

Chapter 1

Introduction to Sales Management

ABSTRACT

Sales has evolved over centuries and now takes center stage among all the functions in the organization. It is as if all other functions in the organization revolve around and operate according to the needs of the sales function. This is primarily because sales is virtually the only function which gets the revenue and makes the profits for the organization. The fundamentals of marketing strategy of an organization are the 4Ps. The product, place, price, and promotion strategies of the organization are heavily influenced by the sales strategy. In this chapter, there will also be discussions on various theories of sales – what exactly is the role of sales in fulfilling the needs of the customers. In today's world, sales happen in a structured, methodical, and scientific manner where the process of selling follows a standard format. Sales is still partly an art, and the sales team has to perform varied tasks in order to sell a product or service. One of the principal responsibilities of a sales team is coordination across the organization as well as with entities outside the organization.

LEARNING OBJECTIVES:

- History & Evolution of Sales Management
- Importance of Sales to Organizations
- Responsibilities of Sales Management
- Complexities of Sales Management
- The Various Steps in the Structured Sales Processes
- Different Theories and Methods of Selling
- Relationship between Marketing Strategy & Sales Management

INTRODUCTION

Evolution of Sales Management

History

The concept of sales is as old as the human civilization. In fact, it predates marketing as a profession. The phenomenon of barter and exchange processes had built in sales as one of the major activities in human civilization. Before the industrial revolution, the 'market' was dominated by craftsmen who were individual entrepreneurs responsible for everything pertaining to the 'businesses'. However, the focus of the craftsmen were on his craft – that is, the quality, design, and relevance of his product. There was no requirement or scope of marketing, as we understand today. The focus was on craftsmanship. However, there were established trade routes between civilizations – Romans traded with India etc. Things started changing from the industrial revolution period. Large factories were set up primarily in the West and the focus was on the product. In this period as well the demand for the products was more than the factories could produce. Then mass production techniques were used, but it still remained a 'seller's market'. In this phase marketing made its appearance. The production orientation was still there as entrepreneurs focused on efficiencies. The businesses were understanding that to sustain this growth they required to expand into other markets and thus the marketing function was being born. However, at this stage also, the need for sales was not felt to that degree. Henry Ford is supposed to have made the famous remark that customers may get any color of automobiles they wanted as long as it is black. However, the assembly line was there to stay and with it came

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