

Sales and Distribution Management

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UNIT – 2 : Sales Training Program

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Content

Unit 2 : Sales Training Program

- ☐ Role of a trainer,
- ☐ Training Method;
- ☐ Designing sales training program;
- ☐ Motivating Sales Personnel;
- ☐ Designing and Administering Compensation:
- ☐ Financial Compensation Methods,
- ☐ Nonfinancial Methods.

✓ SALES TRAINING :

- Process of providing the sales force with specific skills for performing their task better and helping them to correct deficiencies in their sales performance.
- When a new product is introduced into the market, the market situation undergoes a change with the entry of a new competitor or a new technology.
- It is the effort an employer puts forth to provide sales people job-related culture, skill, knowledge, and attitudes that should result in improved performance in the selling environments.
- According to George R. Collins, “It is an organized activity involving fact finding, planning, coaching, practicing and purposive attempts to develop selling skill and these skills to selected native ability, casually acquired knowledge and experience.”
- According to National Society of Sales Training Executives, USA, “Sales training is the international and sound application of ordinary sense to the problem of helping the sales personnel to make the most of their talents.”

✓ Sales training characteristics implies with following:

1. Sales training is imparted to develop selling skills of the sales persons.
2. It develops principles and practice of selling.
3. Sales training is a planned and organized activity of the sales department.
4. The sales organization and the salesmen, both are benefited from the sales training.
5. Training programmes are organized for the interests of new and old salesmen.
6. Its aim is to provide maximum satisfaction to customers through the knowledge gained by salesmen.
7. Training is given to find out solutions to various problems related with sales.

✓ Important Principles of sales training

A good training programme must contain the following features/principles:

1. Principle of Objectives
2. Principle of Subject Matter
3. Principle of Training Period, Timing and Place
4. Principle of Scope of Training
5. Principle of Training Methods
6. Principle of Responsibility
7. Principle of Efficient Trainers
8. Principle of Diversity
9. Principle of Simplicity and Practicability
10. Principle of Formal and Informal Elements
11. Principle of Motivation
12. Principle of Participation
13. Principle of Practice
14. Principle of New Ideas/Knowledge
15. Principle of Progress Report

- The objective of a sales training programme is to improve the performance of the salespeople, Training leads to a better performance in the current job, while the process of development provides benefits in terms of a more capable and flexible sales force in the long run.
- A sales training approach for a long-term issue will be futile as salespeople tend to solve the current problem through training.
- A development approach to tackle performance problems will also be futile as it only looks at problems in the future.
- The combination of individual differences in the choice of products, the organizational complexities in buying, and the adoption of information technology has made the job of a sales force more complex and challenging.
- These challenges can be met through training and development programmes in sales organizations.

✓ Importance of sales training

■ Importance to the Organization:

- Increase in sales,
- Stability of customers (by their satisfaction),
- Low supervision costs,
- Stability of salesmen,
- Lowers advertisement costs,
- Develop better relations between the customers and salesmen,
- Organizational stability,
- Increase goodwill of the firm,
- Availability of able persons, and
- Sales employees will be loyal to the firm.

■ Importance to Sales Personnel:

- increase their efficiency,
- more remuneration- by way of commission,
- promotion chances- due to increase in efficiency,
- high morale- due to increase in remuneration and other benefits,
- selling maturity- develops thinking power,
- Others- such as, opportunity for personal development and advancement, increase in the product knowledge, etc.

✓ Importance of sales training Cont...

- Importance to Customers: On customer's point of view, the advantages include –
 - proper use of money- proper attention towards the customer's problems, by the salesmen,
 - Customers get proper advices from the salesmen in their buying decisions.

✓ Process of sales training

- Like recruitment and selection, training is also a managerial function. The management is responsible to induct, socialize, train, develop, and make new employees who can work in the company. Training is an organized process to extract the best from the employees and to use it for the success of the organization.
- Sales training is a systematic process consisting of a number of steps to achieve training goals.



✓ Role of a trainer

- A trainer plays a significant role in sales training.
- Training programme is conducted both on the field and off the field. In both the cases, it is necessary to understand the role of a trainer because the success of the training programme depends largely on the ability, skill, and motivation of the sales trainer.
- In a line function, it is the responsibility of the top sales executives to train the sales staff.
- In a staff function, this is done by the personnel director. Here, the sales manager is only present in an advisory function. The decision to choose one of the options is a cost consideration for the company, HR department takes care of initial training in many organization.
- Sales training is continuous process and regardless of who owns the responsibility of training, it is the job of the top sales executive to keep his sales force informed and up-to-date about market conditions.
- In large corporations, the responsibility for training is delegated to the subordinate staff that is trained by the training director.
- The director conducts training programmes at his Centre and delegates training programmes to the regional and other sales executives.
- In small organizations, training is handled by top sales executives, outside experts, or hired salespeople.
- Sections of the programme related to selling techniques are conducted by hiring the outside experts in many organizations.

✓ Motivating Sales Personnel

Sales managers will go to the extreme to motivate their teams. They pull out all the stops – huge kickoff meetings, trips to exotic locations, giant commissions. For improving and success of sales management motivation play most important role, some tactics adopted by sales organization or manager for motivating of sales personnel:

1. Set Goals
2. Focus on Purpose
3. Build trust
4. Get others involved
5. Create a culture of recognition
6. Get creative

Motivation is the effort salespeople want to make to complete various aspects of their jobs.

- **In term of sales personnel:**

Motivation is the inner feeling to work better to achieve best result

It is desire to do better than the best

$$\text{Performance} = \text{Ability} * \text{motivation}$$

- **Types of motivation in term of sales personnel**

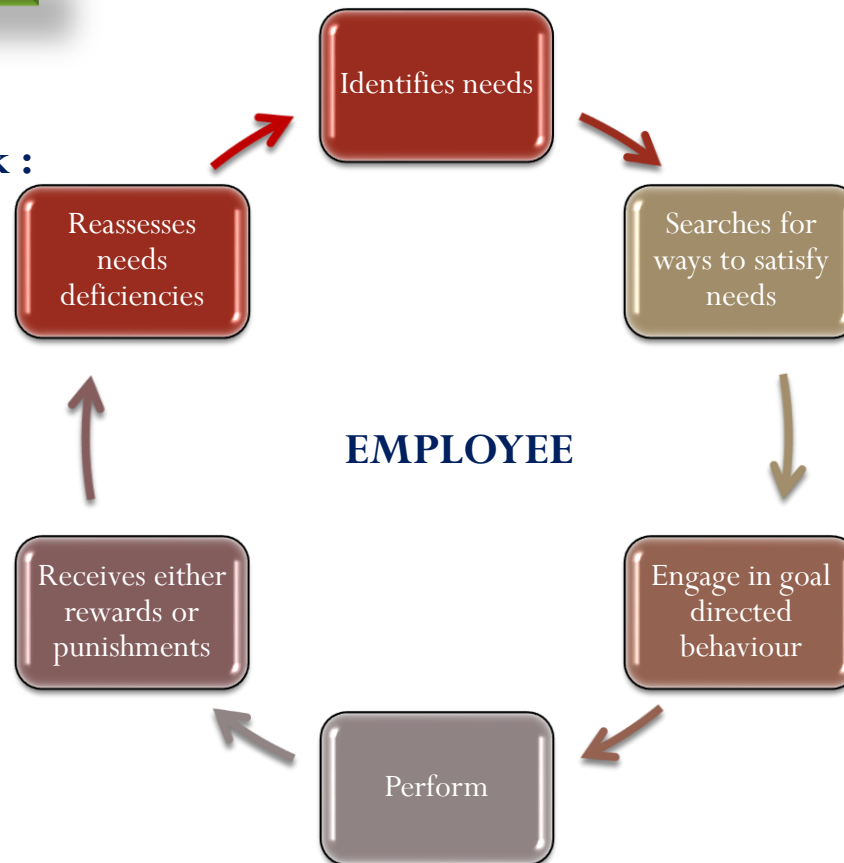
1. **Extrinsic motivation** (related to tangible rewards such as money)
2. **Intrinsic motivation** (related to psychological rewards such as the sense of challenge and achievement).

✓ Motivating Sales Personnel Cont...

- **Process of motivation :**



- **Motivational Framework :**



✓ Motivating Sales Personnel Cont...

1. Unique nature of the sales job.
2. Changes in market environment.
3. Individuality of sales people
4. Diversity in company goals.

✓ Compensation

- Compensation can be understood as total amount of the monetary and non-monetary reimbursement provided to an individual in return for labour.

Within this act of repayment, are two general varieties of compensation:

1. Financial compensation

▪ **Direct financial compensation:**

- It is most widely known and recognized form of compensation. Most sought after by workers, direct compensation is the money which is paid directly to employees in exchange for their labor.
- This includes everything from hourly wages, to set salaries, bonus, tips and commissions.

▪ **Indirect financial compensation:**

- It includes all monies paid out to an employee that are not included in direct compensation.
- This form of compensation is often understood as the portion of an employee's contract that covers items such as temporary leaves of absence, benefits and retirement plans.

✓ Compensation

2. Non-financial compensation

- It differs from direct and indirect pay as it has no monetary value.
- Non-financial incentives are the types of rewards that are not a part of an employee's pay.
- Non-Monetary incentives are typically effective for employees who are comfortable with their salaries or have been in the position for long time.
- Compensation of this nature can include: Achievement awards, team leadership opportunities, personal days, prizes, paid training, gift cards, new office or workplace upgrade or even paid parking or transit passes.
- **Financial rewards :**
 - Basic Compensation plan, salary, commission, bonus payments, sales contests, merchandise and travel and through cyberspace incentives.
- **Non-financial reward implies :**
 - Recognition awards such as trophies, certificates, promotions, praise and encouragement from management, job enrichment and sales meeting and conventions.

THANK YOU