

Sales Management

Shaping Future Sales Leaders

THIRD EDITION



L.M. Davis ■ A.L. Dixon ■ R.C. Erffmeyer ■ E.D. Honeycutt ■ E.C. Tanner ■ J.F. Tanner Jr.

“*Sales Management: Shaping Future Leaders* is timely and relevant, particularly in a post-pandemic environment. It meets the high standards of covering the fundamentals of sales management and sales leadership, while also exploring contemporary issues, such as managing in a global and multigenerational environment, and using technology for sales enablement. The book includes case studies and role-plays to provide the full learning experience, and the author team brings unique perspectives and ideas that enhance teaching and learning.”

— **Eli Jones, Ph.D., Former Dean, Peggy Mays Eminent Scholar and Professor of Marketing, Reynolds and Reynolds Sales Leadership Institute, Mays Business School, Texas A&M University**

About the Authors



Lenita M. Davis, Ph.D.

Dr. Lenita M. Davis is the Director of the Center of Sales and Sales Management at the University of Wisconsin Eau Claire (UW-EC). Prior to this appointment, Dr. Davis was the Executive Director of the University of Arkansas Little Rock (UALR) Professional Sales program. Dr. Davis is also the founding director of the University of Alabama Sales Program. While establishing the University of Alabama Sales program, she worked with Interact Technology to invent technology that helps professors record and critique student role plays and presentations. The system is currently used in over 30 universities and colleges. Dr. Davis is an Executive Board Member of the University Sales Center Alliance. She initiated and led the Global Sales Research Initiative for the American Marketing Association's Sales Special Interest Group. Dr. Davis is published frequently in an array of leading journals, and her articles have been cited more than 3,000 times. She also has more than ten years of managerial experience. She worked for Procter & Gamble's Paper Division and for James River Corporation. Dr. Davis is a proud HBCU graduate from Tuskegee University. She received her Bachelor of Science degree in Mechanical Engineering, earned an MBA from Xavier University, and a Ph.D. from the University of Cincinnati. When not working, Dr. Davis and her husband, Ken, travel. They also enjoy connecting with their daughters Kiah, Martinique, and Zarri.



Andrea L. Dixon, Ph.D.

Dr. Andrea Dixon provides academic leadership for Baylor University's Center for Professional Selling. Since 2009, Dr. Dixon has built Baylor's sales center into one of the top programs in the country. She has been published in the *Journal of Marketing*, *Harvard Business Review*, *Organizational Science*, *Journal of the Academy of Marketing Science*, *Leadership Quarterly*, *European Journal of Marketing (EJM)*, the *Journal of Personal Selling & Sales Management (JPSSM)*, *Journal of Marketing Education*, and other journals. Her editorial-review-board assignments include those for the *EJM*, *JPSSM*, the *Journal of Marketing Theory and Practice*, the *Journal of Business-to-Business Marketing*, and the *Journal of Marketing Education*. Dr. Dixon has received numerous teaching awards, including the Academy of Marketing Science's Marketing Teacher Award (2008) and the Excellence in Teaching Award from the American Marketing Association's Sales SIG (2014). In 2020, she was named the Cornelia Marschall Smith Award winner, which is presented annually to a Baylor faculty member for contributing to the learning environment through teaching, research, and service. She has served on the boards of the AMA Academic Council, National Conference on Sales Management, and Global Sales Science Institute and as the president of the AMA Sales SIG. In 2019, Dr. Dixon became the president of the University Sales Center Alliance. At Baylor, she was the Vice-Chair, Presidential Search Committee and Faculty Regent, Baylor University Board of Regents. Prior to pursuing her Ph.D. (Indiana University), Dr. Dixon worked in sales roles in Boston-area advertising and marketing research firms. Outside of work, she and her husband, Doug, enjoy traveling and time with their adult twins, Taylor Dixon and Alex Dixon, their daughter-in-law, Kimberly, and their two grandchildren.



Robert C. Erffmeyer, Ph.D.

Robert C. Erffmeyer (Louisiana State University) is Professor Emeritus of Marketing at the University of Wisconsin – Eau Claire. Until he retired in 2020, he was actively involved in undergraduate and MBA on-campus and distance learning efforts for more than 25 years. He founded the UW-EC Sales and Sales Management Center. He also was the founding director of the University of Wisconsin Consortium MBA Program. Beginning in 2007, Dr. Erffmeyer established the Great Northwoods' Sales Warm-Up sales competition held annually at UW-EC. He was a visiting professor in the Asian Studies Program at Kansai Gaidai University, in Osaka, Japan, and has lectured in China and Vietnam. On two occasions, Dr. Erffmeyer was recognized with the Outstanding Faculty Award by graduate students in the University of Wisconsin Consortium MBA Program. He also received the UW-EC College of Business Creativity and Innovation Award for his work in sales education and distance learning. Dr. Erffmeyer published in outlets such as the *Journal of Personal Selling & Sales Management*, *Marketing Education Review*, *Journal of Marketing Education*, *Industrial Marketing Management*, the *Journal of Business Ethics*, *Personnel Psychology*, as well as others. He received the University of Wisconsin System Applied Research Grant and was the first recipient of the Marketing Education Review Award. During his career, Dr. Erffmeyer has served in numerous officer and board positions in the University Sales Center Alliance, the Society of Marketing Advances, and the Marketing Management Association. He served two terms as President of SMA and is a Fellow of the Marketing Management Association. Dr. Erffmeyer and his wife, Gretchen, reside in Eau Claire, Wisconsin. They enjoy traveling and biking and kayaking in the Northwoods, especially when their daughter, Hannah, joins them.



Earl Honeycutt, Jr., Ph.D.

Earl Honeycutt is Emeritus Professor of Marketing at Elon University. When he retired in 2012, he was the Martha and Spencer Love Professor of Marketing and University Distinguished Scholar. Dr. Honeycutt earned his Ph.D. at the University of Georgia. His dissertation investigated sales training. Since then, he has taught undergraduate, MBA, and doctoral seminars as a tenured professor at UNC-Wilmington,

Old Dominion University, and Elon University. Prior to entering academia, he served as a B-52G flight officer in the United States Air Force and retired from the Air Force Reserve as a Colonel (O-6). After completing his MBA, he worked in B2B sales and marketing for an electronics division of TRW, Inc. Dr. Honeycutt has published more than 200 articles in myriad outlets, and he received “Best Paper” recognition from the *Journal of Personal Selling & Sales Management*, *Marketing Education Review*, and *Journal of Marketing Theory & Practice*. Dr. Honeycutt has also coauthored textbooks in the areas of B2B marketing, global sales management, and cross-cultural selling. For more than two decades, he led numerous study-abroad trips for his students to Australia, Belgium, China, England, and the Philippines, and taught classes in Japan. When not working on academic pursuits, Dr. Honeycutt, his wife, Laura, their son, Travis, daughter-in-law, Andrea, and three grandchildren travel to Costa Rica and spend time at their summer home in Wrightsville Beach, North Carolina.



Emily C. Tanner, Ph.D.

Emily C. Tanner is Assistant Professor of Marketing for the John Chambers College of Business and Economics at West Virginia University (WVU). Her research focuses on the formation and management of marketing relationships and factors influencing the well-being of vulnerable populations. Her work has been supported by federal and WVU grants. Her research has appeared in the *Journal of Personal Selling & Sales Management*, *Journal of Services Marketing*, and the *Journal of Business & Industrial Marketing*. Prior to entering academia, Dr. Tanner worked in marketing research sales and was a founder of the healthcare practice for e-Rewards, now Dynata, a marketing research company based in Dallas, Texas. There, she managed and developed a 25-person, sales-and-project management team. Dr. Tanner also has experience in consulting in strategic and marketing management. She and her husband, Ryan, reside in Morgantown, West Virginia, with their daughter, Ruby. They enjoy traveling and exploring in Almost Heaven, West Virginia.



John F. (Jeff) Tanner Jr., Ph.D.

John F. (Jeff) Tanner Jr., Ph.D. (University of Georgia) is Dean of Strome College of Business and Professor of Marketing, Old Dominion University (ODU), in Norfolk, Virginia. Prior to entering academia, Jeff spent eight years in sales and marketing for Rockwell International and Xerox. At ODU, he launched the sales program, created the Sales Slam competition, and secured a gift to endow the first collegiate School of Professional Selling & Sales Management. Prior to ODU, he served in various roles, including codirector for the Center for Professional Selling at Baylor University, the first type of center of its kind in the world. Dr. Tanner has received several awards for teaching effectiveness and research, including Distinguished Teacher from the Society for Marketing Advances and Outstanding Visiting Lecturer from ITESM in Monterrey, Mexico. He is the author or coauthor of 80-plus articles in journals such as the *Journal of Marketing*, the *Journal of Personal Selling & Sales Management*, and the *Journal of the Academy of Marketing Science*. Jeff’s research has won numerous awards, such as JPSSM’s Paper of the Year. His research and fieldwork include work in Malawi, Australia, India, Mexico, Nicaragua, France, and Colombia. He is also author or coauthor of 15 books, including the leading sales text (with Steve Castleberry), *Selling: Building Partnerships*, and *Principles of Marketing: How Marketing Gets Done* (with Mary Anne Raymond). Two of his books are for executives: *The Hard Truth About Soft Selling* and *Analytics & Dynamic Customer Strategy: Big Profits from Big Data*. Currently, Jeff serves on the board of the Hampton Roads Chamber, VersAbility (an employer of and services provider to disabled persons), and as a commissioner on the Virginia Horse Racing Commission.

“This Sales Management textbook is a comprehensive look at this critical role in every organization. It includes role plays, case studies, and caselets to enhance the student’s understanding of how the work of a sales manager actually gets done. The book has current examples of company scenarios which is a huge benefit that enables students to connect with the content. *Sales Management: Shaping Future Sales Leaders* is written by an experienced group of educators, many of whom have sales management experience. It’s a winner!”

— Bill Steiger, Ph.D., Associate Lecturer & Coordinator of the Professional Selling Program, University of Central Florida

“*Sales Management* (3rd edition) provides a theory-based foundation for the practical examination of contemporary leadership and management issues in professional sales. Students will be pleased with the organizational approach, which allows for critical issues to be examined and strategies developed to address today’s business challenges. Of special note is the treatment of motivational theory, which is absent in most sales management textbooks. I have used the second edition for several years in my undergraduate Sales Management courses and look forward to adopting the third edition.”

— **Charles B. Ragland, D.B.A., Executive Director – Center for Global Sales Leadership, Fettig/Whirlpool Faculty Fellow, Indiana University Kelley School of Business**

Sales Management, 3e – From the Authors

As we developed the content for this edition, the world was experiencing a global pandemic as a result of the COVID-19 virus. Businesspeople worldwide were reinventing their processes to accommodate remote work and to ensure the health and safety of workers. For this edition, we doubled the size of the author team adding more diverse viewpoints in terms of gender, race, generational perspectives, and work experiences. In addition to having received Ph.D. degrees from leading American universities, we have all worked in sales roles at some point in our careers. As a team, we are also passionate about sales management.

Changes reshaping the sales field (e.g., robotic process automation [RPA], sales enablement, artificial intelligence) are stripping out the redundant and mundane aspects of the sales role and are making business-to-business (B2B) sales even more strategic. Today’s buyer-seller relationships are supported by a host of digital technologies and much richer team-based selling processes. As a result, professional sellers today must be capable of managing a much more complex set of sales *and* business processes within their own organizations as well as their customers’ organizations. The roles of sales manager and sales leader are undergoing similar transitions.

Because today’s salesperson has access to a broader array of information, sales managers play less of a role in *supervising* and more of a role in *coaching and consulting*. Salespeople don’t need their sales managers to tell them how they are doing compared with their peers. Sales people already have that visibility due to the advances in customer relationship management (CRM) software and other technologies. Consequently, coaching salespeople on how to access the right information and right people to move their sales along and close them has become a more important role for sales managers.

What Makes This Book Different?

We restructured the book to help students better understand the career progression from being a salesperson who works well with a sales manager (*Part One*), to becoming a sales manager (*Part Two*), and progressing to a sales leadership role (*Part Three*). So the emphasis of this textbook is on how sales management gets done. We developed the instructor materials in such a way that they facilitate how instructors teach the content using various modes (e.g., face-to-face, online, or hybrid models).

Updated Materials

In addition to incorporating new role plays, cases, global and ethics boxes, and chapter profiles, we developed a parallel set of video profiles for students to enjoy. To access the videos, go to www.axcessvids.com and enter the appropriate alphanumeric code found at the end of each chapter. In the electronic (PDF) version of the text, all codes are hotlinked; just click on the code and it will bring you directly to the video. The chapter examples and input from industry professionals are also current and represent greater diversity in terms of their perspectives. Each chapter contains the latest research from the *Journal of Marketing*, *Journal of Personal Selling & Sales Management*, *Industrial Marketing Management*, and the *Journal of Business Ethics*.

BRIEF TABLE OF CONTENTS

Part One: Leading as a Salesperson

- Chapter 1: Introduction to Sales Management
- Chapter 2: The Roles Salespeople Play and Multichannel Sales Environments
- Chapter 3: Fundamental Approaches to Leadership Development

Part Two: Leading as a Sales Manager

- Chapter 4: Recruiting and Selecting the Right Salespeople
- Chapter 5: Training and Developing the Salesforce
- Chapter 6: Supervising, Managing, and Leading Salespeople Individually and in Teams
- Chapter 7: Setting Goals and Managing the Performance of the Salesforce
- Chapter 8: Motivating and Rewarding Salespeople

Part Three: Leading as a Sales Executive

- Chapter 9: Ethics, the Law, and Sales Leadership
- Chapter 10: Managing Sales Technology and Sales Enablement Successfully
- Chapter 11: Turning Customer Information into a Winning Sales Strategy
- Chapter 12: Designing and Organizing the Salesforce
- Chapter 13: Assessing the Salesforce's Performance and Coaching for Improvements
- Chapter 14: Effectively Leveraging Culture as a Sales Leader

Part Four: Case Studies

- Case Study 1: The Phone Call
- Case Study 2: Izukto Pharmaceuticals
- Case Study 3: Firmer Shapes' Sales Philosophy
- Case Study 4: Pony Express Bank Needs Higher Profits
- Case Study 5: MidWest Sales Associates: Please, Let's Hire Someone!
- Case Study 6: LA Distributors: Creating a Diversity Program
- Case Study 7: R.G. Jameson: Achieving Internal Alignment
- Case Study 8: Cape Fear Sales Associates: Evaluating and Improving Performance
- Case Study 9: U.S. Industries: Business Ethics in Asia
- Case Study 10: Acme Software Solutions: A Salesforce Performance Evaluation

Name Index

Company / Brand Index

Subject Index

“Sales Management: Shaping Future Leaders offers an up-to-date and informed perspective on sales management by leading scholars in the field. This textbook offers students an opportunity to learn about the journey to becoming a sales executive. Many textbooks focus solely on being a sales manager, which is not the case for all students immediately upon graduation. Focusing on the fundamentals of selling, to managing teams, and finally leading an organization, this textbook provides students with a well-developed and informed perspective of sales. The discussion of managing a global sales team is especially exciting given the diversity of our students. *Sales Management: Shaping Future Leaders* enhances our sales courses with a focus on sales coaching, a key skillset for any sales manager!”

— **Detra Y. Montoya, Ph.D., Faculty Director,
Professional Sales Program, W. P. Carey
School of Business,
Arizona State University**

sample pages from chapter 1

part opener — this book is presented in four parts; each part opener previews content for the chapters it comprises.

PART ONE

Leading as a Salesperson

As the Greek philosopher Heraclitus said: “Change is the only constant in life.” During your lifetime, you will face many changes — some expected and some unexpected. Likewise, constant social, economic, and political changes are the norm for organizations. They need strong leaders to guide them as they evolve and attempt to innovate so as to survive and thrive. The thing is, you do not have to be the CEO or a manager to be a leader. In fact, successful organizations have strong leaders in all ranks and file throughout the organization — leaders who see the vision and mission of the organization and team and use their skills and decision making to guide others there.

Strong leaders are especially important for the sales function. No other function in an organization has the same impact on a firm’s strategy as sales management does. Salespeople and their managers talk directly with customers, thereby testing the strategies of their companies with every sales call. The information gathered from customers by salespeople feeds directly into a company’s strategy. These and other factors make sales management a critical part of an organization’s success.

This book presents sales management in three parts following the career arc of a sales professional. This part will help you understand the role sales plays in an organization. The part also explains why learning to be a leader is an important skill to start utilizing before you are promoted. Good leaders are essential to an organization’s success. A company does not become successful accidentally. It becomes successful because its leaders helped develop a strategy and ensured it was executed well. Understanding how you, as a salesperson, fit into the organization and contribute to that strategy is important to your success. Whether you aspire to become a CEO one day or just want to be a good salesperson who earns a lucrative living, knowing how to serve the company’s mission will help get you there.

Chapter 1, *Introduction to Sales Management*, familiarizes you with the activities sales managers and salesforce leaders engage in. The chapter also serves as an overview for the rest of the book.

Roles Salespeople Play and Multichannel Sales Environments, examines the different roles salespeople play out through various channels. The chapter also discusses how sales management can support an organization’s strategy in a multi-

Fundamental Approaches to Leadership Development, identifies the leadership from management (but not necessarily leaders) and starts with the premise that anyone can lead, no matter what an organization is. The chapter discusses a variety of leadership skills you begin developing your own leadership skills.

CHAPTER 1
Introduction to
Sales Management

CHAPTER 2
The Roles Salespeople Play
and Multichannel Sales
Environments

CHAPTER 3
Fundamental Approaches
to Leadership Development

CHAPTER 1

Introduction to Sales Management

LEARNING OBJECTIVES

After completing this chapter, you should be able to:

- ▶ Describe the strategy hierarchy and understand how a firm’s sales and marketing strategies affect its overall strategy.
- ▶ Identify the different types of selling strategies and how the selling process varies across them.
- ▶ Outline the sales management process and the responsibilities and activities of sales managers.

What should we make? What should we sell? At what price? To whom? What kind of people should we hire, and how will we manage their work? These are the questions that define a company’s strategy. In turn, the answers to these questions define the company. Yet, in the minds of a company’s customers, salespeople define the company. Why? Because salespeople are often the only “face” of the company that customers ever see.

In essence, this book is about how leaders convert strategic questions and answers into sales practices that affect customers. Sales leaders seek to align a firm’s sales practices with its sales strategy, and its sales strategy with its corporate strategy. The alignment is central to the company’s success. Thus, in this chapter, we not only introduce the basic sales management process, but we also show how a firm’s salesforce is central to the broader marketing strategy the firm pursues.

chapter opening page — each chapter starts with a list of learning objectives for each student.

**SALES LEADER PROFILE:
MANUEL VAZQUEZ EDERRA**



Manuel Vazquez Ederra
District Marketing Manager
Federated Insurance

While attending college, Manuel Vazquez Ederra became involved with Pi Sigma Epsilon, a national sales fraternity. Through networking events and sales competitions, he realized a career in sales was a fit for him. Attracted by an effort-based earning potential model and the relative freedom salespeople have to dictate their day-to-day schedules, Manuel made the switch from majoring in accounting and finance to professional sales and management. Following graduation, he accepted a position with Federated Insurance as a sales representative.

Recognized as a leader among his peers and a top performer in the field, Manuel thrives in the fast-paced sales environment. "I felt like I was definitely challenged, but after a few years, I started realizing that I had a passion for helping new sales members learn their roles and master their jobs. ... I saw how much a career in sales, specifically at Federated, had changed and impacted me in such a great way." Excited to mentor the next generation of sales representatives when approached by Federated with the opportunity to transition to sales management, Manuel accepted. Today, his title is District Marketing Manager. He is responsible for a team of salespeople based out of Eastern Virginia.

Leading his team using a strong customer relationship management strategy, Manuel bases his strategy on this simple premise: buyers, no matter who they are or what their responsibility, *hate to make decisions*. So, it is important to engage with clients collaboratively. "I coach my salespeople to take decisions out of the buying process until the very end ... we're there to help, lend a listening ear, share with customers the ideas that have worked for other business owners in their situation, and keep the conversation going."

Manuel and Federated recognize how important it is to cultivate, maintain, and grow customer relationships. Through a process called the *cultivation loop*, Federated salespeople engage their prospects through expert industry insights, providing valuable information and risk management solutions. "When it comes time for a proposal, 12 months down the road, they know that you really mean what you're talking about because they've actually seen you put it into practice." This kind of service does not stop once prospects become clients. Federated's Major Client Service Standards guarantee four face-to-face meetings throughout a 12-month period to discuss changes in the industry and review their client's coverage and programs, ensuring needs are being met.

When looking to grow business, Manuel discusses how often salespeople *jump the gun* and try to sell again to the same client too soon. Instead, Federated first looks for ways to add value. For example, Manuel might be hosting a safety meeting on the dangers of distracted driving for the in the auto industry. In this way, Manuel likens salespeople to advisors, gathering information in areas of potential improvement, and presenting viable solutions.

Federated, like many other sales organizations, has a customer relationship management software used to manage client data. "Quite frankly, it's impossible to remember all you're having out in the field." Manuel views the consistent and organized use of a CRM as a fundamental for salesperson success. He notes that essential qualities for a high-impact

Chapter 1: Introduction

sales leader profile —
explains the day-to-day
challenges faced by
practicing sales managers.

managing your career — this
is a section added at the end
of each chapter to remind the
student how the information on
sales management practices
will help them be higher-
performing salespersons and
more effective sales managers.

is ubiquitous in the management of salespeople; thus, the topic permeates the rest of the book.

EXHIBIT 1.7 Examples of a Sales Executive's Duties versus a Sales Manager's Duties

Activity	Sales Executive	Sales Manager
<i>Plan</i>	Set overall sales targets for each product.	Set quotas for each salesperson for each product.
<i>Organize</i>	Decide what type of people to hire for sales positions.	Interview and hire specific people for sales positions.
<i>Implement</i>	Determine the compensation plan.	Identify each person's motivators and find ways to reward good performance for each person.
<i>Monitor</i>	Track sales by region; take corrective actions, such as providing salespeople with additional training if sales are too low.	Observe each salesperson's actions in the field and offer suggestions for the person's improvement.

Managing Your Career

In study after study of college graduates, a common regret is that they wished they had spent more time focusing on career preparation during their school years.¹⁷ To help with your career preparation, you will find a "Managing Your Career" section at the end of each chapter. Our goal is to help you identify ways to learn and master the chapter material by applying it to your own career. Some aspects, of course, can't really be appreciated until you're in the field and selling products, but make the most of this opportunity.

Many students focus on important aspects for a first position, such as salary and training, only to find that they don't really like the job, company, or industry. Chris Corley joined a big-name company right after graduation but found that the company's policies constrained his ability to meet the needs of his customers. "Then I was lured to a smaller company and blatantly misled about the product and what it could do, which hurt my ability to sell," Chris says. "I'd have probably gone to work there anyway because everything else was as [the company] said. The product just wasn't fully what they wanted it to be yet. But now I have the opportunity [at my current company] to do things the way I see fit and build it from the ground up in a culture I am part of creating." Even though he's working much harder, he's enjoying it more.

Finding the right position is about finding the right fit — a match with the right company — and is as much about matching a company's mission as it is the company's sales approach. What's also true, though, is that Chris has plans. While his first positions may not have fit perfectly, he has set SMART goals for his career, against which he can mark his progress.

“Leadership is not easy and future sales management leaders must face old challenges, and new twists in hopes of reaching their mandated goals, customer expectations, and salesforce evolving complexities. This book is a resource helping to decode the manager mission, the global setting, the ethical dilemmas, and the skills/knowledge needed to lead tomorrow’s sales ecosystems.”

— Robert M. Peterson, Ph.D., Distinguished Professor of Sales, Editor – *Journal of Selling*, Northern Illinois University



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Noel Capon, R.C. Kopf Professor of International Marketing, Columbia Business School, founded Wessex Press, Inc. in 2007. Wessex Press is a publishing company, located in New York, that makes textbooks, simulations, and other learning materials more accessible to college students and life-long learners globally. We operate at the cutting edge of technology, and provide traditional and e-learning tools to students and professors at affordable prices. We focus primarily on marketing, sales and account management, and other higher-education textbooks, and continue to expand into other business areas, covering subjects as diverse as management, finance, human resources, and sociology.

For instructor access, or to request a free desk copy of Sales Management (3e), go to <http://wessexlearning.com/pages/request-instructor-copy>

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