

# Chapter 11

## Some Areas to Ponder Upon

### ABSTRACT

*There are certain developments which are taking place almost all the time in the field of management, and sales management is no exception. The area, overall, is very dynamic and keeps on evolving at a very high speed. In the earlier chapters, the discussions veered around the organization (mainly the sales team) and its interaction with the marketplace. The focus of the discussion maintained throughout the book was on the existing paradigms of sales and distribution management and what really works in the marketplace. In this chapter, the objective is to familiarize the reader with some current research that is being undertaken in the field of sales management. There are certain areas in sales management which are classic in nature and their utilities and relevance has crossed the boundaries of time. Some of those concepts have also been included in this chapter. Overall, the broad objective of this chapter is to broaden the perspectives of students and managers as well as to open up their minds to the myriad possibilities that sales management has to offer.*

### DILEMMA AND OPTIMIZATION MODELS

Managers are often faced with confusing and conflicting situations. They are also often enough faced with dilemma – to correctly predict a course of action which will produce the best results among all the alternatives available or generated. To help the managers take mostly correct decisions in these type of situations, academicians often provide what is known as optimization models. Many common situations which arise and give rise to dilemma are,

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for example, whether a particular sales person should make one more call to a given customer or should he instead channel his time and energy to start calling on new customers, or should the incentives for the sales people be increased, or whether the size of the sales team should be increased in order to get more revenues. Managers in most organizations use heuristics to arrive at the given decisions, but use of optimization models will provide the cost-benefit analysis more accurately and are better and more reliable predictors of the results of a decision. The areas that get impacted by the optimization models are call planning, sales force size, territory design, sales force compensation, modeling competition with game theory, and other related areas like recruitment etc. The environmental developments that impacts this optimization problems in sales management are data mining, big data, fall of rationality, internet and social media, and agent-based models (Albers, Raman, & Lee, 2015).

## **CHOICE AND MOTIVATION**

The concept of motivation has been discussed earlier. In sales management terms, motivation means the desire and willingness of sales people to expend energy. There are three dimensions of sales motivation. They are: they can make a choice about initiating efforts towards a certain task, they may make a choice about the level of effort they will put in in that task, and he can always make a choice of whether to persist and persevere in expending that level of effort for that task. It is a general assumption that the sales manager always wants to improve upon the performance of his sales team. So, according to this motivation theory, the sales manager must ensure that his team members or the sales people in his team puts in efforts towards the right tasks, puts in the right level of effort, and persists with the task over a period of time. On the other hand, the expectancy theory of sales motivation looks at the motivation factor from the perspective of the sales people. The amount of extra effort that will be put in by the sales people is dependent on three factors. The factors are: the likelihood of increased effort leading to better performance (expectancy), the increased performance then leading to some form of reward (instrumentality), and how attractive is the reward for the particular sales person (valence for reward). (Fu, 2015).

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