

ST. MARY'S UNIVERSITY COLLEGE
FACULTY OF BUSINESS
DEPARTMENT OF MARKETING MANAGEMENT

**AN ASSESSMENT OF THE PRACTICE OF SALES
MANAGEMENT IN OMEDAD PLC**

BY
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JUNE 2010
SMUC
ADDIS ABABA

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**A SENIOR ESSAY SUBMITTED
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CHAPTER ONE

INTRODUCTION

1.1. BACKGROUND OF THE STUDY

Sales management is simply management of an organization's personal selling function. As the job, managing the personal selling function requires a large number of diverse activities. These activities can be classified into three major categories: Planning, implementation and control. Sales managers are involved in both the strategy (planning) and people (implementation) aspects of personal selling as well as in evaluating and controlling all personal selling activities. They must be able to deal effectively with people in the personal selling function, people in other function areas in the organization and with people outside the organization, especially customers (Ingram & Laforge, 1989:16).

According to Sahu and Raut (2007:168), the sales manager holds the most important position in the sales organization. He plans, organizes, directs, staffs and coordinates all the sales activities of an organization. Because of the crucial significance of the sales function, the sales manager occupies a key position in the management hierarchy of the size of the sales organization. However, the status and the power of the sales manager depend on the size of the sales organization. But in most of the medium, big, and giant organization, sales manager assumes the administrative role of providing uniform directions and control for the successful execution of the sales plan.

OMEDAD PLC was born in October 1992 E.C out of united will of five Ethiopians. The acronym OMEDAD represent these major field of activities O for office, M for machine, E for electronics/ equipment/, D for domestic, A for appliance, and D for distributor. It was established by an initial paid up capital of birr 1,000,000.00. The share capital has now over birr 30,000,000.00. At present, the company has twenty branches in regional states and four branches in Addis Ababa with head quarter around Meshualekia. The company has a sister company, AKKAL which is engaged in producing different types of furniture. OMEDAD is incorporated with the business objective of serving Offices, Homes, Hotels, Hospitals, and Educational Institutions.

In relation to the sales operation, there are problems observed in the areas of sales management. Since there seems to be disorganized sales management in OMEDAD PLC, the student researcher has been inspired to conduct a study which aims at evaluating the practice of sales management in the company.

1.2 STATEMENT OF THE PROBLEM

Sales executives are responsible for strategic planning, forecasting, budgeting, territory design, sales and cost analysis and traditional activities. Sales managers have to see that all of these tasks are integrated. If one of these activities is poorly performed, it will have ripple effects that will almost result in failure (Spiro, 1989:16).

In the last 17 years, even though OMEDAD PLC has shown progressive development in the business, it has not been well organized to meet the challenge of competition which is intensively growing through time. In regard with the management set up lack of sales people motivation, training and development, it is seen that the company is not on the right track for rapid growth. This is believed to be mainly attributable to the poor practices of sales management in the company.

As we can see from the above statement, in the area of sales management, the student researcher observed the following major problems during the preliminary assessment through my experience in the company and colleague's interaction.

- Inappropriate sales organization;
- Poor recruitment and selection of salespeople;
- Little emphasis on training and development of sales staff;
- Poor motivation and compensation scheme to sales forces;
- Weak control and supervision of sales personnel;
- Inadequate sales facilities and displays;
- Improper allocation and execution of sales budget and
- Improper target setting and supervision.

Therefore, the study attempts to investigate the practices of sales management in the company.

1.3 RESEARCH QUESTIONS

The study addresses the following basic research question

1. How the salespeople of the company are managed?
2. Does the company provide training and development to its sales personnel to upgrade their knowledge and skill?
3. What are the factors affecting the practices of sales management in the company?

1.4 OBJECTIVE OF THE STUDY

The general objective of the study is to examine the practice of sales management in OMEDAD PLC. The specific objectives of the study include:

- To investigate the management of salespeople in the company;
- To check whether there is training and development schemes to sales personnel or not.
- To identify the factors that affects the practice of sales management in the company.

1.5 SCOPE OF THE STUDY

Out of twenty sales branches of OMEDAD, the study focuses on the practice of sales management in four branches located in Addis Ababa namely: Bole branch, Meshualekia branch, Arada branch and Misrake branch where the majority of sales transaction is carried out.

The study covers the practice of sales management in the past five year (2005-2009) and limited in marketing department of the company.

1.6 LIMITATION OF THE STUDY

The major factors that forced the student researcher to limit its study were time and finance constraints. In addition to this; the unwillingness of the employees to give relevant information about the company was challenging to get extra detail information to study the problem in such a way that it gives more sound and tangible.

1.7 DEFINITION OF TERMS

Sales management is management of all marketing activities, including advertising sales promotion, marketing research, physical distribution, pricing, and product merchandising.

Sales force management is specialized type of personnel management and defined as planning, directing, and controlling of personnel selling including, recruiting, selecting, equipping, assigning, routing, supervising, paying, and motivating (Still, Cundiff and Govoni, 1988:288).

1.8 SIGNIFICANCE OF THE STUDY

This study has firsthand benefit to OMEDAD PLC in order to improve the sales management through identifying the cause and effect of the problem. The result of the study is expected to benefit mainly the management of the company which can put the recommendations into practice for improving performance in the area of sales management. The sales personnel of the company can be also benefited from the improved sales management practices. As a result of the study, the customers of the company can be considered as beneficiary following better sales management practice in the company. Furthermore, this study will give relevant information for who interested in identifying and implementing a better way for the growth of the sales management of one's company.

1.9 RESEARCH DESIGN AND METHODOLOGY

1.9.1 RESEARCH DESIGN

In this study descriptive research method was used since the purpose of this study is to describe facts as it is.

1.9.2 POPULATION AND SAMPLING TECHNIQUE

The sales managers and sales persons of the four branches are considered as a population of the study. All the four branch sales managers and sales people were considered as respondents. In addition to the four branch managers, 20 sales people from the four branches were considered as the study population and census was used for them. These make the total respondents 24 elements.

1.9.3 METHOD OF DATA COLLECTION

In the course of the study, questionnaire was used as the major instrument of data collection. Written feedback was collected from sample sales people and sales manager using separate questionnaires designed for this purpose.

1.9.4 TYPES OF DATA COLLECTED

Secondary data like sales report, performance appraisal was collected for the purpose of the study from the company; and the primary data was obtained from the sample of the study population.

1.10 DATA ANALYSIS TOOL

Descriptive analysis was applied to analyze the result of the study. The primary and secondary data collected was presented using table, frequency and percentages. Written analysis was given to elaborate the result of the study.

1.11 ORGANIZATION OF THE STUDY

The study was presented in four chapters. The first chapter highlights the introduction which includes: Background of the study, Statement of the problem, Research questions, objective of the study, Delimitation or scope of the study, Definition of terms, Significance of the study and Research design and methodology. The second chapter deals with review of literature. The third chapter focuses on data analysis and presentation. The last and the fourth chapter incorporate the summary, conclusion, and recommendation of the study.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 An Overview of the Sales Management

2.1.1 Definition of Sales Management

Sales management originally referred exclusively to the direction of sales force personnel. Later the term took broader significance – in addition to the management of personnel selling, “sales management” meant management of all marketing activities, including advertising sales promotion, marketing research, physical distribution, pricing, and product merchandising. In time, business, adopting academic practice, came to use the term “marketing management” rather than “sales management” to describe the broader concept. Then, the Definition Committee of the American Marketing Association agreed that sales management meant “the planning, direction, and control of personnel selling, including recruiting, selecting, equipping, assigning, routing, supervising, paying, and motivating as these tasks apply to the personnel sales force” (Still, Curdiff and Govoni, 1988).

2.1.2 Objectives of Sales Management

From the company viewpoint, there are three general objectives of sales management: sales volume, contribution to profits, and continuing growth. Sales executives, of course, do not carry the full burden in the effort to reach these objectives, but they make major contributions. Top management has the final responsibility, because it is accountable for the success or failure of the entire enterprise. Ultimately, too, top management is accountable for supplying an ever increasing volume of “socially responsible” products that final buyers want at satisfactory prices (Still, Curdiff and Govoni, 1988).

Top management delegates to marketing management, which then delegates to sales management, sufficient authority to achieve the three general objectives. In the process, objectives are translated into more specific goals – they are broken down and restated as definite goals that the company has a reasonable

chance of reaching. During the planning that precedes goal setting, sales executives provide estimates on markets and sales potentials, the capabilities of the sales force and the middlemen, and the like. Once these goals are finalized, it is up to sales executives to guide and lead the sales personnel and middlemen who play critical roles in implementing the selling plans (Still, Curdiff and Govoni, 1988).

The first step in the goal setting process is for the sales manager to identify areas of responsibility or activities of the salesman that are considered critical to the long-run marketing objectives of the firm. It usually is a good idea to show the contribution of each of these areas to the broader marketing plan. This gives the manager a basis for explaining to the salesman his contribution towards the broader marketing objective (Narayan, 1999).

Once these areas have been defined, the next step is to determine a performance measure for each area. It is necessary that these performance measures be clearly defined and specific. This helps to eliminate ambiguities and misunderstandings concerning the basis for measurement. Too often, salesmen are unclear about the ratings used by managers. Clear, consistent bases of measurement can help to eliminate this problem. The final step is to set objectives. This should be done as a joint endeavor between the supervisor and salesman. Care should be exercised to see that objectives meet several criteria. The various objectives of the salesman should be congruent. They must fit together and not conflict with each other (Narayan, 1999).

2.1.3 Role and Responsibility of a Sales Manager

As the role of the salesperson has changed, so has that of the sales manager. With high quality, empowered sales forces, sales managers are likely to provide support and resources more frequently than one-on-one coaching. They focus on internal coordination of the sales efforts so that their ... (Stanton 1999).

The primary responsibility of a sales manager is to staff the organization with the right people. The most important job that any manager has is to select the right person for a given job. If the right people have been hired, even bad plans may be successful. But more important, the right people will not make many

bad plans. Well-selected people can minimize managerial problems (Stanton, 1999).

Good selection is particularly important in sales management because marketing is an art of implementation. The success of most marketing plans rests not so much with the plan as with how well it is carried out – how well the advertising is done, how well the sales force does its job, and how well the product is made (Stanton, 1999).

Sales managers are responsible for organizing the sales effort, both within and outside their companies. Within the company, the sales manager builds formal and informal organizational structures that ensure effective communication not only inside the sales department but in its relation with other organizational units. Outside the company, the sales manager serves as a key contact with customers and other external publics and is responsible for building and maintaining an effective distribution network (Still, Curdiff and Govoni 1998).

2.2 Sales Organization

The sales manager must pay considerable attention to the structure of the sales force. The model for organizing a sales force progresses from the more general to the specific, from the more strategic to the more tactical, from macros to micros. A firm's first decision is what channels are most efficient for reaching and serving the target customers (Calvin 2002).

According to Stanton (1999), most sales organizations can be classified mainly into one of four basic categories, namely, line organization, a line-and-staff organization, a functional organization, and horizontal organization line organization is the simplest form

Line organization is the simplest form of organization. Authority flows from chief executive to first subordinate, then to second subordinate, and so on down the line in the organizational structure. It is used in very small firms or within a small department in a larger company. It is mostly preferred due to its low-cost operation: quick decision-making; highly centralized authority; Lack of

managerial specialization and frequently no replacement for top executive, who is the owner of the firm (Stanton, 1999).

Line- and- Staff organization takes a line organization and add staff assistants who are specialists in various areas- advertising or marketing research, for example. The staff executive is responsible for all planning connected with the specialized activity, but has only an advisory relationship with sales managers and sales representatives. The same staff executive-an advertising manager, for example-has line authority over people in the advertising department, but is in a staff-authority (advisory) relationship with the sales force. Probably it is the most widely used basic form of organization in sales departments today; and likely to be used when any of the following conditions exist: sales force is large, market is regional or national, line of products is varied and number of customers is large. It provides benefits of division of labor and executive specialization. Total cost of organization can be high, especially when staff assistants have their own departments and decision making is slower. A potential problem in this type of organization is such that strong staff executives may want to assume line authority instead of staying in an advisory role (Stanton, 1999).

Functional organization is a step beyond line-and-staff structure in that each activity specialist-advertising or sales promotion, for example-has line authority over the activity in relations with the sales force. Suppose a credit manager wants the sales people to make collections on delinquent accounts. A staff executive can only recommend to the general manager that the reps do this job. A functional executive has line authority to order the assistant sales manager or the salespeople to do the job. It is used in large company with varied product lines and/or markets. The key is to limit the number of executives who may use the functional line authority. The more people giving orders to the sales force, for example, the more opportunity there is for trouble. Its relative merits include an advantage of specialization of labor plus the assurances that functional executive' plans and programs will be carried out because the executives can order that this be done. The major drawback is that

line sales executives and the salespeople may get orders from more than one person (Stanton, 1999).

Horizontal organization is a type of organization that eliminates both management levels and departmental boundaries. A small group of senior executives at the top overseeing the support functions like human resources, finance, and long-term planning. Everyone else is a member of cross-functional teams which perform core processes such as product development and sales and fulfillment. These teams are self-managed. It is mainly applied by large and small companies seeking greater efficiencies and customer responsiveness. Firms which are establishing long-term partnering relationships with their customers are the most likely to adopt a horizontal structure. Various cross-functional teams work with customers' teams to solve problems and create opportunities for greater productivity and growth. It reduces supervision and eliminates activities that are not necessary for the process. Costs are reduced and customer responsiveness is greatly enhanced (Stanton, 1999).

2.3 Sales Force Management

2.3.1 Definition of Sales Force Management

Sales force management is the specialized type of personnel management. Whether personnel management focuses upon sales, or office workers, the same set of problems needs considering, each problem varies in nature and importance. It is impractical, for instance, to exercise close and constant supervision over sales personnel at least not in the sense that one can supervise production and office workers. Furthermore, sales personnel work away from their coworkers and immediate supervisors, so it is difficult to develop a spirit of identity with and loyalty to the company and to weld them into unified team (Still, Curdiff and Govoni, 1988).

A sales manager's job is to get work done through other people. Your success depends on their success. For sales people to be successful, they need training in product, competitor, and customer knowledge, as well as sales skill. You provide this training through the continuous process of initial programs, followed by field coaching and sales meeting.

Training makes direct and indirect sales people and support personnel more productive. If you sell through distributors, brokers, or independent sales representatives, they are no better than your ability to select the proper organization and train them. A good training program force channel Partners to devote more time and resource to your company's product/service, making them more productive partners, not adversaries. Channel partners spend time and financial resources, and obtain the best return on invested dollars.

You should first pay sales people more than they are worth, and then make them worth more than what you pay them. That is what training is all about. In the new millennium's changing land scope, sales force training creates a competitive advantages in an otherwise commoditized market place.

2.3.2 Sales force Management System

Sales force management system are information systems used in marketing and management that help automate some sales and sales force management functions. They are frequently combined with a marketing information system, in which case they are often called Customer Relationship Management (CRM) systems.

Customer relationship management is a broadly recognized, widely implemented strategy for managing and nurturing a company's interaction with customers and sales prospects. It involves using technology to organize, automate, and synchronize business process principally sales related activities, but also those for marketing, customer service, and technical support. The Overall goals are to find, attract and win new customers nurture and retain those the company already has; ethnic former customers back in to the fold, and reduce the costs of marketing and customer service.

2.3.3 Scope of sales force staffing process

Stanton (1999) classifies the major activities involved in staffing a sales force in to five as:

1. Plan the recruiting and selection process
2. Recruit an adequate number of applicants
3. Select the most qualified applicants

4. Hire those people who have been selected
5. Assimilate the new hires into the company

2.3.4 Recruitment and Selection

Good selection is particularly important in sales management because marketing is an art of implementation. The success of most marketing plans rests not so much with the plan as with how well it is carried out – how well the advertising is done, how well the sales force does its job, and how well the product is made (Stanton, 1999).

Recruiting and selecting sales personnel is an important part of implementing personnel selling strategy, but it is not all that is involved. Initial sales training is required to bring new sales personnel up to expected productivity levels, and continuing sales training is needed to maintain more experienced sales personnel a high level of productivity. Motivational and supervisory efforts help in stimulating sales personnel to apply their skills effectively. It is one thing for sales personnel to know what they are supposed to know, but it is a different thing to get them to apply what they know (Still, Curdiff and Govoni, 1988).

Selection systems for sales personnel range from simple one step system consisting of nothing more than an informal personal interview, to complex multiple-step systems incorporating diverse mechanisms designed to gather information about applicants for sales jobs. A selection system is a set of successive “screens”, at any of which an applicant may be dropped from further consideration (Still, Curdiff and Govoni, 1988).

After determining the number and type of salespeople wanted, the next major step in selecting a sales force is to recruit applicants for the position to be filled. Recruiting includes all activities involved in securing individuals who will apply for the job. The concept does not include the actual selection of people by means of interviews, tests, or other hiring tools (Stanton, 1999).

Recruiting the right kind and the right number of sales personnel is an important responsibility of sales management. Recruiting sources need identifying, both those internal to the company and those external to it.

Different selling styles influence both the sources of recruits and recruiting methods, because they call for individual with varying types and amounts of education, other training, and experience. Personal recruiting is used for recruiting persons graduating from educational institutions and other recent graduates. Personal recruiting by present sales personnel, while personal recruiting by independent consultants is widespread in procuring new sales personnel in large metropolitan areas. Indirect recruiting, mainly through placement of advertisements in print media, is used to obtain replacement personnel when only one or a few individuals are needed and by direct-to-consumer sales organizations failing to recruit sufficient sales personnel through personal recruiting methods (Still, Curdiff and Govoni, 1988).

2.3.5 Training and Development

The purpose of sales training is to achieve improved job performance in the absence of experience. Training substitutes supplement experience, so sales personnel given training reach high job performance levels earlier. In most companies, the rate of sales personnel turnover is higher for new personnel than for experienced people often new sales personnel find themselves unprepared to perform their jobs satisfactorily, become discouraged, and leave the company. If sales training helps new sales personnel to perform their jobs satisfactorily, the rate of sales personnel turnover declines, recruitment and selection costs fall, and overall efficiency of the personal-selling operation climbs (Still, Curdiff and Govoni, 1988).

Many aspects of sales training are affected by the company's strategic marketing plan. The sales training program when properly coordinated with the firms' marketing objectives and strategies can aid in implementing the company's strategic marketing plan (Stanton, 1999).

In today's competitive marketplace, customers are demanding more from their suppliers in terms of quality and service. In response to these pressures, firms are placing greater strategic emphasis on developing long-term partnership with their customers. Rather than just selling and products and/or services, salespeople are expected to build relationships and provide solutions to their customers' problems. As a result, the selling process is much more interactive

and more situation specific. Salespeople have to know more about the product and more about the customer. Many firms have adopted team-selling strategies in order to respond to customers' ever-increasing expectation. In team-selling approaches, the salesperson works much more closely with people from other areas in the firm, such as manufacturing, engineering, and / or research (Stanton, 1999).

As a result of these new strategies, sales training has become much broader in scope, covering topics such as quality management, teamwork, and other interpersonal skills necessary for building relationships (Stanton, 1999).

Finally, during the evaluation phase, sales executives must assess the effectiveness of their training programs. In doing so, Stanton (1999) puts the critical questions as: What outcomes will be evaluated? How will these outcomes be measured? It is important to evaluate the effectiveness of training in terms of the objectives for which it was designed. This evaluation is necessary in terms of assessing the value of the training and in terms of improving the design of future programs. A variety of outcomes can be measured to evaluate training programs. According to Stanton (1999), the most widely used outcomes used for the evaluation fall into one of the four following categories:

- ❖ **Reactions:** - These outcomes indicate, in a subjective manner, whether those who participated in the training thought it achieved the stated objectives and generally whether it was worthwhile. These reactions may be measured via verbal comments or questionnaires from the trainees, their supervisors, or the training staff.
- ❖ **Learning:** - This outcome equates to how much information was learned and usually involves the trainee taking some type of test. There may be a "before" and "after" the training test or just one test taken after the training is completed.
- ❖ **Behavior:** - These outcomes provide an assessment of whether the trainee's behavior has changed in substantial ways. This appraisal is usually conducted by a supervisor who can observe the behavior of the rep. it may also include a self-assessment or input from customers.

- ❖ **Results:** - These are indicators of whether the training is transferring to improved performance results. This is the ultimate test of whether the benefits of training outweigh the costs. Such measures as increased sales and profitability, better customer retention and penetration, and numbers of new accounts can be used to assess bottom-line results.

A recent survey of evaluation methods reported that many firms are over dependent on testing knowledge learned to evaluate their training programs. While it is important to measure this as part of a systematic evaluation program, it is as important to use the other types of measures as well. Otherwise, the sales manager will not be able to relate training outcomes to performance in the field (Stanton, 1999).

The training checklist is a universe of topics which a salesperson must understand to be successful at your company. The job description and candidate profile provide sources for these topics. The training checklist represents a key control point for sales management. Out of it flows a quarterly development plan for each salesperson, which represents yet another key control point. Calvin (2002) outlines that the training checklist should contain, mainly, Product knowledge, Competition, competitive issues and advantage, customer knowledge, market and industry knowledge, selling skills, company policy, time and territory management, administrative tasks, company organization and history, conflict resolution mechanisms, etc.

2.3.6 Motivation and Compensation

A sales manager's job is getting work done through other people. His or her success depends on the success of the salespeople. You must hire the best, terminate the rest; train them in product, customer, competitor knowledge, and sales skills; deploy, organize, and staff correctly. To fully capitalize on a sales person's potential, you must motivate that person. Successful sales managers are agents of change. They take advantage of change, and they modify people's behavior (Calvin 2002).

Each salesperson has different needs, goals, aspirations, and problems. The sales manager's job involves uncovering these areas, and then helping each

salesperson satisfy the needs, reach the goals, and then problems. You should have a profile on each salesperson, similar to the one salespeople keep for each customer. The profile might include information on family, interests, hobbies, professional experience, education, strengths, weakness, developmental plans, decision-making quadrant, personal goals, needs, aspiration, problems, and motivational hot buttons. The sales people are the sales manger's internal customer (Calvin 2002).

A sales manger concerned with motivating salespeople finds that the most complex task is getting them to expend effort on activities consistent with the strategic planning of the firm. Many sales people don't need external stimulation to work hard and long; their internal needs motivate them to do so. However, every sales rep must be externally motivated to perform actions that support the strategic objectives of the firm. For example, if a company's strategic plan calls for changing its customer mix, a sales staff must be motivated to change its allocation of calls in a way that is consistent with the strategic change (Calvin, 2002).

The nature of the sales job, the individuality of salespeople, the diversity of company goals, and the continuing changes in the marketplace make motivating sales reps a particularly difficult and important (Santon 1999).

Sales force compensation involves deciding how much your successful salespeople should earn in total dollars and then what portion of that total should be fixed versus performance pay. Total compensation depends on the complexity of the salesperson's selling tasks. The mix between performance and fixed pay depends on: (1) balancing salesperson and company needs, (2) the type of salesperson you wish to attract, (3) the salesperson's influence on the sale, (4) the type product/service sold, and (5) rewarding the salesperson's specific actions/results most important to the company's success. Sales force compensation involves not only salary, commission, and bonus, but fringe benefits and reimbursed expenses (Calvin 2002).

The objectives of a good compensation plan may be viewed from the perspective of the company as well as from the perspective of the individual salesperson. These objectives are not mutual (Still, Curdiff and Govoni 1988).

Motivating sales personnel is an important aspect of sales force management. Sales personnel require additional motivation because of inherent nature of the sales job, role conflicts, the natural tendency toward apathy, and difficulties in building group identity. The concepts of need gratification and interdependence assist in understanding the complexities of motivating sales personnel. Implementing motivational efforts requires that sales executives be skilled leaders, rather than drivers, of sales personnel. It demands that they be skilled in interpersonal and written communications. Satisfactory job performances develop out of deep understanding of motivational forces and processes, effective leadership, two-way communications, and effective handling of relationship (Still, Curdiff and Govoni 1988).

Nevertheless, the sales compensation plan is an essential part of the total program for motivating sales personnel. A sales compensation plan, properly designed, has three motivational roles: (1) provide a living wage, (2) adjust pay levels to performance, thereby relating job performance and rewards (in line with expectancy motivation theory), and (3) provide a mechanism for demonstrating the congruency between attaining company goals and individual goals (Still, Curdiff and Govoni, 1988).

Four steps remain in the management process some refer to it as the “management cycle”. They are (1) establishing performance standards, (2) recording performances, (3) evaluating performances against the standards, and (4) taking action. These four steps constitute what is known as control? (Still, Curdiff and Govoni, 1988).

Control, then, has both static and dynamic facts. The first three steps, all static, enables sales management to measure the progress toward achieving departmental objectives. If the fourth step in control action is not forthcoming, the three static steps cannot contribute maximally to sales management, despite the information they provide. Yet the “action” step, the dynamic fact of

control, is frequently neglected. By taking the indicated actions, sales management keeps the department “on course” (Still, Curdiff and Govoni 1988).

Depending upon specific circumstances, sales management may decide (1) to take ‘no action” now, (2) action aimed to increase the degree of attainment of objectives, (3) to revise the policy or plan or the strategies used in their implementation to facilitate achievement of objectives, or (4) to lower or raise the objectives or the standards or criteria used for measuring their degree of attainment, to make them more realistic (Still, Curdiff and Govoni, 1988).

The managerial functions planning, organizing, coordinating, and controlling are not performed in an unchanging straight-line sequence. The order of performance is circular, and nowhere is this better illustrated than in the controlling phase. The decision to set sales performance standards (the first step in control) requires planning. Planning, in turn, means deciding where the sales department is to get from where it is to where it wants to be. The initiation of control through standard setting is realistic only when the capabilities of the sales organization are taken into account; it does little good to set performance stands beyond the capabilities of the sales force. For control to reach maximum effectiveness, management must coordinate sale planning with sales efforts. After sales force control is set in motion, more planning, organizing, and coordinating are required. Indeed, the benefits of dynamic control, the initiating of action based on comparisons of actual performances with the standards, are not realized unless sales management takes further planning, organizing, and coordinating steps (Still, Curdiff and Govoni 1988).

2.3.7 Evaluation and Supervision

Evaluation implies a process of systematically uncovering deviations between goals and accomplishments. When weaknesses are identified, the firm will devise and implement corrective methods through supervision and other control devices. When strengths are indicated, by the discovery of deviations in a favorable direction, management will use this information as a valuable aid in the anticipating and dealing with problems in future periods. This may take the form of revising performance standards and generally reparsing present

policies, procedures, marketing communication methods, and potential opportunities of the firm. Thus, the evaluation process aims at “both prognosis and diagnosis and is considered to be a preventive and curative marketing device (Still, Curdiff and Govoni, 1988).

2.4 Controlling the Sales Effort

2.4.1 Sales Budget

The sales budget is a blueprint for making profitable sales. It details who is going to sell how much of what during the operating period, and to which customers or classes of trade. Simply defined, a sales budget consists of estimates of an operating period’s probable dollar and unit sales and the likely selling expenses. These two estimates are related to predict net profit on selling operations. The sales budget, then, is a projection of what a given sales program means in terms of sales volume, selling expenses, and net profits (Still, Curdiff and Govoni 1988).

According to Still, Curdiff and Govoni (1988), the purposes of the sales budget include:

A. Mechanism of Control

Control is the primary orientation in sales budgeting. The completed budget, which is a composite of sales, expense, and profit goals for various sales units, serves as a yardstick against which progress is measured.

B. Instrument of Planning

The budgeting process requires complex sequences of planning decisions. The sales forecast shows where it is possible for the business to go, and during the budgeting process planners determine ways and means for the business to get from where it is to where it wants to go.

2.4.2 Sales Quotas

Quotas are devices for directing and controlling sales operations. Their effectiveness depends upon the kind, amount and accuracy of marketing information used in setting them, and upon management’s skill in

administering the quota system. In effective systems, management bases quotas on information derived from sales forecasts, studies of market and sales potentials, and cost estimates. Accurate data are important to the effectiveness of a quota system, but, in and of themselves, they are not sufficient; judgment and administrative skill are required of those with quota-setting responsibilities. Soundly administered quotas based on thorough market knowledge are effective devices for directing and controlling sales operations (Still, Curdiff and Govoni 1988).

Objectives in Using Quotas

For Still, Curdiff and Govoni (1988), the general objective that sales management has in mind in using quotas is to control the sales effort and the objective is composed of the following points:

- A. To provide quantitative performance standards
- B. To obtain tighter sales and expense control
- C. To motivate desired performance

2.4.3 Sales Territories

The emphasis in the sales territory concept is upon customers and prospects rather than upon the area in which an individual salesperson works. Operationally defined, a sales territory is a grouping of customers and prospects assigned to an individual salesperson. Many sales executives refer to sales territories as geographic areas. But in contrast, in some companies, particularly those in which the technical selling style is predominant, geographical considerations are ignored and sales personnel are assigned entire classes of customers, regardless of their locations. Whether designated geographically or not, a sales territory is a grouping of customers and prospects that can be called upon conveniently and economically by an individual salesperson (Still, Curdiff and Govoni 1988).

2.5 Sales Control and Cost Analysis

2.5.1 The Sales Audit

The sales audit is a bit more manageable and considerably more popular. Basically, it consists of analysis of sales volume and costs expended to achieve that volume. If advertising, product planning, and other audits in the marketing area are conducted simultaneously, the resultant coordination of findings is often quite useful in pinpointing conflicting goals and strategies and costs that should be corrected (Naryan 1999).

A sales audit is a systematic and comprehensive appraisal of the total selling operation. It appraises integration of the individual inputs to the personal selling effort and identifies and evaluates assumptions underlying the sales operation. More specifically, a sales audit is a systematic, critical, and unbiased review and appraisal of the basic objectives and policies of the selling function and of the organization, methods procedures, and personnel employed to implement those policies and achieve those objectives (Still, Curdiff and Govoni, 1988).

2.5.2 Sales Analysis

Since sales analysis is the process of comparing actual sales with some established sales standard, it would seem that the analyst should do nothing more than see whether the company has met its forecast. In many firms, this is exactly what happens. If the analysis takes place at an interim period in the fiscal year, deviations between forecast and actual sales will dictate either a revision of the forecast or a revision of sales policies, strategies, or facts (Narayan, 1999).

Sales analysis is a detailed study of sales volume performance to detect strengths and weakness. If sales management depends solely on summary sales data it has no way to evaluate its own activities and those of the sales force. The fact that sales increased by 2% over last year but profit decreased by 1% would be a cause for concern but of no help in determining how to reverse the profit decline. Sales analysis provides additional information or example

that the increased sales volume came from products carrying a lower-than-average gross margin (Still, Curdiff and Govoni, 1988).

CHAPTER THREE

PRESENTATION AND ANALYSIS OF DATA

This chapter deals with analysis and interpretation of the data gathered from the available sample of employees who have adequate exposure with sales management practice in OMEDAD PLC. The data is obtained through questionnaires and documents were analyzed and interpreted.

1.11 General characteristics of the respondent:

The respondents were asked to indicate their gender, age, place of work, and salary scale. Their response is presented in table below:

Table 1. Description of employees by sex, age, place of work, and salary.

NO.	ITEMS	ALTERNATES	FREQUENCY	PERCENTAGE
1.	Sex	Male	9	37.5
		Female	15	62.5
		Total	24	100
2.	Age	18-30	10	41.70
		31-40	10	41.70
		41-50	4	16.7
		Total	24	100
3.	Place of work	Bole	7	29.17
		Misrake	7	29.17
		Meshualekia	6	25
		Piassa	4	16.70
		Total	24	100
4.	Salary	<500	-	-
		500-1000	-	-
		1001-2000	18	75
		2001-3000	3	12.5
		>3000	3	12.5
		Total	24	100

As shown in table 1, item number 1, 62.5% of the respondents were female and 37.5% of the respondents were found to be male. It is seen that the majority of the respondents were female.

With regard to the age of the respondents, 41.70% of the respondents are between the ages of 18-30, 41.70% are in the age of 31-40 and 16.70% of them are between the ages of 41-50. The number of sales persons was higher in Bole and Misrake branches compared to the other branches.

Concerning to salary earning, the majority of employees(75%) were found in the range of ETB 1001-2000, 12.5% of them are between the range of ETB 2001 – 3000 and 12.5% are above ETB 3000, None of the respondents have a salary below ETB 1000.

3.2 Analyses of the finding of study

This study tries to investigate the sales management of OMEDAD from the point of view of its sales staffs. Accordingly, various questions were displayed to sample respondents which mainly focus on the sales personnel management, training and development, system or mechanism and so on. Thus, the responses of the sample respondent are presented, analyzed and interpreted as follow:

3.2.1 Responses of sales staffs towards sales organization of the company.

Table2. Sales organization in the Company.

Do you agree with the statement that there is proper sales organization in the company?	Alternatives	Frequency	Percentage
	Strongly agree	4	16.7
	Agree	9	37.50
	Neutral	6	25
	Disagree	5	20.83
	Strongly disagree	-	
	total	24	100

As the data indicates, except the 25% of the respondents who are neutral and 20.83% of them disagree with the existence of proper sales organization in the company, 37.5% of them agree in the existence of proper sales organization and 16.7% strongly agree with the idea. It is seen that the percentage distribution tends to fever the agree side, but the 25% neutral and 20.8%

disagreement has a bad image on the sales management of the company. It may lead the company not to achieve its objective, even, since the overall operation of sales is highly depend on the proper organization of sales, all the system may be in danger. It may also results in poor performance of sales operation and discourages the sales forces.

3.2.2 Sales stuffs attitude towards the sound recruitment and selection

Table3. Sound recruitment and selection

Do you agree with the statement that there sound recruitment and selection of sales personnel in the company?	Alternatives	Frequency	Percentage
	Strongly agree	10	41.70
	Agree	6	25
	Neutral	6	25
	Disagree	2	8.30
	Strongly disagree	-	-
	Total	24	100

As evidenced by the study, 41.7% of the respondents strongly agree that OMEDAD has sound recruitment and selection of sales personnel, 25% were agree and 25% were neutral, the rest 8.3% disagree and none of the respondents strongly disagree with the existence of sound recruitment and selection of sales personnel of the company. This has positive indication that the company should maintain it and do for best.

3.2.3 Response of the sales staffs towards the orientation given before placement

Table4. Orientation and Placement

Do you agree with the statement that sales personnel are given proper orientation before placement in the company?	Alternatives	Frequency	Percentage
	Strongly agree	8	33.33
	Agree	8	33.33
	Neutral	-	-
	Disagree	8	33.33
	Strongly disagree	-	-
	Total	24	100

It is seen that 33.33% of the respondent strongly agree in that OMEDAD has been giving proper orientation before placement to its new employees, and still 33.33% of the respondents agree with this idea, but 33.33% of those who filled the questioner have disagreed. It is observed that the orientation given to the new comers is specific to the sales branches and hence the attention given to it differs from branch to branch. In regard with the percentage given, 66.66% of the reactors agree with what is going on, but 33.33% not. Even though the percentage who agrees exceeds those who disagree; it is not a healthy condition. One can observe that there are sales personnel who are performing their operation without knowing company's culture and other important information. Thus, the company is expected to centralize its system in giving the proper orientation to its new employees.

3.2.4 Response of the sales staff towards training and development

Table5. Adequate training and development

No	Item	Frequency	Percentage
1.	Do you agree with the statement that the company facilitates adequate training and development opportunity to the sales	-	-
	Strongly agree	8	33.33
	Agree	16	66.67
	Neutral	-	-
	Disagree	-	-
	Strongly disagree	24	100
2.	Do you agree with the statement that there are good sales supervision practices in the company?	-	-
	Strongly agree	6	25
	Agree	10	41.70
	Neutral	4	16.67
	Disagree	4	16.67
	Strongly disagree	-	-
3.	Do you agree with the statement that the sales personnel equipped with relevant knowledge to perform their job?	-	-
	Strongly agree	6	25
	Agree	10	41.70
	Neutral	5	20.80
	Disagree	3	12.50
	Strongly disagree	-	-
4.	Do you agree with the statement that you have adequate and updated knowledge on products of the company?	-	-
	Strongly agree	17	70.83
	Agree	7	29.17
	Neutral	-	-
	Disagree	-	-
	Strongly disagree	-	-
5.	Do you agree with the statement that you have detail knowledge on the selling price and sales discount of the company?	-	-
	Strongly agree	6	25
	Agree	12	50
	Neutral	6	25
	Disagree	-	-
	Strongly disagree	-	-
6	Do you agree with the statement that you have perfect information about competitive products in the market?	-	-
	Strongly agree	1	4.20
	Agree	5	20.80
	Neutral	8	33.30
	Disagree	8	33.30
	Strongly disagree	2	8.80
	Total	24	100

Table 5 in general comprises about the product knowledge and knowledge development of the sales people.

The data indicated on item No.1 Focuses on the facility of adequate training and development opportunity to the sales personnel. The above data shows that most of the respondents (66.67%) have reserved themselves from giving relevant answer to the question. 33.33% of the respondents agree that OMEDAD is giving adequate training and development opportunity to its sales people. As it is seen from the data collected, there is no one strongly agree with the idea, no one disagree and no one strongly disagree.

The data indicated on item No. 2. Focuses on good sales supervision practices in the company. As it is seen from the data, 41.7% agree with that there is good sales supervision practice in the company and 25% of the respondents strongly agree with the same idea, but 16.67% of the respondents disagree and no one strongly disagree. As it is seen from the data 16.67% remain neutral.

This data may indicate that most of the respondents have positive respecting with the sales supervision practice in the company. Although there is good practice of sales supervision, the company still needs improvement for better performance.

The data indicated on item No. 3. Focuses on the degree to which the sales personnel equipped with relevant knowledge to perform their job. In this regard except 12.5% of the respondents who disagree with the attention given in equipping sales personnel with relevant knowledge by the company and 20.8% who are neutral, most of the respondents (41.7%) agree in that OMEDAD is equipping its sales people with relevant knowledge that enables them perform their job and 25% strongly agree with the idea. From this one can evaluate that the company is trying to equip its sales personnel in relevant knowledge in order they perform their job efficiently and effectively, but it is not to the extent to which all sales people can get the chance easily. Therefore it is advantageous for the company to design the system and equip its sales people with relevant knowledge to perform their job.

The data indicated on item No.4.Focuses on the adequate and updated knowledge on the products of the company. In this regard 70.83% of the respondents have strongly agreed on the adequate and updated knowledge of

the sales forces on the product knowledge of the company and 29.17% still agree with the idea. This is the strongest side of the company for no one disagrees with this idea. Therefore the company should maintain this strong side for future career.

The data indicated on item No.5.Focuses on that weather the sales people have detail knowledge on the selling price and sales discount of the company. As the data indicates except 25% of the respondents who are neutral, 50% of the respondents agree with the detail knowledge on selling price and sales discount of the company by the sales people and 25% of the respondents strongly agree with the idea. This is also the strong side of the company that should be maintained in such a way that it can contribute a lot to the sales operation of the company.

The data indicated on item No.6.Focuses on whether the sales forces have perfect information about competitive products in the market. The data indicates that 33.3% of the respondents disagree in that the sales forces have perfect information about competitive products in the market and still 33.3% of them still strongly disagree with the idea, but 20.8% of the respondents agree in that the sales forces have perfect information about competitive products in the market and 4.2% of them agree with the idea. 8.8% of the respondents are neutral. This may indicate that the company has no system to encourage sales people to go and execute competitor's products. This is seen as a biggest weakness of the company. Therefore the company should seriously take in to account and install the system how to get information about the products of its competitors.

3.2.5 Response of the sales staffs towards performance evaluation

Table6. Performance Evaluation of Sales Personnel

Do you agree with the statement that you are satisfied with the performance evaluation of sales personal in the company?	Alternatives	Frequency	Percentage
	Strongly agree	1	4.17
	Agree	4	16.70
	Neutral	6	25
	Disagree	9	37.5
	Strongly disagree	4	16.70
	Total	24	100

As indicated in the above table, except 25% of the respondents who are neutral, 37.5% of the respondents disagree with the performance evaluation of the sale forces in the company and 16.7% strongly disagree with the idea, 16.7% agree with the performance evaluation of the sales personal of the company and 4.17% of them are strongly agree with the idea. From this table one can evaluate that there is unsatisfactory system in evaluating the performance of the sales forces of the company. If the system of evaluating the performance of the sales forces of the company is weak the company is in danger to control its sales forces and can properly identify where the less productivity is seen. It is also too difficult for the company to compensate the sales force properly. Thus it is unquestionable to install the system through which the company can evaluate its sales force in order to perform good job and compensate its sales force depending on their performance.

3.2.6 Response of the sales stuffs in regard with motivation and compensation

Table7. Motivation and Compensation of Sales Personnel

No.	Item	Frequency	Percentage	
1.	Do you agree with the statement that the sales personnel of the company are motivated to carry out their regular duties and responsibilities?	Strongly agree	1	4.17
		Agree	6	25
		Neutral	10	41.70
		Disagree	6	25
		Strongly disagree	1	4.17
		Total	24	100
2.	How do you rate the method of compensating sales personnel in the company?	Highly satisfactory	-	-
		Satisfactory	1	4.17
		Neutral	8	33.30
		Unsatisfactory	10	41.70
		Strongly unsatisfactory	5	20.83
		Total	24	100
3.	Do you agree with the statement that you are satisfied with the financial compensation scheme applied to sales personnel of the company?	Strongly agree	-	-
		Agree	5	20.83
		Neutral	7	29.17
		Disagree	9	37.50
		Strongly disagree	3	12.50
		Total	24	100
4.	Do you agree with the statement that you are satisfied with the non-financial compensation scheme applied to sales personnel of the company?	Strongly agree	2	8.33
		Agree	4	16.70
		Neutral	18	75
		Disagree	-	-
		Strongly disagree	-	-
		Total	24	100

The above table incorporates four items of questionnaires that are related to sales force compensation.

Item No. 1 Is the data related to the motivation of sales forces. This data shows majority of the respondents (41.7) have reservation to answer the question. Apart from this 25% of the respondents disagree with the mechanism that OMEDAD is using to motivate the sales forces and 4.17% strongly disagree with the idea, but 25% of the respondents agree with the mechanism that OMEDAD is using to motivate the sales forces to carry out their regular duties and responsibilities and still 4.17% strongly agree with the idea. The percentage distribution of course is equal, but it doesn't show a healthy situation. Therefore the company is expected to design some motivating mechanism in order to achieve good performance and the employees feel belongingness. Unless, the company is going to loss productive employees and this may result in high turnover of employees.

Item No. 2 is related to the method of compensating sales personnel in the company. In regard with the reactors react 41.7% of the respondents rate the method of company's compensation as unsatisfactory, 33.3% of the respondents are neutral and 20.83% of them rate as it is highly unsatisfactory, but 4.17% believe that the method of compensation is satisfactory, and no one of the respondents highly appreciate the method. The tendency of the data is to fever the negative aspects of the method through which the company compensates its sales forces. If there is no equal and adequate remunerate compensation in the company the employees are forced to leave the company. As a result, the company may loss its potential employees, thus the company should provide equal and adequate remuneration to its sales forces.

Item No.3.Is subjected to the final compensation scheme applied to sales personnel of the company. When we consider the reaction of the respondents 37.50% of the respondents disagree with the final compensation scheme of the company and still 12.50% strongly disagree with the idea. Furthermore, 29.17% remain neutral. Apart from this 20.83% of the respondents agree with the final compensation scheme applied to sales personnel, but no one strongly agree with the mechanism. This may show that there is unsatisfactory system in final compensation scheme applied to sales personnel.

Item No. 4. Talks about the non-financial compensation scheme applied to sales personnel of the company. In this regard the data collected notifies that 16.7% of the reactors agree with the system through which the non-financial compensation scheme applied to sales personnel is performed and 8.33% strongly agree with the idea. Moreover no one disagree with the idea, but most of the respondents kept silent. This may show that a big gap in communicating the system to the sales force.

3.2.7 The sales staffs' response on the controlling mechanism

Table8. Controlling mechanism of sales people

No.	Item	Frequency	Percentage
1.	Which of the following are used in the company as a point controlling the sales effort?		
	Sales budget	7	29.16
	Sales quota	15	62.50
	Sales territory	-	-
	Combination	-	-
	Not respond	2	8.33
	Total	24	100
2.	Which of the following mechanism do you think are appropriate parts for controlling selling effort in the company?		
	Sales budget	9	37.50
	Sales quota	3	12.50
	Sales territory	4	16.70
	Combination	7	29.17
	Not respond	1	4.17
	Total	24	100

Table 8 comprises about the mechanism to control sales force.

In item No. 1. Of table 8, the data collected talks about the mechanism how the company is controlling its sales forces. As it is seen from the table 62.5% of them answered that the company is using sales quota, 29.16% of the respondents answered that the company is using sales budget and 8.33% of the respondents not respond this part. The data indicates that the basic mechanism of controlling its sales force is sales quota.

3.2.8 Response of sales stuffs on function team work and team spirit

Table9. Functional team work and team spirit

No.	Item	Frequency	Percentage
1.	Is there functional team work and team spirit among sales people in the company?		
	Strongly agree	2	8.33
	Agree	17	70.83
	Neutral	5	20.83
	Disagree	-	-
	Strongly disagree	-	-
	Total	24	100

Table 9 focuses on the degree to which the functional team work and team spirit among sales people of the company. As the data shows except 20.83% of the respondents who are neutral almost all of the respondents agree with the existence of the team work and team spirit of the company. From this it is observed that the sales people of the company are exercising team work and hence the company and the sales people are gaining much benefit in many aspects. Therefore the company and the sales people have able to maintain this good culture for the achievement of the overall objective of the company.

3.2.9 Response of the stuffs on labor management and overall sales management

Table10. Labor management and overall sales management

No	Item	Frequency	Percentage
1	Is there good labor management relation in the company with in the sales and marketing department?		
	Strongly agree	1	4.17
	Agree	13	54.17
	Neutral	8	33.33
	Disagree	2	8.33
	Strongly disagree	-	-
	Total	24	100
2.	Do you agree with the statement that you are satisfied with the overall sales management practice of the company is good?		
	Strongly agree	2	8.33
	Agree	6	25
	Neutral	8	33.33
	Disagree	6	25
	Strongly disagree	2	8.33
	Total	24	100

Table 10 contains the data in regard with the labor management and overall sales management of the company specifically in sales and marketing department.

The data on item No.1 is talking about the labor management in the sales and marketing department of OMEDAD. It shows that 54.17% of the respondents agree with the labor management in sales and marketing department of the company, 33.33% of the respondents are neutral and 4.17% of them strongly agree with the idea, but 8.33% of the respondents disagree with the labor management in sales and marketing department of the company and no one strongly disagree with the idea. This may indicate that there is fare labor management in sales and marketing department of the company.

Therefore the company should work on the grievance of those in a neutral range and fill the gap on condition that there are realistic evidences for some deviations.

The data on item No. 2.Is talking about the overall sales management practice of the company. As the data indicates in addition to 33.33% of the respondents who are neutral 25% of them disagree with the overall sales management practice of the company and 8.33% of them strongly disagree with the idea, but 25% of the respondents agree with the overall sales management practice of the company and 8.33% the respondents strongly agree in the same manner.

Even though the percentage distribution is almost equal for both sides, one can analyze that the overall sales management practice of the company is in danger zone and has to get cure by seriously watching and identifying the problems and take corrective measures.

CHAPTER FOUR

4. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

4.1. SUMMARY

The major findings of the study are summarized as follows.

- In relation to the sales organization, the majority of respondents agreed that there is proper sales organization in the company.
- Regarding the recruitment and selection practice, the majority of respondents strongly agreed that there is sound recruitment and selection of sales personnel in the company.
- The majority of respondents agreed that the sales personnel of the company are given proper orientation before placement; however, there is a concern by certain respondents about appropriate sales orientation in the company.
- The majority of respondents have reservation as to adequate training and development opportunities to sales people facilitated by the company.
- In relation to the salespeople's knowledge on company's related information, the majority of respondents agreed that they are equipped with relevant knowledge to perform their job. The majority of them also agreed that they have adequate knowledge about products of the company and detail information on the selling prices of the company. Nevertheless, they said that they have little information about competitive products in the market.
- The majority of respondents confirmed that they are not satisfied with performance evaluation of sales personnel in the company.
- With regard to motivation and compensation of sales personnel in the company, majority of respondents showed their disagreement on motivation of sales personnel to carry out their regular duties and responsibilities.
- The method of compensating sales people in the company is rated by the majority of the respondents as quite unsatisfactory. The majority of the respondents said that they are not satisfied with the financial

compensation and have reservation on the non-financial compensation scheme applied to sales people of the company.

- The majority of respondents said that setting sales quota to sales people/units is widely used as means of controlling selling effort in the company, whereas the combination of sales budget, sales quota and sales territory could be used as appropriate mechanism to control selling efforts in the company.
- With regard to functional teamwork among salespeople of the company, the majority of the respondents gave affirmative response. They also agreed that there is good labor-management relation in the Sales and Marketing Department of the company.
- Finally, the majority of the respondents said that they are not satisfied with the overall sales management practice in the company.

4.2. CONCLUSIONS

In line with the major findings of the study, the following conclusions are drawn.

1. The study revealed that although the sales orientation given to newly recruit sales people before placement is generally acceptable, it lacks consistency and proper planning before implementation, this shows that the sales orientation in the company is not well organized to bring about desired result.
2. The study disclosed that the company could not facilitate adequate training development opportunities to its sales personnel which create negative impact on the dynamism of the sales people to perform sales jobs better and combat new sales challenges in the competitive market environment.
3. As per the study, the sales people in the company are well equipped with internal information but lack adequate exposure to external information such as competitive products in the market. This would affect the level of sales performance in the company to satisfy multi-dimensional demands of customers.
4. The study showed that the sales evaluation, motivation and compensation practice in the company is not found to be satisfactory which would influence the willingness and commitment of sales personnel to perform sales jobs successfully.
5. The company could not employ appropriate sales controlling mechanisms as proved in the findings of the study. This would cause low level of sales performance and poor selling effort in the company.
6. The overall sales management practice in the company is believed to be unsatisfactory as confirmed in the study which requires due consideration by the management of the company which would otherwise hinder accomplishment of organizational sales goals and objectives.

4.3. RECOMMENDATIONS

Based on the conclusions of the study, the student researcher puts possible recommendations to the management of the case company which are listed here under.

1. After recruitment and selection of sales personnel, the company should make adequate planning and implementation of sales orientation. The contents, timing and mode of presentation should be flexible enough and remain consistent to enable sales personnel best fit to assigned sales jobs.
2. The company should arrange relevant training and development opportunities to its sales personnel by undertaking need assessment and identifying priority areas.
3. Since salespeople are expected to have balanced information on the internal and external environment, the company should arrange a mechanism to let them get updated knowledge on the external environment particularly about the type of competitors, competitive products, selling prices and benefit packages offered by competitors.
4. Unless the sales personnel of the company are motivated, it is very difficult to get desired results towards accomplishment of sales objectives of the company. In this regard, the company should first of all carry out proper and transparent evaluation of sales personnel. Secondly, the company should put in place financial (like salary increment, sales commission, sales bonus etc) and non-financial compensations (like promotion, award, announcement of best performer etc) by taking into consideration the expectations of salespeople and the financial capacity of the company.
5. The company is strongly advised to evaluate on the relative advantages of controlling mechanisms on selling efforts (like sales budget, sales quotas, sales territories or combination) and apply the best scheme that would satisfy the interests of both the company and its sales people.
6. The overall sales management practice in the company should be closely monitored to avoid or minimize drawbacks and strengthen positive achievements such that it would maintain its reputation in the competitive environment.

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Appendix I

This questionnaire is prepared for conducting a study on the practice of sales management in OMEDAD PLC, Which is undertaken as a partial fulfillment for a degree program in marketing management, at St. Mary's University College.

Accordingly, I would like to give my confirmation that the purpose of the study is purely academic and your responses will be kept confidential. Please also note that your genuine responses will contribute a great deal to the successful completion of the study.

N.B: It is not required to write your name

Please mark (✓) or(x) in the space provided.

Thank you!

NetsanetGetachew

1. General Information

- a/ Gender M F
- b/ Age 18-30 31-40 41-50
- c/ Place of work-----
- d/ salary <500 500-1000 1001-2000
- 2001-3000 >3000

2. Do you agree with the statement that there is proper sales organization in the company?

- a/ Strongly agree b/ Agree c/ Neutral
- d/ Disagree e/ Strongly disagree

3. Do you agree with the statement that there is sound recruitment and selection of sales personnel in the company?

- a/ strongly agree b/ Agree c/ Neutral
- d/ disagree e/ strongly disagree

4. Do you agree with the statement that sales personnel are given proper orientation before placement in the company?

- a/ Strongly agree b/ Agree c/ Neutral
d/ Disagree e/ Strongly disagree

5. Do you agree with the statement that the company facilitate adequate training and development opportunities to its sales personnel?

- a/ strongly agree b/ Agree c/ Neutral
d/ Disagree e/ strongly disagree

6. Do you agree with the statement that there are good sales supervision practices in the company?

- a/strongly agree b/ Agree c/ Neutral
d/ Disagree e/ strongly disagree

7. Do you agree with the statement that the sales personnel equipped with relevant knowledge to perform their job?

- a/ strongly agree b/ Agree c/ Neutral
d/ Disagree e/ strongly disagree

8. Do you agree with the statement that you have adequate and updated knowledge about products of the company?

- a/ strongly agree b/ Agree c/ Neutral
d/ Disagree e/ strongly disagree

9. Do you agree with the statement that you have detail knowledge on the selling price and sales discount of the company?

- a/ strongly agree b/ Agree c/ Neutral
d/ Disagree e/ strongly disagree

10. Do you agree with the statement that you have perfect information about competitive products in the market?
a/ strongly agree b/ Agree c/ Neutral
d/ Disagree e/ strongly disagree
11. Do you agree with the statement that you are satisfied with the performance evaluation of sales personal in the company?
a/ strongly agree b/ Agree c/ Neutral
d/ Disagree e/ strongly disagree
12. Do you agree with the statement that the sales personnel of the company are motivated to carry out their regular duties and responsibilities?
a/ strongly agree b/ Agree c/ Neutral
d/ Disagree e/ strongly disagree
13. How do you rate the method of compensating sales personnel in the company?
a/ Highly satisfactory b/ satisfactory c/ Neutral
d/ unsatisfactory e/ Strongly unsatisfactory.
14. Do you agree with the statement that you are satisfied with the final compensation scheme applied to sales personnel of the company?
a/ strongly agree b/ Agree c/ Neutral
d/ Disagree e/ strongly disagree
15. Do you agree with the statement that you are satisfied with the non-financial compensation scheme applied to salesperson of the company?
a/ strongly agree b/ Agree c/ Neutral
d/ Disagree e/ strongly disagree
16. Which of the following mechanisms are used in the company as a point for controlling the sales effort?
a/ sales budget b/ sales quota
c/ sales territory d/ combination

why? -----

-----.

17. Which of the following mechanisms do you think are appropriate ports for controlling selling effort in the company?

- a/ sales budget b/ sales quota
- c/ sales territory d/ combination

why? -----

-----.

18. Is there functional team work and team spirit in among sales people in the company?

- a/ strongly agree b/ Agree c/ Neutral
- d/ Disagree e/ strongly disagree

19. Is there good labor management relation in the company with in the sales and marketing department?

- a/ strongly agree b/ Agree c/ Neutral
- d/ Disagree e/ strongly disagree

20. Do you agree with the statement that you are satisfied with the overall sales management practice of the company is good?

- a/ strongly agree b/ Agree c/ Neutral
- d/ Disagree e/ strongly disagree

21. If you have additional comments or suggestion

Thank you!

The Candidate's Declaration

I the undersigned, declare that the senior essay is my original work prepared under the guidance of Ato Nesibu Temesgen. In addition, I assure that this research paper will not be used to other institution as a fulfillment of any study.

Name _____

Signature_____

Place of submission_____

Date of submission_____

Advisor's Declaration

The paper has been submitted for examination with my approval as the University College advisor.

Name: _____

Signature: _____

Date: _____