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Sales profile – Validity study

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Presentación

El objetivo del presente estudio es identificar las relaciones existentes entre el rendimiento de los comerciales y las puntuaciones obtenidas por éstos en las diversas dimensiones que evalúa el Test de Ventas, que edita Central Test. Se han seleccionado al azar dos mil comerciales para participar en este estudio. Éstos han completado el Test de Ventas, además de un cuestionario que evalúa su rendimiento comercial mediante criterios objetivos y semi-objetivos (formulario de encuesta para ventas).

El Test de Ventas evalúa el potencial comercial, las competencias y las motivaciones en el ámbito de las ventas por medio de nuevos rasgos de la personalidad que se agrupan en varias dimensiones clave: Fuerza de ventas "cazador" (Prospección, Juego comercial y Combatividad); Fuerza de ventas "desarrollo" (Red de contactos, Carisma, Negociaciones estratégica) y, por último, Relación y atención al "cliente" (Sentido del servicio, Auto-control y Tecnicismo – Experto). El indicador del potencial de ventas agrupa los ítems de ventas más destacados en los comerciales.

El cuestionario de ventas (formulario de encuesta de ventas) evalúa su rendimiento comercial por medio de diversos criterios, tales como: la aportación de nuevos clientes, la fidelización de los clientes, los resultados de ventas, la participación del comercial en las ventas totales de la empresa, el rendimiento global de ventas, el número de años trabajando en el sector de las ventas, la consecución de objetivos, etc. Los resultados muestran que las dimensiones Juego comercial, Tecnicismo – Experto y Prospección son las que contribuyen en mayor medida a lograr un alto rendimiento en las ventas. El Juego comercial es la dimensión que posee una mayor correlación con la consecución de los objetivos comerciales. Por otro lado, las personas que tienen más años de experiencia en las ventas son las más eficaces a la hora de establecer nuevos contactos.

Abstract

The purpose for conducting this study is to find the relation between sales performance and scores of sales profile test, sales profile test is a psychometric tool designed to study various aspects of professional orientation and sales orientation of the sales person. Along with sales profile test a sales survey form which is an assessment tool is also being administered on the sample.

For administering these tests 2000 sales people were selected randomly, and were invited to take sales survey form (self assessment test), on getting the response for sales survey form URL link for sales profile test was forwarded to them. Thus after getting the data, statistical analysis was done.

It is found that factors of sales profile test were significantly correlated with the performance of the sales people.

Introduction

To make a position in the global market it becomes necessary for every organization to concentrate on its sales aspects, and it's important to take proper steps to keep up the performance in order to be in the competition, which can be done through appropriate planning and strategizing sales, timely execution of initiatives regarding sales, simultaneously ensuring both front-line sales people and decision-makers have visibility in performance.

Sales and function of sales in organization

Definition of sales

Sales can be defined as “An activity involving selling of products and services in return of money or other compensation, which is initiated and completed by the seller, the owner of the goods. The first step is of the agreement to an acquisition followed by the passing of title and settlement of prices, the sales completes prior to payment and makes the payment obligatory” ^[1].

Role of sales in an organization

Sales department contributes majorly in any organization's growth (Ammon ovis., 2008). the goal is to increase the number of interactions between potential customers and company using promotional techniques. However, each sales person is unique and varies in his/her performance (Farrell & Hakstian, 2001).

Sales personnel need to handle and deal with various kinds of social, emotional and motivational problems that arise in the use of their various promotional techniques (Badovick, Hadaway, & Kaminski, 1992; Brown, Cron, & Slocum, 1997).

Techniques such as advertising techniques, sales promotion, publicity and public relations, creating new sales channels, or creating new products, among other things (sales and selling-training and techniques, 2009).

Sales department deals with the interaction between the customer and sales facility and sales person. Emotional and social skills are important requirements for a Sales person (Manna & Smith, 2004).

It is suggested that by effectively bringing more customers and enticing them to contact, sales organization can improve their efficiency, profitability, allowing sales people to provide a higher level of customer service and satisfaction (sales and selling-training and techniques, 2009).

Sales person who can transfer their emotions unhesitatingly are considered to be higher on performance, than those who are not able to emote what is required (Verbeke, 1997).

It secures income to drive the rest of the business. In line with what Spring (1993) studied, Sales is a process that aims at persuading customers to buy products or services and it involve coordinating travelling representatives, telephone sales, and preparing mail shots.

It also involves interaction with the marketing function and complaints, orders, monitoring Sales, profitability, expenses, setting targets, preparation for catalogues etc, customer accounts, chasing up orders and dealing with special requests (Spring 1993).

For an organization to improve its productivity, it's important that its work force is well trained and equipped with resources, which largely depends upon the ability of sales person's interactive communication with the customers. Beside communication skills there are other crucial personality factors which influence sales performance (Spring 1993).

The present study focuses on the influence of sales profile on sales performance, and the various dimensions associated with this aspect, and measures to be taken for the betterment of sales of an organization.

Literature review

Several studies and research indicate that successful sales personnel are characterized by some personality traits and qualities (Greenberg, Weinstein, & Sidler, 1996).

Leimbach (1994) found that sales people with good interpersonal versatility had higher overall performance, and was revealed that performance requiring higher communicational aspects gets directly influenced by versatility. Versatility has a greater influence on sales presentation as well as at furnishing information.

McMurry (1961) defined a successful salesperson to be a individual who has the capacity to woo his client coupled by a “compulsive need to win and hold the affection of others”. He also stated that the sales personnel should possess the following characteristics: a high energy level, self-confidence, a hunger for money, a well established habit of industry, and a view of obstacles as challenges.

Two other researchers Mayer and Greenberg further (1964) produced an article in the *Harvard Business Review* claiming that the two basic qualities that were essential in a good salesperson were (1) empathy, and (2) ego-drive.

Researchers conducted by Lamont and Lundstrom (1977) identified that endurance, empathy and ego strength effectively explained sales performance.

Spring (1993) did a study named as Four dimensions of sales productivity, whereby he specified four dimensions to keep up the sales productivity, in the first dimension of market strategy and focus, he mentioned that by developing and communicating organizational missions and sales strategies and strategizing proper customer satisfaction, through appropriate distribution channel, and encouraging innovative ideas and business ventures the productivity can be improved.

In the second dimension of sales force composition and fitness he speaks about determining appropriate number of sales representatives and managers and criterion for measuring sales performance, using appropriate hiring criterion for sales job, and hiring candidates with strong selling skills, ensuring that sales people have in-depth knowledge about product and knowledge of competitors.

Third dimension deals with sales system and control regulates the sales organization's response to market place, by controlling and monitoring the system through tracking progress and building management ranks to ensure continuity.

Fourth dimension is of front-line effectiveness whereby he emphasizes on team cooperation, facilitating salespeople with present day technology and recognitions, maintaining high level of morale and job satisfaction among them to keep positive recognition and image of organization in the marketplace.

In a study done by Pepper (2006) "A. Basic skills required by an effective sales person", he found seven basic skills required for an effective sales person, this study revealed that salespersons should have a complete knowledge about his product, should be capable of identifying his prospects and should be approachable, with good presentation skills and should be aware of the techniques required for terminating sales.

According to a study done by Buffington (2006) there are eight essential attributes of sales performance; which are as follows:

Achievement drive – good sales people are highly ambitious and task oriented, they thrive to accept challenges and accomplish their task, they are highly competent, and has plenty of successful past experience. They are also found to be empathetic, has healthy listening and problem solving skills, simultaneously too much of empathy may back down in the face of objection and failure to close the deal.

These people stay confident in their ability to present their product and services and recognize that circumstances beyond their control sometimes influence outcomes. These people are well aware of the fact that they must constantly update their knowledge and skills in order to be in the competition, as they know they are worth the effort it takes to be best.

Their enthusiasm tracks the relation among what the company offers and its importance, and how is it superior and useful for the customer. Attentiveness makes them observant listeners and keen at observing non-verbal cues, proficient at using non-verbal feedback to know when to use a non verbal feedback to change the direction of conversation, to progress or terminate the dealing with the client

Likability – good sales people are aware about their customers' preference and how to impact their customers with their presentation style.

They are very disciplined do not require supervision to keep them from doing right things at right time, can bring far more revenue when facilitated with freedom and flexibility to perform till it is balanced by clear expectations, goals and objectives.

INDICATORS OF GOOD SALES PERFORMANCE

SALES TASKS	FUNCTIONS TO BE PERFORMED	PERFORMANCE INDICATORS as identified by <i>The Small Business Management Knowledge Base</i>
Sales planning, forecasting and budgeting(MBDA, 2009)	Predicting demand for the product and sales assets, availability of sales assets and additional opportunities of sales, react quickly when the demand decreases; it improves efficiency and decreases unfocused and uncoordinated activities within the sales process, consumer's taste, competitive conditions, industry trends, strategies needed to obtain projected sales revenues	Volume of sales in currency Extent to which sales representative sells the company. Knowledge of business
Sales associate development (MBDA, 2009)	It includes sales goals and sales tracking, encouraging the sales process along with end results, task carried out by each sales representative should be studied, and out bound phone sales done, tracking the sales activity.	Amount of time spent in office, Number of calls made on existing account. Volume of sales in currency. Extent to which sales representative sells the company
Designing the sales territory (MBDA, 2009)	Whether the sales representative has the opportunity of reaching potential customers in that territory over a given period of time, structured routing system used by the sales person for contacting customers in that territory in with minimum selling time and cost	Number of new accounts opened Planning and routing of calls
Training the sales force (MBDA, 2009)	Sales force should regularly receive information regarding selling skills and knowledge of: customers, product/services, company, industries and competitors and plans to be implemented in future.	Completeness and accuracy of sales order Knowledge of business. Accuracy in quoting prices and deliveries. Sales persons presentation Number of new accounts opened.
Motivating and leading sales force (MBDA, 2009)	Maintaining a high level of self motivation in the sales staff, enhance the existing talent by giving additional skills training and work around the traits which cannot be changed, atmosphere of respect, trust and common vision within the team should be maintained in order to move towards the company's vision and goal.	Number of new accounts opened. Number of sales made on existing accounts
Compensating	Facilitate the sales people with incentives along	Completeness and accuracy of sales

the sales force (MBDA, 2009)	with basic salary and develop compensation packages to keep up their motivation.	orders Productivity of the company
Evaluating sales force performance (MBDA, 2009)	Customer's relations, adherence to expense guidelines, job skills and company relations, criterion and expectation should be discussed with each sales person and incentive packages should be attached to each criterion.	Promptness in submitting reports. Expenses made in entertaining customers Completeness and accuracy of sales order Extent to which sales representative sells company
Sales report (MBDA, 2009)	Whether or not sales process is being operated effectively and achieves the goal as set forth in sales planning and to take corrective actions, allows senior management to evaluate sales manager, finally to satisfy the need of different stakeholders.	Volume of sales in currency Promptness in submitting report.

DETERMINENTS OF SALES PERFORMANCE

From the business point of view sales performance management mainly deals with understanding market trends in an improved fashion and better targeting of sales across territories.

It also takes into account sales turnovers and fairly allocating sales opportunities to improve their productivity. Concentrates on better management of sales resources, and realistic quota settings with less risk of attainment short falls, or unforecasted sales incentive exposure. Faster implementation of sales plan, more equitable territories and quotas, and improved confidence in their pay for performance for better sales satisfaction. It also takes care of the market drivers and to take mid-course correction.

There are many factors effecting sales performance of the sales person, these factors can be classified as internal and external, factors like motivation, skill set, aptitude, knowledge, job satisfaction, role perception, personal factors like age, sex, height etc, ego drive, and empathy towards the customers are inherent in the individual sales person. Among these factors, skill set have been broadened into competencies, which include knowledge, skills and abilities of the

sales person. Research on competencies have shown that there are three to four broad categories which influence their performance; these are selling skills, general management skills, technical skills, interpersonal skills and emotional intelligence of the person (Case Studies and Management Resources, 2009).

Interpersonal skills reflect the contribution of sales person's ability to form and develop relationship with their clients to create profitable and productive relation among both the parties (Plotkin, 1986).

Emotional intelligence (Sjoberg and Littorin, 2003) is another factor which influence their performance, persons high on emotional intelligence display self awareness, self regulation, motivation, empathy (Mayer and Greenberg, 1964) and social skills. Self awareness improves the impression they create on their clients, the level of motivation also contributes their performance.

The external factors include environmental and organizational aspects of the job and other different functions of sales management.

Determinants of sales productivity

Productivity is the sum of all efforts that it takes to deliver a product or service, which is measured in terms of items produced and services performed within a given time period. It becomes the value or result of the price of a product or service deducted from all cost (supplies, material, human labor etc.) that go into the effort, it is used to compare the effectiveness of the country, organization, department, workstation or individual to itself overtime for the same operation or with other counterparts. It can be expressed as partial, multifactor and total measures, partial measures are used to analyze activities in terms of a single input, multifactor measure is used to analyze the utilization of multiple inputs, and total productivity expresses the ratio of overall output produced to all resources used (O'Neil, 2007).

According to a study by Bipm Institutue, the following assumptions have been made.

The Productivity is the quantum of sales done by a sales person in a given time period, which can be measured by value of sales, number of sales units and quality of sales. Sales persons with increased work experience in the given environment is found to be good at product knowledge, understanding of company and client's needs, network of contacts, references and his overall experience, which results in improved productivity of the company.

Many organizations prefer training their sales people which includes product training, training of prospection, sales pitch training and many other aspects of sales which influence sales productivity. A ready infrastructure to meet the upsurge demands can enhance sales productivity.

Sales person's productivity tools such as sales contact management, commission and calendar management, quotation system, product comparison system and financial planner system adds considerably to sales productivity.

Functions such as order placement to delivery, post sales service and customer touch and financial operations if taken care properly can contribute in sales productivity.

If direct and indirect sales force work together with a strong commitment and investment towards sales results in increased productivity. Emerging market has more business and growth potential as compared to mature markets leading to better chances of productivity. On the other hand sales material such as brochures, sales order, demonstration material, media coverage album quotes from customers, contractual links of the product, price list, EMI calculation sheet etc. along with sales training forms and good sets of field systems encourages sales productivity.

Objective of the study

To identify links between Sales Profile scores and performance/success on job.

Method

Sample

For conducting this study 2000 sales persons were selected randomly and their background information was procured (date of birth, qualification, work experience, present occupation etc).

Tools Used

Sales Survey Form

The form consists of 7 questions, designed for the assessment of the sales person on objective or semi-objective performance criteria.

Sales Profile Test

The questionnaire consists of 70 questions being designed in an operative pattern, it is being used for recruitments and assessment of sales potential in the context of formation, professional orientation etc, it is reserved exclusively for professional clients.

Procedure

The study was initiated by sending formal invitation mails to 2000 sales people selected randomly, thus a Sales Survey Form was administered to get a self assessment of the clients. After completion of the sales survey form, URL link for Sales Profile with each individual token id was forwarded to their respective email ids, for further statistical analysis SPSS was used.

Results

Tables showing correlation scores of factors of sales profile test and sales survey form:

TABLE - 1

	Correlations						
	R_ ANC	R_ REC	R_ GSFNC	R_ GSEC	R_ CS	R_ CTS	R_ OSP
PV03 CB		.13	.13				.10
PV03 CHA		-.13		-.13			
PV03 CTR					.16		
PV03 JEU			.20				
PV03 NEG		.15	.13	.11			.13
PV03 PRO							
PV03 RES	-.14		-.20				-.13
PV03 SER		.11				-.11	
PV03 TEC			.22			.21	-.10

N= 90

In red correlation is significant at .05 level

Factors of Sales Profile test

CB – Combative
 CHA – Charisma
 CTR - Self control
 JEU– Sales acumen
 NEG – Negotiation
 PRO – Prospection
 RES – Network
 SER – Sense of service
 TEC – Technical expertise

Sales survey form variables

ANC – Adding new customers
 REC – Retaining existing customers
 GSFNC – Gaining sales from new customers
 GSEC – Gaining sales from existing customers
 CS - Customer service
 CTS – Contribution in total Sales
 OSP – Over all sales performance

TABLE - 2

	SAOS	YIS	YOE	NOS	PCIS	TA
PV03 CB	-.11	-.19	-.24		.12	
PV03 CHA	-.10			.12		
PV03 CTR		.15	.12			.15
PV03 JEU	-.11				.11	.34
PV03 NEG	.14				.19	
PV03 PRO		.25	.19		.14	
PV03 RES	-.11					
PV03 SER		.13	.10		-.10	
PV03 TEC		-.20	-.12			

- N=90
- In red is the correlation is significant at the 0.05 level
- The scores which are found to be significantly less correlated are not being mentioned.

Sales survey form variables:

SAOS – Self assessment of overall sales

YIS - Years in sales

YOE – Years of experience

NOS – Number of sales persons in the department

PCIS – Percentage contribution in total sales

TA – Target achievement

Results and discussion

The study aims at identifying relation between sales profile and sales performance, on the basis of the obtained correlation scores of factors of sales profile and sales survey form, scores of table 1 shows that there is a significant correlation between sales acumen(JEU) and generating sales from new customers(GSFNC), $r = .20$, which is significant at .05 level, i.e sales people who are daring and quiet confident regarding their knowledge of sales process and good at convincing their clients, can also generate sales from new customers; generating sales from new customers (GSFNC) was also found to be significantly correlated at .05 level with technical expertise(TEC) $r = .22$, indicating that sales people who can make sales from new customers are good at technical aspects of their work and is ready to explore and enhance his knowledge. Correlation of generating sales from new customers (GSFNC) with network (RES) is found to be $r = -.20$, significant at .05 level.

There is a significant positive correlation at .05 level of technical expertise (TEC) with contribution in total sales (CTS) $r = .21$, persons who are better at technical aspects of their sale are found to be satisfied with their contribution in total sales.

Table 2 shows that number of years in sales (YIS) is found to be significantly correlated at .05 level with prospection (PRO), $r = .25$, and is negatively correlated with technical expertise (TEC), $r = -.20$, it explains that the persons with more number of years in sales are good at establishing contacts and possess a high level of self assurance and confidence in his possibilities of success. On correlating with technical expertise it was found that with more number of years in sales the knowledge about the technical aspect of the work decreases.

The correlation between years of experience (YOE) and combative(CB) is negative, $r = -.24$, which means that the more the experience of the sales person into sales profession, lesser will be his audacity and grasping skills, and will not be able to cope up with competitive situations.

The correlation of sales acumen (JEU) and target achievement (TA) is $r = .34$, which is significant at .05 level indicating that sales people who are daring and quiet confident regarding their knowledge of sales process and good at convincing their clients, achieve their target quiet spontaneously within the specified time period.

There is significantly very less correlation between other factors of sales profile test and sales survey form, as can be seen from the table.

Conclusion

From the correlation scores obtained after conducting a statistical analysis it can be concluded that there are few factors in the sales profile test namely combative, sales acumen (Grange and Roodt, 2001) prospection (Leimbach, 1994) and technical expertise (Prince, 1995) significantly correlate with the performance of the sales people in a variety of sales jobs.

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