

NORTHWESTERN UNIVERSITY
KELLOGG SCHOOL OF MANAGEMENT

Marketing 463 – Section 61
Sales Force Management
Leverone Hall – Evanston Campus
Fall Quarter, 2009

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COURSE CONTENT AND ADMINISTRATION

Course Description

Sales Force Management is a course designed for anyone who will, at some point in his/her career, manage salespeople (e.g., VP sales and marketing, VP sales, regional or district sales manager), or will be a general manager in a company in which the sales force is an integral part of the marketing mix. The course takes both a strategic and a tactical perspective. Strategic issues include: What part does the sales force play in the company's go-to-market strategy? What is the best size for the sales force? How should the sales force be organized? What is the best way to allocate sales force resources? How do we build a strong sales force culture? Tactical issues include: What are effective approaches to selling? How do we hire the best salespeople and train them? How do we motivate the field force? How do we compensate our people? What are effective ways for evaluating performance? How do we align sales territories?

The course content will be presented in lectures and case analyses. The cases have sufficient data to allow for interesting analyses.

Course Materials

- **Building a Winning Sales Force** by Zoltners, Sinha and Lorimer, Amacom (2009).
- Class case packet is available in the bookstore.
- Class overheads will be available in class and before class on the Course Documents section of Blackboard.

Course Options

Class participants will need to choose one of three options for in-depth exploration of the sales force space. The three project options are:

1. Sales Force Assessment Project
2. Benchmarking Exercise
3. Important Sales Force Issue Solutions

All project options are team projects. Each of the options is described below.

Sales Force Assessment Project

Individuals electing to complete this project will need to form teams of 3 to 5 people and perform a sales force assessment. The sales force assessment project will have four steps:

1. Sales Force Selection
2. Sales Force Issue Assessment
3. Sales Force Enhancement Recommendations
4. Class Presentation

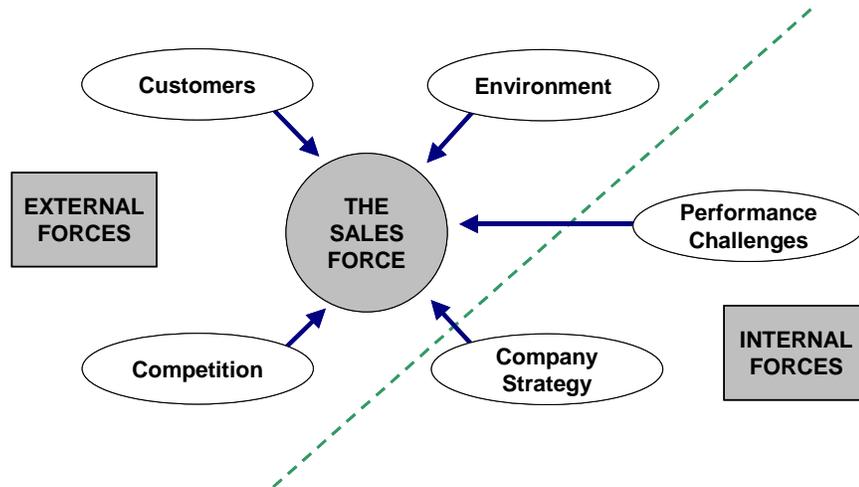
Step 1: Sales Force Selection

A selling organization needs to be selected for the study. Candidates can include the company that you currently work for, the company that you plan to work for, or a company that you formerly worked for. Since a cooperative sales force may be a challenge, it is advisable to begin the search *immediately*. Each group is asked to submit a short, 3 to 5-page description of the sales force that will be studied on 10/5. The summary should include the name of the company, the product line, a summary of the selling process, and a short description of the sales force (i.e., size, structure, organization chart).

Step 2: Sales Force Issue Assessment

Critical sales force issues, challenges or opportunities are identified in this step.

Define the critical productivity issues faced by your sales force (e.g., sales targets are not getting met, not enough new accounts, a new product needs to be launched effectively, customer satisfaction is low, not enough calls, not calling on the right accounts, salespeople are not motivated, too much turnover, not enough customer knowledge, the selling process needs to change due to customer consolidation, a cooling economy, increased competition, etc.). The five forces that drive sales force change provide a framework for identifying the common issues that sales forces face.



Environment

How does the sales force react to:

- High velocity changes
- Growing economies
- Stagnant economies
- Declining economies
- Deregulation
- Technology
- Internet
- Tight labor markets
- Demanding investment community
- New sales channels

Customers

How does the sales force react to:

- A buying process change
- Market consolidation
- Increased customer sophistication
- Global customers
- A market segmenting into transactional and consultative buyers
- Increased price pressure

Competition

How does the sales force react to:

- Rapid commoditization
- Global competitors
- Larger competitors
- Wealthy competitors
- More aggressive competitors
- Smarter competitors

Company Strategy

The company decides to:

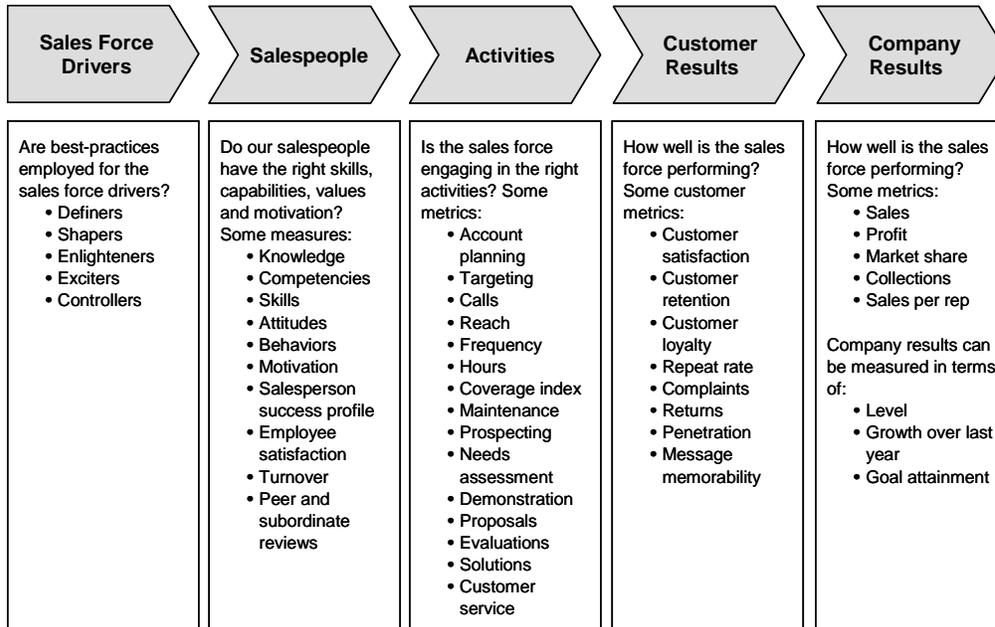
- Develop a start-up sales force
- Merge existing sales forces
- Acquire or merge with another company
- Implement a new go-to-market strategy
- Launch new products
- Enter new markets
- Redesign the selling process

Performance Challenges

The company is concerned because:

- They missed the sales, profit, or market share goal
- Sales force costs are too high
- Salespeople and/or managers
 - Are over/under worked
 - Lack critical competencies
 - Lack motivation
 - Are leaving the company
 - Are not accountable
- Too much time is spent on
 - Travel
 - Administrative tasks
 - Unproductive accounts
- Customer needs are not met
- New business development is down
- They have higher aspirations

Performance challenges can also be identified using the Sales Force Productivity Framework:



State the critical issues. Explain why these are the critical issues. Rank the issues (A, B, and C issues) in terms of importance for and impact on your selected selling organization.

A 5 to 7-page paper highlighting your observations is due on [10/29](#).

Step 3: Sales Force Enhancement Recommendations

I will select two to four key issues, challenges or opportunities that were identified in Step 2 for your Enhancement Recommendations. You are asked to provide solutions for my selected issues. Your solutions will require changes to the sales force productivity drivers that the sales force is currently employing. This paper requires that you (1) select those productivity drivers that will provide the most appropriate solution for the selected issues, (2) present the current practice for these drivers, and (3) detail the changes to the drivers that you are recommending to solve the my selected issues. You will need to provide *compelling* reasons and support for choosing the drivers that you selected and for the recommendations that you are proposing. A 6 to 12-page paper describing (1) through (3) is due on [12/3](#).

Step 4: Class Presentation

Each group will be asked to make a short presentation describing their significant findings. Presentations will be made the last week of class.

Benchmarking Exercise

Individuals electing to do the benchmarking project will need to form teams of 2 to 4 people and write four essays. Several choices are provided for each essay. Each essay is required to be between 6 and 10 pages long.

Options for Essay #1 (Due [10/19](#))

(1-a) Describe the go-to-market strategies for 4 to 5 companies. Contrast their strategies in terms of the framework developed in Chapter 3. Pick one of your companies and discuss how its go-to-market strategy can be improved by benchmarking against the other 3 to 4 companies in your set and/or in terms of what you know to be the best practices for this decision. As an alternative, if one of your companies has a significant best-practice go-to-market strategy, then you can show how this go-to-market strategy can be used to improve the go-to-market strategy for each of the other companies.

(1-b) Describe how 4 to 5 companies structure their sales forces. Contrast their structures in terms of the dimensions discussed in Chapter 5 and the selected readings. Select one of your sales forces and discuss how its structure can be improved by benchmarking against the other 3 to 4 companies in your set and/or in terms of what you know to be the best practices for this decision. As an alternative, if one of your companies has a significant best-practice sales force structure, then you can show how this sales force structure can be used to improve the sales force structure for each of the other companies.

(1-c) Examine both the go-to-market strategy and sales force structure for two companies. Contrast these decisions for the two companies in terms of the dimensions developed in Chapters 3 and 5. Pick one company and recommend how both the go-to-market strategy and sales force structure can be improved by benchmarking against the other company and/or in terms of what you know about best practices.

Options for Essay #2 (Due [11/2](#))

(2-a) Describe the recruiting process for 4 to 5 selling organizations. Contrast these processes in terms of the framework laid out in Chapter 7. Pick one of your sales forces and discuss how its recruiting process can be improved by benchmarking against the other 3 to 4 companies in your set and/or in terms of what you know to be the best practices for this decision. As an alternative, if one of your companies has a significant best-practice recruiting process, then you can show how this recruiting process can be used to improve the recruiting process for each of the other companies.

(2-b) Describe how 4 to 5 companies train their sales forces. Contrast these training programs in terms of content, method, and delivery. Select one of your sales forces and discuss how its training program can be improved by benchmarking against the other 3 to 4 companies in your set and/or in terms of what you know to be the best practices for this decision. As an alternative, if one of your companies has a significant best-practice training program, then you can show how this training program can be used to improve the training program for each of the other companies.

(2-c) Examine both the recruiting and training programs for two sales forces. Contrast these programs for the two sales forces in terms of the dimensions developed in Chapters 7 and 8. Pick one company and recommend how both the recruitment and training programs can be improved by benchmarking against the other company and/or in terms of what you know about best practices.

Options for Essay #3 (Due [11/16](#))

(3-a) Describe how 4 to 5 sales forces evaluate the performance of their salespeople. Select one of your sales forces and discuss how its performance management system can be improved by benchmarking against the other 3 to 4 companies in your set and/or in terms of what you know to be the best practices for this decision. As an alternative, if one of your companies has a significant best-practice performance management system, then you can show how this performance management system can be used to improve the performance management system for each of the other companies.

(3-b) Describe the motivational programs that are used by 4 to 5 sales forces. Select one of your sales forces and discuss how its motivational programs can be improved by benchmarking against the other 3 to 4 companies in your set and/or in terms of what you know to be the best practices for this decision. As an alternative, if one of your companies has a significant best-practice motivational program, then you can show how this motivational program can be used to improve the motivational program for each of the other companies.

(3-c) Examine both the performance management processes and motivational programs for two sales forces. Contrast these processes for the two sales forces. Select one company and recommend how both the performance management processes and motivational programs can be improved by benchmarking against the other company and/or in terms of what you know about best practices.

Options for Essay #4 (Due 12/3)

(4-a) Describe the compensation plan for 4 to 5 selling organizations. Contrast these plans in terms of the four key decisions for effective design developed in Chapter 12. Pick one of your sales forces and discuss how its compensation plan can be improved by benchmarking against the other 3 to 4 companies in your set and/or in terms of what you know to be the best practices for this decision. As an alternative, if one of your companies has a significant best-practice compensation plan, then you can show how this compensation plan can be used to improve the compensation plan for each of the other companies.

(4-b) Describe the territory-level goal-setting process for 4 to 5 selling organizations. Pick one of your goal-setting processes and discuss how it can be improved by benchmarking against the other 3 to 4 companies in your set and/or in terms of what you know to be the best practices for this decision. As an alternative, if one of your companies has a significant best-practice goal-setting process, then you can show how this goal-setting process can be used to improve the goal-setting process for each of the other companies.

(4-c) Examine both the compensation plan and the goal-setting process for two sales forces. Contrast these processes for the two sales forces. Select one company and recommend how both the compensation plan and the goal-setting process can be improved by benchmarking against the other company and/or in terms of what you know about best practices.

Important Sales Force Issue Solution

Individuals electing to complete this option will need to form teams of 3 to 4 people and write four essays. Each essay is required to be between 6 and 10 pages long.

Essay #1 (Due 10/19)

Develop an approach for sizing a sales force that is paid 100% commission on all sales from the first dollar. Many industries use this model including insurance, office products, and most distribution businesses. They could benefit from your approach.

Essay #2 (Due 11/2)

Many B2B companies struggle with deriving a market potential or opportunity metric (or measure) at the territory level. (1) Present an argument for why it is important to develop a territory-level potential metric. (2) Devise and categorize the various approaches for estimating territory-level market potential; describe the advantages and disadvantages of each; and develop a process by which a sales force can determine which approach is most important for their needs.

Essay #3 (Due 11/19)

Choose between these two questions:

1. Develop an approach for evaluating a sales force culture. Test it with the Milford case.
2. Develop an approach for assessing how well marketing and sales align to meet customer needs and organizational objectives. See if you can find a company or a case to test your ideas.

Essay #4 (Due 12/3)

How should companies reward and recognize individual performance in a team selling environment? Illustrate your ideas with a team selling case.

Papers for this class should be typewritten, Times New Roman, double-spaced, using a 12 pt font. They will be graded mainly on the following criteria:

1. Understanding of your host selling organization;
2. Critical and knowledgeable use of course concepts; and
3. Quality of paper's organization, clarity, and writing style.

Since the projects are team projects, team members will have the opportunity to report on the relative contribution of each group participant. Group members who fail to contribute to the overall team effort will see their grades drop one or more letter grades.

Course Grading

Your final grade in the course will depend upon the option you choose:

Assessment Project Option

Sales Force Selection Paper	5%
Sales Force Issue Paper	15%
Sales Force Recommendation Paper	40%
Case Write-ups	20%
Class Participation and Presentation	20%

Benchmark and Important Questions Options

Essay #1	15%
Essay #2	15%
Essay #3	15%
Essay #4	15%
Case Write-ups	20%
Class Participation and Presentation	20%

Case Write-ups

Each student individually will submit a one-page case write-up for all of the cases that will be discussed in class. Figures or Exhibits can appear on a second page. The questions that are raised in the cases need to be addressed. The cases must be submitted at the start of class. Late assignments will not be accepted.

Case analyses should be typewritten, Times New Roman, 1.5 interline spacing, using a 12 pt font.

Cases will be graded using the following system:

0	not submitted
√-	fair
√	good
√+	excellent

Class Participation

All students are asked to participate in class case analyses, class discussions and class presentations. Students are asked to provide substantive, well-formulated comments. While the participation grade is subjective, it will not be arbitrary. High-quality comments dominate average-quality comments, and more comments are preferred over fewer comments.