

## MAKING SALES MANAGEMENT DECISIONS

### CASE 5.1: HELP WANTED!

#### Background

Fred Sutton, sales manager for Batops, a small regional manufacturer and marketer of various grades of batteries based out of Kansas City, has been experiencing a difficult time filling an open sales rep position that was vacated by a rep who quickly left the company due to his spouse's job transfer. As the weeks and months passed, Fred began to feel significant pressure and was becoming anxious about filling this position. Reps in his district were complaining that helping to service customers in the open territory was taking a toll on relationships with their existing customers. Consequently, Fred was concerned with the level of service current customers in the vacated territory were receiving. Moreover, no prospecting had been conducted in the territory since it was vacated, making it difficult to increase sales volume. To compound matters, Fred has been helping to cover the vacated territory and it was starting to detrimentally affect his ability to properly manage his salesforce. Fred realized that the longer the position was left vacant, the greater the chances for damaged customer relationships and the larger the lost sales opportunity. Fred's boss, Sean Lexington, was a tolerant individual, but his patience was wearing thin. Fred knew that if he did not fill the position soon, not only would his personal income be hurt, but he risked receiving a poor performance appraisal. Given that his last appraisal was less than stellar he wanted to avoid this at all costs.

Fred has been undertaking an extensive search to fill the vacant position. He placed a classified ad in the local newspaper, the *Kansas City Star*. Additionally, he contacted the career placement offices of local colleges and universities to see whether they had any leads on potential candidates. This attracted a limited pool of candidates, several of which were interviewed for the position. However, Fred was having a difficult time finding a proper fit. Some candidates were simply unqualified for the position. The qualified candidates seemed to lose interest upon learning more about what the position entailed.

The vacant position is demanding. It requires extensive overnight travel and some weekend travel. The job is also physically demanding, requiring lifting heavy product, assembling displays and spending grueling hours on the road driving from account to account. The salary is primarily commission-based, with the average salesperson earning about \$45,000 his or her first year. Within five years, the average salesperson with the company makes about \$75,000

a year. However, the earnings potential is great for star performers, with some earning \$150,000 annually. Although there was money to be made as a salesperson, the company's size limited the opportunities for promotion. The company offers little formal training. Salespeople are provided a training manual and most of the training occurs on the job.

Salespeople at Batops are required to be very customer-oriented. In addition, they need good prospecting skills since the company is constantly trying to acquire new customers given its relatively high customer turnover rate. Furthermore, the person who fills this position must have outstanding planning and organizing skills, leadership skills, be persuasive, show initiative, and possess strong communication skills, including the ability to write, speak and listen.

#### Current Situation

Fred believes that his inability to fill the vacant position stems from not making the position look attractive enough to potential candidates. Thus, to increase the attractiveness of the position, he decided to rewrite his newspaper ad, neglecting to mention some of the responsibilities of the job. In particular, he downplayed the travel associated with the position and emphasized the high earnings potential. In doing so, he noticed an increase in job applications. Fred reasoned that if he could make the job sound attractive enough he could persuade someone to take it, who surely later would find it a rewarding opportunity.

What follows are some excerpts from a recent interview with Victor Shell, a candidate attracted by the new round of advertising. Victor recently graduated with a degree in marketing from a well-respected university in the area. Although he has limited sales experience, he otherwise appears to be qualified for the position.

*Fred:* Victor, you'll be responsible for selling various lines of batteries to retailers throughout the Midwest. You'll service existing accounts in your territory as well as prospect for new accounts, which participate in two trade shows a year, which should provide you with good opportunities to prospect.

*Victor:* Does the position entail overnight travel involving prospecting on where your customers are located. However, we pay for all your meals and expenses, including your lodging from our sales haven't heard many complaints regarding travel requirements.



*Victor:* Do you have a training program?

*Fred:* We have a fine training program. Our current salespeople have been through our training program and each one is performing quite well right now. Our training manual is particularly helpful for learning new product knowledge. Once you get into the field, you will find the product practically sells itself.

*Victor:* Are there ample opportunities for promotion?

*Fred:* We try to promote from within as much as possible. There is no reason why a hardworking ambitious person should not be able to get promoted in this company. In fact, I began my career as a delivery person for Batops, was promoted to sales, and from there moved into sales management.

*Victor:* I understand the job pays a salary plus commission.

*Fred:* That's correct. Our starting base salary is \$25,000. However, with commission, you could earn as much as \$150,000! With little effort you should have no problem making about \$50,000–\$60,000 your first year.

After interviewing two candidates for the position resulting from his new approach, Fred decided he would forgo any more interviews and make a job offer to Victor, given his apparent interest, and Fred's strong desire to quickly fill the position. Victor was very excited about the offer Fred extended to him. Two days ago he interviewed for a sales position at another company that also extended him an offer. Although this company was reputable, and the offer sounded like a solid opportunity, it did not sound as appealing as the opportunity at Batops. He is leaning toward accepting the offer from Batops, but he wants to talk it over with his wife. He likes the fact that there is not much overnight travel. He and his wife recently had a baby son and Victor does not want to be away from his new family too much. The fact that the company provides training also appeals to him. Although he took a sales class in college, he believes he can be more successful with additional company training. The other company Victor interviewed with offered a one-week training program, which he thought might not be enough. The compensation is particularly appealing. The offer from the other company included a higher base salary, but first-year earnings were expected to be only about \$45,000 and there was no mention of earning \$150,000. With student loans to pay off, Victor is interested in earning as much as he can as quickly as possible. Although Victor is eager to sell, he wants to land a job with a company that provides ample opportunity for promotion. Based on his conversation with Fred, Victor sensed such opportunity existed at Batops.