Examining the use of sales force management practices

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Abstract
Purpose – The purpose of this paper is to understand what sales management practices (SMPs) are being used by managers in the current market place, changes over time, insights that can be gained and future research needs.
Design/methodology/approach – Data for this paper were collected via a cross-sectional internet-based survey using a sampling frame provided by a professional sales publication. ANOVA was used to analyze 159 sales manager respondents.
Findings – Empirical results indicate that several differences are evident across the 68 SMPs items gathered, especially in terms of the size of the sales force and establish some data on using technology in sales management. However, in spite of significant changes in the sales environment, many SMPs have had limited change.
Research limitations/implications – The limitations of this paper include a sample frame drawn from a single source and via the internet and, thus, may have excluded some possible respondents from participation and somewhat limit generalizability.
Practical implications – The results of this paper raise a number of important issues for sales managers to consider. First, which SMPs should they be using? Managers need to give serious thought as to which practices they choose to use. Second, why are so many of them not making more extensive use of sales force technology? Third, is it wise for sales managers to be relying on executive opinion as their most extensively used forecasting method or should they be emphasizing another approach? A fourth issue is the continued heavy emphasis on generating sales volume as opposed to profits.
Originality/value – The data provide a rare and updated understanding of the use of SMPs by sales managers.

Keywords Sales management, Sales management practices, Sales managers

Paper type Research paper

Introduction

Over the past 30 years, the challenges facing sales managers and sales organizations have changed dramatically. Numerous authors over the years have listed and discussed these challenges (Anderson, 1996; Anderson *et al.*, 1999; Rackham and DeVincentis, 1999; Deeter-Schmelz *et al.*, 2002; Ingram, 2004; Ingram *et al.*, 2005; Jones *et al.*, 2005; Colletti and Fiss, 2006; Trailer and Dickie, 2006). Some of the many challenges they have identified include a more complex work environment, globalization, increasing customer expectations, flatter sales organizations, more diverse customer bases and increases in the number of channels. A summary of the major challenges/changes identified by these authors is provided as follows [Changes impacting sales managers and sales organizations]:

- increasing customer expectations;
- improvements in communication technologies (i.e. videoconferencing, teleconferencing, email, voice mail);
- managing multiple channels of sales;
- increasingly complex buying situations;
- more players involved on both sides;
- advancements in sales force automation;
- change occurring more frequently;
- intense global competition;
- budget cuts;
- soaring sales costs;
- sales force outsourcing;
- more diversity in customer bases;
- greater empowerment;
- more internal collaboration needed;

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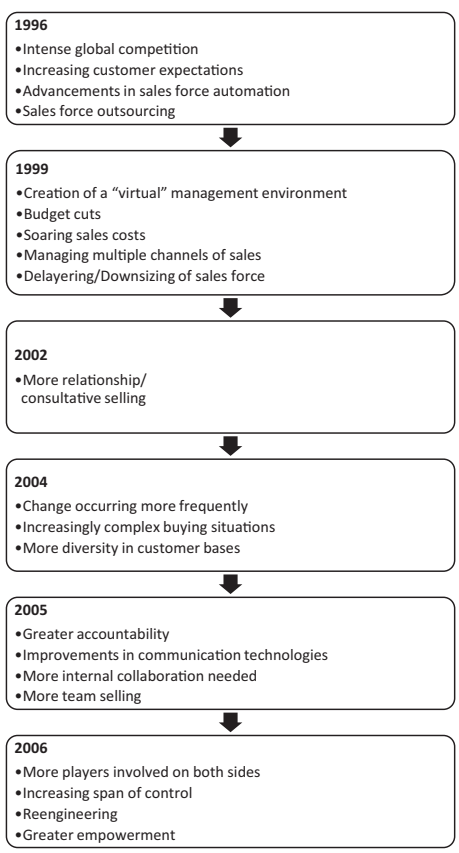
- more team selling;
- reengineering;
- more relationship/consultative selling;
- delayering/downsizing of sales force;
- increasing span of control;
- greater accountability; and
- creation of a "virtual" management environment (Sources: Anderson, 1996; Anderson *et al.*, 1999; Deeter-Schmelz *et al.*, 2002; Ingram, 2004; Ingram *et al.*, 2005; Jones *et al.*, 2005; Colletti and Fiss, 2006; Trailer and Dickie, 2006).

The above-mentioned list should not be construed as a complete list of challenges/changes, but it represents what the various authors listed and considered in their view to be worthy of discussion. These challenges/changes can be grouped into five categories: customer, technology, financial, sales process and environment. While some of these issues might be easily dealt with individually, taken in total, these challenges may be enough to stymie many sales organizations. Clearly, sales managers and sales organizations have had to respond and adapt to these changes to remain competitive. Figure 1 provides a timeline of the challenges/changes as introduced in the sales management literature. However, while there have been a few studies (Wotruba, 1991; Anderson, 1996; Marshall *et al.*, 1999 and Jones *et al.*, 2005) that have examined the impact of these changes on salespeople; the research examining the impact of these challenges on sales managers has been virtually non-existent – a significant exception being the study by Dubinsky and Barry (1982) discussed in the next section.

Figure 1 Timeline of challenges/changes impacting sales managers and sales organizations



As a result, we have limited information on how and what sales managers are using to address change in the marketplace that affects their sales force (Anderson *et al.*, 1999). For example, what exactly have all the transformations meant for sales managers – have their tools and practices changed and if so, how? Given all the discussion and resources that have been devoted to these challenges over the years, the lack of attention to sales managers' responses is extremely puzzling.

Part of the problem in answering these questions can be attributed to the fact that research specifically examining sales managers, their characteristics, practices and behaviors has been relatively limited. Over the years, for whatever reason, the number of published studies examining salespeople far outnumbers the number of published studies examining sales managers (Anderson *et al.*, 1999). In fact, in many of the studies where sales managers are the respondents, they are actually responding to questions concerning their salespeople, not about themselves or their jobs. This again is perplexing because in the studies that have been done on sales managers, various authors (Anderson *et al.*, 1999; Smith and Rutigliano, 2003 and Deeter-Schmelz *et al.*, 2008) have repeatedly noted just how important sales managers are in the success of their salespeople and their sales organizations. Smith and Rutigliano's (2003) research, for example, found a significant link between top salespeople and their managers. According to their findings, having the right sales manager can improve a salesperson's performance by as much as 20 per cent. What other variable might be able to explain such a large segment of variance in sales performance? Likewise, research by Deeter-Schmelz *et al.* (2008) noted the strong influence that sales managers have on salespeople and their customer relationships. In fact, Anderson *et al.* (1999) demonstrate in their research that a company's profitability can be heavily dependent on the effectiveness of its sales managers. Finally, Slater and Olson (2000) found that sales management practices (SMPs) have an impact on performance but vary by strategy types as measured by Miles and Snow (1978).

Clearly, research focused on sales managers is needed for the reasons and questions posed above. With so many issues, concerns and challenges, a basic question is where to begin? One logical place would be to first examine what sales tools the twenty-first-century sales manager is using to be effective. While sales management textbooks and sales management research commonly discuss the activities that are the province of sales managers, such as sales planning, recruiting, training, coaching and monitoring sales performance, they seldom discuss how often these tasks are engaged in or used. A recent exception is Powers *et al.* (2014), who developed a typology of sales manager skills composed of three dimensions: interpersonal, technical and strategic. They identified 15 specific knowledge, skills and abilities (KSAs) and found that interpersonal skills were the most important and technical skills were the least important (Powers *et al.*, 2014, Table IV, p. 214).

What are the sales practices and activities currently used by sales managers? How do they compare to the sales practices and programs used by sales managers in the past? What, if any, changes have actually occurred? This research examines a

number of these issues: first, we will provide an extensive update of SMPs usage as reported by a sample of sales managers. We will provide these data in more detail than the study by Dubinsky and Barry (1982) as well as compare findings of their study and others to this one. We also examine several practices relating to technology that were unavailable 30 years ago and present how these SMPs tend to vary across firms of different size. Finally, we provide a series of research questions based on the findings that link those findings to the changes we have enumerated in the list mentioned above.

In designing our study, it was decided that the previously used indicators were still valid and the addition of sales technology items is an acceptable addition. The typology provided by Dubinsky and Barry (1982) was also accepted as still valid. We changed the methodology slightly which did lead to some issues with respect to direct comparison. However, we believe this modification provided richer and more appropriate data that expanded the value of the findings beyond a simple replication.

Previous research on sales management practices

Over 30 years ago, Dubinsky and Barry (1982) presented the results of their survey on SMPs. This study assessed the extent of use of a wide variety tools and practices used by sales managers. Specifically, the study presented 65 SMPs that had been identified a few years earlier by Walker *et al.* (1977, 1979). These included such practices/activities in the areas of selection, training, compensation, motivation and evaluation. They found significant differences in the extent of use between large firms and small firms in the use of specific SMPs in terms of forecasting approaches, sales force organization, sales force selection practices, sales training and supervisory and evaluative practices.

Dubinsky and Barry's (1982) call for future research in this area received limited attention, as SMPs were only examined/discussed in a relatively small number of studies (Kohli, 1989; Jobber *et al.*, 1993; Babakus *et al.*, 1996b, 1996a; Román *et al.*, 2002; Shoemaker, 2003; Piercy *et al.*, 2004; Avlonitis and Panagopoulos, 2007). Kohli (1989), for example, examined the effects of supervisory behavior of sales managers on salespeople who differ on various personal dimensions. Babakus *et al.* (1996a, 1996b) developed a model of job satisfaction and the role of organizational variable/SMPs such as training, compensation and motivation in job satisfaction. While Babakus *et al.* (1996a) looked at the relationships among such organizational variables/SMPs as sales management control, territory design and sales organization effectiveness, other studies have looked at the effects of single SMPs such sales training (Román *et al.*, 2002), leadership (Shoemaker, 2003) and control (Piercy *et al.*, 2004). Most recently, Avlonitis and Panagopoulos (2007) examined the effects of selected SMPs (i.e. sales organization, territory design, training and compensation) on a salesperson's role stress, attitudes and outcomes.

Surprisingly, only two other studies (Jobber *et al.*, 1993 and Shipley and Jobber, 1994) besides Dubinsky and Barry (1982) focused specifically on identifying which practices were actually used by sales managers. As in Dubinsky and Barry (1982), citing conventional sales management wisdom that company size plays a factor in the use of various tools/practices, both of these studies also chose to define size using sales revenue. However, each of the three studies used different cutoffs in determining size without providing any rationale for the cutoffs for their size groupings.

Dubinsky and Barry's (1982) study revealed significant differences in the extent of use in the following five areas:

1. use of forecasts by salespeople;
2. sales force organization by the combination of product class, size, customer class and/or territorial basis and customer class specialization;
3. job descriptions and credit reports in selection;
4. selling skills, market/competition, company information, training objectives and sales program evaluation; and
5. use of MBO, personal characteristics, profits and pre-selling in supervision.

Jobber *et al.* (1993) results were mixed, with large organizations, as they defined them, using a wider range of quantitative criteria, using more formalized methods of evaluation and making greater use of predetermined performance standards compared to smaller organizations. Shipley and Jobber's (1994) results were limited, suggesting that small distributors use different sales force compensation and evaluation techniques than larger ones.

Each of these studies varied considerably, as did the revenue cutoffs used in splitting their samples. While sales revenue can and has been used in a variety of studies as a surrogate for company size, it may not be an appropriate surrogate in all situations. For one thing, it is possible for a firm to have high sales revenue but a relatively small sales force in absolute terms. For example, the revenue per employee is roughly $275,000 in the Financial Data Service industry, whereas the network communication equipment industry is twice as much, $560,000, while the revenue per employee for the electronic and office equipment wholesalers is double that figure at $1.2mn (Fortune.com, 2008).

Thus, if one thinks about what would most likely trigger a sales manager to engage in a particular SMP, then we would argue that the size of the sales force would be a better indicator of the SMPs sales managers would engage in. It would seem somewhat logical to assume that the larger the sales force, the more complicated the management issues involved in managing it would become. For example, a large sales force would likely involve more complicated organizational, training, supervision, evaluation and control issues and thereby result in more extensive use of sales practices related to these areas by sales managers. In fact, Oliver and Anderson (1994) and Krafft (1999) both found that the size of the sales force to be negatively related to the extent that behavior-based controls are used. Hill (2001) posits that a sales orientation is a central aspect of marketing in small firms. This argument makes sense, as small firms are driven by a life and death struggle to continuously make sales (Parrott *et al.*, 2010). Given the above, the current study used sales force size. However, as we know from the existing literature, other variables such as environmental, organizational and personal factors would also exert influence on the use of SMPs.

Finally, there has been some research looking at specific groups of SMPs, for example, Gordon *et al.* (2012) examined training practices and updated what is known about how sales

managers have been trained. Schmitz *et al.* (2014) looked at how sales managers' supervisory experience affects cross-selling performance. In actuality, all of the work initiated by Anderson and Oliver (1987) relates to how and what sales managers do directly or indirectly. Numerous other papers exist, but they generally examine one small facet and do not examine the specific groups of behaviors used in this study or past studies.

Sales management practices investigated

To examine some of the issues we raised above, we used the same managerial tools and practices used by Dubinsky and Barry (1982) along with the addition of items relating to the use of sales technology. Thus, the current study examined the use of SMPs in the following seven key managerial areas as identified by Dubinsky and Barry (1982): sales planning, organization, selection, training, sales compensation, supervision and evaluation, control of sales force performance and the addition to the current study of one new category reflecting sales technology. The portion of the survey identifying the SMPs examined is included in the Appendix of this article. As can be seen from the survey in the Appendix, specific examples of the SMPs scrutinized included sales forecasting techniques, types of quotas used, selection methods in hiring, types of training conducted, compensation methods used and how sales technology was used.

Methodology

Questionnaire

The data for this study were collected using a modified version of the questionnaire used in Dubinsky and Barry's (1982) study. As the Dubinsky and Barry (1982) study was before many of the developments in sales force technology now commonly available to sales managers, four additional questions were added dealing with the use of sales force technology. Therefore, the questionnaire consisted of 68 items relating to the usage of SMPs [64 items from the Dubinsky and Barry (1982) study and four new items] and several questions regarding the respondents' and their firms' characteristics. As in the Dubinsky and Barry (1982) study, respondents were asked to respond to how extensively they used each of the SMPs listed. As in the original study, a seven-point Likert-type scale was used with 1 representing "Not at All", 4 being "Moderately" and 7 being "Extensively". However, for analysis purposes, we grouped the responses into three groups as noted below in data analysis.

Sample

The sample of 1,000 sales executives, those holding managerial positions in sales, was drawn from *Selling Power* magazine's database of subscribers. The respondents provided their answers via an online survey. A total of 209 responses were fully completed at 95 per cent completion or better (Little and Rubin, 1989; Acuna and Rodriguez, 2004) as to the use of SMPs and those will be reported in total. However, only 159 responses reported company size in terms of salespeople, so those 159 were the basis for comparisons across company size. Thus, the overall response rate was 20.9 and 15.9 per cent for size comparisons. Table I details the characteristics of the sample. As shown in Table I, the sample included firms with revenue from $300,000 to several billion annually, with the median being $20mn. The average age of the respondents was 47, and most were male (85 per cent). Table II provides details on the industries included in the study with the most prevalent industry respondents being from services. The information for the study was gathered online in just a few weeks, but adhering to Armstrong and Overton's (1977) protocol, early and late respondents were compared and revealed no significant differences. Thus, while the response rate is not particularly high, non-response bias was not indicated using that methodology.

Data analysis

To examine the extent to which each SMP is currently being used, we calculated the frequencies, in terms of extent of use, for each SMP into the three categories: not used at all or very limited (1-2), moderate use (3-5) and extensive use (6-7). These results – along with the means for each SMP – are shown in Table III. The individual SMPs are reported. Standard deviations to indicate variance are shown in parentheses. This analysis resulted in a reduction in variance, as the means were computed based on three compressed groups rather than the seven response categories indicated on the questionnaire.

Similar to Shipley and Jobber (1994), the sample was divided into groups based on sales force size. Three groups were found to capture the sales force size variation: 1-6 sales representatives (35.7 per cent of sample), 7-25 sales representatives (31 per cent) and over 25 sales representatives (33.3 per cent).

Table I Characteristics of the sample

Median sales revenue	$20mn (range $300,000-$40bn)
Age	47 years (range 26-70)
Average years in sales management	13
Average years in current position	4
Gender	85% male
Education	66% hold college degree or more

Table II Industry profiles

Industry	Frequency	(%)
Services	47	22.5
Manufacturing	28	13.4
Wholesaling	19	9.1
Finance and insurance	12	5.7
Transportation	8	3.8
Construction	5	2.4
Retailing	3	1.4
Public administration	1	0.5
Other industries	46	22.0
Missing	*40*	*19.1*
Total	209	100

Table III Usage of sales management practices

Item	Sales management practice	Overall mean	% of respondents replying		
			Not at all	Somewhat	Extensive
1	Forecasts set by top executive opinion	4.65	16.3%	44.6%	39.2%
2	Forecasts set by salespeople	4.60	13.4	49.3	37.4
3	Forecasts set by statistical methods/models	3.26	43.0	42.1	14.8
4	Forecasts set by current or potential buyers	3.49	36.3	45.9	17.9
5	Sales volume quotas	5.25	10.3	33.7	56.1
6	Adjusting quotas for variations in salespeople's territories products or customers	4.51	21.9	38.4	39.8
7	Profit quotas	4.10	28.0	41.1	30.9
8	Activity quotas	4.06	27.0	42.5	30.4
9	Expense quotas	3.48	41.9	36.5	30.7
10	Organization of sales force by territorial geographical specialization	4.92	15.7	34.9	49.5
11	Organization of sales force by a combination of product class customer class or territorial geographical specialization	4.01	30.3	40.9	28.7
12	Organization of sales force by product class specialization	3.58	35.7	41.8	22.5
13	Organization of sales force by customer class specialization	3.66	36.0	41.1	22.8
14	Personal interviews as a selection tool	5.69	8.5	22.2	69.1
15	Application blanks as a selection tool	3.30	44.2	38.6	17.2
16	Personal reference checks as a selection tool	4.62	15.6	44.6	39.9
17	List of job qualifications as a selection tool	5.04	9.7	44.1	46.2
18	Job descriptions as a selection tool	4.89	11.2	45.5	43.4
19	Psychological tests as a selection tool	3.46	44.8	28.4	55.2
20	Credit reports as a selection tool	2.61	58.0	32.0	9.8
21	Product knowledge training	5.47	7.2	35.0	57.7
22	Field on the job training	5.55	7.2	27.8	64.9
23	Selling skills training	4.99	12.0	42.3	45.8
24	Market competition training	4.36	16	56.2	27.8
25	Company information training	4.94	8.8	47.1	44.0
26	Sales manager as a trainer	5.08	11.8	36.1	52.0
27	Senior salesperson as a trainer	4.38	20.2	45.0	34.8
28	Full-time staff sales trainer	2.76	60.9	20.6	18.5
29	Outside training consultant	3.18	45.1	35.8	19.2
30	Establishment of training program objectives	4.19	26.3	41.2	32.5
31	Evaluation of training program effectiveness	3.97	27.2	46.5	26.2
32	Combination compensation program	5.31	13.7	26.5	59.8
33	Bonus as part of compensation	4.93	19.8	28.1	52.4
34	Straight salary	2.33	65.1	26.4	8.5
35	Straight commission	2.67	61.3	21.5	17.2
36	Draw as part of compensation	2.50	60.4	28.8	10.9
37	Incentive pay based on sales volume	4.86	19.2	28.2	52.7
38	Incentive pay based on profit	3.45	43.5	28.3	28.2
39	Incentive pay based on activities/tasks performed	2.78	52.7	34.4	13.5
40	Establishment of compensation program objectives/goals	4.61	19.4	37.6	43.0
41	Evaluation of compensation program effectiveness	3.78	32.3	38.7	29.1
42	Unlimited payment plan full reimbursement receipts and expense reports submitted	5.02	18.1	22.6	59.3
43	Expense plan with adjustments for variations	3.11	46.0	39.2	14.8
44	Limited payment plan advance lump sum for all expenses for a given time period	1.87	77.4	17.4	5.1
45	Salespeople pay all their own expenses	1.86	80.8	11.3	8.0
46	Honor system full reimbursement neither receipts nor expense reports submitted	1.29	93.8	5.0	1.1
47	Flat allowance plan fixed sum per expense item	1.93	75.0	18.8	6.3

(*continued*)

Table III

Item	Sales management practice	Overall mean	% of respondents replying		
			Not at all	Somewhat	Extensive
48	Salespeople's expense reports as a supervisory tool	3.13	47.4	35.5	17.1
49	New business reports filed by salespeople as a supervisory tool	3.31	42.8	36.6	20.6
50	Sales manager coaching/curbstone conferencing with salespeople	4.55	18.2	40.0	41.7
51	Call activity reports as a supervisory tool	4.35	23.9	39.2	36.9
52	Management by objectives MBO as a supervisory tool	4.13	24.0	46.9	29.1
53	Salespeople's planning reports as a supervisory tool	4.12	15.9	56.1	27.8
54	Lost business reports filed by salespeople as a supervisory tool	3.13	46.6	35.3	18.2
55	Evaluation of sales volume performance	5.62	7.0	27.3	65.7
56	Evaluation of personal characteristics	4.10	24.3	54.4	21.4
57	Evaluation of post-selling activities	4.19	23.2	51.8	25.0
58	Evaluation of profit performance	4.16	28.1	40.4	31.6
59	Evaluation of pre-selling activities	4.26	25.6	43.0	31.4
60	Sales and cost analysis by sales territory	4.12	30.7	34.7	34.7
61	Sales and cost analysis by product	3.94	32.7	39.3	28.4
62	Sales and cost analysis by customer	3.85	33.9	42.0	24.1
63	Return on investment analysis of market segments	3.46	39.4	41.0	19.7
64	Sales and cost analysis by order size	3.16	44.5	40.5	15.0
65	Sales technology to access information	4.99	13.7	38.5	47.7
66	Sales technology to analyze information	4.72	17.9	38.2	43.9
67	Sales technology to communicate information	4.87	14.9	39.1	45.9
68	Sales technology to monitor salespeople's performance	4.75	17.8	37.3	44.9
1-9	Sales planning	4.12	17.8	56.6	25.6
10-13	Organization	3.82	26.0	39.4	34.6
14-20	Selection	3.94	20.7	40.8	38.5
21-31	Training	4.11	18.8	33.1	48.1
32-47	Compensation and expenses	2.88	43.3	23.5	32.2
48-59	Supervision and evaluation	1.83	41.8	29.8	28.4
60-64	Control of sales performance	1.93	33.7	13.0	51.4
65-68	Sales technology	2.43	35.6	13.0	51.4

Analysis of variance (ANOVA) was used to explore the mean differences across the sales tools/practices that firms might use. Scheffe (1959) post hoc tests were used to detect differences between individual pairs or clusters of groups. Table IV provides a comparison of the findings of the original study by Dubinsky and Barry (1982) and this study. Discussion of these results follow.

Discussion of results

As previously stated, our research had several purposes: first, to examine the extent to which various SMPs are currently being used by sales managers, both in total and by firm size; and second, to provide some insight into how and whether SMPs have changed over the past 30+ years. Results of our analysis provide interesting perspectives relative to each of these items.

As Table III shows, there was a considerable amount of variability in terms of the extent of use of each of the various SMPs. The highest reported usage as indicated by the mean score was 5.69 which related to using personal interviews as a selection tool. Only 18 respondents reported not at all or very limited usage of personal interviews. Having an honor system for expenses had the lowest mean, 1.29, with only two respondents reporting heavy use of this compensation practice.

Of the eight areas of SMPs examined, SMPs related to sales compensation and expenses were used by the fewest respondents. Only two other areas, selection and training, were found to have SMPs that were not used by at least 50 per cent of the respondents. With respect to selection, 58 per cent indicated they did not use credit reports as a selection tool, and with respect to training, over 60 per cent indicated they did not use a full-time trainer (Item 28).

While there was quite a bit of variability in the extent of use in the other five areas (sales planning, organization, supervision and evaluation, control and sales force technology), all SMPs for these areas were used by at least 50 per cent of the respondents.

Results for sales force technology revealed that despite all the literature citing the benefits of sales force technology, sales force technology was cited as being used extensively by less than 50 per cent of the respondents on all four items relating to its use. This was an unexpected result, given the huge investments companies have made in technology to support sales and marketing efforts. Agnew (2000) points out that the total market for customer relationship management software in 2000 was nearly $13bn and of that, sales force automation

Table IV Comparison of significant findings of Dubinsky and Barry (1982) with current study regarding SMP use by large versus small firms

SMP	Dubinsky and Barry (1982)	Current study
Sales planning tools and practices		
Forecast set by top executive opinion	Not significant	Significant
Forecast set by salespeople	Significant	Not significant
Sales volume quotas	Not significant	Significant
Expense quotas	Not significant	Significant
Organizational practices		
Organization of sales force by geography	Not significant	Significant
Organization of sales force by combination of product class, customer class or geography	Significant	Significant
Organization of sales force by customer class	Significant	Significant
Selection tools and practices		
Job descriptions in selection	Significant	Significant
Credit reports in selection	Significant	Not significant
Sales training tools and practices		
Product knowledge training	Not significant	Significant
Selling skills training	Significant	Not significant
Market and competitor training	Significant	Not significant
Company information training	Significant	Not significant
Full-time staff trainer	Significant	Significant
Establishment of training program objectives	Significant	Significant
Evaluation of training program effectiveness	Significant	Not significant
Compensation and expense plan tools and practices		
Combination compensation programs	Not significant	Significant
Unlimited payment plans	Not significant	Significant
Supervisory and evaluation tools and practices		
Management by objectives	Significant	Not significant
Evaluation of personal characteristics	Significant	Not significant
Evaluation of profit performance	Significant	Not significant
Evaluation of pre-selling activities	Significant	Not significant
Salesforce performance control practices		
Sales and cost analysis by customer	Significant	Not significant

(SFA) systems accounted for $2bn. However, perhaps these results are not all that surprising, according to Barker *et al.* (2009), adoption failure of SFA systems is fairly common because of the extensive organizational change required in implementing them.

The results clearly show that some SMPs are used by very few sales managers (less than 25 per cent) and many more that are used by only roughly 50 per cent of the respondents. It is a clear indication that not all SMPs, cited in previous research, are currently being used as extensively as may have previously been thought. In fact, no single item was identified as being extensively used by more than 70 per cent of the respondents. Of course, this may be a result of the 68 different SMPs chosen for this study, but it does clearly indicate that there is a great deal of variability in the use of SMPs. Obviously, additional research is needed to examine additional SMPs. Also, the current study only examined each SMP's extent of use, and while inferences can be drawn from those results regarding the perceived importance of each SMP, we did not ask respondents to identify an importance level for each SMP.

Table IV provides a comparison of Dubinsky and Barry's (1982) findings with those of our study. Two things should be noted when examining their findings relative to the current study's results. First, as previously noted, Dubinsky and Barry (1982) looked at the use of sales force management practices based on the size of company using revenue as the surrogate for company size. In the current study, we used the number of salespeople or sales force size as the more appropriate measure for company size when examining SMPs. Second, in conducting their analyses, Dubinsky and Barry used only top box scores in making their comparisons between small and large firms in conducting their *z*-tests. We used ANOVA in conducting our analysis and did not use solely top box scores in testing for differences.

However, despite these differences, a comparison of the findings still holds merit and offers some interesting insights. Table IV provides a summary comparison of the two studies results. Overall, the Dubinsky and Barry (1982) study resulted in 16 significant findings over six areas versus our study's 12 significant findings (ungrouped) over all seven areas

(Dubinsky and Barry's study had only seven areas, as they did not examine sales force technology). Interestingly, only five of the significant findings of the two studies coincided. These were all in just three of the seven SMP areas identified, namely, organization, selection and training. Both studies found that larger firms made more extensive use of organization of sales force by a combination method as well as by customer class. Both studies found that larger firms make more extensive use of job descriptions in their selection process than smaller firms. Both studies also found, not surprisingly, that larger firms made more extensive use of a full-time staff trainer and also that they made more extensive use of established training program objectives.

Our current study found a number of significant findings that did not appear in Dubinsky and Barry (1982). With respect to sale planning tools and practices, our study found that larger firms make more extensive use of quotas (both sales volume and expenses) than smaller firms. In addition, top executive opinion forecasting was more prevalent in larger firms. We found no difference between the size of a firm and its use of salespeople to forecast, whereas the original found a difference. We speculate that as noted in the list mentioned earlier in this paper, soaring costs and budgets may be more prevalent in firms with larger sales forces, thus leading to executives in these larger firms being more involved in forecasting and budget issues.

Next, in terms of organizational practices, limited change is evident with the exception of more use of geography to organize the sales force in larger firms. This may be in part because of larger firms having larger customer bases spread across wider geographic areas.

With regards to selection tools and practices, the use of credit reports is limited. Hence, there were no differences related to the size of firm. Perhaps with so much other data easily available on prospective salespeople, credit reports are not seen as providing as much insight into a prospective salesperson's capabilities.

We also found that large firms made more extensive use of product knowledge in their training. This was not found to be significant in the Dubinsky and Barry study. This difference may be, in part, a reflection of the challenges and changes previously noted. Specifically, in terms of the increasing customer expectations, the move toward more relationship/consultative selling and soaring sales costs, smaller firms are likely to have reduced resources to commit to product knowledge training. This is also reflected in the fact that selling skills training, market and competitive training and company information training are not significantly different between large and small firms. Also, training evaluation is not significantly different between small and large firms, indicating a move toward more analysis of this training investment by smaller firms.

The data demonstrated that large firms make greater use of a combination compensation plan for their salespeople and are also more apt to have unlimited payment plans. Again, the soaring sales costs and budget cuts previously noted may be having a more dramatic impact on smaller firms and be the cause of this particular difference in the findings.

The greatest number of differences in terms of significance findings in the current study was in the area of supervisory and evaluation tools and practices. It would appear that smaller firms have moved toward the greater usage of these tools. This result is not surprising, given all the challenges/changes in terms of soaring sales, budget cuts, increasing customer expectations and various sales processes.

Interestingly, one area not examined in the Dubinsky and Barry (1982) study, where we expected to find SMPs differences in extent of use, was in the use of sales force technology. However, our analysis yielded no significant differences across firms regardless of the size of their sales force. Logically, one might think that firms with smaller-sized sales forces would make considerably less use and have considerably less need for sales force technology; however, no significant differences were found across the different sized sales forces. This was surprising, given that as the list notes, various authors have indicated that technology changes are a major challenge. Yet it seems that both smaller and larger companies are struggling with the level of usage of sales technology as suggested in Table III.

Managerial implications

As past research has consistently demonstrated (Anderson *et al.*, 1999; Smith and Rutigliano, 2003; Deeter-Schmelz *et al.*, 2008), sales managers play an important role in the success of their salespeople. The current study reveals the range of tactics – or SMPs – that sales managers could use to improve the performance of their sales organizations and achieve this success. In addition to defining the domain of potential SMPs, the results show their relative popularity in today's sales organizations. Consequently, this study provides a framework that sales managers can use to assess how their approach to sales management compares to the norm in the areas of planning, organization, selection, training, compensation, supervision, technology and control of performance. This is important, as firms and managers should to give serious thought as to which practices they choose to use and invest in. At the same time, sales managers should analyze the results and question if current use of SMPs is appropriate.

A second managerial implication of this is that sales managers need to consider why so few are making "extensive use" of sales force technology in managing their sales forces. With the changes that have occurred and the challenges sales managers are facing, sales force technology offers sales managers and their sales teams assistance in addressing several of these challenges/changes. We have seen how technology improves a salesperson's relationship building (Hunter and Perreault, 2006, 2007), affects sales efforts (Rapp *et al.*, 2008) and influences adaptive selling abilities and knowledge (Ahearne *et al.*, 2008). Thus, technology is being used in the field by representatives daily, but it is not as prevalent when it pertains to managing and supporting the function from a sales management perspective. The ability to access information (Item 65), communicate (Item 67) and monitor (Item 68) suggests that it is underutilized by today's sales managers. A partial explanation for why managers may not be making as extensive use of sales force technology as one would think is provided in a recent article by Jelinek (2013). Jelinek (2013) points out that while many companies have made significant investments in sales force automation tools, use of these tools have not resulted in improvements in performance. Successful

use of sales force automation systems requires more than just providing your sales team with the software but clearly communicating what it can, cannot and should not do.

A third implication has to do with the extent and use of different sales forecasting methods and the role of sales and sales management. It is well-known that forecasting is critical for all firms (Blessington, 2016; Gilliand, 2014). Our study suggests the most extensively used method, according to respondents, is the use of sales forecasts set by top executive opinion (Item 1). While certainly of value, the heavy reliance on a subjective qualitative technique such as top executive opinion could lead to forecasts substantially off the mark. As has been well-documented, quantitative forecasting methods typically yield more accurate forecasts (Mahmoud, 1984), which in turn enables sales managers to make better decisions in terms of staffing and set more realistic sales quotas. The role of sales and sales management in forecasting is debated, but given the challenges faced by sales managers, it would seem imperative to include them. In part, we believe that the involvement of top executives in the sales forecasting process reflects the identified challenges of intense global competition, more frequently occurring change and the need for greater accountability. As Alhadeff (2004) points out, engaging the sales organization in the forecasting process is key to developing successful forecasts. He outlines a ten-step process for getting the sales force to provide a better forecast and discusses the importance of ensuring salespeople fully understand the value of forecasts. As he points out, senior leadership needs to actively seek out sales managers and sales input and clearly communicate the importance of forecasting and their involvement in the process.

An additional issue is the continued heavy emphasis on generating sales volume as opposed to profits. This is puzzling as the various sales management challenges identified would seem to suggest that a greater emphasis on profitability is needed. As noted in Table III, sales volume quotas (Item 5) were extensively used by 56.1 per cent of the respondents with an additional 33.7 per cent making moderate use of them. Profit quotas (Item 7) were moderately used by 41.1 per cent and extensively by only 30.9 per cent. The sales over profit mentality is also reflected in incentive pay where 28.2 and 52.7 per cent made moderate and extensive use of incentive pay based on sales volume (Item 37) versus 28.3 and 28.2 per cent making moderate and extensive use, respectively, of incentive pay based on profits as an SMP. The same was true with respect to evaluation of sales volume performance. Clearly, there is a need for firms and sales managers to rethink their sales planning processes to move toward more of a profitability orientation. The continued emphasis on sales over profits may be a legacy from less turbulent times. Both Jackson *et al.* (1983) and Pettijohn *et al.* (2001) found a lack of reliance on profit measures in evaluating salesperson performance. Jackson *et al.* (1983) noted the lack of reliance on profit measures and found that the most commonly used profit measure was net profit dollars but even that was used by only 26 per cent of the responding firms. Pettijohn *et al.* (2001) found that measures of sales volume and profitability used in performance appraisals were not widely available. However, a study by Hawes *et al.* (1995) did note that the use of net profit dollars had increased by 43 per cent, while other profit measures showed more modest increases ranging from 11 to 20 per cent. The real issue here is an accounting issue. Does the firm have the ability in their accounting systems to accurately gauge the profitability of a salesperson? Dickinson and Lere (2003) suggest that activity-based costing offers a way to improve salesperson performance evaluation for firms looking to focus on profits and wanting to more accurately capture impact of a salesperson's activities on firm profits. However, the return on investment of putting such systems in place is often difficult to measure which may account for why the use of these systems in measuring sales performance have been slower to materialize.

Finally, the last implication is that firms who have the resources and relatively large numbers of sales managers should consider studying the use of SMPs within their organizations. Management is always interested in how scarce time is allocated for best effect by the human capital employed in their organizations. Doing such a study might inform those who are concerned with the large expenditures for managing sales on how to better spend their time and money. Such a study that would interest top management might be relatively low in cost and would in effect define an audit procedure that would not only advise compensation, promotion, training and other aspects of sales management but might also be transferable, at least in principle, to other aspects of the firm. There is lots of evidence that firms are interested in competency models for human capital management, and this is essentially an extension of that idea (Boyatzis, 2008).

Limitations

This research study has its limitations. Given the sheer size of the sales management profession, any definitive generalizations from this study should be subjected to further scrutiny and investigation. The sample, which was collected through one professional magazine (*Selling Power*), will have limits, as the data collection method used an electronic medium from single source and, thus, excluded some from participation. Subsequent research on SMPs could benefit from a more expansive sample size across a multitude of data collection avenues. Additionally, while many industry sectors were represented in the sample collected, future studies would be enhanced if increased sample size was achieved across all segments. While this study added technology-oriented questions to the list being explored, there are numerous additional current SMPs that could have been included. The technology-oriented indicators were limited and general. Clearly, additional and more specific measures of technology could be used in future research.

Future research

This research looked at which SMPs are being used today and compared them with the SMPs examined by Dubinsky and Barry (1982) overall and in terms of size of the firm. It yielded a number of useful insights into SMPs while, at the same time, generating a number of additional questions in need of further study. Some of these questions can be directly drawn from the research results, others are indirect. First, while the current study examined the impact of sales force size with respect to the use of SMPs, there are no doubt other factors such as

industry or type of sales (product versus service or consumer versus business-to-business) that might impact or determine which SMPs are used and if so, how strong is their impact? Moreover, are some SMPs better suited to different types of firms than others?

Second, the current study looked at the extent of use of each SMP; it did not look at the perceived importance of the various SMPs used or their impact on sales performance. Do managers perceive some SMPs as more important than others and just how great is the impact of various SMPs on sales performance?

Third, as can be seen by a comparison of the current study's findings and those of Dubinsky and Barry (1982), the use of some SMPs have changed. But it is equally important to note that most have not. Significant differences in terms of the SMPs used in supervision and evaluation between small and large sales forces appear to have lessened, with both sized sales forces making similar use of particular SMPs in this area. Multiple changes were also found in terms of training. While clearly, SMP usage changes with time, additional research is also needed to examine to determine what other factors affect the usage of different SMPs. As is clear from the list provided in this paper, various authors have noted that sales management is facing a number of significant changes and challenges. To date, no research has explicitly linked these changes and challenges to the specific sales management practices used by firms.

Also, while 68 SMPs were examined, this clearly does not represent all the SMPs in existence. Additional research is needed to identify additional SMPs and examine their usage and role in sales management and their impact on sales performance. In our opinion, even though Dubinsky and Barry's (1982) SMPs were culled from a variety of independent sources (see their list of challenges/changes), they are in fact interdependent. SMPs represent a prime opportunity for a grounded theory study to attempt to ascertain the "whys" of certain practices. While a comprehensive study was done by Lambert *et al.* (2009) on sales competencies, their methodology provides the how but not the why, and we need to understand not only what sales managers need to be able to do, but also why.

SMPs related to technology are the least developed area in this study. Given they were new, future research needs to expand these in line with the other SMPs.

Finally, a limitation of this study and most of the work that has gone on before is its use of a US sample and, therefore, does not shed any light on SMPs in other parts of the world. For example, while Piercy *et al.* (2004) used some European examples and Ford *et al.* (2003) and Guenzi and Geiger (2011) also provide detail on practices outside of the USA, we have no work to date on the impact of culture on SMPs.

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Appendix

Sales Management Practices Measured

How extensively do your sales department personnel use or perform each of the following sales management tools or practices?
(circle one number from 1 to 7 beside each item)

	Not at all			Moderately			Extensively
1. Forecasts set by top executive opinion	1	2	3	4	5	6	7
2. Forecasts set by salespeople	1	2	3	4	5	6	7
3. Forecasts set by statistical methods/models	1	2	3	4	5	6	7
4. Forecasts set by current or potential buyers	1	2	3	4	5	6	7
5. Sales volume quotas	1	2	3	4	5	6	7
6. Adjusting quotas for variations in salespeople's territories, products, or customers	1	2	3	4	5	6	7
7. Profit quotas	1	2	3	4	5	6	7
8. Activity quotas	1	2	3	4	5	6	7
9. Expense quotas	1	2	3	4	5	6	7
10. Organization of sales force by territorial/ geographical specialization	1	2	3	4	5	6	7
11. Organization of sales force by a combination of product class, customer class, or territorial/ geographical specialization	1	2	3	4	5	6	7
12. Organization of sales force by product class specialization	1	2	3	4	5	6	7
13. Organization of sales force by customer class specialization	1	2	3	4	5	6	7
14. Personal interviews as a selection tool	1	2	3	4	5	6	7
15. Application blanks as a selection tool	1	2	3	4	5	6	7
16. Personal reference checks as a selection tool	1	2	3	4	5	6	7
17. List of job qualifications as a selection tool	1	2	3	4	5	6	7
18. Job descriptions as a selection tool	1	2	3	4	5	6	7
19. Psychological tests as a selection tool	1	2	3	4	5	6	7
20. Credit reports as a selection tool	1	2	3	4	5	6	7
21. Product knowledge training	1	2	3	4	5	6	7
22. Field/on-the-job training	1	2	3	4	5	6	7
23. Selling skills training	1	2	3	4	5	6	7
24. Market/competition training	1	2	3	4	5	6	7
25. Company information training	1	2	3	4	5	6	7
26. Sales manager as a trainer	1	2	3	4	5	6	7
27. Senior salesperson as a trainer	1	2	3	4	5	6	7
28. Full-time (staff) sales trainer	1	2	3	4	5	6	7
29. Outside training consultant	1	2	3	4	5	6	7
30. Establishment of training program objectives	1	2	3	4	5	6	7
31. Evaluation of training program effectiveness	1	2	3	4	5	6	7
32. Combination compensation program	1	2	3	4	5	6	7
33. Bonus as part of compensation	1	2	3	4	5	6	7
34. Straight salary	1	2	3	4	5	6	7
35. Straight commission	1	2	3	4	5	6	7
36. Draw as part of compensation	1	2	3	4	5	6	7
37. Incentive pay based on sales volume	1	2	3	4	5	6	7
38. Incentive pay based on profit	1	2	3	4	5	6	7
39. Incentive pay based on activities/tasks performed	1	2	3	4	5	6	7
40. Establishment of compensation program objectives/goals	1	2	3	4	5	6	7
41. Evaluation of compensation program effectiveness	1	2	3	4	5	6	7
42. Unlimited payment plan (full reimbursement; receipts and expense reports submitted	1	2	3	4	5	6	7
43. Expense plan with adjustments for variations	1	2	3	4	5	6	7
44. Limited payment plan (advance lump sum for all expenses for a given time period)	1	2	3	4	5	6	7
45. Salespeople pay all their own expenses	1	2	3	4	5	6	7
46. Honor system (full reimbursement; no receipts nor expense reports submitted)	1	2	3	4	5	6	7
47. Flat allowance plan (fixed sum per expense item)	1	2	3	4	5	6	7
48. Salespeople's expense reports as a supervisory tool	1	2	3	4	5	6	7
49. New business reports filed by salespeople as a supervisory tool	1	2	3	4	5	6	7
50. Sales manager coaching/curbstone conferencing with salespeople	1	2	3	4	5	6	7
51. Call/activity reports as a supervisory tool	1	2	3	4	5	6	7
52. Management by objectives (MBO) as a supervisory tool	1	2	3	4	5	6	7
53. Salespeople's planning reports as a supervisory tool	1	2	3	4	5	6	7
54. Lost business reports filed by salespeople as a supervisory tool	1	2	3	4	5	6	7
55. Evaluation of sales volume performance	1	2	3	4	5	6	7
56. Evaluation of personal characteristics	1	2	3	4	5	6	7
57. Evaluation of post-selling activities	1	2	3	4	5	6	7
58. Evaluation of profit performance	1	2	3	4	5	6	7
59. Evaluation of preselling activities	1	2	3	4	5	6	7
60. Sales and cost analysis by sales territory	1	2	3	4	5	6	7
61. Sales and cost analysis by product	1	2	3	4	5	6	7
62. Sales and cost analysis by customer	1	2	3	4	5	6	7
63. Return on investment analysis of market segments	1	2	3	4	5	6	7
64. Sales and cost analysis by order size	1	2	3	4	5	6	7
65. Sales technology to access information	1	2	3	4	5	6	7
66. Sales technology to analyze information	1	2	3	4	5	6	7
67. Sales technology to communicate information	1	2	3	4	5	6	7
68. Sales technology to monitor salespeople's performance	1	2	3	4	5	6	7

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