

MOTIVATION OF SALES REPRESENTATIVES

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Abstract

The paper focuses on one important human element of logistic chains - sales representatives. Their position does not enable instant control and leadership of their supervisors such as in office positions, nor is such supervision desirable for ambitious sales representatives who prefer a certain level of autonomy. For their managers, it is necessary to find goal-oriented but still strongly encouraging motivation tools. This paper presents the specifics of the work of sales representatives and based on these it recommends the most effective and up-to-date motivation techniques.

Keywords: Motivation tools, performance, sales representative

1. INTRODUCTION

Every business needs to attract and retain employees with the skills and experience that meet the requirements of specific jobs. The scopes of positions are different; so the competence demands on the people who fill them differ as well. While an accountant should be mainly careful and patient, a sales representative should excel in communication and persuasion skills.

The sales representative is an essential element of logistic flows, because he finds and negotiates new contracts. His abilities predetermine the amounts and conditions under which the company will supply its products or services to the customer. The performance of sales representatives is not determined only by his abilities. The extent to which he will use them can be influenced by the enterprise and, by extension the manager sets incentives.

The position of a sales representative has many specifics that require a targeted motivational strategy. Its aim must be to attract and retain experienced sales representatives in the enterprise.

The authors' own survey among managers of successful sales representatives and experiences from case studies [1] show that even if each enterprise has its own motivational tools, the most effective are the same, or new ones are added following new trends.

The article aims to present the specifics of the work of the sales force, and subsequently define the best current motivational techniques to promote the job performance of sales representatives.

2. MOTIVATION FOR WORK PERFORMANCE

For an enterprise to be successful, the managers must focus sufficient attention on the motivation of employees, which has a direct impact on their work performance [2]. The work performance can be defined as a result of work at a certain time and under certain conditions. The performance itself, i.e. achieving a certain level of completion of the assigned task, is influenced by many factors, in particular the management style of managers or working conditions, such as e.g. temperature, noise or the lighting of the workplace. Work motivation is the intensity of the relationship of the individual to his work based on the degree of satisfaction of his needs. There are two types of work motivation - internal and external. Internal motivational factors include the principles, ideals, attitudes, beliefs, values and value orientation and whether the work itself, its content, more or less satisfies the worker. External motivations represent the valuation of work by the enterprise,

whether financial or non-financial. The motivation to do most activities including work is a combination of both. [3]

Motivation for work performance should fall mostly within the competence of line managers, because they are in closer contact with their subordinates than the personnel department or senior management. Especially in the area of non-financial incentives, the individualized targeted approach can support the work performance of subordinates. Another reason is that thanks to their proximity to their subordinates they can create exactly the conditions for them that allow them to give their best work performance.

3. SPECIFICS OF SALES REPRESENTATIVES' WORK

Sales representatives are the essential link in the supply chains of most industrial enterprises. They actively seek out new customers and negotiate sales of the production for the enterprise. Simply put, they deliver information about what, to what extent and for whom the enterprise is required to produce. Their job is thus sales of enterprise products and services. Their main strengths must include confidence, communication skills, especially the ability to convince a broad spectrum of customers about the benefits of the product and negotiate mutually acceptable terms of sale with them. More than the level of education and acquired expertise, the success of the sales representative is determined by his approach to people, selling skills and experience. The knowledge that they must also possess is related to the company itself, its production, technological processes and in particular the characteristics of the product itself.

The main tasks of the sales representative include [4, 5]:

- Planning of personal visits to existing and potential customers.
- Maintaining personal or telephone contact with customers.
- Maximum responsiveness to customer needs.
- Preparation and implementation of presentations promoting new products or special sales events.
- Advising customers regarding the delivery and subsequent services.
- Negotiations and agreements with customers about orders, prices, delivery terms and forms of payments.
- Records of orders and communication with the sales and production department.
- Monitoring of competition and their conditions of sale.
- Visiting conferences and seminars on trends in the sphere of action.
- Reporting on utilization of trends to employer.
- Reporting on the fulfillment of sales targets to employer etc.

The sales representatives work relatively independently, they themselves organize their working time and meetings with clients. Supervision of their way of working with customers is not possible, as is usual with subordinates that work within the company. Therefore task assignments, the monitoring of their fulfillment and motivational measures have to be set in a specific manner.

4. MOTIVATION TOOLS FOR SALES REPRESENTATIVES

The most important prerequisite for top performance of sales representatives, that their employer can ensure, is their motivation. Their work is mentally challenging, even frustrating, and their efforts are often met with the dismissive reactions of potential clients; but they must always be ready to responsibly approach the next client again with a smile. To treat all clients equally assiduously or even adamantly can be ensured only through a vision of attractive rewards or other motivational measures that are important to them, as explained by the still valid Vroom's expectation theory [6] .

These mostly individually operating employees need a strong internal motivation, which that is represented by meeting the goals and the related success rate. However, their superior should support them further by promoting measures that will motivate them also from the outside; otherwise they may choose another employer who is more attentive in this regard.

Based on the polling of sales representatives' managers of five production and two sales enterprises, and based on case studies and expert advice from Internet sources, the following measures have been proposed which have the maximum effect on the motivation of sales representatives:

Leadership style

Some managers choose the approach "Do not interfere where everything works". This is a better approach than the micromanagement style, where the frequent checking, questioning and constant advice and recommendations of the manager rather hamper the performance of the sales representative and de-motivate him. However, according to a study by Aberdeen [1] an adequate manager's interest about their work, accepted by the subordinates, is considered a contribution by both sides. A capable manager will learn the best sales techniques from his best sales representatives so that he can teach other, maybe less successful sales representatives. From less successful sales representatives, the manager will then systematically detect obstacles in performance, which he may help to remove by virtue of his position. [1]

The top managers should become an example for their subordinates, especially in activities that are essential for their performance and which are thus required from them. They should demonstrate and regularly support behavior such as an honest and open approach in front of them. For internally motivated sales representatives, the positive interest of the manager about their performance and work style is the prerequisite of effectiveness of other motivational techniques.

Transparent system of rewards

Sales representatives are motivated by performance based rewards, not only for the money itself, but also with regard to their rather ambitious nature. If the rewards are not directly proportional to the performance e.g. negotiated orders, perhaps because of hidden, unclear or even changing shared costs, (e.g. sales support), the sales representatives will not be nearly as motivated and will eventually move to competitors that can offer easily calculated, directly proportional to performance and therefore more motivating rewards for performance. Besides, an employer with a transparent system of rewards always appears more trustworthy. However, if it is necessary to include any costs or rank the orders by a certain difficulty factor, it pays if the companies invest in software which, after entering the potential sales performance, calculates the reward in advance so that they know why they should strive. [7]

Managers should not forget about different working conditions of their sales representatives for negotiations with potential clients, for example when it comes to various regions of their performance [8]. Previous researches confirmed that capital city is by far the most interesting place for the location of enterprise head offices and other regions host enterprise affiliates with mostly marginal or auxiliary functions [8]. Therefore it is usually easier to make a contract for representatives in richer regions than for their colleagues in poorer ones. Nevertheless, companies need to keep clients in those regions too not to give a competitor chance to grow and expand from there to other regions too. Managers need to motivate representatives to stay and negotiate in poorer regions, for example by some coefficients to standard remuneration otherwise they will move to regions with easier earnings.

Non-financial rewards

Financial motivation on its own may not be enough. For example, during a difficult sales period or with a very stressful contract (but of course even in periods with plenty of sales) the managers may support their

subordinates by recognition announced within the company, by regular citing the best sales representatives on public information panels or on the intranet, as important employees who contribute to the enterprise objectives. Just as no one wants to be on the bottom line of corporate boards of sales representatives' productivity, all watch with the same intensity by how many points they are missing the top rungs, usually associated with some form of reward. Such activities further strengthen the cohesion and loyalty of employees with the company [9]. It is also necessary to continuously determine what the desirable and motivating offered prizes and forms of rewards between different sales representatives and whether these are not just only inefficiently expended corporate means. Each member of the team is a unique personality, some are motivated by recognition by a senior manager, and others will appreciate a day off for time with family.

Autonomy

Capable sales representatives like to have a certain degree of autonomy, or room for choosing their own sales techniques, to ensure that they give their best performance. Their manager should define their objectives and generally applicable conditions of sale. He should provide support and advice only if explicitly requested by the sales representatives.

Technological support of sales

Administration is a part of almost every position, including sales representatives. In order to have more room for the negotiations with the clients themselves, sales representatives must spend less time filling out numerous forms and doing lengthy searches for new contacts and the necessary information about them. Today, every sales representative should have a notebook with a high-quality Internet connection, smart mobile devices and possibly a printer, if he needs to conclude written contracts. A well-structured online marketing platform for enterprise product or about the conditions of purchase and delivery, which the sales representative can refer to when getting a client, could provide significant support for the sales representative's work. The larger part of a laboriously organized appointment can then be used for persuasion about the sale itself. [7]

Games

Capable sales representatives are endowed with competitiveness. The managers' experience indicates that announcing contests improves their performance. According to a survey by the Aberdeen Group, companies that use employee competitions increase their commitment by up to 48 % [1]. The market offers a plethora of proven online applications that aim to motivate and excite the sales representative to even higher performance [10]. To be able to use them, the sales representatives must be equipped with the necessary above-mentioned smart devices.

5. CONCLUSION

Sales representatives are an important part of logistical chains because the company's sales volumes largely depend directly on their job performance. Therefore special attention must be given to their motivation, because only properly motivated employees deliver maximum performance and do not look for employment elsewhere. The sales representatives are a very specific workforce in many aspects. Polling in companies that rely on selling skills of employees in the field, and experience from many surveys and case studies on the Internet confirm that extraordinary abilities require extraordinary incentives and support measures to support the work of sales representatives.

Effective and targeted coaching by managers is the basis for targeted financial and non-financial incentives. The experienced sales representatives deem modern sales support technology and the necessary level of independence the essential platform of an enthusiastic work performance. The congenital competitiveness of

sales representatives again invites to implement various forms of contests for both material and non-material prizes. Disclosure of the rank of performance which fuels the desire of sales representatives to get "in front" of their colleagues is highly recommended. This tool is also much cheaper than competitions for material prizes. In the Czech Republic, it is not used nearly as often as in the USA, which stems from our mentality that considers the American public "boasting" a negative trait. Nonetheless, foreign companies increasingly also publish the sales representatives' rank in their Czech branches. Their popularity and mostly positive influence on sales helps their gradual introduction in various forms (e.g. on the corporate intranet or at regular meetings of sales representative teams) also in the Czech businesses.

Above-average sales skills must be matched by a corresponding reward for their work and other incentives. A financial reward must be the same for all, clearly defined (i.e. easily calculated) and should not contain unclear items in which the sales representative does not know how to influence them with his performance.

The motivational tools mentioned in the article are currently among the most efficient, and therefore the managers of the sales teams use them extensively in different variations to strengthen the work performance of their sales representatives. However, trends due to changes in technology and the mentality of buyers cannot escape even this area, so new motivational techniques are still being discovered, with benefits replacing the original ones. Therefore, managers should not be "complacent", and should follow these trends constantly, evaluate them and, if they are in compliance with the company goals, should utilize them among their sales representatives to keep pace with the competition.

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