Chapter 22
Sales Force Appraisal System:
Integration and Automation

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ABSTRACT

Performance appraisal is an important control tool in all functional areas of an organization, more so in sales management, as it is an important area to be considered for an organization's bottom line, sales revenue, and profits. Having an integrated and holistic approach to a Sales Force Appraisal System (SFAS) is useful for motivating and retaining the sales force in a competitive environment, particularly with the use of IT in the appraisal process, referred to in the current context as automated SFAS. In this chapter, the authors look at the importance of such a system and how this approach has helped reap benefits in one of the organizations in the pharmaceutical industry. This model has immensely transformed the organization's environment into a high sales performance culture. Additionally, this model can serve as an addition to the existing literature on sales force performance appraisal and its role on sales management.

INTRODUCTION

In 2011, according to the Bureau of Labor Statistics in the US, around 13.8 million people are employed in a sales and related occupation (Bls. gov, 2013). In any commercial organization, the sales force plays a pivotal role in ensuring the success of the organization in terms of realizing its marketing and hence corporate objectives. Right from the initial days of professional selling, the sales force has always faced challenges in the way it goes about doing business. As part of the evolution, it has used the advancement of technology to its benefit, to be more effective and efficient and provide value to the customers and in the process, outperform the competitors. Sales force nowadays like to see data in real time and use shorter time to understand and analyze the information (Eggert & Serdaroglu, 2011). Automation is one way of doing tasks without any human intervention. This is indeed made possible with the help of Sales Force Automation (SFA).

SFA broadly is the application of technology to the selling function (Buttle, Ang & Iriana, 2006). SFA can enhance the quality of the interaction by increasing selling time, enrich communication through relevant information sharing, and expand the level of interaction through faster and smoother access to sales information. In the future, more investments are likely to be seen in the advancement of SFA technology despite economic fluctuations in worldwide markets. The current appraisal systems are looking at short term objectives and do not integrate the SFA in to the picture. In this chapter we are looking at one such case where a SFA system has been successfully implemented.

The main focus of SFA is on having effective and efficient customer interactions that are helpful in better assessing the situation and develop a good rapport with the customer (Eggert & Serdaroglu, 2011). The SFA focuses on effective processing of internal activities and not limited only to e-mail systems, online training, sales analysis, trends and forecasting. Customers are the primary touch points with the sales force of an organization. Hence, it is vital for an organization to integrate customer management activities into the selling function. Customer relationship activities are crucial and the sales force is not only the organization's customer relationship managers but also carry the feedback from customers that is very critical for understanding how customer needs can be met. The sales force understands that all customers are not having the same sales potential but at the same time all customers are important for their business. Hence tactical and strategic plans have helped sales force locate and manage customers through a well-defined CRM program that is vital for implementing the strategic objectives of an organization successfully (Landry, Arnold & Arndt, 2005).

Both these tools SFA & CRM have helped enhance the skills of the sales force. The SFA focuses on being effective during the selling process and the CRM captures tasks directly related to the customer that includes understanding the customer needs and arranging and coordinating activities around the customer (Ko & Dennis, 2004). In this chapter, we would like to take a look at various drivers of an effective sales force that will help us to formulate a modular approach, essentially integrating into it the roles played by SFA & CRM.

The sales force is tormented with data from various sources like sales trends, sales forecasts, customer details and activities to name a few. For all this information to be processed effectively and efficiently it is necessary that there are sales force automation tools in place (Rapp, Agnihotri & Forbes, 2008). SFA involves utilizing information technology hardware and software to provide automated collection, assimilation, analysis and distribution of information to improve sales force productivity. Sales force automation tools increase efficiency of sales force by automating repetitive daily tasks. It also helps in better management of customer relationships and in giving better response rates to customer requests (Ko & Dennis, 2004). With the increasing pressure to reduce cost and to increase profits, sales force automation is a very effective tool since this helps in improving efficiency thereby increasing productivity which in turn increases profitability. Since SFA helps to increase and have better accuracy levels and also faster access to timely information, it helps the sales force to have better understanding of its performance.

HISTORY OF SFA

Peter F. Drucker, world renowned management consultant, said that "You cannot manage something that you cannot measure." In the early days

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