

---

## THE EFFECTIVENESS OF THE SALES FORCE EXCELLENCE PROGRAM OF A PHARMACEUTICAL COMPANY (PT ABC) IN INDONESIA: A CASE STUDY

---

**Mary Geralyn Flores Evangelista**

*geatindo@yahoo.com*

### **Author**

**Mary Geralyn Flores Evangelista** is a Treasurer in the ASEAN Women's Association, Karachi, Pakistan. She earned her first degree in business administration from the University of the Philippines, Diliman, and her master's degree in business administration from Swiss German University, Indonesia.

### **Abstract**

*The purpose of this study is to evaluate the effectiveness of a sales force excellence program (SFE) that PT ABC had implemented in 2005. The first evaluation consists of looking at the results, if there was growth in sales and increase in sales target achievements after SFE implementation. The second evaluation was to assess the SFE effectiveness through the internal SFE audit results (DMR, Script & CT 90) and to see if any relationship or associations exist between these results and SFE (measured by target achievement results). The third method was the use of a self-administered questionnaire amongst the sales force. It investigated the opinions and attitudes of the sales force towards SFE program and its implemented SOPs of CSD & CT 90, DMM, OJT & ECU, and also whether any relationships exist between the implemented SOPs and SFE effectiveness. The results of the analysis revealed that PT ABC's sales force have a more than majority (between 70-80%) positive response towards SFE program and its implemented components of CSD & CT 90, DMM, OJT, & ECU. The results also reveal that, since the implementation of the SFE program in 2005, sales have grown and sales target achievements are higher than before implementation.*

### **Keywords**

*sales force excellence program, evaluation, effectiveness*

## INTRODUCTION

The growth and success of pharmaceutical companies, especially those selling ethical products worldwide, are very much dependent on the ability of the sales force team in communicating to doctors the value that a certain drug is able to provide to the patients. This includes introducing the product to doctors, educating the doctors on the indications that the product addresses and the correct dosages as well as its advantages over that of the competitors. This is the reason why a major component of costs of pharmaceutical companies is sales force expense.

It used to be that sales achievement was thought to be in direct proportion with the size of the sales force. However, with the rising cost of wages, and changes in the industry, the focus now is to

concentrate on the effectiveness of the sales force in driving the message across to the doctors. Thus, many multi-national pharmaceutical companies have launched worldwide strategies on sales force excellence with the end view of maximizing returns and gaining a competitive advantage over its competitors.

One of those multinational pharmaceutical companies that have initiated a regional Sales Force Excellence (SFE) program is ABC. Its subsidiary here in Indonesia, PT ABC, was one of the first to implement, in stages, a SFE program in 2005. Since that time, the company's sales performance has improved. Yet there has been no in-depth study of the effectiveness of the SFE program.

This study attempts to show whether there has been an improvement in sales force performance in terms of increasing sales and target achievement after the launch of the SFE Program, if the SFE Program relates to sales achievement, and the effectiveness of the program from the point of view of the sales force themselves. A determination that the sales force excellence program implemented here in Indonesia has indeed achieved its purpose may be a good reason to continue with the program and implement it in other areas in the region as well.

## **LITERATURE REVIEW**

### **Personal Selling & Sales Force Management**

Personal selling is defined as "direct communications between paid representatives and prospects that lead to transactions, customer satisfaction, account development, and profitable relationships". Personal selling involves two way communication with prospects and customers, that allows the sales person to respond to customers' questions, concerns and needs. It can be directed towards qualified prospects, making it more effective than advertising, public relations and sales promotions in identifying opportunities to create value for the customer and gaining customer commitment (Dalrymple *et al*, 2004).

Whereas personal selling focuses on direct contacts between the sales person and their prospects, sales management looks at the function from the point of view of the sales manager, and how he is able to accomplish his responsibilities of achieving or exceeding performance goals for the current period and developing the people under them (Dalrymple *et al*, 2004).

The personal selling function is usually administered by sales management, which includes the planning, management, and control of the sales programs (needed for goal or target achievement), as well as the recruiting, training, compensating, motivating and evaluating of field sales personnel (needed for developing sales people). Thus, sales management is defined as:

"The planning, organizing, leading, and controlling of personal contact programs designed to achieve the sales and profit objectives of the firm" (Dalrymple, *et al*.2004, p.4).

Churchill, Ford, & Walker (2006) looks at sales force management as involving three interrelated sets of processes, namely 1) the formulation of a strategic sales program, 2) The implementation of the sales program and 3) the evaluation and control of sales performance.

The formulation of the strategic sales program must consider the environmental factors faced by the firm (both external and internal) and its marketing strategy in organizing and planning the personal selling effort. Implementation involves selection of sales personnel and designing and implementing policies and procedures towards the achievement of the desired objectives. Evaluation and control of sales force performance involves monitoring and evaluating sales force performance (Churchill *et al*, 2006) The same ideas were put forth by Griffin & Ebert (2006), when they said:

“Sales Force Management means setting goals at the top levels of an organization, setting practical objectives for sales people, organizing a sales force that can meet those objectives and implementing and evaluating the success of the overall sales plan”.

### **Sales Management Function**

In order to achieve the sales and profit objectives of the firm for the current period, and to develop the sales people, a sequence of activities, known as the sales management process, guides sales managers in the creation and administration of sales programs (Dalrymple *et al*, 2004).

The first step is to focus on the big picture. This means that the firm's strategic sales force program must be in line with the marketing strategy and the overall business strategy. Investments in sales force should be at the level where customers and prospects receive appropriate coverage and company products get proper representation. The next focus is on the role of the sales force as the implementors of the firm's market access strategy. Strategic plans are implemented through the activities and behaviors of the sales force which includes calling on certain types of customers and prospects, managing customer relationships and creating value for individual customers (Dalrymple *et al*, 2004).

The third step is to focus on the structure of the sales force, which must be well organized in order to meet customer's needs efficiently and effectively and to sell the products. The structure of the sales force will effect the selling skills and knowledge level of the sales force, as well as the compensation, recruitment, training and evaluation of the sales force. The fourth step is to build sales competencies, which starts from hiring sales people with appropriate skills & backgrounds. Sales competencies can be developed through training, to familiarize sales people with the firms products, services and operating procedures, and to develop selling skills, before the sales people are sent to the field, and continuously thereafter (Dalrymple *et al*, 2004).

The next step is to lead the sales force towards achievement of the revenue goals at the same time as inspiring sales people to grow and develop professionally. Included here is the encouragement of ethical behavior from salespeople through leading by example from sales managers. The latter's effectiveness requires the development of strong mutual trust and rapport with subordinates as well as to motivate sales people through a mix of compensation package and benefits. The last step in the sales management process is to evaluate the performance of the sales force through a clear criteria which is understood by all (Dalrymple *et al*, 2004).

## Personal Selling in the Pharmaceutical Industry

The pharmaceutical industry presents a unique situation for the sales management function. It is well known that this industry is heavily regulated by government from the product research and development stage, through the clinical trial stage, followed by registration and approval for prescription and sale of a drug product. Even after a drug is approved for sale, its sales and performance is always under the Department or Ministry of Health and/or Food and Drug Administration's radar, and an unacceptable amount of adverse patient reaction would prompt the drug withdrawal from the drugstores.

Pharmaceutical products are broadly classified into over-the-counter products and ethical products. Over-the-counter products are those that have been determined by the licensing authority, upon the company's application, to be sold over-the-counter without a prescription. Ethical products, on the other hand, are drugs or medicines that have been determined to require a doctor's prescription before it can be sold to a patient. Because of the nature of the product, the sales process for ethical drugs is further restricted by laws and regulations passed by government to protect the interest of consumers (Dalrymple *et al*, 2004). Thus, drug promotions are restricted, and doctor's prescription is required before a pharmacist can dispense an ethical drug/product.

The industry also presents a unique situation for the promotion strategy of the firm. The main customer is the patient who buys the product, yet the decision-making is done by the doctor who prescribes the medicine. The doctor will only prescribe the medicine if he is convinced that it will cure or answer the patient's needs. This would require winning the doctor over, through proof of the drug's effectiveness by presenting clinical trial results and initially, through informing the doctor about the product, for what indications does it cure and the dosage needed. The experience of the doctor with the drug, through patient feedback, would affirm or deny the drug's effectiveness and would encourage or dissuade the doctor to prescribe it again. All these require time to build and research have shown that, in the case of training pharmaceutical sales people, long-term relationships with doctors should be stressed. However, sales people and pharmaceutical companies have to set clear guidelines on what is considered as ethical behavior in their relationship with doctors. Medical representatives with the greatest product and customer knowledge tend to act more ethically in their relationships with doctors (Dalrymple *et al*, 2004).

Personal selling is the most effective and proven mode of promoting pharmaceutical ethical products. It enables pharmaceutical companies to communicate their particular message for every particular drug to specific target doctors through their sales force. This situation, unfortunately, has been exploited by unethical firms and sales people in the past, who have told lies and/or offered such extravagant incentives to doctors to urge them to prescribe the product, that governments have stepped in to regulate the promotion of ethical pharmaceutical products. The pharmaceutical industry, through the association of drug companies, have also done their part to police their own ranks, in complying with government regulations and guidelines on what is considered proper and ethical conduct for drug companies and their medical representatives, as well as coming up with industry guidelines.

Suffice it to say that drug sales representatives are now held to the same or even a higher ethical standard than other sales people. This is where training comes in, to educate the medical representatives on what are the ethical standards that are expected of them by the company, because this may differ from one company to the other. Thus, the law provides the minimum level of ethics from the pharmaceutical industry and each individual firm decides how much further it will bring these into.

In the case of P.T. ABC, the strategic sales program is formulated by the marketing department and is not in the purview of this study. Of interest here are the implementation of the sales program and the evaluation and control of sales performance. The personal selling effort of PT ABC is conducted according to its own Sales Force Excellence Program.

### **Sales Force Excellence**

A 2006 study, entitled "The European Pharmaceutical Industry: Delivering Sales Excellence in Turbulent Times", which was based on a survey conducted by Roland Berger Strategy Consultants at the Eyeforpharma Sales Force Effectiveness Europe 2006 conference in Barcelona, held that there is no single recipe for sales excellence. Each company must determine which of the models is best suited to its own needs, and plot its own SFE roadmap. Choosing the "right" model will always depend on the company's culture, the environment within which it operates and the precise area of SFE. The consultants offered a comprehensive modular strategy for SFE, which comprises five major areas critical in shaping sales excellence and can be tailored to the needs of each pharmaceutical company.

These are the areas of change, customers, the company, employees and information technology, with their respective key principles as follows:

1. "Change-focused levers – key principles"
  - a. Metrics: Focus the (sales) organization on selected key performance indicators covering all significant value drivers.
  - b. Incentives: Provide monetary and non-monetary incentives to motivate high performers in the sales organization.
  - c. Culture: Define and live out corporate values that foster a willingness to change and boost competitiveness.
2. Customer-focused levers – key principles
  - a. Targeting: Identify the most valuable customers and address them effectively.
  - b. Call quality: Get the most out of the (increasingly limited) interactions with customers.
  - c. Amplification: Enhance the results of sales representatives by optimizing promotional (marketing) investments.
3. Company-focused levers – key principles
  - a. Organization and size: Match the size and structure of the (sales) organization to defined strategic objectives.
  - b. Sales and marketing interactions: Foster interactions between sales and marketing to translate strategy into effective action.

- c. Sales support functions: Invest adequately in critical sales support functions to increase the impact of sales representatives.
4. Employee-focused levers – key principles
  - a. Training: Continually improve the skills of the overall sales organization in the most cost-effective manner.
  - b. Performance: Rigorously manage for performance by identifying, rewarding and developing high performers.
  - c. People: Identify, attract and retain the best people who consistently deliver excellent results.
5. IT-focused levers – key principles
  - a. Leverage information technology prudently to boost the productivity and effectiveness of the (sales) organization” (Danner, Ruzicic, Buccella & Enrayguez, 2006)

The utility of quoting these levers proposed by the R. Berger Consultants is just to show that the components of SFE revolve around similar concepts, regardless of the proponents or program adopted by the pharmaceutical company.

An important finding of this study is a Europe-wide trend in sales force effectiveness, which is, that pharmaceutical companies are getting back to basics. Now, efforts are directed towards superior targeting, compliance with efficiency benchmarks and effective sales activities. It specifically singled out training and call quality as the most important aspects of sales force excellence for long-term benefits. The consultants stressed the importance of executing the basics of SFE properly, focusing on the basics, such as pragmatic and easy-to-use principles, tools and processes, which will enable the pharmaceutical company to increase sales excellence quickly in the short term (Danner *et al*, 2006).

### **Sales Force Excellence Program of PT ABC**

In 2005, the Singapore regional office of PT. ABC contracted the services of the Eastern Consulting Group (S) Pte LTd, to prepare a Sales Force Excellence Program and SOP Manual with the purpose of improving the sales capabilities of the sales teams in the region, the results of the implementation of which is now the subject of inquiry ( Eastern Consulting Group (S) Pte Ltd, 2005).

The premise of the Sales Force Excellence (SFE) Program, is the recognition of sales force performance as a key success factor in increasing sales volume on a sustainable basis. In order for the sales force to perform they have to be a highly professional sales team, trained to achieve sales goals and execute sales activities in the manner that is preferred by customers, admired by competitors and enjoyed by the sales person. The Standard Operating Procedures (SOP) identifies the core prerequisite of Sales Force Excellence (SFE), namely : Professional Salespeople, and its essential elements of Selling with Principles, Selling with Standard Operating Procedures (SOP) and Selling with Developmental Routines. The element of Selling with Principles set the foundations for selling to be done with discipline, process orientation and competencies. The second element, Selling with SOP, provide the steps for operational execution, programs execution and audit execution, and the third element, Developmental Routines enables SFE to be perfected by continuously motivating ( through the Daily Morning Motivation),

continuously coaching ( through the Cycle Model Day (CMD) or On Job Tracking (OJT) and continuously upgrading sales people (through End Cycle Updates) (Eastern Consulting Group (S) Pte Ltd, 2005).

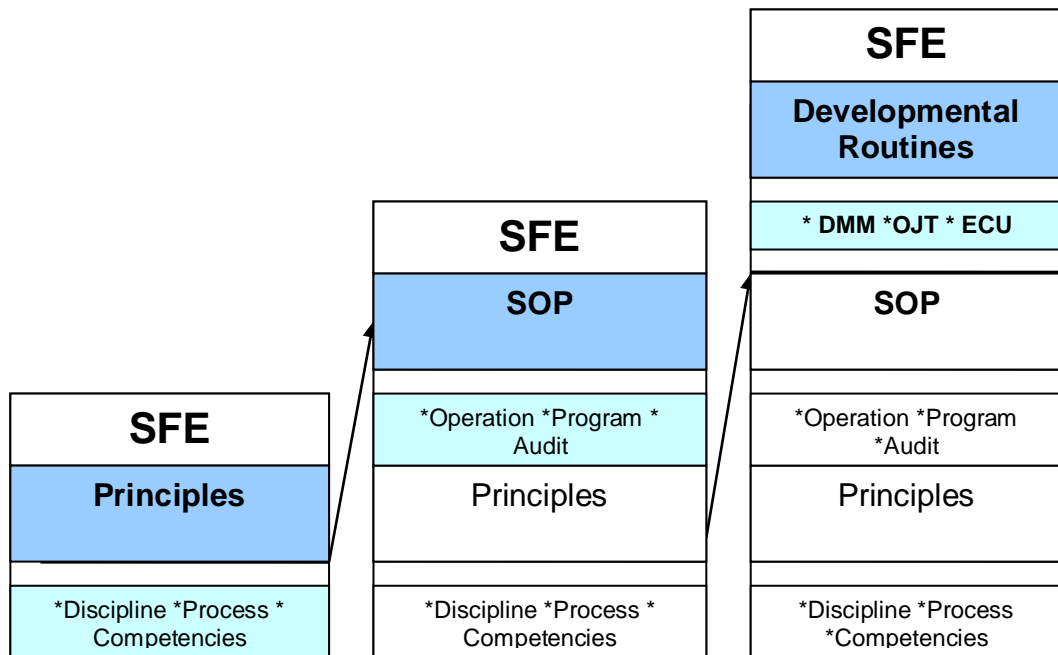


Figure 1. The SFE Model  
(Source: Eastern Consulting Group (S) Pte Ltd, 2005)

Thus, Sales Excellence is about building sales professionals, for them to lead in sales with the adoption of a Sales Excellence Model. In this context, more effective sales activities are expected to be done with less resources and easier steps via Standard Operating Procedures (SOPs). These scientific and process driven steps are designed to guide the execution of sales activities in all 5 aspects of Sales Excellence viz Operation, Recruitment, Development, E-Tech and Resource. Through this comprehensive ORDER approach, sales professionals are expected to deliver quantum leap in sales in every 3 year period. Progressively, along a Sales Excellence Road Map, a highly effective sales leadership is to be nurtured to integrate scientific selling as part of the unique culture of the organization. The Sales Excellence Model is divided into 5 Sales Excellence Centers, as follows:

1. Sales Operation Excellence
2. Sales Recruitment Excellence
3. Sales Development Excellence
4. Sales E-Tech Excellence
5. Sales Resource Excellence

As of 2007, implementation is currently in the first phase which involves only # 1 Sales Operation Excellence and # 3 Sales Development Excellence, to which this study will be limited. Accordingly, the base to test effectiveness within the SFE program, are the audit results on SOPs already implemented. Sales Operation and Sales Development Excellence directs the sales force efforts towards none other than “back to the basics” of selling, but with the aspect of “excellence”.

### Basic Tasks of the Sales Force

The three basic tasks of a sales force are order processing, creative selling and missionary selling (Griffin *et al*, 2006). In order processing, the sales person receives an order and sees to its handling and delivery. Creative selling is necessary for new products, high priced consumer products or industrial products, where the sales person's goal is to introduce the benefits of the product and to differentiate it from its competitors. Sales representatives of a pharmaceutical company, although they also present the benefits of their company's products and differentiates it from that of competitors (creative selling), are basically classified as doing missionary selling. Their goal is to promote the company as well as the products to the doctors, who in turn, prescribe the products to patients. The sale is made at the drugstore (Griffin & Ebert 2006). They are not allowed to take orders, instead, their main task is to build goodwill and educate the actual or potential user (Kotler *et al*, 2006).

Going down to specifics, the salesperson performs any and all of the following specific tasks (Kotler *et al*, 2006):

1. Prospecting – Searching for prospects or leads.
2. Targeting – Deciding how to allocate their time among prospects and customers
3. Communicating – Communicating information about the company's products and services.
4. Selling – Approaching, presenting, answering objections and closing sales
5. Servicing – Providing various services to the customers – consulting on problems, rendering technical assistance, arranging financing, expediting delivery.
6. Information Gathering – Conducting market research and doing intelligence work
7. Allocating – Deciding which customers will get scarce products during product shortages.

In addition to these specific tasks, a sales person should be familiar with how the sales process works, in order to be effective in communicating and productive in selling his product (Dalrymple *et al*, 2004).

### Steps in Effective Sales Process

Kotler *et al* (2006) identifies seven major steps in effective selling, which are as follows:

1. Prospecting and Qualifying – identify and qualify prospective clients.
2. Preapproach – learn as much as possible about the prospect to be able to develop an overall sales strategy for this prospect.
3. Approach – knowledge on how to greet the prospect to get the relationship to a good start. More important than presentation is the listening skills of the sales representative, so that he can understand the needs of the prospect and answer those needs.
4. Presentation and Demonstration – tells the product "story" to the prospect, followed by the AIDA formula (Attention getting, holding the interest, arousing the desire and obtaining action). In presentation, the sales person uses a Features,



- Advantages, Benefits and Value Approach (FABV) Features-physical characteristics of the products are presented
- a. Advantages – followed by why these features provide an advantage to the customer.
  - b. Benefits – describe the economic, technical and social benefits delivered by the offering
  - c. Value describes the worth (in monetary terms) of the offering.
5. Overcoming Objections – salespersons must anticipate objections by maintaining a positive approach, ask buyer to clarify his objections, question the buyer in a way that he answers his own objections and denies the validity of his objection, thus turn the objection into a reason for buying.
  6. Closing – learn how to recognize signs for closure from the buyer from the physical actions, statements or comments. Some closing techniques employed are as follows; ask for an order, recapitulate the points of agreement offer to help write up the order, ask for choice on product specifications, indicate what he might lose if order is not made at present, plus offer enticements such as special price, extra quantity or token gifts.
  7. Follow-up and Maintenance – is needed to ensure customer satisfaction and repeat business. Details on delivery, purchase terms and other matters should be reiterated with the buyer. Follow-up visits ensure proper installation, instruction and servicing, as well as to maintain the relationship with the buyer.

The basic tasks of the sales force, as well as the steps in effective selling are incorporated and refined in the SFE program, particularly in the Sales Operation Excellence, the focus of which is on sales force tracking, which comprises the following already implemented SOPs:

1. Call Scripts Development – CSD
2. Daily Morning Motivation - DMM
3. On Job Tracking – OJT
4. End Cycle Updates – ECU

Within the SOPs, particularly in CSD, Sales Development Excellence is emphasized, focusing on the following SOPs:

1. Solutions Excellence
2. Tools Excellence
3. Attitudes Excellence
4. Role Excellence
5. Skills Excellence

### **Sales Force Motivation**

Motivation is broadly defined as “the set of forces that cause people to behave in certain ways”(Griffin & Ebert, 2006, p.242) and is critical to a company’s success. According to Dalrymple *et al.*, (2005, p.458) “Motivation is an individual’s willingness to exert effort to achieve the organization’s goals while satisfying individual needs”. Gone are the days when it was believed that workers are motivated solely by money. Studies on motivation have focused on the importance of good human relations in motivating employee performance.

One theory, Maslow's hierarchy of needs model, proposes that people have several differing levels of human needs and argues that basic needs must be fulfilled before people work to satisfy higher-level needs. His theory recognizes that individual's needs change as their lower-level needs are satisfied, thus, they are also motivated by different things (Griffin & Ebert, 2006; Dalrymple *et al*, 2005). The expectancy theory, on the other hand, holds that people are motivated to work toward rewards that they want and that they believe they have a reasonable chance of obtaining (Griffin & Ebert, 2006). When an increase in salary happens as a matter of course, because of seniority and not from performance, people are not motivated to exert the effort.

Churchill *et al*, (2006) in their book Sales Force Management, have defined motivation as "the amount of effort the sales person desires to expend on each activity or task associated with the job" (p.541). They presented a conceptual framework for motivation, based largely on the expectancy theory previously explained. The framework suggests that the salesperson's motivation to expend effort on a given task is determined by three sets of perceptions.

(1) – expectancy – the perceived linkages between expending more effort and achieving improved performance,

(2) – instrumentalities – the perceived relationship between improved performance and the attainment of increased rewards, and

(3) – valence for rewards – the perceived attractiveness of the various rewards the salesperson might receive. (Churchill *et al*, 2006)

Dalrymple *et al*, (2004) expounded on these sets of perceptions by pointing out that under expectancy, the strength of the belief between the effort-performance relationship will influence once willingness to work hard. However, the effort should be the result of effective training, coaching and motivation, to make sure that the sales person is "working smarter" to ensure target achievement. In case of inability to reach quotas, sales persons who attribute this failure to their own lack of effort, are motivated to increase their efforts to achieve success. Compare this to those who attribute the failure to some external factor such as sales strategy, competition or the company itself. In the case of the latter, they merely decrease their efforts. This emphasizes the importance of sales management's presence in the field to be able to assess the reasons for below-target achievement and also the importance of coaching and training sales people. The perception of instrumentalities is explained when people are certain that their performance will be personally rewarding, their motivation will be higher. Thus, commission compensation plans is a good example of this. Lastly, under the perception of valence, how much a sales person desire the reward, influences their motivation to perform (Dalrymple *et al*, 2004).

Partly on the basis of these theories, experts have suggested some strategies that motivate employees to work harder. Behavior modification theory suggests reinforcement with desired behaviors and punishment with the undesired behaviors. In reinforcement strategies, reward refers to all the positive things that people get for working such as pay, praise, promotion, job security, etc. When these are tied directly to performance, they serve as positive reinforcement. Examples are cash bonuses and incentive pay for salespeople who exceed their targets/quotas which prompts them to work harder (Griffin & Ebert, 2006).

Another system is Management by Objectives (MBO), which involves both managers and subordinates in setting goals and

evaluating their progress. Experts say that the biggest advantage of MBO is the motivational impact to employees. When employees sit down with managers and decide on upcoming goals, they get to understand the value of their contributions and makes them steadfast in their commitment to goals set. In general, employee participation/empowerment and team management, are widely used as enhancers of employee motivation and company performance (Griffin & Ebert, 2006).

Whatever, the method used, it is a fact that motivating sales people is very important because of the hurdles posed by working alone, with irregular hours, competing with other sales representatives and facing the buyer (in the medical representative's case, the doctor) who usually have a superior status. Most marketers believe that the higher the sales person's motivation, the greater the effort and the resulting performance, rewards, and satisfaction – and thus further motivation (Kotler *et al*, 2006).

It was found in one study that the reward with highest motivational value was pay, followed by promotion, personal growth, and sense of accomplishment (Churchill *et al*, 2006) The least valued were liking and respect, security and recognition. However, demographic characteristics also spelled a difference for motivation. They found that financial rewards were mostly valued by older, longer tenured sales people, while the higher-order rewards such as liking and respect, recognition, sense of accomplishment, were more valued by young sales people who were unmarried or had small families and usually more formal education (Kotler *et al*, 2006). A component of the SFE Program that is designed to motivate the sales force is the Daily Morning Motivation.

### **Evaluating Sales Training**

Sales training costs can be substantial, and with the economic downturns experienced by business, sales training must prove its effectiveness in order for it to continue. It is not however easy to establish clear-cut relationships between initial training and sales force performance because of environmental and marketplace factors affecting a salesperson's job. Dalrymple *et al*, (2004) offers four levels on which sales training can be evaluated. Level one involves using trainee feedback to evaluate the training program, which includes trainee satisfaction. The questionnaire disseminated to the sales force falls in this level. Level two looks into the question of whether the training changed attitudes, increased knowledge or improved the skills of the trainees. This, however, requires testing before and after training. Level three involves an assessment of the behaviour of the sales person. Does the sales person use his knowledge and skills on the job? This can be measured through asking the sales people themselves, the sales manager observing them in their job performance and asking the customers. For the research at hand, the audit results reflect the assessment by the salesperson and the sales manager. Level four looks at the results after the training. Results can include increased sales, higher profits, more new customers and reduced costs (Dalrymple *et al*, 2004). In the case of this research, results after training consist of sales and target achievements.

Best Practices LLC, a research company in a survey, asked benchmarked companies to rate the effectiveness of seven commonly used training effectiveness measures. Of those metrics, companies

ranked skill application/productivity as the best way to measure the effectiveness of their training. Before and after testing and feedback from sales management also ranked high (Best Practices in Achieving Sales Force Excellence, Best Practices LLC [online at [www.best-in-class.com](http://www.best-in-class.com)]).

### **Evaluating Sales Reps Performance**

Sales representatives are conventionally evaluated on their ability to achieve their individual sales quotas, among other things. “Quotas are quantitative goals assigned to individual salespeople for a specified period of time” (Dalrymple *et al*, 2004, p.466). About 85% of US companies use some type of quota system for their sales people (Dalrymple *et al*, 2004). Sales quotas are sourced from company's sales forecasts, usually with a marginal increase from the latter in order to encourage sales representatives to perform at their best, so that even if quotas are not achieved, the company might still reach its sales forecast. Achievement of sales quotas or targets is also linked to the sales representatives' variable component of his compensation, thus affecting his motivation. If the quota set is too low, it is easily achievable and the company ends up paying too much to its salespeople. If the quota is set too high, this may be a demotivating factor and will affect the salesperson's enthusiasm and job performance (Kotler *et al*, 2006).

Sales quotas are established to motivate salespeople, who are achievement oriented individuals who need to know their specific goals and to be informed of how they are doing. Quotas are there to show sales people the priority products to promote, and also to provide standards for performance evaluation. Management can look at below par performers to see where the problem comes from, and analyze high performers to see what they are doing right, and how this can be used to improve the performance of the whole sales force (Dalrymple *et al*, 2004).

The reason why companies use the quota system is that it is effective. Under the goal theory, if difficult goals are accepted by the sales force, this will lead to higher performance compared to moderate or no goals. Thus, for goal setting to be effective, salespeople must accept the goals or targets or quotas as their own. Frequent feedback and updates on target achievements is necessary and sales people must be determined to achieve their goals, showing goal commitment. Commitment is usually achieved thru the sales persons participation in goal setting. Their participation builds self-confidence, allowing them to set higher performance goals and perform better than those who are less confident. Thus, the benefits of feedback, training, given that one's self confidence can be enhanced through repeated success or modeling one'self after successful performers (Dalrymple *et al*, 2004).

Sales representatives are also evaluated based on the sales person's knowledge of the company, products, customers, competitors, territory and responsibilities as well as personal characteristics. Aside from quota achievement, a research has found that the next three most popular methods of evaluating sales people employed by US multinational companies in Asia, are knowledge, appearance and motivation (Hill & Allaway, 1993).

In the case of the P.T. ABC, the sales force performance is evaluated based on the sales achievements of each sales person compared to individual targets, team targets and company wide

targets. Rewards in the form of incentive pay or bonus, and travel, etc. are dependent on satisfactory target achievement (Kotler *et al*, 2006). Most benchmarked companies rely on sales productivity and revenue targets when measuring the performance of their sales force (Best Practices in Achieving Sales Force Excellence, Best Practices LLC [online at [www.best-in-class.com](http://www.best-in-class.com)]) Aside from sales achievements, they are also being evaluated on how well they implement the SFE program through an internal regular audit of SOP implementation.

### **Daily Motivation Review (DMR)**

The objective is to have specific measurements on the status of the DMM core routines and to promote competitive peer pressure to promote sales force excellence. It is a repetitive measure of the quality of the DMM practice with feedbacks to keep the objectives of DMM on track and how it can be made to deliver more positive impact on the SFE. The audit is done on a predetermined format, done mainly qualitatively and summarized quantitatively on a scale of 1-10 with 1 being extremely negative and 10 being extremely positive. DMM Audit or Daily Motivation Review (DMR) for PT ABC covers its audit on the DMM itself, where the sales representatives are rated by their peers based on their report on yesterday's success stories and performance and the today's objective setting.

### **Call Script**

Call script is scored in accordance with the Sales Development Excellence Elements (STARS) previously explained, with a score of 1 as the lowest and 10 as the highest.

### **CT 90**

CT90 scores the CT90 process on predetermined CT90 Audit forms, done mainly qualitatively and summarized quantitatively on a scale of 1-10 with 1 being extremely negative and 10 being extremely positive. Sales representatives are scored based on their script readiness and role play, the STARS elements therein and the role commitment as well as improvement commitment.

## **RESEARCH METHODS**

### **Source of Data**

Data sources for this thesis consist of both primary and secondary data. Whereas primary data are information that is developed or gathered by the researcher specifically for the research project at hand, secondary data, are those that have been previously gathered by some other person for some purpose other than the research at hand (Burns & Bush, 2005). Primary data sources for this research are the results of a questionnaire conducted amongst the sales force team. Secondary data used are classified as either internal or external. Internal secondary data consist of data that have already been gathered in the firm. This consists of the records of the sales force, the scores of the sales force for the implementation of the SFE Program, specifically the audits conducted, the sales achievements of PT ABC as well as the sales targets for any year. External secondary data consists of data obtained outside the firm in the form of published sources from libraries and on-line.

## **Collection Method**

1. **Observation** – Observation method used was direct, human and undisguised observation of the implementation of the SFE Program. The researcher observed how the SOPs for the SFE Program was conducted regularly by the sales force.
2. **Unstructured interview** – This is termed as such because the interviewer does not have a planned sequence of questions to ask the respondent, as the questions will be exploratory in nature, with the goal of obtaining more definite ideas about the problem at hand (Sekaran, 1992). This method was used to understand the SFE Program, and clarify the manner in which the SOPs were being conducted. Interviewed were PT ABC's country manager and head of sales, some district sales managers and some sales people, the business support manager and west regional sales manager for primary care.
3. **Questionnaire** – is” a preformulated written set of questions to which respondents record their answers usually within rather closely defined alternatives” (Sekaran, 1992, p. 200). For this thesis, a self-administered survey was used to collect the primary data on the opinion of the sales force on the achievement of the objectives set by the implemented SOPs of the SFE Program. This was chosen because it is inexpensive, gives the respondent control and there is no interviewer-evaluation apprehension (Burns & Bush, 2005).
4. **Requested from the company** – yielded data on the sales force numbers and structures, sales achievements, quotas or targets & results of SFE program audit of SOPs already implemented.
5. **Literature research** – library and internet research was conducted to search for the works already done on the subject matter at hand, related literature as well as on methods for conducting this research.

## **Sampling Method Utilized**

For the questionnaire distributed, initial systematic sampling method was used. A list of the 81 sales people who participated in the SFE program was made, grouped according to the sales district where they belong. A skip interval of 2 was used from some random starting point and covered the entire list. With this method, every sales person has an identical chance of being selected into the sample (Burns and Bush, 2005). It also has the added advantage of having representative respondents from SFE participant sales districts. However, this resulted in only 41 respondents or about 50% of 81 medical sales representatives. As an additional assurance for reaching the minimum sample size of 30 (Preece, 1994), and because of the limited time in conducting this research, additional 9 questionnaires were distributed to sales people in Jakarta area using convenience sampling, which “involves collecting information from the population who are conveniently available to provide the information” (Sekaran 1992, p.235). The questionnaires were distributed and gathered within the month of June 2007.

## **Sample Size**

According to Levin *et al* (2005, p.262) “for most population distributions, regardless of shape, the sampling distribution of the mean is approximately normally distributed if samples of at least 30

observations are selected". A minimum sample size of no fewer than 30 and preferably 60 samples was also espoused by Preece (1994). Based on the foregoing, a minimum sample size of 30 is targeted. However, despite of the acceptance of 30 samples, the sample size was still computed for the survey conducted.

For the questionnaire, sample size was computed using the formula for sample size determination for the mean, (Levine, *et al*, 2005 p. 302) as follows:

$$\text{Sample Size Determination for the Mean: } n = \frac{Z^2 \sigma^2}{e^2}$$

where the sample size  $n$  is equal to the product of the  $Z$  value squared and the variance  $\sigma^2$ , divided by the sampling error  $e$  squared.

$Z$  = to the standard error associated with the chosen level of confidence (1.96),  $\sigma$  =variability indicated by an estimated standard deviation, and

$e$  = the amount of precision or allowable error in the sample estimate of the population (Burns & Bush, 2005, p.300; Levine *et al*, 2005 p. 302).

Using the computer software Excel with PHStat2,  $n$  was computed at 49 respondents, based on a population standard deviation of 1, a sampling error of 0.15 and a confidence level of 90%. The questionnaires returned equal 50, and after processing equal 49, which satisfied the above sample size requirement and hypothesis testing could proceed.

### **Data Analysis**

Upon the completion of the gathering of the relevant data, the next step is the analysis of the data. However, before this can be done, Sekaran (1992) recommends following four steps in data analysis to ensure that the data obtained are reasonably good and ready for use for statistical analysis. To the extent of their relevance to data under analysis, the following steps will be undertaken:

- 1) Getting data ready for analysis
- 2) Get a feel for the data
- 3) Testing the goodness of the data
- 4) Testing the hypothesis

Hypothesis testing will be conducted using appropriate statistical methods. "Inferential analysis will be used to generate conclusions about the population's characteristics, based on the sample data" (Burns & Bush, 2005, p.433).

Then, descriptive, inferential and differences statistical analysis will be applied on the data gathered. Differences statistical analysis will be used to evaluate the statistical significance of difference in the means of two groups through the t-Test.

Internal company data will be utilized to compare the monthly sales achievement to target for the two (2) years prior to the SFE program (year 2003-2004) and the first two (2) years after the implementation (year 2005-2005) using the two sample-test.

The two-sample test or the t-Test will be used "to see if there are any significant difference in the means for two groups" (Sekaran, 1992, p.267). It can also be used to compare the differences in the same group before and after a treatment, as in the current problem at hand (Sekaran, 1992).

## ANALYSIS AND DISCUSSION

### Analysis of Research Question 1

The first research question is whether or not there was a growth in sales of PT ABC. This necessitates an examination of the sales results of PT ABC. As the SFE program was implemented beginning 2005, monthly sales achievements were collected since 2 years before the implementation.

Preparation of the data for analysis requires the tabulation of sales achievements for the period before SFE implementation (year 2003 & 2004) and the period after SFE implementation (years 2005 & 2006).

A line chart was used as an initial analysis tool to compare the “before” and “after” using a 24 month period, the results are as follows:

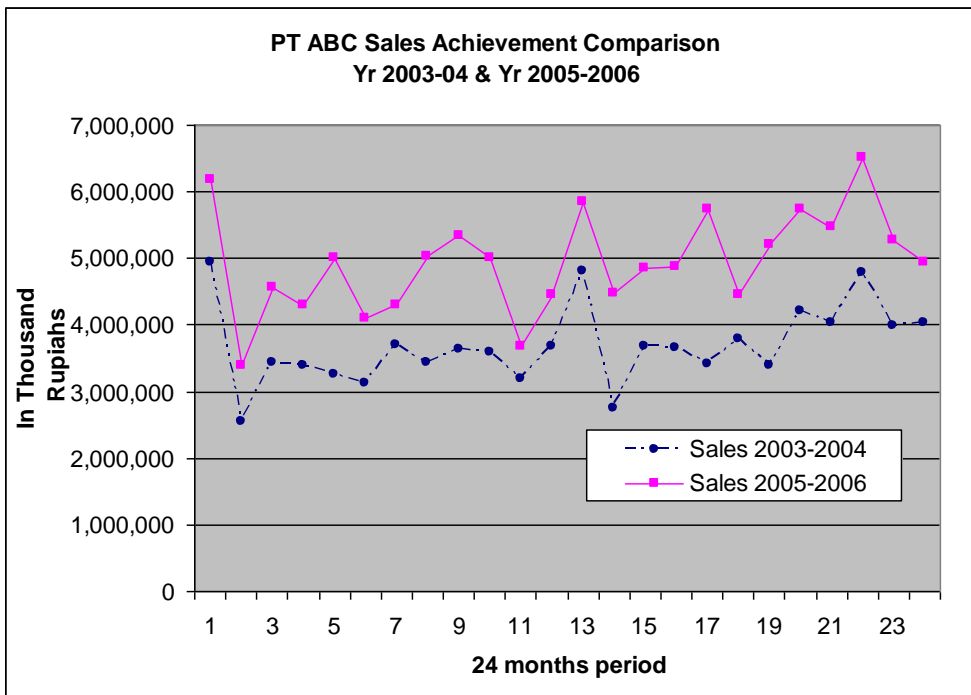


Figure 2. Sales Achievement Comparison  
(Source: Analysis of PT ABC Sales Data)

The line chart seem to reveal that sales in period 2005-2006 are higher than period 2003-2004.

To confirm this conclusion, the t-Test for the mean difference in related samples was conducted using the Excel program (Levine *et al*, 2005, p.385). The sales achievements were matched monthly for the periods before (year 2003-04) and after (year 2005-06) SFE implementation.

Translating the problem for the t-Test, the following null hypothesis is presented:

Hypothesis 1, Null Hypothesis:

Ho: Average actual sales achievement for year 05-06 (after SFE implementation) is lower or the same as year 03-04 (before SFE implementation); thus, Ho: mean difference  $\leq 0$  where mean difference = (year 05-06) minus (year 03-04)



If the null hypothesis is rejected then the alternative hypothesis, is adopted. The alternative hypothesis being:

H1: Average actual sales achievement for year 05-06 is (after SFE implementation) is greater than year 03-04; thus, H1: mean difference  $>0$

Assuming a level of significance of  $\alpha=0.05$  and assuming that the differences are normally distributed, the paired-sample t test is used. For a sample of  $n=24$  months, the decision rule is: Reject  $H_0$  if  $(t\text{-stat}) > t_{23}$ , where the critical value,  $t_{23}=1.7139$ . Because  $t=13.5684$  is greater than  $t_{23}=1.7139$ , reject  $H_0$ , and adopt the alternative hypothesis, that there is evidence that the average actual sales achievement for year 05-06 is greater than year 03-04.

Further, because the  $p\text{-value}=9.17282E-13$  is less than  $\alpha=0.05$ , the conclusion is to reject  $H_0$ . The p value indicates that if in fact both periods have the same average sales achievement, the probability that the period 2003-2004 would be higher than period 2005-2006 by an average of 52,612.16 is only  $9.17282E-13$ . Because this probability is so small, the degree of belief in the null hypothesis is minimal and it can be concluded that the alternative hypothesis, H1 is true, that is, average actual sales achievement for year 05-06 is greater than year 03-04.

Thus, the answer to RQ1 is that there was growth in sales of PT ABC.

### **Analysis of Research Question 2**

From the company's point of view, the effectivity of the SFE program should translate into not just growth in sales, but increasing target (quota) achievement as well. It can be recalled from Chapter 2 that sales target achievement is used as a tool for evaluating sales representatives performance. This necessitates an examination of the percentage sales target achievement of PT ABC, with RQ 2: "Has the current implementation of the Sales Force Excellence program achieved the objective of the company, of increase in percentage sales target achievement?"

Since the SFE program was implemented beginning 2005, monthly percentage sales target achievements were collected since 2 years before the implementation, and 2 years after the implementation.

Initial analysis was done through the use of the bar chart to compare the "before" and "after" of percentage sales target achievement for the two years before and two years after the implementation of the SFE program. Using a 24 month period, the results are as shown in Figure 3.

Unlike the line chart for absolute sales values, it does not appear so clear whether the percentage sales target achievement for period 2005-2006 is higher than period 2003-2004.

To be sure, the same t-Test will be used to compare the percentage sales target achievements for the before and after periods.

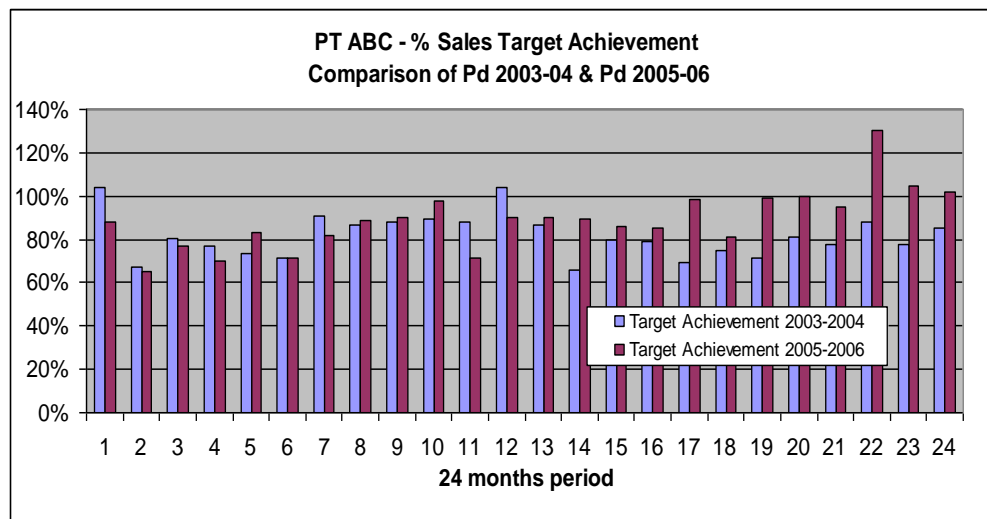


Figure 3. Percentage Sales Target Achievement Comparison  
(Source: Analysis PT ABC Sales Data)

Translating the problem for the t-Test, the null hypothesis (Hypothesis 2) is:

Ho: Average percentage sales target achievement for year 05-06 (after SFE implementation) is lower or the same as year 03-04 (before SFE implementation) thus, Ho: mean difference  $\leq 0$ , where mean difference is equal to year 05-06 minus year 03-04.

If the null hypothesis is rejected, then the alternative hypothesis is adopted, which is;

H1: Average percentage sales target achievement for year 05-06 is greater than year 03-04 (H1: mean difference  $>0$ )

Assuming a level of significance of  $\alpha=0.05$  and assuming that the differences are normally distributed, the paired-sample t- Test is used. For a sample of  $n=24$  months, the decision rule is: Reject Ho if  $t_{stat} > t_{23}$  where the critical value  $t_{23}=1.7139$ . Because  $t_{stat}=2.417$  is greater than  $t_{23}=1.7139$ , reject Ho, and adopt alternative hypothesis that there is evidence that the average percentage target achievement for year 05-06 is greater than year 03-04. Further, because the p-value=0.01198 is less than  $\alpha=0.05$ , the conclusion is to reject Ho. The p value indicates that if in fact both periods have the same average percentage target achievement, the probability that the period 2003-2004 would be higher than period 2005-2006 by an average of .3157 is only 0.01198.

Thus, the answer to RQ 2 is that there was an increase in percentage sales target achievement from the periods 2 years before SFE implementation and 2 years after SFE implementation.

Thus, despite of the fact that targets were significantly increased for the succeeding years, the results of the t-Tests for absolute value of sales and percentage sales target achievements, are the same and concludes that absolute sales achievements and percentage target sales achievements for years 2005-2006 after the SFE program was implemented, are higher than those in the 2 years before implementation, year 2003-2004.

### Analysis of Research Question 3

The third research problem explores the relationship, if there is any, between the three audit variables (DMR, Call Script & CT 90) of the SFE program and SFE program effectiveness (measured by sales target achievement).

Looking at the mean, median and mode of the independent variables, one can see that there is no difference in the scores between the independent variables (all 7). The range for DMR scores is wider at 3 compared to that of script and CT90.

Another statistical tool used to get a feel of the data is the coefficient of correlation (Sekaran, 1992). The coefficient of correlation indicates the linear relationship or association between two numerical variables. When the coefficient of correlation gets closer to +1 or -1, the stronger is the linear relationship between the two variables. When it is near to or equal to 0, little or no linear relationship exists. The sign of the coefficient of correlation indicates whether the data are positively correlated, or negatively correlated (Levine *et al*, 2005). Therefore, the null hypothesis is  $H_0$ : Population correlation coefficient is equal to zero (Burns & Bush, 2005).

To examine the relative strength of a linear relationship or the association between the independent and dependent variables, the coefficient of correlation between each paired variable is measured below in a Pearson correlation matrix (Sekaran, 1992).

Table 1. Coefficient of Correlation between  
DMR, Script, CT90 & 06 Achievement

X	COEFFICIENT CORRELATION TABLE			
	Y			
	06 Achievement	DMR	Script	CT90
06 Achievement	1.00	0.34	0.18	0.26
DMR	0.34	1.00	0.40	0.45
Script	0.18	0.40	1.00	0.30
CT90	0.26	0.45	0.30	1.00

(Source: Analysis of PT ABC SFE Audit Report)

From the table it is evident that all correlations or strength of associations between our variables are very weak or none at all. This is based on the rule of thumb about correlation coefficient size in Burns & Busch, (2005, p.534) which categorizes coefficient range of  $\pm .21$  to  $\pm .40$  as very weak and  $\pm .00$  to  $\pm .20$  as none. Thus, it can be concluded that the correlation is found to be not significant, and the null hypothesis cannot be rejected. The answer to RQ 3 is that there is no relationship or association between the three audit variables (DMR, Call Script, & CT 90) and SFE program effectiveness (measured by sales target achievement).

### Analysis of Research Question 4

This conclusion is also confirmed by a multiple regression analysis of the theory (RQ 4) "can the three audit variables of (DMR, Call Script & CT90) be used as a basis to predict effectiveness (measured by sales target achievement). Thus, the null hypothesis (Hypothesis 4) is:

Ho: The three audit variables of (DMR, Call Script & CT90) will not significantly explain the variance of effectiveness (measured by sales target achievement).

If the null hypothesis is rejected then the alternative hypothesis that follows, is adopted:

H1: The three audit variables of (DMR, Call Script & CT90) will significantly explain the variance of sales force effectiveness (measured by sales target achievement).

The result of the analysis, using an alpha level set to 0.05, showed a coefficient of multiple determination or  $r^2 = 0.13$ . This means that only 13% of the variation in percentage achievement of the sales persons can be explained by their SFE audit results. Since  $r^2$  is so low, the null hypothesis cannot be rejected. Thus, the answer to RQ 4 is that the audit variables of SFE (DMR, Call Script & CT90) are not good predictors of effectiveness (measured by percentage sales achievement) of the sales force.

### **Analysis of the Research Question 5**

Research question 5 investigates the sales forces' attitudes and opinions on the effectiveness of the implementation of the four SOPs (CSD & CT 90, DMM, OJT & ECU) of the SFE program, through a questionnaire survey done for this purpose. A total of 50 questionnaires were distributed to the sales people. All questionnaires came back and a cursory look at the results reveal that 1 respondent did not seem to understand the questions because, he strongly disagreed with the statement that SFE has helped him become a better sales representative, but answered contradictory in the positive to other SFE component questions. His answers could not be verified, thus, it was excluded. The rest of the 49 respondents seem to understand the questions and are able to answer in accordance with their feelings and opinions on the subject matter. The data was tabulated and prepared for analysis. Some negatively worded questions were converted to positive for consistency and to facilitate analysis.

Then, the data's reliability and validity were tested. In testing the reliability of the questionnaire, the test-retest reliability test was used (Sekaran 1993).

The reliability test resulted in a .70 coefficient of reliability, which exceeds the minimum acceptable level of 0.60 (Nazir 1988, p.169) thus, passing the reliability test.

To test for content validity (Sekaran 1993), the questionnaire was reviewed by Country manager, Sales head, SFE program training manager and a district sales manager, who all agree that the questions cover the dimensions and elements of the SFE Program that have been implemented. Translation to Bahasa Indonesia was done by the district sales manager and reviewed by the sales manager, thus, satisfying the requirements of content validity.

After the validity and reliability tests, the questionnaire results on the four implemented SOPs (that answers RQ 5) can be analyzed.

### **Analysis of Research Question 6**

At this point, the existence of any linear relationships or association between the SFE components (CSD & CT90, DMM, OJT, ECU) with SFE effectiveness (RS 6) will be investigated, through the

coefficient of correlation (Sekaran, 1992). As with the previous use of the formula, the null hypothesis would be correlation coefficient is equal to zero.(Burns & Bush, 2005) In this case, Hypothesis 5 - null hypothesis is:

Ho: According to the opinion of the sales force, the four implemented SOPs (CSD & CT90, DMM, OJT, ECU), do not have any relationship or association to SFE effectiveness (Q16), meaning that correlation coefficient is equal to zero.

If the null hypothesis is rejected then the alternative hypothesis that follows, is adopted:

H1: According to the opinion of the sales force, the four implemented SOPs (CSD & CT90, DMM, OJT, ECU), have a relationship or association to SFE effectiveness (Q16), meaning that correlation coefficient is not equal to zero

To examine the relative strength of a linear relationship or the association between the independent and dependent variables, the coefficient of correlation between each paired variable is measured below in a Pearson correlation matrix (Sekaran, 1992).

Table 2. Matrix of Coefficient Correlation  
Between SFE, CSD & CT90, DMM, OJT & ECU

	SFE	CSD CT90	DMM	OJT	ECU
SFE	1.00	0.83	0.80	0.75	0.67
CSD&CT90	0.83	1.00	0.87	0.78	0.73
DMM	0.80	0.87	1.00	0.72	0.82
OJT	0.75	0.78	0.72	1.00	0.62
ECU	0.67	0.73	0.82	0.62	1.00

(Source: Analysis of Questionnaire results, 2007)

From the table it is evident that all correlations or strength of associations between our variables are between moderate to strong. This is based on the rule of thumb about correlation coefficient size in Burns & Busch, (2005, p.534) which categorizes coefficient range of  $\pm .61$  to  $\pm .80$  as moderate and  $\pm .81$  to  $\pm 1.00$  as strong. Thus, it can be concluded that the correlation are statistically significant between the SFE and the various components already implemented and the null hypothesis can be rejected.

Thus, the answer to RQ 6 is that the four implemented SOPs (CSD & CT90, DMM, OJT, ECU) of the SFE program have a linear relationship or association with its effectiveness.

### Analysis of Research Question 7

From the foregoing conclusion, the relationships can be further analyzed by inquiring on the ability of the independent variables (CSD & CT90, DMM, OJT, ECU) to predict the dependent variable (SFE).

The results of the multiple regression computation reveal a multiple regression model with 4 explanatory or independent variables, namely CSD & CT90, DMM, OJT & ECU. The dependent

variable is identified as SFE. Based on the results, the multiple regression model that can be used to predict SFE is as follows:

$$\text{SFE} = -0.0635 + 0.4382\text{CSD} + 0.2963\text{DMM} + 0.2646\text{OJT} + 0.0284\text{ECU}$$

The regression coefficients measure the average change in Y (dependent variable-SFE) per unit change of a particular X (independent variable-either CSD & CT90, DMM, OJT or ECU) holding constant the effect of the other variables.

More importantly, the  $r^2$  (coefficient of multiple determination) = 0.7343, which means that 73.43% of the variation in SFE can be explained by the variation in the CSD & CT90, DMM, OJT & ECU. Even the Adjusted  $R^2 = 0.7102$  means that 71.02% of the variation in SFE can be "explained by the multiple regression model-adjusted for number of predictors and sample size" (Levine *et al*, 2005, p.581). Thus, it can be concluded that the multiple regression model is appropriate for predicting SFE (Levine *et al*, 2005).

The answer to RQ 7 is therefore, from the point of view of the sales force, the four implemented SOPs of SFE (CSD & CT90, DMR, OJT & ECU) can be used as basis to predict sales force effectiveness.

## **CONCLUSION AND RECOMMENDATION**

### **CONCLUSION**

1. **On RQ 1:** Average actual sales achievement for year 05-06 (after SFE implementation) is greater than year 03-04 (before SFE implementation).
2. **On RQ 2:** Average percentage sales target achievement for year 05-06 (after SFE implementation) is greater than year 03-04 (before SFE implementation).
3. **On RQ 3:** There is no linear relationship or association between the three audit variables (DMR, Call Script & CT 90) of the SFE program and its effectiveness (measured by sales target achievement).
4. **On RQ 4:** The three audit variables of (DMR, Call Script & CT90) will not significantly explain the variance of effectiveness (measured by sales target achievement)
5. **On RQ 5:** What are the sales force's attitudes and opinions on the effectiveness of the implemented SOPs (CSD & CT90, DMM, OJT, ECU) of the SFE Program ?

More than majority of the respondents' agreed that CSD & CT90 has taught them new presentation techniques that have improved their sales performance, that it had better prepared them for the sales call to the doctor, that they were able to learn from their own & their team member's sales call experience and that they were able to run the STARS components in their mind for a particular doctor when they make the sales call.

As to the sales force opinions on the effectiveness of the DMM components of the SFE, the results are also more than majority positive response. They look forward to, are motivated and positively charged to start their sales calls after DMM. They feel that they could achieve more sales if after doing DMM, they make their sales calls. They also utilize the

key data board to plan their sales calls and to focus their sales effort.

For the OJT component of the SFE program, the sales force on the whole, have a positive response to it. They believe that their skill was improved by the OJT implementation and that the OJT component strengthens the respondent's relationship with the sales manager. Almost 70% believe that they need to go on OJT with their sales manager and that their sales manager is able to demonstrate how an ideal day of work should be like.

As to the effectiveness of the recently implemented ECU component of the SFE, more than majority (84-87%) of the sales force is of the positive opinion. They agreed that during the ECU, they are reminded of the SOP's for the various SFE programs already implemented and they are motivated by the awarding of achievements of sales people. A total positive response of 87% said that they are clear on their targets and the means to achieve them after the ECU.

Finally, on the overall question on whether the SFE has helped respondent become a more effective sales representative a total of 85% gave a positive response. But only a total positive response of 77% said that the SFE program has helped the respondent achieve his targets.

6. **On RQ 6:** According to the opinion of the sales force, the four implemented SOPs (CSD & CT90, DMM, OJT, ECU) of SFE program, have a linear relationship or association with SFE effectiveness.
7. **On RQ 7:** According to the opinion of the sales force, the four implemented SOPs of SFE (CSD & CT90, DMR, OJT & ECU) can be used as basis to predict sales force effectiveness.

## **RECOMMENDATION**

To summarize, the recommendations are as follows:

1. That PT ABC strengthen further the SOPs implemented and continue with the SFE program.
2. That an interview survey on the opinions and feelings of the sales force, be conducted in the future when all components have been implemented, maybe during the ECU (to get enough sampling from the sales people) on the same subject matter, as update and to be able to pursue the subject matter more deeply.
3. That after another two years, a similar research could be conducted, but by that time, there will be sufficient data on audit results and complete implementation of all components, that would be the basis of another correlational study or perhaps a complete causal study (like path analysis).
4. The continuance of the the SFE program and the implementation of its other components.

It is recommended for the academic, that future possible research topics could be a research on what are the variables used by a consumer product company or any industry with sales force, to assess effectiveness of its sales force. Another possibility would be a survey of the variables used by a representative sample of pharmaceutical companies in Indonesia or in Asia to assess sales force effectiveness. It is also recommended that the five levers proposed by the Roland Berger Strategy Consultants survey may be

used to assess sales force effectiveness in a particular company or industry.

## REFERENCE LIST

- Burns, Alvin C., & Ronald F. Bush, 2005, "Marketing Research: Online Research Applications", 4th Ed., Pearson Education Inc., New Jersey, USA.
- Churchill Jr., G. A., N. M. Ford, O. C. Walker Jr., 2006, "Sales Force Management", Richard D. Irwin Inc., USA
- Dalrymple, D. J., W. L. Cron, & T. E. De Carlo, 2004, "Sales Management", 8th Ed, John Wiley & Sons Inc., USA
- Eastern Consulting Group (S) Pte Ltd, November 2005, "Sales Force Excellence SOP Manual (Seed I- Draft 2)", Singapore
- Griffin, Ricky W. & Ebert, Ronald J., 2006, "Business," International Edition, Pearson Prentice Hall, USA
- Hill, J. S., & A. W. Allaway, 1993 "How U.S.-based Companies Manage Sales in Foreign Countries, "Industrial Marketing Management (February 1993):7-16)
- Kotler P., K. Keller, S. H. Ang, S. M. Leong, & C. T. Tan, 2006, "Marketing Management An Asian Perspective," 4th Ed., Pearson Prentice Hall, Singapore
- Leigh, M., & P. McGraw, 1989, "Mapping the Procedural Knowledge of Industrial Sales Personnel: A Script-Theoretic Investigation," *Journal of Marketing* 53 (January 1989, p. 16-34)
- Levine, L., D. Stephan, T. Krehbiel, & M. Berenson, 2005, "Statistics for Managers", 4th Ed., Pearson Prentice Hall, USA
- Nazir, M., 1988, "Metode Penelitian", Ghalia Indonesia, Indonesia
- Perreault, W. D., & E. J. McCarthy, 2005, "Basic Marketing – A Global-Managerial Approach", 15th Ed., McGraw-Hill, New York
- Preece, R., 1994, "Starting Research: An introduction to academic research and dissertation writing", Pinter Publishings, London
- PT ABC. "2005 Annual Report", PT ABC, 2006.
- PT ABC, "2006 Annual Report", PT ABC, 2007.
- Sekaran, Uma, 1992 "Methods for Business: A Skill Building Approach", 2nd Ed., John Wiley & Sons, Inc, Singapore.
- "Best Practices in Achieving Sales Force Excellence", Best Practices LLC [online at [www.best-in-class.com](http://www.best-in-class.com)], June 2007
- Danner, S., A. Ruzicic, A. Buccella, & B. Entrayquez, 2006, "The European Pharmaceutical Industry: Delivering Sales Excellence in Turbulent Times", [online] [www.rolandberger.com](http://www.rolandberger.com), June 2007