

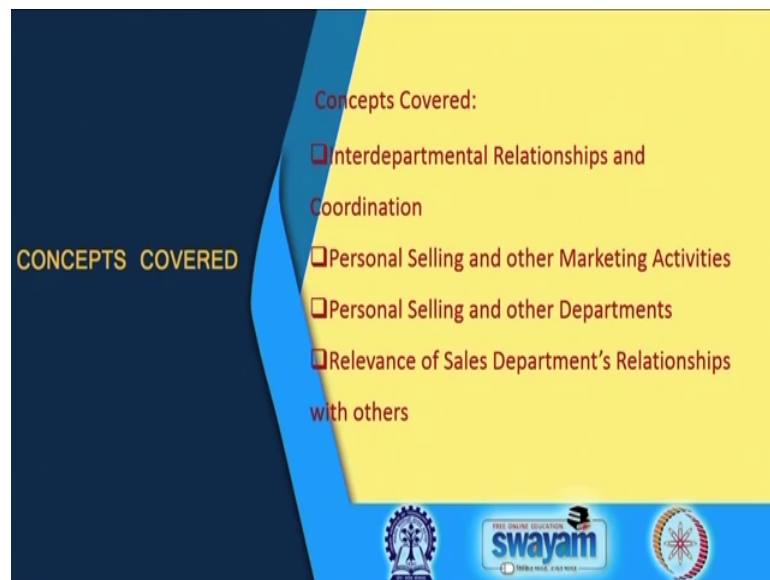
**Sales and Distribution Management**  
**Prof. Sangeeta Sahney**  
**Vinod Gupta School of Management**  
**Indian Institute of Technology, Kharagpur**

**Lecture – 12**  
**The Sales Department Relations (Contd.)**

[FL]. We will be starting with lecture 12 which is a part of module 3. We will be continuing with our topic on the Sales Department Relations. If you recall this particular module 3 will be dealing with sales department relations with other functional areas, with other departments, both and with other entities, both within as well as outside the organization. And it also be dealing with a planning, sales forecasting and budgeting.

The first two lectures where in the particular module, which is lecture 11 and lecturer 12 shall be dealing with sales department relations, and in this we shall be discussing with interdepartment relationships and coordination, personal selling and other marketing activities, relationship between personal selling and other departments, and relevance of the sales department relationships with other out external entities.

(Refer Slide Time: 01:01)



Now, in the first lecture in this particular module which was lecture 11 we have already spoken about inter department relationships and coordination. Now, we have also spoken about the relevance and the you know the importance of personal selling and other

marketing activities in a the relevance of the coordination, or the relation the importance of the relationship between personal selling and other marketing activities.

So, in the first lecture we have spoken about how important into department relationships are and we have also spoken about how personal selling relates to other marketing activities, and how it is extremely important that the personal selling efforts are always in hand in glove with other marketing activities.

Now, in today's lecture in lecture 12 we shall be talking about the coordination or the relevance of the coordination between personal selling and other departments. And we should also talk about relevance of sales departments relationships with external entities or with external stakeholders. So, let us begin with this lecture.

(Refer Slide Time: 02:25)



**Coordination of Personal Selling with other Departments**

- Sales and Production
- Sales and Research and Development
- Sales and Human Resources
- Sales and Finance
- Sales and Accounting
- Sales and Purchasing
- Sales and Public Relations
- Sales and Legal

The slide features a yellow background with a dark blue curved shape on the right side. At the bottom, there are logos for Swamyam (Free Online Education) and UGC (University Grants Commission).

Now, to talk with you know the to discuss the relationship between personal selling and other departments, we must say here that the personal selling effort is something which is the, which is an important function because it involves informing, persuading and convincing a person or a prospective client to enter into a sale. However, the personal selling function would not be possible or the sales force will not be able to perform the function until and unless it is it works in close coordination with other departments.

In the previous lecture, we have seen how the sales the R and D, the production and operations, the finance, the purchase, must work in coordination. We have discussed the

relevance or the importance of the coordination that must exist between the different departments to in this lecture we will be talking about this in a little more detail. We will be seeing how sales and production must work in coordination with each other, you must also you will also discuss how they must be coordination between the sales and the R and D, how they must be correlation between the sales department and the HR function or the HR department, sales and finance, sales and accounting, sales and purchasing, sales and public relations, and how it is also very important that the sales department works in close coordination with the legal sell. So, this is all that we would be studying in this particular lecture.

(Refer Slide Time: 03:57)

**Coordination of Personal Selling with other Departments**

*Sales and Production:*

- In earlier times, production of units would start only after orders had been secured.
- Today, sales are forecasted and production is based according to the forecast and the potential.
- Sales estimates provide inputs into production planning and inventory management.
- Technical information provided by the production and operation department helps sales people in understanding the product, which further helps them in making sales presentations, and pushing the product, and closing the sale.
- In cases of sudden orders, the sales department must coordinate with the production and operations department and commit accordingly.

(Contd.)

Now, let us first start with sales and production. Now, in the earlier times it was make and sell philosophy, the companies would make or manufacturer product and then sell it in the market. So, as we all know the seller was the king, also production unit would start their work only after orders was secured, specially in the case of a b to b scenario, where it was purely and purely that once orders was secured and half payments were accepted, only and only then would the production and operations department begin manufacturing the same.

Today the times have change, today it is the sales are forecasted and production is based according to sales forecast and sales potential. So, the sales team provides you know inputs into production planning and unitary management. How? By providing inputs

about a customer requirements, needs, wants, preferences, customer feedback, and this helps you know understanding or predicting the sales estimates, the sales potential, the sales forecast, and this information with respect to you know future sales or with respect to forecast and you know potential acts as vital inputs into the production planning and into inventory management.

Technical information provided by the production operations people also help the sales team. Sales team understand the product better, and when they have to explain you know the technicalities of the product during sales presentations to the their customers or to their clients when they have to explain you know the product technicalities to the channel partners and who will for the push it down to the end customer in the case of b to c in all these cases technical information provided by the production operation department is of immense help to the sales people.

So, the sales people have provided you know information by the production and operation department, information about the product, about the technicalities of the product, specially in the case of products which are you know capital goods or products which are technically very complex of products which are very complex in the case of b to b. Or in case of high involvement products in case of b to c like for example, consumer durables etcetera. So, both the sales team and the production operations team help each other.

The sales team provides information to the production team or the operation team about customer you know needs wants preferences, customers complaints or feedback with respect to existing products and product line. So, the operations team gets an idea about what is required or if there are complaints, where are complaints, what can what can be done to minimize such complaints of such customer grievances with the product and so this gives vital clues to them for product design as well.

Also, the inputs that comes from the sales people in terms of customer preferences etcetera gives them in gives through the production operations department information of what is selling, what is not selling. If something is not selling why it is not selling and if something is selling what is the demand. Now, based on the demand again the production planning you know team is given some you know given inputs and production planning and inventory management can be successfully carried out.

On the other hand, the information provided by the production operations, department with respect to the products or improvisations made in the products or new variants of the products or technical details about the product about the features, benefits, attributes etcetera this information provided by the production operations to the sales team have sales team build confidence in themselves. The sales team feel they are more aware they are more informed about the product and about the product line, they would to have more confidence in making sales presentation, they would also be in a better position to handle queries and in such cases this would in still in the buyer's confidence also.

So, as we have discussed earlier because the sales person would be very well equipped with knowledge he would be confident in making sales presentations and handling queries. This would also build a feeling of trust in the buyer and the buyer would also be more confident taking a decision or deciding to take a make a purchase decision in favour of that particular brand.

So, basically the technical you know information provided by the production operations department empowers the sales team. So, both the sales team and the production operations department help each other.

In cases where there are sudden orders again the sales team immediately rushes you know to the production operations, gives them the information, the such and such product is required in such a such quantity as soon as possible. And so, this would mean that the production planning and inventory management would need to be revised or reviewed so that the customer is able to get the right product at the right time and the right place.

In case, so in case of sudden order the sales department must immediately coordinate with the production and operations department.

(Refer Slide Time: 09:27)



**Coordination of Personal Selling with other Departments**

*Sales and Production:*

- Further, in case of shortage of inventory, be it raw materials or problems in work-in-progress or finished goods, or any problem being faced with the production department, the sales department must be properly informed, so that they can take proper care while dealing with customers, securing further orders and explain to the customers the reasons for the shortage.
- Production department also plays role in assisting sales department in determining training needs requirements as regards technical features of products .

The slide features a yellow background with a dark blue curved border on the right. At the bottom, there is a blue banner with logos for 'THE ONLINE EDUCATION swayam' and 'INDIA WISE, LEAD WISE'. A video inset in the bottom right corner shows a woman with glasses and a red shawl.

Also, in cases where there is a shortage of the end product or the final good because there are problems with the raw material or with work in progress, there is inventory shortage with you know for the raw material or for the you know work in you know progress or even in the case of finished goods. Such information must be provided by the production and operations department to the sales team. So, that the sales team can make the customer understand the problem that the company is facing.

This would mean that the sales person would be able to communicate to the customer that, yes, your orders would be met soon, they would be fulfilled soon. There is a problem with the machine or there is a problem you know in the plant with respect to a machine or with the labour force or there is a shortage of raw material work in progress.

So, any of these because this information reach would reach the sales team, the sales would be in a better position to explain to the customer where the b to b or in the case of b to c would be able to explain to the channel partners, why there is a delay and so the so the sales team also would be able to help the production and the production department would be able to help the sales team. So, in this way proper care will be dealt with by while dealing with customers securing further you know orders and you know bringing business to the organization.

Production department also plays a very important role in assisting the sales department you know when training is required. So, in case of new products or in case where new

technologies are being used to manufacture new products and there is going to be a change in the product either as an incremental change or as a radical change, in those cases the sales team must be abreast or made updated.

And here the production department has a very important role to identify the training needs, communicate the same to the marketing head and to the HR team so, that sales training programs can be organized. So, the training programs which are you know continual training programs whether of short duration or long duration can be organized for the sales force. So, that the sales force can be better trained, there can be better equipped to handle you know the selling process, they would be able to you know keep themselves updated, handle you know customer queries, make presentations, give demonstrations, help during installation deal with customer complaints in a better manner.

So, for production department plays a key role in assisting the sales department in determining training needs requirements as regarding new products or as regarding upgradation of existing products. So, even in case of incremental or radical changes this the production and operations department would be able to understand better if sales training is required. And if sales training or training for sales force is required it would communicate the same to the sales and the marketing head and to the HR department to organize such training programs for the sales force. So, that is how we see that they work together.

(Refer Slide Time: 12:33)

**Coordination of Personal Selling with other Departments**

*Sales and Research and Development:*

- A coordination between sales and research and development department is required as regards development of new products.
- Both these departments assist each other in designing products, improvising them, and adjusting existing product lines with respect to consumers needs and wants.

swamyam

Now, the sales department also works and close coordination with the R and D and this is extremely important. Sales as always been regarded as a line function in the staff has been dedicated as, sales is always been considered as a line function and the sales department and the marketing department have performed the line role. The R and D has always been regarded as a staff function in most cases. However, in companies which deal with biotechnology or which deal with pharmaceutical drugs etcetera there of course, R and D also is used the role of a line function.

But, in most cases the production and operations, the sales, they are regarded as the line function for an organization and the R and D is regarded as a staff function. But the role of the R and D cannot be under mind because any kind of changes which have been made through the product have to be made in the design first and this has to be done by the R and D team.

Now, where does the R and D team get its input from? Inputs with respect to customer needs, wants, changes, preferences etcetera in input with respect to customer complaints and other feedback comes from the sales team to the marketing and to the and from there it comes to the R and D. Now, the R and D department there thereafter has to sit with you know with their team and decide on how improvisations need to be made in the product design and in the final product so, that a changing needs wants preferences of customers can be better fulfilled 1. 2, customer complaints with respect to existing products and



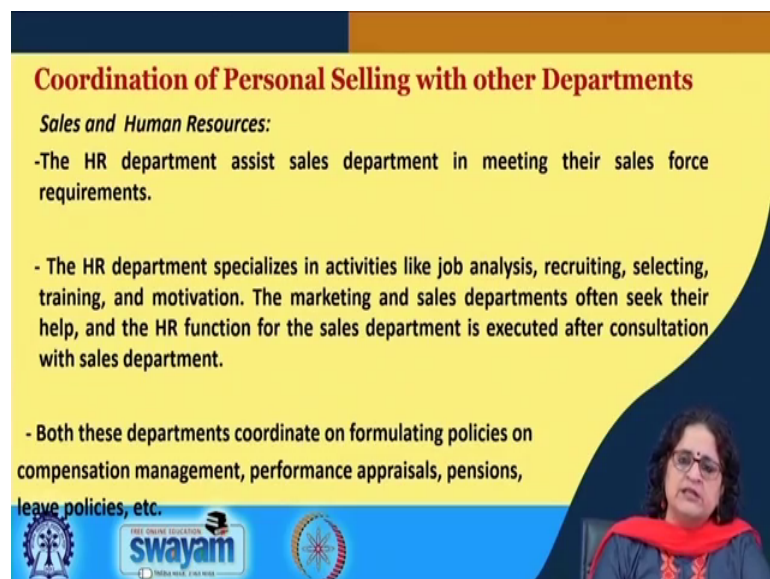
certain you know issue complaints regarding product features and attributes with the current products can be better resolved.

So, a close coordination between the sales and there is R and D department is very very important as regards not only new with respect to development of new products but also with respect to upgradation or improvisations or modifications of existing products. So, both the departments assist each other in designing products, improvising them, and adjusting existing product lines with respect to customer need changing customer needs wants and preferences.

The sales team realizes how customer how customer needs wants and preferences are changing or how you know customers in the market are behaving. The sales teams also takes feedback from the channel partners about customer complaints in the case of b to c. It takes feedback from their customers in the case of b to b with respect to customer complaints or grievances with respect to product form and product features and attributes and benefits.

This comes as an input to the R and D team, who then has to sit back, who use to sit and then plan and design or redesign the product, decide on upgrading modifying an existing product or actually you know launch a new product. So, has to be able to meet customer needs and wants more effectively and efficiently than the competitor. So, the sales and the R and D team must work in close coordination with each other.

(Refer Slide Time: 15:47)



**Coordination of Personal Selling with other Departments**

*Sales and Human Resources:*

- The HR department assist sales department in meeting their sales force requirements.
- The HR department specializes in activities like job analysis, recruiting, selecting, training, and motivation. The marketing and sales departments often seek their help, and the HR function for the sales department is executed after consultation with sales department.
- Both these departments coordinate on formulating policies on compensation management, performance appraisals, pensions, leave policies, etc.

The slide features a yellow background with a blue and orange header. At the bottom, there are logos for 'swayam' and 'THE OPEN UNIVERSITY' along with a small video inset of a woman in a red and blue graduation gown.

Now, again the HR function also in most organizations is a staff function, but the sales department needs the HR function all the time. Because when the sales in case of sales force management whether it is to do with recruitment selection, training, motivation, compensation etcetera etcetera in all of these cases the broad structure is uniform for every employee in the organization and that is decided by the HR department.

But because the sales team is different the sales job is different, you know certain changes are required with respect to you know job analysis, recruitment selection, training, performance, appraisal, compensations, systems etcetera. And to suit the unique nature of the sales job such changes need to be made in you know in the HR policies which are which are then more customized for the sales function only.

So, while the HR you know policies will be uniform for everybody certain changes need to be made in the HR policies to suit the needs and interest of the people in the sales force. That is why there is always a requirement of customizing them or changing the nature of these policies as HR policies to suit the needs and wants of the sales function. The various HR policies are actually revised or redesigned to suit the sales job.

And a with base while the basic structure remains the same for everybody in the organization certain changes are made with respect to job analysis, with in planning, that is sales force planning, in recruitment, in selection, in training, in performance appraisal, in compensation management. And so the marketing and the sales team has to sit with the HR team has to sit with the HR team to formulate such changes and to restructure those policies keeping in mind the unique nature of the sales job.

So, the HR department assess the sales department in meeting their sales force requirements, in recruitment selection, training, performance, appraisal, compensation management specially because these have to be in tune with the sales function and then the requirements of the marketing in the sales team.

So, HR department specializes in these jobs, like job analysis, recruitment selection, training motivation and the marketing and sales department seek their help and the HR function you know for the sales department is executed after consultation with the marketing and sales departments. So, both the departments coordinate on formulating

policies for compensation management of a performance appraisal or for leave policies and pensions and things like that typically pertaining to the sales force.

So, you know because the sales force you know the kind of environment they work in, the nature of the job where they face immense amount of role conflict. The needs of the job where they have to travel a lot, where they have to stay away from their families, where they have you know kind they have to report to the marketing and to the sales team as well as take care of the channel partners, take care of customers, take care of clients, take care of society at large.

So, the job becomes extremely demanding. And so certain changes in the basic HR policies have to be made to specially in the compensation or the incentive you know system, also performance appraisal system. So, also leave rules and leave policies, social security benefits. So, keeping all this in mind the HR often has or HR people have to work in close conjunction with the a marketing team and the sales team to design a such or to change or to have sees special you know policies or certain unique policies or different policies for the sales and marketing team as a, as in contrast to other employees in the organization.

(Refer Slide Time: 19:57)

**Coordination of Personal Selling with other Departments**

*Sales and Finance:*

- The sales department helps the finance department by sharing with them the sales estimates for company's annual and departmental budget.
- The finance department helps the sales department by providing rapid credit checks of clients, sharing records of customers credits with them, order-to payment cycles etc.
- Both these departments also assist each other in framing sound credit policies.

The slide features a yellow background with a blue and orange header. At the bottom, there is a blue banner with logos for 'swayam' and 'THE ENGINE SOLUTIONS' on the left, and a small inset photo of a woman in a red and blue graduation gown on the right.

The sales and finance team also work together. The sales department has the finance function or the finance department by sharing a with them information with respect to sales estimates, sales potential, sales forecast, and this helps the company decide on its

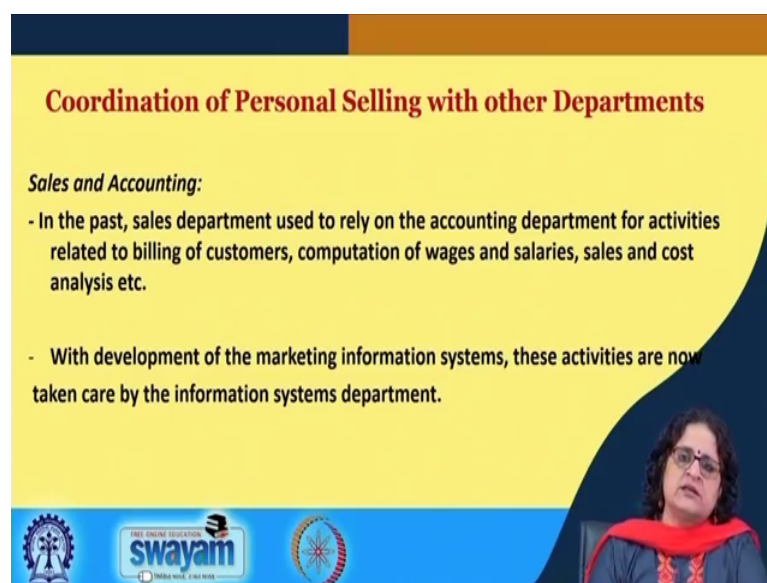
budget, ok. So, we shall be talking about the budget in the next lecture. So, the finance department helps the sales department also by giving them information about you know credit checks of the clients, giving them information about customer credit order to payment cycles.

Now, what is the order to payment cycle? The order to payment cycle is a part of the internal record system of the marketing department and it is regarded to be a very important element in the marketing information system. It is an in it is a part of the internal record system, and the internal record system is again a part of the of the marketing information system.

We have discussed earlier that the marketing information system comprises the internal records, the marketing intelligence system and the marketing research system. So, here the finance department help for sales department by providing them information on rapid credit checks of customers, looking into the fact whether payments have been received or not received. So, order to payment cycle also issues with respect to you know collection of payments etcetera, receivables etcetera all this is inform information is provided by the finance team.

Both the departments help each other in framing various sound credit policies, deciding on working capital management etcetera.

(Refer Slide Time: 21:35)



**Coordination of Personal Selling with other Departments**

*Sales and Accounting:*

- In the past, sales department used to rely on the accounting department for activities related to billing of customers, computation of wages and salaries, sales and cost analysis etc.
- With development of the marketing information systems, these activities are now taken care by the information systems department.

The slide features a yellow background with a dark blue curved border on the right side. At the bottom, there is a blue banner containing logos for Swayam (Free Online Education), a gear icon, and a circular logo with a star. A small inset image of a woman in a red and blue academic gown is visible in the bottom right corner.

Now, sales and accounting. Now, earlier the account accounting department was immensely relied upon, hugely relied upon by the sales team for several things. Like billing of customers or computation of wages and salaries for the sales team, computation of incentives for the sales team, the sales and cost analysis, also you know receivables working capital etcetera. However, with the development of the marketing information systems these activities are now taken care by the information system departments.

So, for example, the order to payment cycle when orders were received, when they were processed, when orders when the products were delivered, when payment received whether in part or in full status with respect to working capital. All this is now you know well managed by the information systems department you know of the finance division. So, accounting today has assumed lesser important role, you know in terms of physical accounting.

Of course, packages are there software packages are there which keep a real time tab on how finances are being handled by a company. And how whether orders are delivered, when payments are received, a whether how compensation packages are being arranged, computed and managed.

(Refer Slide Time: 23:01)

**Coordination of Personal Selling with other Departments**

*Sales and Purchasing:*

- The sales department provides sales estimates to the purchase department which assist them in procuring stocks of raw materials, and other items to ensure smooth production schedules.
- Information about the sales department needs helps purchase department to procure products at right time, in right quality and at right price.
- The purchase department keeps the sales department informed about progress with respect to orders of raw materials, and helps provides scope for redirection of efforts.

The slide features a yellow background with a dark blue curved border on the right side. At the bottom, there is a blue banner with logos for 'THE NATIONAL EDUCATION REFORMS BOARD swayam' and 'INDIA'S SKILL DEVELOPMENT'.

Now, coming to the sales and purchase department. Now, the sales department provides information the sales estimates, forecasting, sales forecast, sales potential and sales

estimate. So, this course these estimates go to the purchase department and it assists them in procuring, stocks of raw material and other items. So, that production can go on unhampered and information about the sales department needs helps the purchase department to procure the right kind of product, in the right time at the right place and in the right quality.

Purchase department keeps tab on their vendors, with specially with respect to quality issues related to raw material components parts. Also, it keeps tab on the right prices which are coated by whether the price is coated by the vendors are right or appropriate or need to be negotiated upon. So, the purchase department keeps the sales department informed about the progress with respect to raw materials, and helps provide scope for redirection of efforts in case required.

This means that in case the purchase department realizes that you know there is a problem with the quality, and an entire consignment of raw material must be returned to the vendor because it is not quality you know it is not meeting the quality standards. Or you know the purchase department gets to know that the vendor cannot supply of the quantity desired and there would be delay in procurement.

So, this information is shared by the purchase team with the sales team and with the production operation team. So, the sales team can then inform the customer or the client or the channel partners about the delay that could happen because of non-availability of the right quality raw material or non-availability of raw material components and parts and supplies. So, the sales people would provide estimates to the to the purchase people, and the purchase department would they by side on you know how much of what kind of raw material and product must be bought at what time, and again the purchase department here works in close conjunction with the production operations people.

So, the sales, purchase and the production operations people work in close conjunction, and the production and the purchase people try and ensure that the right kind of product is available at the right time and the right place. So, that production is not hampered in anyway, production cycles are not intervened in anyway, and a and the end product can be delivered to the sales team for final delivery in the market, so to the customer. So, they work in closed conjunction with each other. In case there is a delay with procurement, whether with respect to quality product or with respect to the quantity

ordered this information is provided is shared with the sales team and so that the sales team can further communicate the same to the customer whether it b to b or the channel partners at the b to c.

(Refer Slide Time: 26:03)

**Coordination of Personal Selling with other Departments**

*Sales and Public Relations:*

- The sales department consults the public relations department on actions that might affect the image of the company as a whole.
- Both these departments work together in creating a sound and superior image of the company in public.
- The relationship between these two departments is normally informal and based on close communication.

The slide features a yellow background with a dark blue curved shape on the right side. At the bottom, there are logos for 'swayam' and other organizational symbols.

Sales people also consult the public relations department on actions that way effect the image of the company; both the sale the sales team would always want a good image for their company, a good reputation for their company. And the public relations department works hard to ensure that there is a good brand image for the company, the company is held in with esteem with repute with you know respect by the various stakeholders both within and outside the organization.

So, both the parties work together in creating a very sound and superior image of the company, to the outside world, to the public. And, well the sales department benefits out of this brand image and out of this company image and reputation because it gets good sales. The e efforts of the sales people also help the public relations department develop this good image.

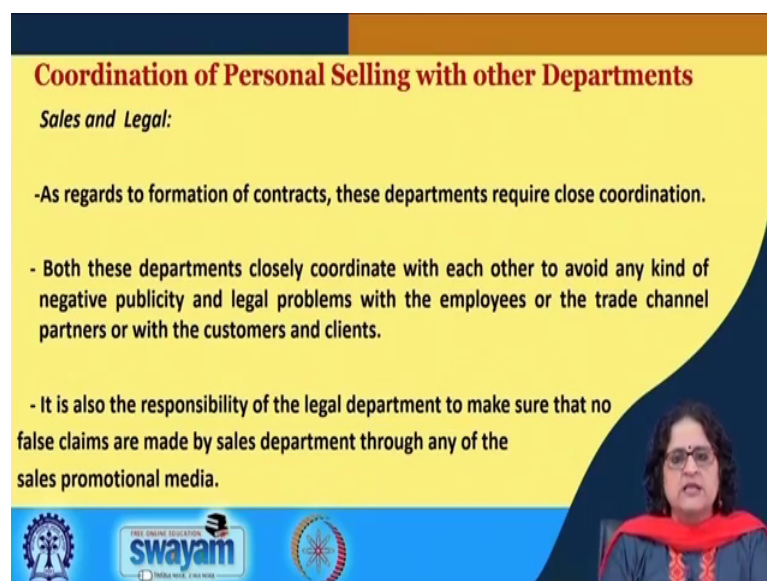
How? The manner in which sales realized, the manner in which customers are taken care of, the manner the manner in which you know customers be you know regard a company or respect a company or you know adds further, you know give further boost to the public relations, department to build a good image or build good goodwill for the company. So, the sales department consults the public relations department on actions

that might lead to good brand and good company image building. Also both the departments work together in creating a sound and superior image for the company in into the outside world, and the two departments relationship between them is informal based on closed communication.

Now, here I would like to also stress upon the fact that while the public relations department helps build good image through press releases, through you know sponsorships, through events etcetera and through you know CSR activities, the sales department also helps the PR public relations departments do this. The manner in which the sales team deals with the clients, the customer satisfaction, the loyal customer base that it creates also you know the market share or the sales and the profits that the sales department generates for the company gives to the company of position of reputation in the eyes of the customer.

So, if this the sales team does not do this the public relations team would not be able to do anything. So, the both the team help each other, while the sales department creates the base and you know creates a loyal satisfied customer base, creates goodwill, creates good reputation. This is further enhanced by the efforts of the public relations department who go in for efforts like you know sponsorships, events management, you know press releases, corporate social responsibility etcetera to further build on the image of that helps to further build on the image of reputation and goodwill for the company.

(Refer Slide Time: 29:07)



**Coordination of Personal Selling with other Departments**

*Sales and Legal:*

- As regards to formation of contracts, these departments require close coordination.
- Both these departments closely coordinate with each other to avoid any kind of negative publicity and legal problems with the employees or the trade channel partners or with the customers and clients.
- It is also the responsibility of the legal department to make sure that no false claims are made by sales department through any of the sales promotional media.

The slide features a yellow background with a dark blue curved border on the right side. At the bottom, there is a blue banner containing logos for 'THE OPEN UNIVERSITY', 'swayam', and 'e-Pathshala'. A small inset video of a woman in a red and blue academic gown is visible in the bottom right corner.



The sales department also must work in close conjunction with the legal department. As regards to formation of contracts specially in the case of B to B scenario the both the sales and the legal department work together. Both the departments coordinate with each other to check, so that there is no kind of a negative publicity for the organization. And no kind of legal problems can crop up, either with the employees within the organization or with channel partners outside the organization or with employees or with clients and customers.

So, both the sales, and the sales team or the sales department takes suggestions from the legal department to ensure that there is no you know clause or no clause in the contract or in the agreement which can create a problem, you know out with the channel partners or with the customers and clients. Similarly, they must operate such that there are no legal problems within the company as well between employees. So, it is the responsibility of the legal department to ensure that no false claims are made by the sales department through any of the sales promotion media, because if this is done this would be in a false promise to the customer which could further lead the company into a problem.

So, the sales department and the legal department must work in coordination. When the sales department formulates its promotional messages in conjunction with the advertising department that time as well legal case clauses are taken or into account and the message that is conveyed to the client or to the customers through promotional campaigns is also vetted by this legal department to ensure that, there are no legal problems in future and there is no negative publicity for the organization in future.

(Refer Slide Time: 30:51)

**Sales Department's External Relations**

The sales department maintains contact with four external entities which can be classified as:

- Relations with Final buyers
- Relations with the Industry
- Relations with the Government
- Relations with the Press and Media

The slide features a yellow background with a dark blue curved shape on the right side. At the bottom, there is a blue banner with logos for 'swayam' and 'INDIA WISE, FUTURE READY'. A small inset image of a woman in a red and blue sari is visible in the bottom right corner.

Now, the sales department also maintains contact with external entities. These entities can be classified as a final buyers. They have relationships with the industry, with the government, with the press and with the media.

(Refer Slide Time: 31:03)

**Coordination of Personal Selling with External Entities**

*Sales department and relations with the Final buyers:*

- The final buyers of the products are one of the most significant entities for the sales department.
- The prosperity of the companies is very much related to the satisfaction of the needs and demands of the final buyers of the products.
- The sales department can better satisfy the demands of the final buyers if they keep in regular touch with them and take proper feedback about existing products and services.
- Creating a base of satisfied final buyers is not just the responsibility of sales department.

(Contd.)

The slide features a yellow background with a dark blue curved shape on the right side. At the bottom, there is a blue banner with logos for 'swayam' and 'INDIA WISE, FUTURE READY'. A small inset image of a woman in a red and blue sari is visible in the bottom right corner.

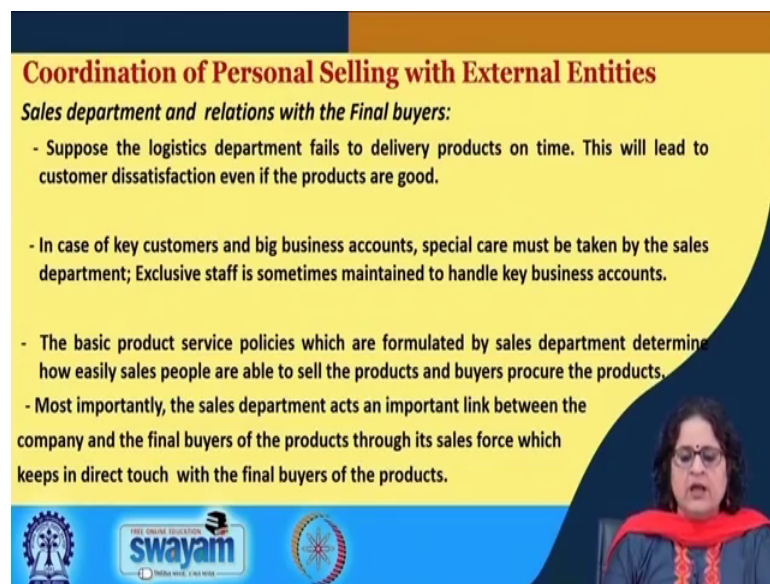
And now let us come to the relationship between the sales department and the final buyers. We have been discussing from the first lecture onwards that the buyer or in the case of a b to b or in the case of b to c, is the most significant entity for an organization and for the sales department. The prosperity of a company does not depend just on a

product which is manufactured, it actually depends upon you know satisfaction of customer needs and wants and preferences.

And it is very important that that organization and the sales force satisfy the needs and wants of customers more effectively and efficiently than the competitor. And for this it is under important that the sales department is in regular touch with the customers either in the case of b to b or in the case of b to c.

They must understand what changing needs wants and preferences are they must also take feedback and try and come up with improvisations or modifications in existing products or new products all together. So, creating a ways of satisfied buyers is not this responsibility of the sales department it is also the responsibility of other departments in the organization.

(Refer Slide Time: 32:11)



**Coordination of Personal Selling with External Entities**

*Sales department and relations with the Final buyers:*

- Suppose the logistics department fails to delivery products on time. This will lead to customer dissatisfaction even if the products are good.
- In case of key customers and big business accounts, special care must be taken by the sales department; Exclusive staff is sometimes maintained to handle key business accounts.
- The basic product service policies which are formulated by sales department determine how easily sales people are able to sell the products and buyers procure the products.
- Most importantly, the sales department acts an important link between the company and the final buyers of the products through its sales force which keeps in direct touch with the final buyers of the products.

The slide features a yellow background with a blue and orange header. At the bottom, there are logos for 'swayam' and 'INDIA WISE, LIFE WISE' along with a small video inset of a woman in a red and blue garment.

For example, you know if the you know production cycle is halted or if logistics department is late in delivery of the products. So, this would lead to customer dissatisfaction. So, it is important that the everybody in the organization whether it is in the R and D, or in the production, or in you know or all and all working together with the sales department and in case of key customers, it is important that the sales team, the sale exclusive staff is delegated to handle them. We have discussed earlier that people with high or medium sales potential have to be treated very differently to those who have lost its potentials.

So, the basic product service policies to which are formulated by the sales department determined how easily sales people will be able to sell those products to the final customer. And the sales department here acts as a very vital link between the company and the final buyers, and through the sales force which keeps indirect touch with the final buyers of these products.

(Refer Slide Time: 33:17)

**Coordination of Personal Selling with External Entities**

*Sales department and relations with the relations with the Industry:*

- This relates to taking memberships and adhering to the rules of the trade associations to which the company is a part of.
- It is the responsibility of the sales executives to interpret the problems of the industry, and discuss the same with customers whenever required.
- The sales department executives should always act in the interest of the public.

(Contd.)

The slide features a yellow background with a dark blue curved border on the right side. At the bottom, there is a blue banner containing logos for 'swayam' and 'All India Council for Technical Education' (AITE), along with a small video feed of a woman in a red and blue sari.

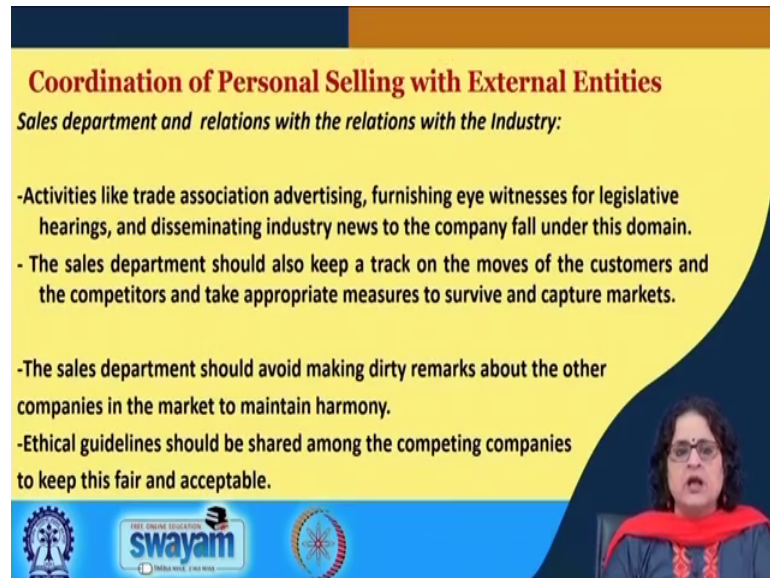
Now, a sales department also has to form very important relationships with the industry. This relates to taking memberships and adhering to the rules of the trade associations to which a particular company is a part of or to the industry association to which a company belongs.

It is responsibility of the sales people to interpret the problem of the industry, to understand you know the opportunities and threats that the industry is facing, and discuss the same with the client if required. For example, in case there is a crisis with raw material and across the industry raw the companies into in business are getting affected. So, the same must be communicated to the customer to the client that they would be a delay in the delivery of the final product, because there is a shortage of the raw material occur you know for all the companies in the industry.

So, the sales department executive must always act in the interest of the public and to do so it must join hands with other players in the industry, so that they can have similar

policies when it comes to situations of crisis so, that they can deal with the crisis in the similar manner.

(Refer Slide Time: 34:27)



**Coordination of Personal Selling with External Entities**  
*Sales department and relations with the relations with the Industry:*

- Activities like trade association advertising, furnishing eye witnesses for legislative hearings, and disseminating industry news to the company fall under this domain.
- The sales department should also keep a track on the moves of the customers and the competitors and take appropriate measures to survive and capture markets.
- The sales department should avoid making dirty remarks about the other companies in the market to maintain harmony.
- Ethical guidelines should be shared among the competing companies to keep this fair and acceptable.

The slide features a yellow background with a dark blue curved border on the right side. At the bottom, there is a blue banner with the Swayam logo and the text 'FREE ONLINE EDUCATION swayam'. A small video inset in the bottom right corner shows a woman with glasses and a red shawl speaking.

Activities like trade association advertising; furnishing key witnesses for legal hearings and disseminating industry news to the company also fall in this domain. Sales department should keep a track on the moves of the customers and on the competitors and take important strategic decisions. They should refrain from making any a negative remarks about the other competitors in the market because this could lead land them into legal problems. They should follow ethical guidelines and held competition between the different players or different competitive players in the market should be very very healthy.

Ethical guidelines should be shared among competing companies to keep things as fair and acceptable, to keep thing as far as possible fair, transparent and acceptable.

(Refer Slide Time: 35:17)

**Coordination of Personal Selling with External Entities**  
*Sales department and relations with the relations with the Government:*

- The sales department should adhere to the rules, regulations and laws which are formulated by the department.
- For example, laws with respect to advertising should be followed before promotional campaigns are floated by the sales and advertising department jointly.
- Sometimes there are modifications in rules and regulations formulated by the government, and the sales department should keep themselves updated to avoid problems.

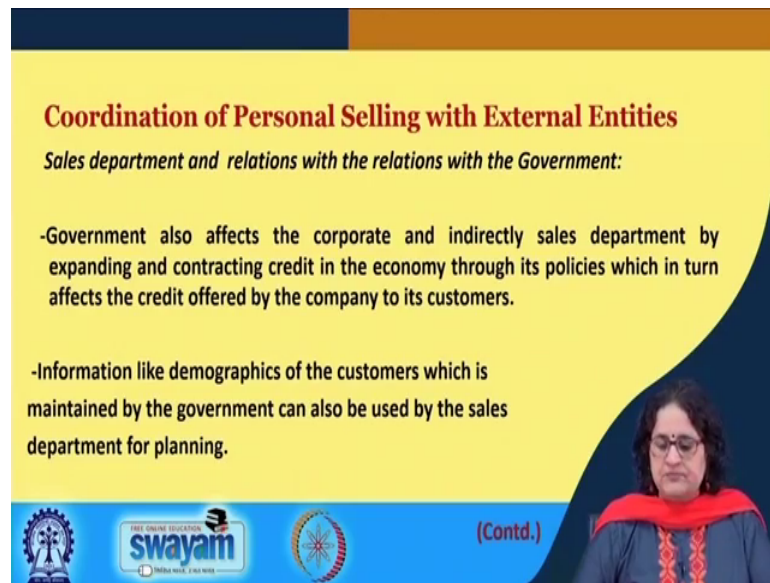
(Contd.)

The slide features a yellow background with a dark blue curved border on the right side. At the bottom, there is a blue banner containing the logos of 'swayam' and 'THE ONLINE EDUCATION' along with the text 'swayam' and 'THE ONLINE EDUCATION'. A small video feed of a woman in a red and blue sari is visible in the bottom right corner of the slide.

Now, the sales department also has relationships with the government. It should the sales department should adhere to the rules regulations laws, which are framed by the by the government and by the department. For example, a laws related to advertising should be followed before promotional campaigns are floated. These laws could related to you know the content the context of the advertisement. Sometimes there is a you know this there is a requirement to change your promotional policies because there is an objection to it either by the society or by you know public forums or by the government. So, those have to be taken into account.

You know also, there could be changes which are enunciated by the government from time to time with respect to rules and regulations and the sales department must keep themselves very well updated about this.

(Refer Slide Time: 36:07)



**Coordination of Personal Selling with External Entities**

*Sales department and relations with the relations with the Government:*

- Government also affects the corporate and indirectly sales department by expanding and contracting credit in the economy through its policies which in turn affects the credit offered by the company to its customers.
- Information like demographics of the customers which is maintained by the government can also be used by the sales department for planning.

(Contd.)

swayam

Information is often provided with the government through their databases and this also helps companies especially in the case of social marketing. Government also affects the corporate and indirectly the sales department by expanding and contracting the credit in the economy through the, you know the monetary policy or through the fiscal policies you know directed by the government. There could be changes in the economic circumstances, that an industry faces or the economic environment that industry faces and this also has to be taken care of while formulating you know production and marketing policy.

So, while taking orders from the clients or while delivering these orders often it may so happen that there are changes in the economic policies due to which they may be a problem with the demand or supply or they may be a problem with respect to price. So, these things have to be taken care of.

(Refer Slide Time: 37:05)

**Coordination of Personal Selling with External Entities**

*Sales department and relations with the Press and Media:*

- Writers and editors of news papers, magazines, trade journals, radio services, television channels, all comprise a part of the press.
- Unfavorable comments in these channels might affect or damage the public image of a company, hence, it is important for sales department to maintain relationship with all these.
- Good press relations helps in maintaining the good public image of the company and it works more effectively when integrated into an effective promotional campaign.

(Contd.)

swayam

Finally, we come to the sales department and the relations with the press and media. The various writers, editors in newspapers, magazines, trade journals as well as on the broadcast media like TV and radio all comprise the press and unfavorable comments in any of these channels could affect the image of the company. So, it is very important for the sales department to maintain relationships with them and maintain a very good public image of the company and of themselves. So, this would help immensely you know when integrated into an effective promotional campaign.

(Refer Slide Time: 37:37)

**Coordination of Personal Selling with External Entities**

*Sales department and relations with the Press and Media:*

- By sharing relevant and positive stories with the press, the sales department can play an important role in enhancing the public image of the company.
- Maintaining an open door policy with press executives is the key for continuing good relationships with the press.
- Reporters and editors for publishing well written stories must always be complimented as it helps in building a good rapport.

(Contd.)

swayam



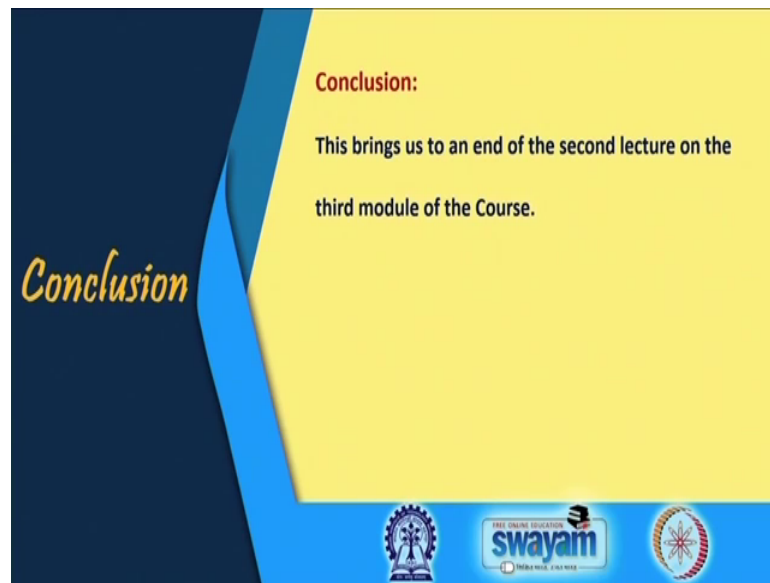
So, the by sharing a relevant and very positive stories with the press the sales department can also help develop build good public image of the company. Maintaining an open door policy with the press people over the press executives again helps forge good relationships. And reporters and editors who write well or who publish good stories must always buffer a particular company must be complemented, as this would help in building good rapport with the writer, with the reporter, as well as with the channel or with the media.

(Refer Slide Time: 38:11)



So, with this we come to an end of this particular lecture. The references are still Cundiff, Govoni, Puri, Sales and Distribution Management, Pearson education 6th edition.

(Refer Slide Time: 38:23)



This brings us to an end of the second lecture on the third module of the course. Hope you have found this lecture beneficial.

Thank you.