factor affecting performance and turnover
8. Compensation level does not directly influence the performance index, although the method of compensation does.

The four basic kinds of selling and the kind of men needed for each and how the executive needs to manage his men are elaborated. For Example-

### Trade Selling

The primary responsibility of the trade sales force is to build up the volume of a company's sales to its customers by providing them with promotional support. This essentially amounts to improving the distribution channels. The trade sales force therefore 'sells through' rather than 'sells to' its customers.

Much of this kind of selling is low key, the trade salesman needs to be helpful, persuasive and must thoroughly understand how the customer runs his business. Aggressiveness is less important than maturity and technical competence is less important than "wearing well with customers". The trade sales executive therefore ought to give considerable thought to job content. Any action which will reduce the drudgery of stock taking and order taking and remove the sales man's lurking feeling that he is nothing but a pawn in a giant chess game, will improve performance and reduce turnover.

Some of the guidelines that the author elaborates for the trade sales executive:

1. Transfer salesmen among territories as infrequently as possible
2. Design sales call patterns so that the salesman feels he is making important sales-related calls and not merely putting in appearances for the sake of company's image
3. Avoid asking the salesman to peddle "easy to buy products"
4. Use company contacts to seek and hire salesmen in their late thirties
5. Avoid asking for reports except those that are critical to control sales force behaviour

Similarly, Missionary selling, Technical selling and New Business selling are analysed in depth.

To some extent, every sales organisation is a hybrid of the four main kinds of selling and the executive who wants to take practical advantage of the findings of this study may have to balance his practices to suit the mix of roles he must administer.

## Our Thoughts

Get the most out of your  
sales force. Read how  
under  
**VINTAGE**



A profile of the post-  
capitalist executive - as  
sketched by Peter  
Drucker - in  
**FOCUS**



Read about the Wheel  
that wasn't there once  
upon a time.....  
**MUST READ**



Yet another journey to  
discover your  
**CORE** by Ravi



Common Sense makes the  
best sense. Imbibe it in  
the last page



# FOCUS

The  
Post-Capitalist Executive  
as seen by the guru's guru - Peter Drucker

**T**he post-Capitalist executive must learn to manage in situations where one doesn't have to command authority, where one is neither controlled nor controlling. To get productivity, he would have to outsource all work that does not have a career ladder upto senior management. The trend towards outsourcing has less to do with economising and a great deal to do with quality.

Information is replacing authority. Managers still talk of people who 'report' to them, but that word should be struck from management vocabulary. A company treasurer with outsourced information technology may have two assistants and a receptionist but his decisions on foreign exchange can lose or make more money in a day than the rest of the company makes the whole year. More than anything else, the individual has to take more responsibility for himself than depend on the company. Instead of asking the question- "How do I prepare myself for the next promotion?" senior management is asking the question, "what do I need to learn so that I know where to go next?"

Equally important is managing your own career. The step ladder has gone and it is more like vines and you bring your own machete. You have to take the responsibility of knowing yourself, so that you can find the right jobs as you develop and as your family becomes a factor in your values and choices. Being educated is not adequate, more important is competencies- do you really like pressure? Can you be steady when things are rough and confused? Do you absorb information better by reading, talking or looking at graphs and numbers? Empathy is a practical competence. This kind of self knowledge has now become critical for survival.

In the new society of organisations, the executive needs to be able to recognise patterns to see what there is rather than see what you expect to see. You need the valuable listener who says "I hear us all trying to kill the new product to protect the old one."

There must be a focus on a person's individual performance- what is the contribution he can make in the next two years. Then they have to make sure that the contribution is accepted and understood by the people they work with. For knowledge is power, but is not an excuse for arrogance. You have to be intolerant of intellectual arrogance. At whatever level, whatever function. The executive must make himself understood by others and must be eager to understand others.

Ultimately it is a matter of mutual understanding and responsibility,





# MUST READ

## Selling The Wheel

By Jeff Cox and Howard Stevens  
Simon & Schuster, 253 Pages, Rs 558/75

**S**elling the Wheel is an amazing story about selling, in the form of a story set in the tune of "once upon a time when there was no wheel..."

The writing style is refreshing, engaging, clever and very creative. The stories are humorous, breezy and simple to understand. It also makes solid business sense. It is customer oriented, based on extensive research and has deep insights on what makes a successful sales strategy for a particular market, a particular customer. In the last three decades, the business world has seen changes. In the 70's many long-held facts of American Management were overturned by Quality Improvement as a competitive advantage. Japanese corporations in particular were gaining share with higher quality, as perceived by the customer and were also lower in cost. In the 80's the computer revolution made it possible to engineer, introduce and distribute new products in lesser time. Technology also made it possible to provide those products with higher quality service and support - the competitive edge. But now, none of these quality, technology or a lean organisation is a competitive advantage. If you have them, you are in the race; if you don't, you are dead.

Today, the single most powerful resource for gaining a competitive edge is the quality of the sales force selling that product.

The book is built on 6 bedrock questions (questions posed by Ozzie the oracle - one of the fairy tale characters in the book!)

- Who are our customers
- Who are our competitors
- Why do customers want what we are selling
- What would make them prefer to buy from us
- Why might they prefer to buy from us
- Why might they prefer to buy from our competitors
- What added value does our sales person have to offer to make a sale

The book describes the profiles of four specific types of sales people - who have different personal career drives, different personalities and who need different kinds of skills because they must use different approaches to finding customers and making sales. Each type could be effective, but only when matched to customers' needs.

Customers are classified as progressive customers, relationship customers, gateswingers and world customers. To meet their specific needs are the sales people - the wizard, the relationship builder, the closer, the captain and crew.

The interesting discovery we come across is there is no perfect sales person who is universally effective with all customers. So called sales superstars are ineffective with the "nuts and bolts selling". The strengths that make one sales person successful in one selling situation might turn into weakness in another selling situation. How to leverage this discovery into a successful sales strategy is what this book is all about.

Selling the Wheel is racy, enjoyable, entertaining and offers a wealth of information as the story bounces across the fundamentals of building a world class sales organisation. A must for anyone in sales and is strongly recommended for any one who wishes to sell more quicker. The most, seasoned sales person would find 'the wheel' a useful read and for the rookie - an imaginative story that teaches the principles of selling that no class-room could ever offer.

- Happy Reading!

## Development of the Core

Listening, Empathy, Humility, Integrity, Seeking, Reflection, Unconditional Positive Regard, the Essence of Purpose - all these define the development of the core which is universal, timeless and unshakable. The purpose decides the journey and the journey itself is an enjoyable purpose. The question that we need to address is what are the essential means. Do means make a difference? Listening, Empathy, Humility and all of them shape our actions and therefore define the means.

### Why are these critical?

If goal orientation is fundamental, how do means matter? Means are any way transient and time, being the greatest leveller or means, is why should I worry about means. Everything in the world is relative and nothing is absolute and so there are always better means and poorer means. How do I define the right essential means. These are questions, which reverberate in our minds, and sometimes we tend to put them aside for the fear of not being able to reflect on them. The insecurity takes over. The goals can constantly keep changing to higher and higher levels. Therefore how can means be transient and as the world grows wiser and wiser, there is going to be scrutiny behind the achievement of goals and that will mean that the means that are followed will be an open book.

The sheer journey gives a purpose. The sheer enjoyment of the journey gives the source for existence. Existence, Exhilaration and Energy are all that matter and they are the means. The means are not simply essential. They are the very embodiment of the purpose beyond.

- Until next issue,

*Nani*



## NOTES FROM ALL OVER

"If, Only" The two saddest words in any language.

- Jones Leason

"If the only tool you have is a hammer, everything starts to look like a nail."

- Abraham Maslow

"The pursuit of mediocrity is always successful."

- Anonymous

"There is nothing so frightening as ignorance in action."

- Goethe

"An individual without information cannot take responsibility; an individual who is given information cannot help but take responsibility."

- Jan Carlzon

"Empowerment is responsible freedom."

"It is a capital mistake to theorise in advance of the facts."

- Sherlock Holmes

"No ray of sunshine is ever lost, but the green which it awakes into existence takes time to grow; and it is not always granted to the sower to see the harvest. All work that is worth anything is done in faith."

- Albert Schweitzer



"Don't think of it as a firing. Think of it as an exit-level position."

COURTESY: HARVARD BUSINESS REVIEW

### COMMON SENSE TALK

"Many people dream of success. To me success can only be achieved through repeated failure and introspection. In fact, success represents 1% of your work which results from the 99% that is called failure."

- Soichiro Honda

"An overburdened, stretched executive is the best executive, because he or she doesn't have time to meddle, to deal in trivia, to bother people."

- Jack Welch

"All things being equal, people will buy from a friend. All things being not so equal, people will still buy from a friend."

- Mark McCormack

### Look at the past

History is loaded with creative analogies. Napoleon marching on Moscow is really just project management. Mao waging a guerrilla war is like launching an ad campaign. Pick a culture from the past. How would someone from that culture deal with your issue? How about from your own personal history? What were you doing ten years ago that might be useful to you now?

**What ideas from history can you apply to a current project?**

### Conform

When St. Augustine was a young priest in Milan, he took a problem to his bishop. He was going to Rome where the Sabbath was celebrated on Saturday. Augustine was confused as to which was the right day. The bishop solved his problem by saying, "When in Rome, do as the Romans." Conformity is a necessary part of our social existence. Without it, the fabric of society would come apart. It's the same with new ideas: if you're too far out in left field you might be out of the ball park.

**To what standards should you conform?**

### Find What's out of Whack

Be critical and sense what's out of whack with the idea. Remember: you don't want to put a piece of garbage out in the world with your name on it.

**Why won't the idea work? What's lacking? What doesn't feel right about the idea?**

### Don't Force It

An architect built a cluster of office buildings around a central green. When construction was completed, the landscape crew asked him where he wanted the sidewalks. "Just plant the grass solidly between the buildings," was his reply. By late summer the new lawn was laced with paths of trodden grass between the buildings. These paths turned in easy curves and were sized according to traffic flow. In the fall, the architect simply paved the paths. Not only did the paths have a design beauty, they responded directly to user needs.

**What are you forcing? Where could you ease off?**

- From Roger Van Oech's "Creative Whack Pack"

EDITOR: MALATHY SETHURAM  
FOR PRIVATE CIRCULATION ONLY

I recommend the person below to receive a copy of **MERCURI MAIL**

Name.....

Address.....

Tel / Fax..... Designation.....

CUT AND MAIL TO:

**MERCURI GOLDMANN (INDIA) PVT LTD.**

P.B.No 813, 1157, 12th A Main, 4th Cross, H.A.L II Stage, Bangalore - 560 008.

**Mercuri**  
INTERNATIONAL  
Making Strategies Happen®

Bangalore: Tel : 080-5260192, 5296568, 5262053 Fax : 080-5278492

E mail : mercuriindia@vsnl.com

Pune: Tel : 020-5674395, 5671235, 5674504 Fax : 020-5675054

E mail : mercuripune@vsnl.com

Chennai: Tel : 044-4899852 Fax : 044-4899852

E mail : mscgs@vsnl.com

Website : www.mercuriindia.com