

Sales Force Automation - An Imperative Tool in Sales Function

Dr. Avinash Joshi* and Dr. Chetan Chaudhari**

**Professor, Sinhgad Business School, Pune, Email-Avinash.sbs@sinhgad.edu*

***Director, Sinhgad Business School, Pune*

Introduction:

Marketing and selling are two important functions for any organization. In fact, both these functions are to be carried out by all the profit making organizations. In this paper we intend to discuss various aspects related to Sales Force Automation with respect to sales function in an organization.

The sales function is very dynamic in nature and is evolved with continuous innovations in it. After the introduction of computers the technology of it has been a great help to various functions in the business. One such development in technology has helped the sales function in last few years is Sales Force Automation.

Objectives of research study:

The present paper aims to discuss following areas.

1. To understand the concept of Sales Force Automation
2. To understand various tool or components used in Sales Force Automation process
3. To construct Sales Force Automation Process
4. To discuss importance and purpose of SFA program
5. To discuss advantages and constraints (challenges) with SFA program

1. Sales Force Automation: For any organization the sales force plays an important role of selling the product range or services to their customers. They are the people who are in direct contact with customers. They acquire important information about customers, competitors, markets and other information related to sales activities. This information earlier was remaining with them unless it was totally shared with the organization. After the introduction of computer technology this problem is solved to a great extent. The Information technology service

providers realized the importance of this and developed software to transfer all the relevant information from a sales person to his organization. The software developed in such manner help sales people, their sales department and overall organization to accumulate the information in the form of sales and customer related data. Over last few years such software developed which is basically useful for sales department and sales force is named as 'Sales Force Automation'. Basically Sales Force Automation provides a mechanism for collecting, storing, analyzing and distributing sales and customer related data to the sales people in an organization.

In last one decade many software developer companies have designed the Sales Force Automation software and it is widely used in almost all the industries and sectors where sales is an important function. Earlier SFA programme was aimed at improving sales force productivity and helping them to document their daily sales records, report calls, sending necessary information to their headquarters or regional offices. Later on the usage of this software were expanded to larger interest of an organization as developing customer relationship and ultimately improving customer satisfaction.

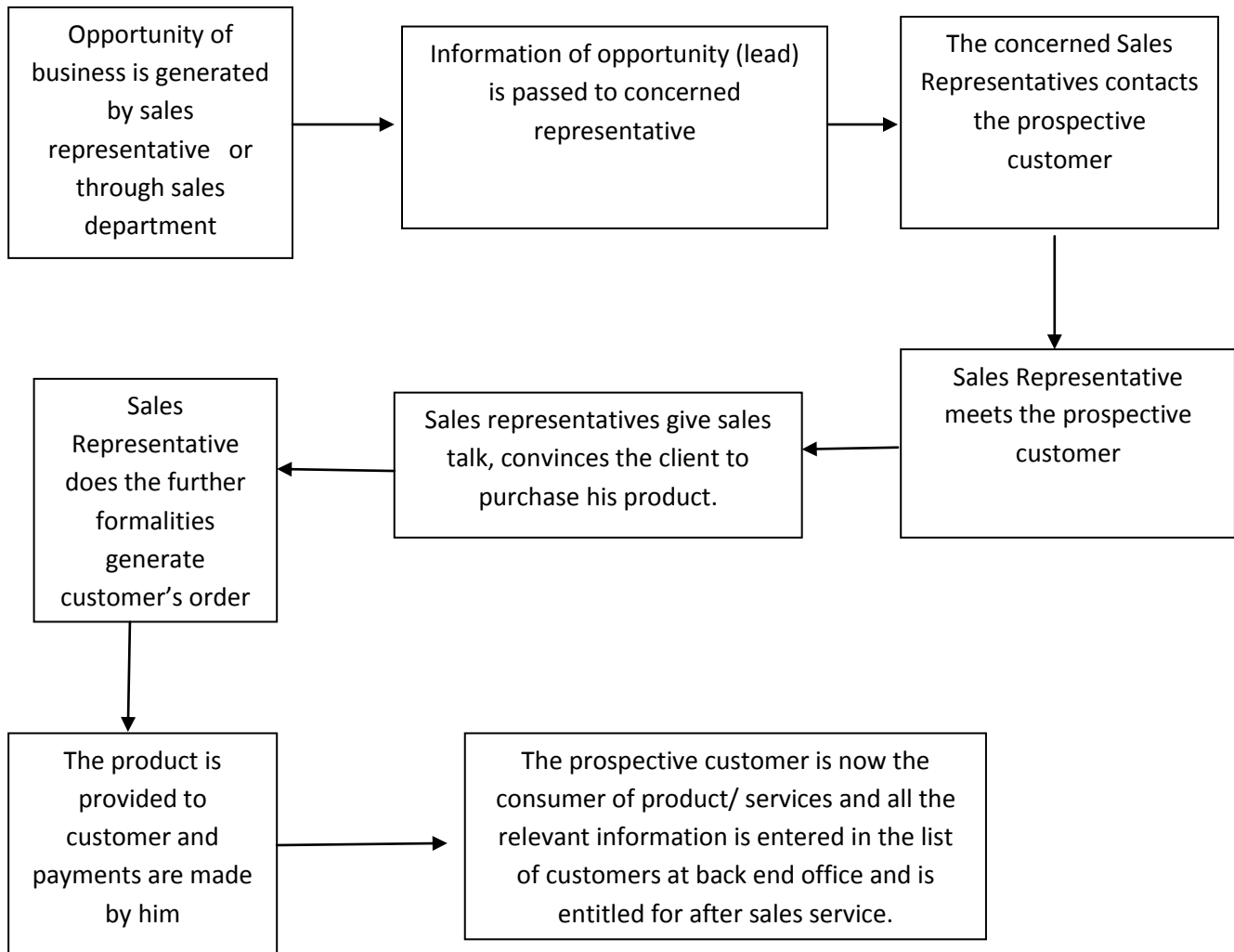
Some of the important Sales Force Automation definitions are as follows,

- (i) It is the automation of sales activities within an organization. (Techweb 2003, Ammenhours 2002, Gilbert 2002)
- (ii) It is the use of computer hardware, software and telecommunication devices by sales people in their selling and / or administrative activities. (Morjan et al 2001)
- (iii) SFA systems utilize computerized hardware and software to provide automated collection, assimilation, analysis and distribution of information to improve sales force activity (Morgan and Inka 2001)
- (iv) SFA system consists of centralized database system that can be accessed through a modem by a remote laptop computers using special SFA software, so that a sales person can send constantly refreshed information regarding various aspects of the job. (Parthasarathy and Soni 1997)
- (v) SFA supports the sales process by improving the speed and quality of information flow among the sales persons, customers and organizations. (Spier and Venkatesh 2002)

Therefore we can say that, SFA is the application of information technology to sales function for better productivity and increased customer satisfaction.

2. Sales Force Automation Process: Before understanding Sales Force Automation process, it is essential to know the basic sales process. The normal business process can be studied as follows.

Fig. 1: Basic sales process



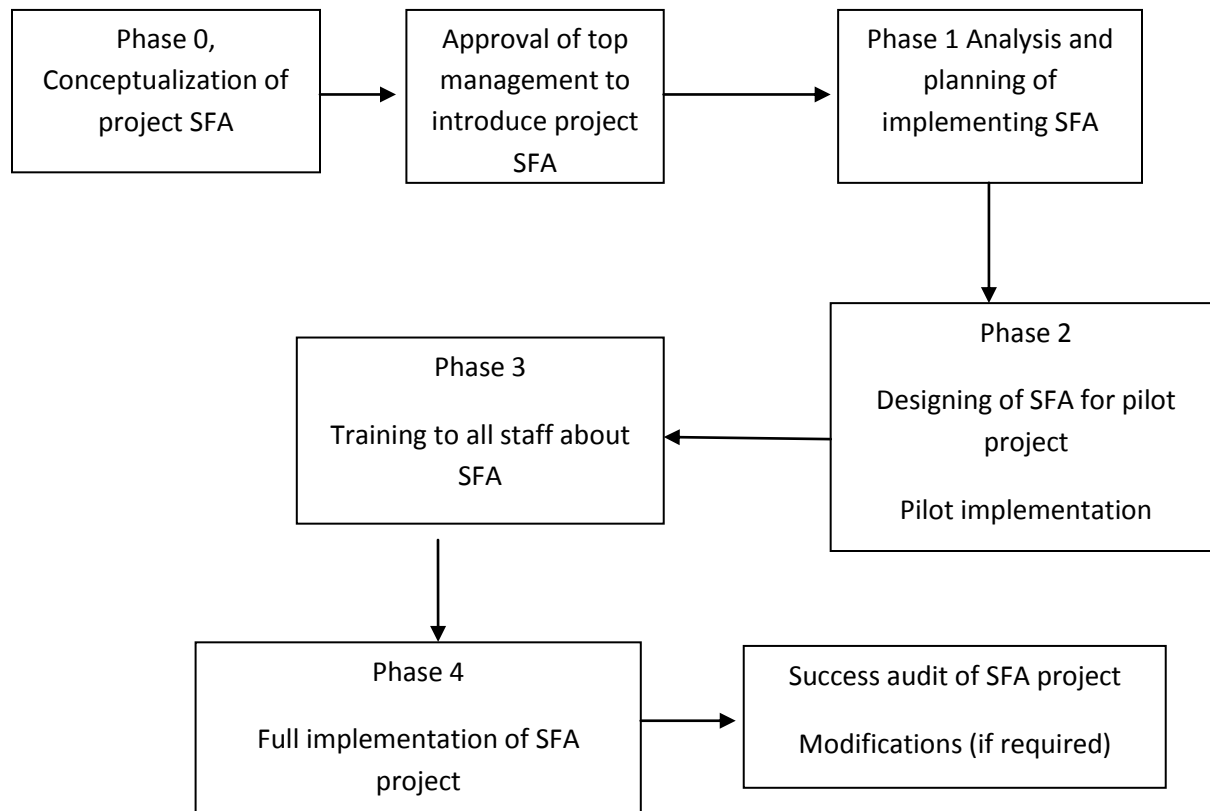
SFA Process – Major objectives for any organization to implement Sales Force Automation process include following,

- (i) To increase the accuracy of sales forecast to help sales department for managing various activities.
- (ii) To increase the focus of organization on core areas of business or markets.
- (iii) To reduce the length of sales cycle.
- (iv) To ensure quicker response to enquiry.

(v) To offer customer friendly after sales service.

The implementation of SFA process involves many steps and phases which are discussed as follows.

Fig. 2: Typical process of SFA



(i) Phase 0, conceptualization and initial screening of project SFA - - This phase is beginning of the project. In this phase the software program Sales Force Automation is conceptualized and initial activities like vendor approach, vendor initial presentations (briefing about the projects) are carried out. In this phase briefing to senior management on all details about SFA is carried out. Also, for better implementation of SFA, facts and figures are studied regarding companies products, customers, channel partners and other stakeholders including marketing and sales departments. Software installation and other costs are put forth in front of senior management. Finally the proposal is ready.

(ii) Approval from top management – In this step the top management of organization takes a review and study entire project to be implemented in detailed manner. They also study the

impact of project implementation from long term strategic perspective. They also conduct cost benefit analysis from entire organization's point of view. After a final decision they give nod to the software implementation.

(iii) Phase 1, Analysis and planning of implementing SFA – In this phase the approved program for SFA implementation is further taken forward in consultation with all the departments. Also the requirement of sales and other interfacing departments from SFA program is assessed and various processes are standardized and further planning is done for the implementation of software. Various objectives are also set while planning process is done.

(iv) Phase 2, pilot implementation – In this phase all key elements of the plan are defined also the entire software program outlines roles, duties and activities carried out by each in the organization. Here the major course of activity involves building all technical aspects of making SFA system and process operational. The software is customized as per specific requirement of the sales department. If the organization is very large then pilot SFA may be tested at one specific branch or unit and once satisfactory results are obtained then entire pilot project can be rolled out at larger level in the organization. The pilot implementation help in identification of problems, gaps developed, if any, during development of software.

(v) Phase 3, SFA training -- The installed software program is tested and a successful pilot program is carried out. After removing gaps final software is ready to launch at all levels. In this step the most important task of staff training - towards how to use software? Is conducted at various levels. The training program is aims at effective usage of program. Initially top management understands the new system regarding usage, generation of data, reports and other technical aspects of SFA. Then training is usually given to middle management and most importantly to sales department as they use the software to a great extent. Therefore workshops can be arranged to prepare all staff related to sales management. Also front end people (those who are in continuous communication with customers) are also to be trained in detailed manner about various aspects of the software. Front end staff gets frequent opportunity to interact with customers, so they play a crucial role in implementation of SFA program. A special briefing has to be done to staff of other departments like finance, marketing, manufacturing, logistics etc. The training phase ensures that it creates a sound platform to give full benefit from the installed system to sales and other departments. Also the main aim of training is to eradicate the fear in the mind of staff of using new system and makes them aware and convinced towards benefits derived from using the software.

(vi) Phase 4, Full implementation of software - In this phase the entire sales department including field sales staff and other departments start using SFA program. In this phase the software is exposed to real situations. The software starts generating data and reports as per data generation and data feeding in the system. After specific period a review is taken by the team

who is involved in the software implementation program and the top management is informed about the observations regarding functioning of software program.

(vii) Success audit - This phase is the final stage of SFA implementation program. In this phase an opinion of all stakeholders is taken regarding usefulness and functioning of SFA system. The users are asked towards their opinion of satisfying the objectives set with respect to SFA program. At the end wherever found necessary, modifications and rectifications are done in the software program.

Essential factors for successful implementation of SFA program:

Any new addition in process or technology is always challenging to implement and more importantly to get successful results out of it. In any organization, it is the combination of technology and human efforts make successful launch of any new software technology. There are some basic aspects which should be considered as for successful SFA process. They are briefed as follows.

(i) Well defined objectives - Any business activity should be aimed at accomplishing some basic objectives and should end in measurable results. In SFA implementation, results represent actual accomplishment generated by the SFA process once it is fully operationalised. It is very necessary that expected results are well defined while setting the SFA process. Those results could be measured in qualitative and quantitative manner. For example, an organization can have following objectives while implementing SFA program.

- a) To reduce overall sales cycle from three weeks to two week.
- b) To increase average sales productivity of sales representative by 10 % for next two years.
- c) To increase customer satisfaction and thereby retention of customer.
- d) To increase sales forecast accuracy by 10 %.

(ii) Attitude of staff –Usually, it has been observed that when new technology is introduced initially people resist to accept and use it. Once they understand the benefits and importance like ease of use, convenience, user friendly time saving and more important performance improving, they adopt it and start using the technology. Similarly, sales force of an organization initially, may find it difficult to adopt and use SFA program, but once they are convinced that they are the employees who are going to benefit most from implementation of program they start using the program with great enthusiasm.

Following example exhibit a typical attitude of staff towards SFA program before and after its implementation.

Table No. 3: Staff Attitude

Before SFA Implementation	After SFA Implementation
I don't require it. I am very successful Sales Representative in my organization.	I think this tool will help me to become more successful Sales Representative in my organization
Now I will justify my less call average in field as I have to be in the office for more administrative work.	Now SFA helps me to plan my day and daily calls in more systematic manner which should give me better sales results in the field.
The data which I am sending to my office is not at all useful and nobody in the office is going to use it.	The data and information which I am sending should be useful to our after sales department which should be helpful to give better customer services. A happy customer will give me more referrals.
I know, this new system will also vanish like earlier once, introduced in our company.	I am sure that this new technology will increase my performance and help me to grow faster.

(iii) Support of top management – It is very much essential that the senior executives and management organize training workshops for all concerned staff in the organization. Also the support of top management for implementation of new technology is very much required and it should be percolated from their communication. The senior managers from sales department should express their commitment and effective guidelines towards SFA program. In initial days, continuous monitoring is very essential for smooth functioning of the program.

3. Tools or Components of Sales Force Automation:

The Sales Force Automation programme offers a lot of support to an organization with related to various sales activities. The software programs through its various components or tools maintain entire sales process for a company. An individual sales representative can maintain his assigned sales tasks, his achievement, performance, and client related information. This entire information is available at the back office of organization and it keeps such type of information of all sales representatives of the organization.

Thus back office maintains all the important documents related to entire sales cycle. It may include organization's overall sales policy, sales presentations slides / templates, various reports like expense report, daily field report, and various documents related to contract with distributors and whole sellers, data related to industry and competitors and historical data related to each product, customers etc.

For an organization to be effective with respect to sales function lot of activities to be conducted in a methodical manner at various levels in a sales department. The major key players in this department are sales representatives, sales managers, back office staff, sales and support staff and front –end staff. All of them have to play an equal important role in successful sales activity. Therefore to achieve the sales objectives, the Sales Force Automation program is equipped with various functions. The features of them are briefed as follows.

- (i) Lead Management- This tool is also known as 'opportunity management'. This tool helps sales representative to manage the prospective enquiries (leads) in an efficient manner to develop them into future customers. This tool guides various sales strategies to a sales person. It offers support in performing various tasks, maintaining documents related to the lead generated. Also it keeps the details of the communication with the lead.
- (ii) Sales and territory management – For any sales manager to manage his sales territory is always a very challenging. He has to take a review of sales activities conducted by sales representatives in his team and lot of data related to various activities is being sent to him. SFA tool helps him to analyze large data related to sales. Based on the assessment of the same he can take the corrective measures and take a decision and guide his sales team accordingly.
- (iii) Management of sales activities --For effective implementation, proper planning of all activities is very essential in an important function like sales. This tool offers calendars in assisting the planning related to various important events in sales department related to customers. It also maintains the updates and automates the 'To – Do' list for an individual sales person as well as organization as a whole. The software also helps to post facto analysis after any event. The tool also offers reminders and alarms for proposal presentations to the prospective clients, product demonstrations etc.
- (iv) Forecasting – The tool offers a distinct visibility to the organization in to sales process which consists of all sales steps to sale the product to a customer. Accurate forecasting made well in advance helps sales department to gain more customers, revenues and higher profits. It also guides the organization towards designing future products and future trends in customer services based on forecasting methods.
- (v) Customer accounts management – The program offers a 360⁰ view of each customer acquired by the firm. Moreover, it helps sales manager to gain a detailed idea about each and every customer. This facilitates a better understanding between management and employee and boost for

maintaining long term customer relationship. As soon as the customer is acquired, the tool seamlessly integrates the back –office regarding all details including payments made by the customer. Thus it helps to maintain entire life cycle in an effective manner.

- (vi) Sales collaterals (promotional material support) management –The tool offers very important aspect of sales function i.e. product catalogues which are the basic promotional material incorporating all the relevant information of products. Sales representatives can use these customized, updated product catalogues to demonstrate the product range and convert a prospective in to customer. The modified sales collaterals can be instantly transferred to laptop of a sales representative and he can use it instantly as an effective tool to convince his customer. Thus a sales representative can access sales collaterals any time to get the latest information about products, prices, descriptions, specifications etc.

Communication through e-mail with a customer is also an important task and a standardized format of the same is a part of sales collaterals. It is a time consuming for representative to prepare communication letters and other contents to be used in official communication with prospective customers. With SFA tools, a sales representative can create an HTML email template for individualized communication with prospective customer.

- (vii) Sales analytics tools – This tool offers an instant access to real time data for effective and timely decision to sales managers. These easy to use sales analytics tools help manager to analyze sales pipelines (A sales pipeline is a systematic approach to selling a product or service.) And historical trends or sales patterns.

- (viii) After Sales Management – This tool is mainly useful to after sales department in an organization. In many industries like computer hardware, consumer durables, electronics after sales service is very important factor for customer satisfaction and to get referrals from existing satisfied customers. This tool maintains all data related to customer purchases, date of purchase, purchased product, customer address, warranty details etc. Sales representatives and staff of after sales department can track the record of all customers within shortest time and can do the necessary actions for better customer services.

- (ix) Channel management - This tool gives the idea about the functioning of various channel (distribution) and helps to manage their various activities towards sales, distribution, and various issues related to distribution management.

4. Importance and purpose of SFA program – In today's competitive world, an ambitious business organization strives hard to perform better and better continuously to stay ahead of other competitors. It always seeks to increase its sales performance in the market and hence to

increase its profits. The SFA technology has been playing an important role in helping sales department to increase its efficiency thereby improving sales of an organization. Following points exhibit the importance and purpose of implementing SFA program in an organization.

- (i) To increase accuracy of sales forecasting which help manufacturing department for better planning of production schedule.
- (ii) To ensure faster follow- up, once the lead is generated.
- (iii) To increase presence of field force in the field for actual business (sales) generation by reducing their administrative work load.
- (iv) To collect process and disseminate information related to market and competitors.
- (v) To build data related to sales, customers, competitors over the period of years to reduce the dependency on sales representatives' information.
- (vi) To ease the transfer of territories and accounts from one team to another sales team.
- (vi) To offer better sales service thereby improved customer satisfaction and increased customer loyalty.

A SFA program offers different importance to different levels as follows.

Table No. 4: Importance of SFA.

Sales Representatives	Shorter sales cycles, more business opportunities, higher success rate, more sales leads etc
Sales Manager	Improved productivity of sales people, better customer relations, accurate and in –time sales reports and records, reduced cost of sales
Senior Management	Better cash –flow management, increased market share of product, higher sales revenue, improved profitability

A research conducted by researcher Erffmeyer and Johnson in 2001 with 40 manufacturing and service companies in United States on their motivation for implementing SFA. According to their research, following results were observed.

Table No. 5: Motivation for implementing SFA.

Motivation	% of sample reports
Improved efficiency	72
Improved customer contact	42
Increased sales	33
Reduced cost	26
Improved accuracy	21

[Source: Erffmeyer & Johnson, 2001]

5. Advantages and challenges with SFA program - When an organization implements SFA program it offers both advantages and some challenges. They are briefed as follows.

Table No.6: Advantages and Challenges with SFA program.

Strategic advantages	Strategic challenges
Increased operational support, better customer services, useful in building long term customer relationship, increased overall customer base through retention of customer,	May develop unrest in organization due to inclusion of new technology. If not successful, then may create a bad impression amongst stakeholders.
Operational advantages	Operational disadvantages
Overall may prove as a cost saving technology, and frees sales people from their administrative jobs, useful when sales team is large and spread in large geographical area, increased relationship with channel partners like suppliers, distributors retailers	Software technology procurement and development cost could be higher and may not be suitable for small organizations. Maintenance, up gradation and training is required on continuous basis.
Other advantages	Other disadvantages
Helps to improve overall sales function and increased productivity, efficiency, and profitability of sales department, gives access	Investment is a constraint for small organizations, IT support is critical for sustained use of software, attitude of staff and

to overall sales related information in short span of time for faster decision making process	sales people is most crucial in successful implantation of software program.
---	--

6. **Summary:** A sales function is very important function in every organization as it generates revenue. Moreover, it is very challenging due its dynamic nature. In last few years, new technologies like SFA program are helping sales personnel to increase their efficiencies in their domain.

SFA products were originally meant to improve sales force productivity and motivate sales people to reduce their administrative activities and increase field presence.

Nowadays, organizations believe that SFA program not only improves sales productivity but also they help to improve customer satisfaction and customer retention.

The SFA program has all over world has helped sales function to improve its efficiency and productivity. Sales Force Automation is an imperative to sales function.

References

1. Ms. Amara Haroon & Mr. Shakil Ahmed, (2009), "Assessing Relationship Among Performance, Managerial Practices, Salesforce Automation: A Study On Unilever & Dalda in Pakistan" International Review of Business Research Papers, Vol. 5 No. 4 June 2009 Pp. 73-90
2. Jian Guan, Robert M. Barker, Stephan F.Gohmann, "Sales Force Automation Acceptance: An Exploratory Study Of The Role Of Job Experience" The Journal of Applied Business Research Volume 20, Number 3
3. Dale Hagemeyer,(2009) "MarketScope for Sales Force Automation in the Consumer Goods Industry",Gartner Industry Research, ID Number: G00173152.
4. Sung J. Shim(2006) "Adoption of Pharmaceutical Sales Force Automation Systems: An Exploratory Study", Emerging Trends and Challenges in Information Technology Management, Volume 1 and Volume 2, IDEA GROUP PUBLISHING,USA
5. Cheng-Wu Chen, Chun-Pin Tseng, King-Ling Lee, and Han-Chung Yang,(2011), "Conceptual framework and research method for personality traits and sales force automation usage" Scientific Research and Essays Vol. 6(17), pp. 3784-3793,
6. Suresh Sundaram & Andrew Schwarz & Eli Jones & Wynne W. Chin,(2007) "Technology use on the front line: how information technology enhances individual performance", J. of the Acad. Mark. Sci. (2007) 35:101–112
7. Robert P. Desisto,(2012), "Magic Quadrant for Sales Force Automation" Gartner, G00234940
8. Naveen Lingaiah and Guilherme Pires, "AN EVALUATION OF MARKETING ISSUES IN SALES FORCE AUTOMATION" ANZMAC 2003 Conference Proceedings Adelaide 1-3 December 2003.
9. CRM Group, (2009), "Sales Force Automation Market Primer", Focus Research.
10. Glen S. Petersen, "A Strategic Model For Sales Force Automation The Value Chain Concept" GSP & Associates LLC.
11. Francis Buttle, Lawrence Ang and Reiny Iriana, (2006) "Sales force automation: review, critique, research agenda" International Journal of Management Reviews (2006)
12. C. J. Kurtz, (2007) Making Sales Force Automation Work...A Step-by-Step Approach" Kappa West Management White Paper