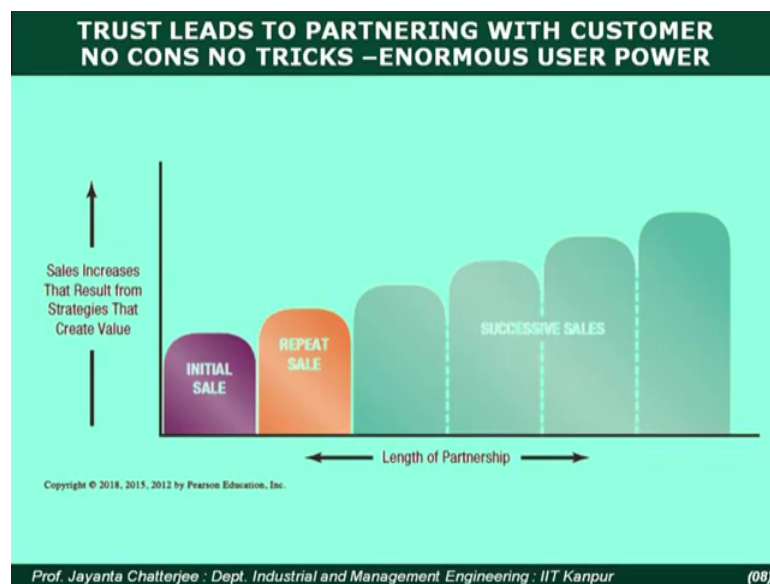


Management of Field Sales
Prof. Jayanta Chatterjee
Department of Industrial & Management Engineering
Indian Institute of Technology, Kanpur

Lecture - 02
Sales Role and Activities

I am Jayanta Chatterjee from IIT Kanpur. As you know we are in 4 weeks set of sessions on Management of Field Sales.

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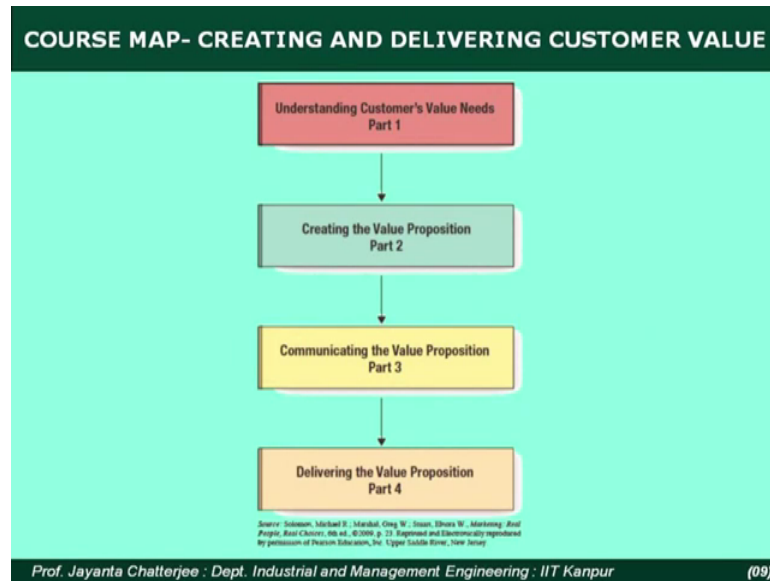


Today is our 2nd session and as you see on the screen I have put forward a recap of where we ended yesterday that today good sales process and efficient sales process and effective sales process is based on trust, trust leading to relationship. So, today's sales process is not conning the customer, not tricking the customer because today the user has enormous power because all customers are connected to the large marketplace, it is connected to the society at large, 20 hours 7 days 365 days in a year through the different forum, through the whole web of social media.

And therefore, good relationship, trust based relationship driven sales creates repeat sales and as the diagram shows that the repeat sale is so important because it contributes to the gain, contributes to the profit generation in an ethical manner by reducing cost of sales.

So, if you are really giving good value through your bundle of goods and services by transferring a set of values that are targeted to the customers real needs, then we have a situation where we have a long relationship and as you see the length of partnership which is on the x axis creates higher and higher build up on the y axis which means successive sales leads to a successive profit stream.

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So, our course based on this understanding will have 4 parts which will be delivered over the 4 weeks. So, our 1st week will be focused on understanding what our customers value needs and in the 2nd part we will go deeper into the process of creating a package of values and the 3rd set will be how to communicate, how to establish a deeper understanding on the customers part of the real set of benefits that you are bringing to the table. So, from the communication to the final delivery of the value proposition this is the sales process of today in 21st century and we will expand on each one of these blocks.

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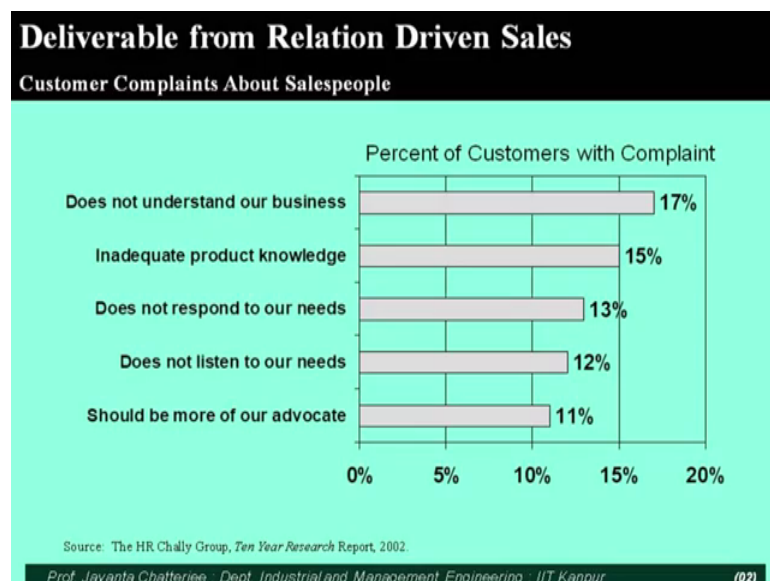
DEVELOP A RELATIONSHIP STRATEGY

➤ **Relationship strategy** is a well-thought-out plan for establishing, building, and maintaining quality relationships and an integral dimension of relationship selling.

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And of course, you will be also referring to the text books and the reference material that I have mentioned and is there in your course outline on the web and to conclude what I was discussing yesterday that the fountainhead of sales today is relationship. So, a relationship driven strategy is a well thought out plan for establishing, building, maintaining, quality relationship and quality relationship can only be created if the sales process is ethical. It is an integrated systems approach and we will understand all of that over different blocks ok.

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The slide that you now see at the back actually explains the concept of relationship that what are the different building blocks of relationship that I was talking about by a research based diagnostics. This was actually published as you can see in 2002. It actually shows the different elements of customers complained about the salespeople and the sales process this came from a research during the 90s and it shows that most of the customers complain, a large number of customers complain that the salesperson does not understand our business. The salesperson does not even know his or her own product well enough and how it can meet the customers requirements and the different levels of functionalities that are built into the product.

So, inadequate product knowledge was another major complaint. The lack of response, fast response, effective response was the next level of complain and not listening well enough and not being an advocate of customers real needs where the other elements of the complaint which means that if we are wanting to create a trust based, trust driven relationship oriented sales process that is needed today, these are the things that you have to do as a salesperson. You have to first of all understand deeply customers business because your success will come by creating customer success.

You must know your own products, its strengths and weaknesses in relation to the customers need. So, it can be even a consumer product. So, if you are looking at edible oil or you are looking at some kind of say rice, you have to understand the attributes of your products not only as printed on the package, but also how it affects the customer in the long run. And of course, if you take b to b type of products, industrial type of products, this understanding of the impact of your product and your goods and services today and going forward in the customers manufacturing process or customers value delivery process is very important.

So, your value delivery process must synchronize with the customers. Value delivery process must contribute it to the extent that it actually becomes a good driver of customers success in the marketplace. And a relationship oriented sales process must be very responsive, effectively responsive in terms of time as well as in terms of resolution of the problem and all that we can only come from very deep ability to listen, to understand and to deliver and meet.

The last part in that confidence building, in the trust building process is that the customer must ultimately feel that you are his or her personal advocate that you are actually protecting as a salesperson the customers interest in front of your organization. So, you are as much part of the customer organization as much part of customers responsibility towards his or her organization. So, you must put your customers interest first before in a way you look at your organizations interest because of the strategic understanding that your organizations real success can only emerge out of customer success. So, customers need comes first.

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Types of Outside Sales Activities				
Product Sold for Purpose of: ↓	To Businesses That Are			
	To Consumers	Manufacturers	Intermediaries	Institutions
Consumption	Oriflame selling fragrance to women consumers	Xerox selling a photocopier to office staff of Maruti	Facility Maintenance company selling catering	Canon selling overhead projectors to IIT
Incorporation	n.a.	Sona-Koyo selling customized steering system to Hyundai	n.a.	n.a.
Resale	n.a.	n.a.	MRF selling tyres to retailers	Florist selling flowers to Temple vendors

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So, when we say customer comes first, what we mean is understanding of customers needs, real needs, tangible needs as well as intangible needs. That understanding must come first and that must drive everything else. That is the point to explain it a little bit more. You please look at this chart. It is taken a most textbooks will have a similar chart that the products as shown on the column on the left, extreme left the products can be for consumption. That means, you know it is something like a food product or most of the staple products or it can be some kind of you know special product or shopping product like a shirt or this table and chair and so on.

So, it can be for immediate consumption, it can be for incorporation into something that the customer is making or incorporation into so an edible oil for example is something that is consumed, but by incorporating it in the process of cooking at the customers end.

And sometimes the customer may be buying it for resale as a subsystem or as a or as an auxiliary to his or her final delivery to his or her customer customers customer and what the customer is delivering to customers, your delivery can be a subsystem of that. So, immediate consumption whatever you are selling can be for immediate consumption by the consumer or customer himself or herself. It can be something that will be incorporated in the customers production process or manufacturing process or consumption process or it can be something that will be resold by the customer as either as an auxiliary or as an integral part and that makes different types of that creates different types of sales occasions.

So, for example, oriflame selling fragrance to lady consumers that is something for immediate consumption. So, that will have a different kind of sales process and you have to understand this connection and accordingly tailor your sales process. On the other hand, Xerox selling a photocopier to say a car manufacturer like Maruti that is also for consumption for use day in and day out, but it is too a manufacturer customer. So, the customers are therefore like the products are of different types. They are for either consumption or incorporation or resale as shown on the left column, but the customers are of different types.

They can be consumers private consumers, they can be manufacturers, they can be intermediaries or they can be institutions like say IIT or other types of educational institutes, social institutes and therefore, each of the type of products for each of the type of customer create a different set of sales conditions and needs a tailored sales process.

So, as you can see it is 3 by 4 matrix and therefore, we have 12 blocks situation of which the 4 on top and 3 in the next level. These 7 are applicable and important situation, sales situations which we will explore more. At this stage I must mention that you must look at each one of these situations, understand the nature of each type of customer and generate more examples in your mind for a deeper understanding of this particular chart.

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Field Selling	
Transaction Selling	Relationship Selling
<ul style="list-style-type: none">– Get new accounts– Get the order– Cut the price to get the sale– Manage all accounts to maximize short-term sales– Sell to anyone	<ul style="list-style-type: none">– Retain existing accounts– Become the preferred supplier– Price for profit– Manage each account for long-term profit– Concentrate on high-profit-potential accounts

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Once you understand these different sales occasions, he will appreciate better the difference between transaction selling and relationship selling. Transaction selling is the older style of selling something that is there today, but highly de-emphasized. So, earlier the sales process was somehow make the customer consumer buy some goods or some service and the salesperson was then chasing the next sale. That concept is therefore primarily driven by getting more and more customers, getting new accounts, get the order and get out. And somehow manipulate the price and the understanding and the features and make the sale happen and focus was very short term and one tried to sell anything to any person, right.

These are concepts which are almost obsolete today. To some extent there will be the need of getting new accounts, but what we feel is that in today's relationship based selling, your new account will be a result of effectively retaining your existing customer because that customer will become your co marketer, that customer will become advocate and will make further sales happen.

So, on the right hand side we have retention as a primary driver as supposed to acquisition of new customers. So, what it does not mean that we are we no longer need new customers. What we are saying is that a, it is more gainful to get more sales, repeat sales from the existing customer and b, acquisition of new customer must be a result of good retention of existing customers. Because, if you are preferred supplier to a

particular industry to a particular class of consumer that by referral that through the social media buzz that through different forms of communication from the customer to other customers will create better and better sales build up. And this kind of sales is obviously because your cost of sales then becomes much lower, because something that you would have been done by your sales person is now being done by the your customer and repeat sales is always more cost effective from the marketers or sales person point of view.

So, your price, the same price will lead to better profit if your cost of sales is down because you are getting the next sale either through retention or through advocacy. So, focus is not on today's profit, but profit over the life cycle of the product, life cycle of the goods and service package and also it becomes very important of what we call account management. This today's accounts as well as that means today's customers and that as a pathway to potential accounts future customers is a very effective and in many ways a very contemporary more virtuous approach to this value exchange process, sales process.

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6 Categories of Sales Profiles

- Consultative seller
- Key account seller
- New business seller
- Sales support
- Evangelist seller
- Delivery seller

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So, in today's situation we have 6 categories of sales profiles. We have consultative sellers, I discussed it over the last few slides in yesterday's session as well as in today's session. What consultative seller selling means it fundamentally means understanding the customers need to the extent that customer seeks you out to get opinion, your opinion as to the best way to solve his or her problem. So, that is just like we look forward to a

consultant for good advice, the customer must develop that trust that the customer will seek your advice because the customer considers you as an expert.

So, as you see here relationship oriented consultative selling also needs expertise. You must be respected as an expert of not only your products, but how your product fits into the overall need of the customer which means that you must be also an expert of customers business process. So, if you are selling say a crusher into a cement plant, you should not only understand all the functionalities of your crusher, how it compare with the crushers available from other sellers, but you also must understand your customer that is the cement plants needs a long term paradigm of success and how your crusher or conveyor belt or any other equipment will contribute to the cement plants long term success.

And this need of understanding the customer process in depth; obviously, brings up this concept of key account selling which means that today's sales is very focused, it is customized, it is matched with that target segments particular sets of needs. And therefore, as a corollary one can say it is very tough in today's selling process to be everything to everybody, but the approach more is to be everything to somebody.

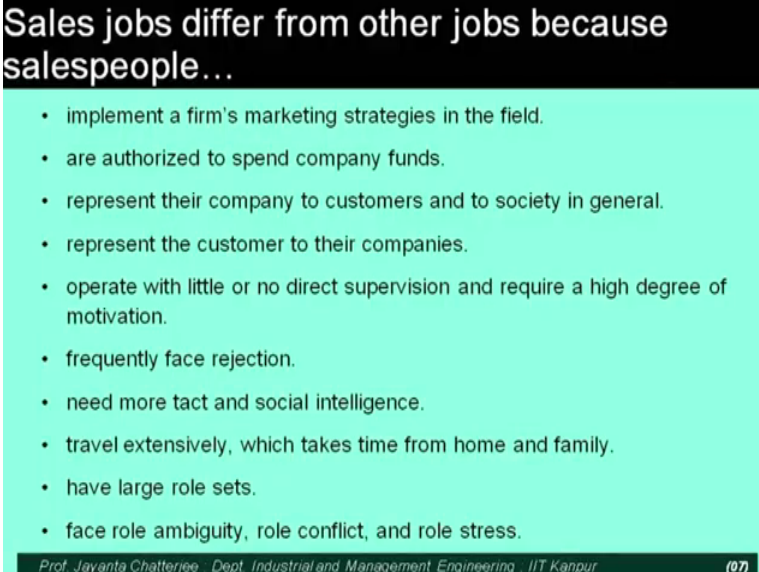
So, you must therefore have not an acquisition oriented strategy, but a retention oriented strategy by nurturing a customer over a long period of time and obviously that means that this entails that you must carefully select your customers. And focus on such customers who create a long term stream of values through repeat purchases and so on or add on purchases or enhancements concepts where in terms of sales we call them up selling or complementary selling and so on.

And of course, when it comes to a new business that means not sort of a cement plant which is an existing traditional type of customer, but suppose you are actually a seller to a new type of industry, very fast moving industry say semiconductor manufacturer or you are selling something to today's what we call millennial generation consumers where their tastes and needs evolve very fast. In that situation, sometimes you may need the sales persons playing different roles. There can be one role which is an evangelizing role.

That means, you are preaching, you are not that part of your sales team will comprise the persons who are not looking for immediate order booking, but they are actually creating a bigger picture in front of the customer where the customers long term needs and your

value package long term opportunities or potential. The long term potential of your product of your goods and services are match to customers long term needs and this is done as a method as you know exchange of knowledge not necessarily gear to the next order booking, but as you can immediately see this evangelizing or missionary approach to sales creates the possibility of the next sale.

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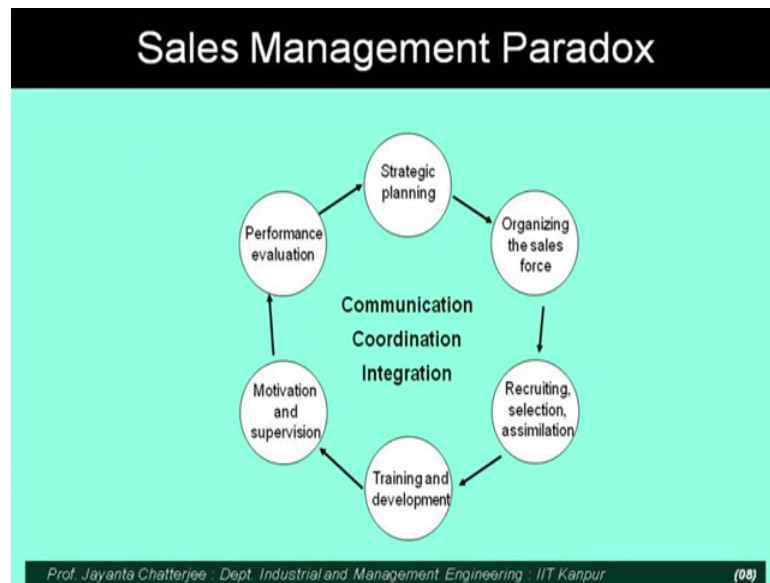
Sales jobs differ from other jobs because salespeople...

- implement a firm's marketing strategies in the field.
- are authorized to spend company funds.
- represent their company to customers and to society in general.
- represent the customer to their companies.
- operate with little or no direct supervision and require a high degree of motivation.
- frequently face rejection.
- need more tact and social intelligence.
- travel extensively, which takes time from home and family.
- have large role sets.
- face role ambiguity, role conflict, and role stress.

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Which actually which will bring bigger and bigger opportunities for you going forward. So, a successful salesperson creates super relative capabilities that are highly appreciated.

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And at the core of this is this complexity, a role conflict or to an extent the sales management paradox and I will talk about this ambiguity paradox role conflict and tension arising out of that as all part of the salespersons everyday management, but that will come in future sessions.

Thank you for today.