



Sales Organisation

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Sales orgn

a structure of well coordinated sales activities that facilitate the efficient accomplishment of the sales objective.

It involves

- a) Identifying & grouping together & systematic arrangement of activities reqd for achieving sales objectives efficiently
- b) Devpg a network of hierarchical positions & authority relationships that collectively strive to achieve the sales objective efficiently

Basic Task

1. Maintenance of order
2. Assignment of specific task & responsibilities
3. Avoidance of duplication of efforts
4. Integrate & coordinate with other elements of the firm

*structure/chart

Developing a sales orgn

Issues to be addressed

- 1.formal/informal:(F)mgt created relationship,(IF)devd from the social relations existing within the formal orgn→should be encouraged to the extent that they improve orgnl efficiency
- 2.horizontal/vertical:(H) the no, of mgt levels is reduced,but the no. of mgrs at any particular level is increased.(V)several levels of sales mgt all of which report vertically up. V or H?→depends on span of mgt
- 3.centralised/decentralised:(C)the responsibility&authority for dm are concentrated to the higher level of mgt(D)the R&A are delegated to lower level of mgt→in case of orgnl growth
- 4.line/staff:(L) the primary orgnl activity(S)supporting orgnl activities,advise & assist being the specialists
- 5.size:a small orgn has no formal structure as the owner/mgr is involved in all aspects of the biz, as the size grows the formal orgn emerges

types/forms

Basis of salesforce orgn

1.geography

2.Product

3.Customer

4.Combination

1.Geographic specialisation:field sales persons are given the responsibility for selling the entire pdt mix in a given geographical area/territory.

Adv:a)minimises dupliction of travelling pattern

b)Local mkt condition encountered efficiently

c)Better control of salesman

d)Better customer service

Disadv:conflicting policies in diff region

GSM

ZSM

RSM

TSM

DSM

ASM

SE

2. Customer specialisation: separate salesforce to attend to separate group of custs to serve them better as each cust groups differ distinctly in terms of their needs & purchase preference

a) Type of industry: GSM
SM SM SM
Industry(A) Industry(B) Industry(C)

b) Distribution channel: GSM
DomesticSM ExportSM

c) Type of customer: GSM
Institution Industry wholesalers household
adv: better cust service

Disadv: territorial overlap → higher selling cost

Lack of flexibility - specialists can't be redeployed in other area

3. Product specialisation: when the products offered by the biz orgn is markedly difft, separate sales force are assigned the responsibility to attend each of them GSM

pdt A Pdt B Pdt C

Adv: the product complexity could be better handled

Diadv: 1. duplication of effort - two or more Sps selling difft pdts calls on the same account/travels in the same geographical area

2. Increased selling & administrative expenses

4.combination:combining two or more bases to devp the structure of the salesforce

President

Shears fastener

N W S

Machine tool fabricated product

forms

On the basis of structure the sales org could be of 4 forms

1.Line 2.line&staff 3.functional 4.committee

1.Line SO:a hierarchy of sales personnel exists from top to bottom.Authority flows vertically down

2.Line & staff SO:there are a no. teams of functional experts to assist&advise the line mgr in discharging his duty.

3. Functional SO: all sales activities in the org are grouped together acc. To diff functions ie, sales training, sales promo, sales personnel etc and each function is put under the charge of a specialist who is fully responsible for carrying out the function for the entire enterprise. The divisional heads report to one specialist with reference to one function and to another for another function.

The Sp at the bottom in the hierarchy receive instructions from several executives but on diff aspects of their work.

4. committee SO: a group of specialist from different areas who are required to investigate, study and submit a report, including the recommendations regarding the matter especially referred to it within its jurisdiction

Adv: pooling of ideas

Disadv: tardy process

OVER & OUT