**The Ministry of Science and Education of the Russian Federation**

**Togliatti Social-Economic college**

**REPORT**

**TOPIC: *The transition from selling to managing***

**SOURSE: “The transition from selling to managing” by**

**Student: Mustaeva P.S.**

**Group: F-32**

**Teacher: Alferova L.A.**

**Togliatti 2005**

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**Introduction**

The topic of my report is “The transition from selling to managing”. This topic is rather urgent now days, because problem of transition occurs frequently in sales organization.

Most field sales managers have been sales people far longer than they have been managers; consequently, the transition from salespeople to manager can be extremely difficult. In fact, many who try never really make the grade.

Sales managers have many responsibilities. Some of them are: development and growth of sales representatives, planning, control of performing plans of actions, setting contacts between reps, effective downward and upward communications and others. The sales manager’s job is very difficult. It demands good economical education, ability to work in team, attention to salespeople and others abilities.

The report also tells the reader about necessary relationship between sales manager and sales reps. It is very important for effective management and reaching agreed-upon objectives.

The main parts of this report are:

1. From selling to managing
2. Planning: the first step
3. Implementing the plan
4. The appraisal process
5. The control function
6. Effective communications

This information may be helpful for future specialists and for salespeople who want to become good sales managers.

**From selling to managing**

Problem of transition occurs so frequently in sales organizations, perhaps it would be well to begin by considering some of the problems involved in making a successful adjustment to the responsibilities of a manager.

Sales manager’s duties will vary widely from one company to another. Some field sales managers are actually only supersales reps who handle the more important accounts; some supervise only one or two reps and devote the remainder of their time to direct sales efforts; still others may devote their entire time to supervision and do no direct selling themselves. But all have certain features in common.

The sales rep and the sales manager both deal with people. For a sales rep, these people are your prospects and customers. He must be able to influence them, wins their confidence and approval. Manager must be able to get along with his sales force, wins their confidence and respect so that they perform well. The sales rep and the sales manager must each be capable of planning the particular activities demanded by their position. Both are, of course, concerned with sales, orders, profits, and their own promotion and advancement. However, it is the critical differences between these two jobs that must be understood if we are to have a sound understanding of the management function.

***Five critical differences between selling and managing***

1. The first responsibility of sales reps is to develop accounts. They must be able to sell accounts in their territory, strengthen the bonds that tie the accounts to the company and to themselves, thus steadily increasing sales volume. Field sales manager has one overriding concern – to develop people – salespeople. This is by far his chief responsibility. Sales manager’s success no longer depends on his own sales ability but on his capacity to help others to develop and grow in their jobs, to become more skilled and effective, and to perform better as sales reps.
2. The second difference is that sales reps perform their jobs by themselves, whereas managers perform their job with others. Some of the best salespeople are described as lone wolves because they are interested only in themselves and their own success. They do produce an excellent volume of profitable business. But not one of them will ever be a manager because they totally fail to understand the meaning of teamwork.
3. The third difference is functional. The manager must develop his player into a team. He must see to it that his team members like their fellow workers, respect and look up to their supervisors, and are comfortable with them us people. The sales rep is just an individual with a specific job to do, and can do that job without being part of a team. It is the responsibility of the manager to build a team and to get his salespeople to react as members of a team rather than as individuals working alone.
4. A fourth and vital distinction between the sales rep and the field sales manager is the fact that unlike the salesperson, the manager is a part of management. The manager now represents management, and so can no longer make fun of or run down company policies and objectives. Instead, the manager must be able to explain, sell, and implement these policies.
5. The contrast between the sales rep and the field sales manager is accentuated by the fact that the field sales manager has a great many more – and diverse – responsibilities (developing people, recruiting new sales reps, running a branch office, seeing key accounts, handling records, conducting correspondence, and perhaps working with other departments such as advertising, engineering, and credit). The field sales manager must know how to organize the work load and use time effectively to a greater extent than is required of the sales rep.

These then are critical differences between the sales rep and the field sales manager. They demand of the person who moves from the sales force to the first echelon of sales management an entirely new approach to the job and its responsibilities.

***The cycle of management***

To understand the unique problem of sales management as distinct from those of selling, it helps to consider some of the attempts that have been made to define and describe «good management». Among these are the following:

* Good management is the capacity to get people of ordinary ability to perform in an extraordinary manner.
* A good manager is one who can get more work and better performance out of subordinates and get this willingly.
* A manager is one who gets things done through other or with others.

The components of the cycle of management are:

1. Planning involves three steps. The first step is to set objectives. The second step is to determine how to reach those objectives. The third step is to decide when the job should be completed. It is actually a relief to have completed such a plan. Planning is a normal function of an orderly mind.
2. Act in accordance with the plan at the appropriate time. While there are, of course, situations where a plan must be discarded, ordinarily the interview will be far more effective if it has been carefully planned and executed as planned. The same is true of plans for the development of individual sales reps, for the improvement of sales of a certain product line, or for the sale of products to a particular class of trade.
3. Sit back and take a good look at what manager has done. In other words, manager makes a thorough evaluation of his performance.

4. This leads directly to the fourth step in the cycle. Manager has now appraised his performance. Manager’s experience, increased knowledge, and careful appraisal of past performance will enable you to make better plans for the next operation. Thus the cycle results in ever-improving performance.

Note that it is impossible to break the cycle and still manage. Management is the complete and continuous repetition of the cycle. The cycle is equally applicable to the planning for and development of key accounts.

**The cycle of management**

4. What do I do next? and How can I do it better?

a. Exercise a control function

b. Feed it into improved planning

3. How am I doing?

a. Measure against your objectives

b. Review

c. Amend, alter, or reaffirm

1. Planning

a. Set objectives (agreed-upon, measurable, attainable)

b. Determine how to reach them

c. Fix a timetable

2. Doing what you planned to do

a. Get the right people to help you

b. Develop them to be as good as you are

**Planning: the first step**

The first step in sound management is planning. Field sales manager has planned well when:

1. He and his supervisors have reached agreed-upon objectives to be attained by a specific date, and have charted a course of action for achieving these objectives.
2. Each of his salespeople has agreed-upon objectives to be attained by a specific date and has determined upon a course of action for achieving these objectives.

***Developing a plan of action***

There are undoubtedly many methods a field sales manager can use to develop a plan of action. One method may work better for one person than for another. The following method has been found effective when properly employed and is presented as an example of one way of getting this important job done. The procedure is to plan for at least a full day with each sales rep and to work out agreed-upon objectives for that rep’s growth and development during the period ahead. The field sales manager must do some preparatory work for such a meeting, and the following steps are suggested as necessary:

1. Sales manager should have before he the company objectives he has been given by his supervisors.
2. Either sales manager’s own office or the head office must furnish various kinds of statistical material that he and his salespeople will need during the planning session.
3. Sales manager must tell his salespeople in advance what is going to take place so they can prepare for it.
4. Manager must arrange a place for the planning session.
5. Sales manager should think through carefully how he can develop objectives that will enable him to manage by specifics.
6. You should think through carefully how you can develop objectives that will enable you to manage by specifics.

**Implementing the plan**

Let’s now move on to the next major step – implementing the plan. Field sales manager performs this part of the job when:

1. He has the right salespeople to do the job.
2. He supervises these reps to make sure they are reaching their agreed-upon objectives.

In short, what we have is a plan of action for each sales rep working under the field sales manager. These individual plans also include specific steps for achieving the company’s overall objectives. The field sales manager’s own plan of action is to help each sales rep achieve objectives.

Basically, your job as manager is to improve the thinking of your people because they usually perform alone. It is therefore essential to get them to perform well in your absence. To do so, salespeople must be thinking along the same lines. Implied in the achievement of this goal is recognition that a manager will never get anywhere until he makes reps want to change their habits and improve their thinking.

Another important concept is that field contacts between sales manager and his sales force must have continuity.

In planning sessions with each of reps manager has mutually agreed on what each is to do to achieve the objectives that have been set. Showing them how to do the job is also the field sales manager’s responsibility.

The field contact has additional goals, which must also be kept in mind. One of these is the reduction of staff turnover. Sales reps who might otherwise become discouraged and leave for another job are stimulated by field contacts to become valuable members of the team. The manager’s field work with salespeople will improve their performance. As they become more productive sales reps, they feel more secure in the job, take greater satisfaction in their work, and often strive for promotion. Thus the field contact, when properly planned and performed, can do wonders. No report can give so accurate a picture of the performance of sales reps as may be obtained by seeing them in action with a customer. Their strengths and weaknesses become apparent, and the latter can be more easily corrected when they are encouraged with commendation for any progress they have made.

***Key accounts***

The field sales manager’s responsibility for key accounts varies with the particular company. In general this responsibility is of two kinds:

1. Direct responsibility. The manger is personally charged with selling and developing important accounts within the district or region. No other salesperson is involved.
2. Indirect responsibility. One of the sales reps is directly responsible for the account.

**The appraisal process**

Efficient appraisal by the field sales manager consists of the following:

1. Regular evaluation of the progress made by each of your sales reps toward agreed-upon objectives.
2. Regular evaluation of your own progress toward such objectives.
3. Recognition of what must be done, an understanding of how to do it, and the allocation of time for that purpose.

Three significant criteria for the appraisal of a sales rep are:

1. The description of sales rep’s job. The rep agreed to this description in accepting the job.
2. What, specifically, is expected of the sales rep? In other words, What are the standards of performance? This list includes figures such as the expected dollar volume or the number of units sold in a given period, the number of new accounts opened, the maximum amount of money allowed for expenses, and any other specific and/or measurable requirements of the job.

3. The objectives for the rep’s development and growth.

***The informal appraisal***

Manager is constantly appraising each of your sales reps. He must decide whether to discharge the marginal sales rep and how much time he can properly spend with a new salesperson as against an older one. In making appraisals, manager continually uses sales figures and other statistical data.

Let’s list some of these other measures for appraisal.

1. Sales reps must be willing to learn. They must be anxious to improve themselves and receptive to instruction.
2. Sales reps should be happy in their job. They should be enthusiastic, excited, and interested in each day’s operations, well motivated, and able to keep their long-range objectives clearly in view.
3. Sales reps should possess and use the ability to plan. They should employ their time effectively; schedule the work for each day, week, and month; plan each interview carefully.
4. Sales reps should be able to conduct an effective sales interview. They should know to carry through effectively any part of sales interview, including the interview with a receptionist.

Among the more important matters to be appraised in determining whether a sales rep is really moving ahead are the following:

1. Presence of strong motivation and a sound attitude toward the job and the future
2. A record of steadily increasing sales volume and steadily increasing earnings
3. Definite improvement in those areas in which the manager has felt coaching was required
4. Definite progress in the development of an increasing number of accounts with good potential
5. The continual development of new accounts
6. Willingness to assume responsibility, to handle tough situations in the territory without supervision, and to try new methods and ideas suggested by the boss
7. Ability to manage his or her personal life successfully

Managers appraise and coach sales reps each time they are in the field with them. Only thirty minutes may be involved, but the meeting does bring the sales rep and the manager closer together. When skillfully conducted, it presents the manager to the sales rep as a helper. Statistical material is reviewed, and the intangible qualities that make for success are discussed. The manager and the sales rep reach mutual agreement as to what must be done to achieve maximum results. The conclusions reached in such a discussion are sometimes reduced to writing by the manager, and a copy is sent both to the sales rep and to the manager’s supervisor.

For the accurate appraisal of a sales rep, there is no substitute for direct field observation. The key word is action. It is this insistence upon action following a field contact or review or informal appraisal that gives continuity to the entire supervisory and development process going on between the field sales manager and the sales rep.

***The formal appraisal***

In contrast to informal appraisal, the formal appraisal covers a longer period – six months to a year – and requires the use of specially prepared forms. The latter can be quite formidable – to the point where they often confuse the field sales manager, who is more accustomed to selling and field work than to the intricacies of complex paperwork. Unfortunately, headquarters sometimes becomes so intent upon forms and their use that the real purpose of the appraisal is all but forgotten. The field sales manager must realize that the only value of a form lies in the information entered on it.

Preparation for the formal appraisal is a continuing task. Sales manager has a folder for each sales rep and throughout the year he files in it all specific evidence that will substantiate his appraisal of a sales rep’s performance.

Preparation also involves recognition of the fact that manager cannot and must not appraise a salesperson he does not know reasonably well. People who are new in the organization or whom manager has rarely seen cannot be accurately appraised. Sales manager should therefore plan and carry through enough field contacts with his sales reps that he will know them well enough to appraise them accurately.

Preparation for appraisal, finally, involves a true conception of the purpose of the appraisal. There are two major elements subject to appraisal – performance and personal qualifications. Performance should be appraised first. The sales rep’s personal qualifications should be appraised only when they affect performance.

Finally, sales manager should keep in mind that this is an evaluation of performance, not of personality – except to the extent that it affects performance – and that the main purpose of the appraisal is to help the sales rep improve on performance.

**The control function**

Field sales manager is in control of his job when:

1. As a result of sound appraisal (formal and informal) and progress toward agreed-upon objectives, he knows how to improve performance.

2. Manager applies this knowledge to improved planning.

Controls are effective only when they transmit important quickly. A control must instantly shut off a machine or turn in an alarm in a time of danger. Controls fail when they are overly complex, voluminous, and detailed. The following list informs to what manager must control and what he must do to attain such control:

* 1. Sales manager’s job description.
  2. The agreed-upon objectives he and his boss have drawn up, which are more specific than the job description.
  3. The agreed-upon objectives that each of his sales reps has drawn up with manager. Controls must tell what he has to do to help each of his salespeople toward their objectives.
  4. Statistical material from headquarters.

Manager is in control of his job when he is doing something effective about each responsibility assigned to him whether it is being performed by him personally or by some other person to whom he has delegated it. One of the greatest benefits to be derived from the effective use of control is that manager has more time to devote to important things.

In short, a good control system won’t let the manager forget anything.

**Effective communications**

One vital function of the field manager as a developer of salespeople is communications. Managers wield influence through their communications upward all the way to the board of directors. Field sales managers are the people who can best communicate this vital information to the top officers. Communicating downward though their sales reps, they supply to them and their customers the vital information that is the very foundation of the entire this vital communications center, the field sales manager.

***Downward communications***

The most effective communication is accomplished on a face-to-face basis. Instruction, criticism, and coaching are most effective when performed by the manager in the field with the salesperson. The telephone is a valuable medium for exchanging data, but it is primarily informational and not recommended for instruction, much less criticism. Mail communications may be used to advantage in the number of ways. A letter can be used effectively to commend a sales rep, to confirm a personal conversation or phone call, to reduce to writing some specific directions, to prepare for some action to be taken, or to record an agreement. Printed matter sent to the sales rep usually consist of either important information to be preserved – technical data, price information, and important sales ideas – or informational data that need not be preserved – contest standings and a variety of other matters of passing interest. When printed matter is sent to salespeople, it is often helpful to attach a memo explaining the purpose of the material and how it can be employed most effectively.

In too many instances valuable bulletins and technical data sent to sales reps are never digested or, in some cases, even read. Long, wordy bulletins, stuffy manuals, and voluminous letters are often neglected simply because sales reps tend to be active people. When they get back to their office or home, they have little time or inclination to wade through such material. One helpful technique is to reduce material to the more easily readable form of charts or graphic outlines. Companies spend large amounts to make sure that their messages get through to customers and prospects. Perhaps it would pay them to spend some time finding out how to get through to the salespeople who represent them before these customers and prospects. Then when field sales managers communicate down to their sales reps, they will know that someone is listening.

***Upward communications***

The people in top management must know how their products are being received, how well their policies are accepted, what their competition is doing, what is working well, where mistakes have been made, and what is being done to correct them. They must be advised of changing customer needs that will require new products or modifications of present products. If sales manager alert to this very important responsibility, he will allot specific time in the field for this very purpose. He may spend time with one the best sales reps in his district just to observe and report on the sales techniques used. Or he may spend several days in the field to determine why sales to a certain class of trade or of particular product lines are moving too slowly or why they are greater than normal. This is the sort of information manager will want to pass along up the chain of command.

One of sales manager’s important functions is to report on his progress toward his assigned objectives, or lack of it, to his superiors. Field sales manager should expect the same kind of help from his immediate supervisors as he gives to his salespeople. To receive it, sales manager must keep his supervisor informed of (1) the objectives toward which each of his salespeople has agreed to work; and (2) the progress of each of his reps toward those objectives.

Good communications of this kind enable his supervisor to assist him with suggestions, new directions, or even help in the field. Regular reports keep supervisor informed of manager’s progress in attaining agreed-upon objectives and enable this key person to be helpful in his development. Sales manager should report to supervisor with ends in mind, thereby developing a sound two-way flow of communications.

Under the guidance of a motivating sales manager, sales reps can put their heads together and run their area of operations to great effect. Teamwork inspires innovation. Alert field sales manager should build such a relationship with his sales reps that ideas can flow freely from one to the other. Communications of this kind stimulate and maintain high morale and are of incalculable value to the entire organization.

**Conclusion**

As you can see the problem of transition from selling to managing is very urgent for any commercial firm nowadays. Firms need qualified, well-educated specialists for effective management. Sales managers must be able work in team with salespeople, plan their job, build systems of downward and upward communications. There is must be warm relationship and understanding between sales manager and salespeople. The manager now represents management and he must be able to explain, sell, and implement firm’s policies.

There are some contrasts between seller and manager. It is two different jobs. If salesperson wants to be sales manager he must clear understand this distinction.

The material of report is the minimum not to be a poor specialist and to reach some objectives in management.

That’s why it is necessary for information of businessman, manager and salesperson, and for me as a future financier and possibly as a manager.