

IMPROVING SALES FORCE MANAGEMENT OF REAL ESTATE COMPANIES IN VIETNAM

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ABSTRACT:

This research aimed to seek out solutions to improve sales force management which is one of the important factors determining the success of real estate companies in Vietnam. This research investigated the current situation of sales force management of real estate companies and found out the shortcomings in the sales force management of managers in the real estate industry. Based on the research's findings, some recommendations were made to improve the sales force management of real estate companies in Vietnam. There are five contents of sales force management, including sales force recruitment and selection, training, motivation, supervision, and evaluation. The solutions are proposed to improve sales force management are suitable and attractive salary and reward policies, improving training quality for the sales force, and enhancing the recruitment and selection processes.

Keywords: sales force management, content of sales force management

1. Introduction

In a market economy, with the integration of the international economy, more and more enterprises participating in the market economy will provide the same or similar products and services, causing competitive pressure on the more fierce. In order to attract customers to trust the company's products and to know the company's products, to make businesses gain high market share, each business must find ways to expand its sales force, create the best sales force, the most extensive coverage to enhance the competitiveness of the company. The job of sales managers is to build and develop a sales force to meet the requirements, goals, and growth of the business.

Along with the development of information technology today, the role of sales force is extremely necessary because this is the main factor that helps the company to be profitable, a leading factor for the success of businesses with the profits they bring and

the image they spread. Good managers are able to organize an effective sales force, have competitive power in the market, optimize costs, and achieve expected profits. On the basis of well-organized sales force, strictly controlled distribution activities will facilitate the increase in sales and expand market share, take good care of its customers in order to increase competitiveness compete against his competitors.

As technology has revolutionized the way people work and communicate, competition among businesses in the industry is becoming more and more fierce, the sales force needs to be more closely organized, intensely trained, and widened the horizon in order to fulfill its mission. However businesses in Vietnam mostly focus on training high level managers including financial managers, HRMs, marketing managers but neglect on training sales managers. In fact, this is a fatal mistake that has made many companies making a loss, being brand-

unknown, and even standing on the edge of bankruptcy despite a long time period of establishment.

2. Theoretical background

2.1. Definition of sales force management

Sales force management is a sub-system of marketing management. It is Sales Management that translates the marketing plan into marketing performance. That is why sales force management is sometimes described as the muscle behind the marketing management. Actually, sales force management does much more than serving as the muscle behind marketing management. Sales managers in modern organization are required to be customer-oriented and profit-directed and perform several tasks besides setting and achieving personal selling goals of the firm. It meant of all marketing activities including advertising, sales promotion, marketing research, physical distribution, pricing and product merchandising.

2.2. Role of sales force management

Sales force management is important for any organization because it generates revenue for the company. The sales persons role is a key one in the organization. A good sales team can get better margins whereas a poor sales team will fight on price and drop margins. It helps the business plan of the company by reaching the targeted audience and converting them to customers. Good sales practices can also contribute to the brand building of the company. Excellent sales people work as both – sales and service consultants to their customers, giving boost to the companies market presence.

2.3. Literature review

According to Gilbert et al. (1993), sales force management is defined as the planning, direction and control of the personal selling activities of a business unit, including recruiting, selecting, training, equipping, assigning routing, supervising, paying and motivating as these tasks apply to the personal sales force. The basic objective of sales force management is to determine how well individual sales person have performed.

According to Wang and Netemeyer (2004), competitive survival in the market depends on an aggressive, well-trained professional sales force. Today's market place demands salespeople who are keenly sensitive to customers needs and equipped with the technical knowledge and necessary

communication skills to operate efficiently and effectively to the mutual advantage of both sellers and buyers. The research gives a focus on three decisions of sales force management including supervision and direction, motivation of sales force and controlling and evaluating sales force.

Madhani (2015) states that effective management and motivation of salesforce is crucial to the success of sales organization as it ensures proper salesforce focus on market needs and successful achievement of organization goals. Sales organizations have two main approaches for managing the behavior of their salesforce, namely, behavior-based (monitoring) and outcome-based (incentives). A behavior system evaluates the salesforce in light of the selling process, while an outcome system evaluates the salesforce in light of results. This research identifies key characteristics of behavior- and outcome-based systems along with its benefits and drawbacks and suggests selection criteria for appropriate choice of behavior versus outcome measures. The study explains agency theory and highlights the underlying logic of short-term behavior of salespeople when compensated with incentives. Finally, the study provides a numerical illustration to design an optimal performance measurement scenario based on behavior- and outcome-based measures.

Reid et al. (2017) point out that long-term success of the firm in generating sales volume hinges upon the development of sales force. Sales force is an invaluable human resource of the firm. They have practically unlimited potential for growth and development. The effective management of sales force is a major task of sales management. Management of sales force requires some decisions to be taken by the sales executives including Establishing sales force objectives, determining sales force size and recruiting and selecting sales force. Accordingly, regarding establishing sales force objectives, in order to achieve aggregate sales objectives, individual sales people need to have their own sales targets, but increasingly profit targets are being used, reflecting the need to guard against sales being bought cheaply by excessive discounting. To gain commitment to targets, individual sales persons should be consulted. Sales managers can also set input objectives such as time spent developing new accounts or time spent introducing new products.

2.4. Content of sales force management

Main factors and foundations of the research for sales force management

2.4.1. Sales force recruitment and selection

Recruitment and selection process

Recruitment and selection are essential activities to recruit talent and develop human resources for the organization. In 2007, Luis R. Gomez-Meijia, David B. Balkin and Robert L. Cardy announced a recruitment and selection process. This process includes of the following three phases:

Figure 1: Recruitment and selection process



Source: Luis R. Gomez-Meijia, David B. Balkin and Robert L. Cardy (2007)

Recruiting and selecting effective salespeople is one of the most important tasks of sales management. It requires finding people who fit the type of sales position required by a company. Selection and recruitment practices would differ greatly between order-taking and order-getting sales positions, due to the difference in the demands of these two jobs. Therefore, recruitment and selection begin with a carefully crafted job analysis.

2.4.2. Sales force training

Training salespeople are always important to the success of the sales force because they need to improve their knowledge of the product, the company, and the best sales skills, as well as how to build an efficient sales process. A training program will attempt to cover a combination of knowledge and skill development. Six components can be identified:

2.4.3. Sales force motivation

A study of salesperson motivation shows that a sales plan cannot be successfully implemented without motivating the salesperson. To create a motivated salesperson, you need to do a good job such as (1) a clear job description, (2) effective sales management

practices, (3) a sense of achievement, and (4) appropriate incentives or rewards.

The company must establish a payment method when deciding the level of compensation. There are three basic payment methods: (1) straight pay, (2) straight commission, or (3) combined plan. Straight pay usually provides the most security for salespeople - and straight commissions are most incentives. Most companies want to give their salespeople some balance between security and incentives, so the most common payment method is

a combination plan that includes some salary and some commission. Bonuses, profit sharing, insurance, pensions, and other fringe benefits may also be

included. Four criteria should be applied to determine the choice of payment plan: control, incentive, flexibility, and simplicity.

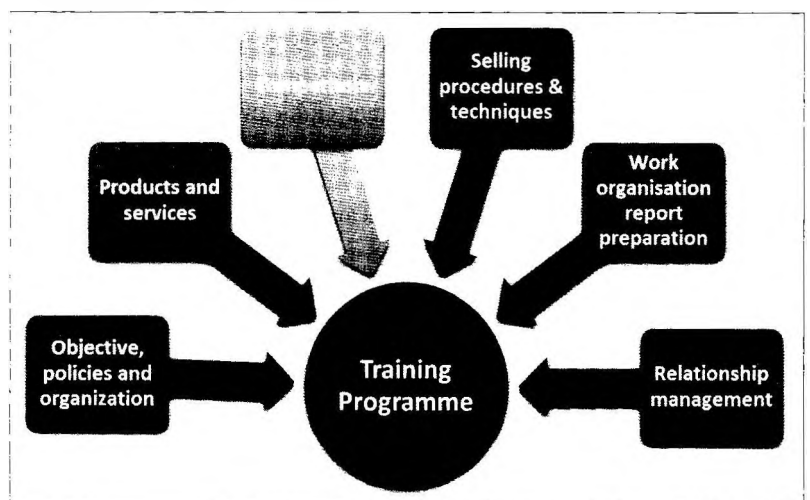
Of course, non-monetary rewards are also given to salespeople when they exceed sales targets. These rewards can be awards for outstanding salespeople and letter of commendation from company managers, attractive trips, honor societies.

2.4.4. Sales force supervision

Norms for customer calls

According to the 1989 survey that built a customer visit, the average salesman made 4.2 times the visit offers a day. This rate was lower than the level in the visit every day in the early 1980s. The

Figure 2. Training components



Source: Author developed (2021)

reason for this downward trend was due to staff and customers communicating through the use of telephones and fax machines, as well as using more automated ordering system over the internet and unscheduled visits due to a variety of market research information to better detect the potential customers.

Norms for prospect customer calls

To ensure the effective use of time, companies often determine how much time their sales force needs to attract new customers. Spector Freight requires its sales representatives to spend 25% of their time fund on exploration, and if after three fruitless visits, its time to stop visiting these potential customers.

Using sales time efficiently

Sales reps must know how to use their time effectively. This is a tool, and it needs to be accessed every year. It is clear that in sales, the sales rep visits potential customers and existing customers, as well as takes the necessary action with them. Another tool is time and task analysis. Sales reps use time in preparation, traveling, food and breaks, waiting, selling, administration.

2.4.5. Sales force evaluation

Sales force evaluation factors

- Sales results (profit)

Obviously, the most important measure of performance is results. It shows the salespersons ability to achieve the ultimate goal in this business: Selling products.

- Customer relationships

The assessment of the quality of the salespersons relationships and customer interactions is extremely important because this is a basis for predicting the ability to make numbers in the future of their performance. The purpose of this factor is to focus on the customers who generate the top 80 percent of the companys profits by observing the salespersons ability to retain this business in the face of adversities.

- Internal relationships

Internal relationships among salespeople have a significant influence in a company. If a salesperson is a negative influencer, they are costing the company by reducing or losing the productivity of their colleagues who are affected by their poor attitudes. But on the other hand, someone with a good attitude and influence will be loved and

respected by everyone. They spread the energy and power to help their own work and that of the sales team achieve higher results.

-Professional development goals

A good assessment should identify areas where the salesperson can improve and build their skills during the time when they start work to the next stage of work. Besides their job shortcomings, areas where they can make a significant leap in performance are essential for managers to promote. This factor depends a lot on the salespersons working attitude and planning ability

2.5. Research method

The research method is based on the research process.

3. The current situation of sales force management at real estate companies.

It can be confirmed that the operation of the real estate market plays an important role in the formation of infrastructure, support and socio-economic

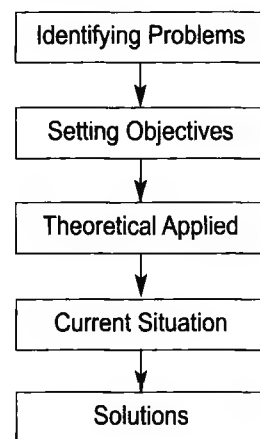
development of each country. In Vietnam, almost all activities of workers of all positions, classes and professions are associated with real estate, so compared to the labor market, human resources in the real estate industry are quite diversity. Thereby seeing the important role of managers in leading the sales team to improve work performance.

However, many studies show that the quality of human resources in the real estate industry in Vietnam has not kept pace with the development of the market. In a market economy, in order to meet the requirements of specificity of real estate business, human resource managers and sales force managers in the real estate industry must have multi-disciplinary knowledge: economics, engineering, law, psychosocial and technology.

The management of the sales force in real estate companies has many shortcomings such as:

Firstly, sales staffs recruited and selected are not very competent for the sales job. Ineffective

Figure 3: Research process



Source: Author developed (2021)

and insufficient instruction and training are also given to new sales staff. The process by which companies recruit and select sales staff are not very reasonable nor scientific. Moreover, candidates face up problems in the online application at companies.

Secondly, the content of those training courses is still in theory and not attached to reality at the company in particular. Therefore, sales staffs encounter many problems when they try to apply the sales knowledge and expertise, they gain from those training courses to the sales area at the company.

Finally, many sales staffs think that they are not paid in compliance with their efforts they take to complete the works at the company. Moreover, stationery given to each department at the company is under some limitation assigned by the company for each month.

4. Recommendations to improve sales force management

4.1. Taking suitable attractive salary and reward policy

As mentioned above, salary is considered the most important factors affecting working competencies of the sales force at companies. Companies should find ways to improve salary policy by the following recommendations.

4.1.1. Giving premium health insurance

There are many types of welfare that company should apply to attract talents and motivate them such as insurance, share bonus, seniority bonus, business bonus, vacation and training plans, etc. In which, most sales staffs consider health insurance, life insurance as the most important type of welfare. Therefore, Companies need to understand this psychology of its sales staffs. Many companies have recently used life insurance, premium health insurance as a meaningful gift for excellent managers and staffs.

4.1.2. Attractive salary policy

With a focus on human resources, companies need to focus on the full development of sales staffs through the process of building the working environment to maximize the ability of sales staff. The companies should seriously implement periodic salary adjustments for sales staff with attractive and competitive salary adjustment rate. Salary adjustment principles focus on the results of

competency assessment and work efficiency of sales staffs in order to match the level of individual contributions, ensuring equity within the company. Companies should implement the reward policy based on business results and bonus given on the occasion of Tets, holidays with reward fund impressive to all sales staff, reflecting the companys recognition of individual achievements in the effort to complete the business goals.

4.1.3. Special incentives for sales staffs and their families

Companies should implement policies dedicated to sales staffs such as incentives on buying insurance packages. At the same time, in order to encourage sales staffs working spirit, it should organize special internal activities such as some team building activities, the Family Day program, gratitude program for staffs and their relatives on the occasion of traditional Lunar New Year or annually organized social activities, etc. thereby contributing to associate all the staffs including sales staffs towards the common goal for the sustainable development of Company.

4.2. Improving training quality for sales staff

4.2.1. Quality of training content

Some of the required training programs include:

- Training programs for important positions of the company such as department managers/deputy managers should be built in accordance with European standards, in accordance with the competency framework applicable at companies.

- Sales skills training courses including sales skills and customer care courses for sales staffs; sales management and supervision for management level and specialized courses on negotiation skills, persuasion skills, refusal skills, etc. are detailed in highly practical manners with sales toolkits to enhance sales effectiveness, while creating a professional image of companies in customer mind.

4.2.2. Quality of lecturer

As usual, to ensure practicality in lectures, some lecturers need to be people working at the company, some are transferred to company and vice versa. In addition, according to the 70-20-10 model, only 10% is direct training, the remaining 90% is through working experience, so the role of training experts taken by leaders in training sales staffs is very important. Therefore, companies should propose a policy to honor the team of experts at all of its

departments who are practically experienced and skilled. At the same time, attach importance to the development of training lecturers of companies through providing them with practical knowledge and direct training. Training courses should harmoniously combine expertise of outsourced experts with internal and external experts, while enhancing the sharing of experience from experts, especially company executives and leaders of branches.

4.2.3. Quality of E-learning

Elearning is a modern training trend, as it is a form of teaching that saves expenses on organizing, moving, accommodation, and helping staffs take the initiative in terms of time, place and study content. Therefore, companies need to set up a specialized elearning team with experienced personnel to be able to design elearning courses in compliance with international standards as well as to coordinate with the departments to review and redesign elearning course at real estate companies.

4.3. Enhancing recruitment and selection works

4.3.1. Making effective long-term human resources planning

• Organization chart

An organization chart is a drawing of the company's positions, either by title or job. In addition to titles and jobs, an org chart shows who works for whom. Creating an organization chart by function helps the company effectively create a long-term staffing plan because it identifies needs it has or will have and shows how each function fits into the company.

• Functions

Even if Company believes it is well-staffed, create an organization chart as if it was starting over, listing functions rather than names and titles of its current staffs. This helps determine if it is already set up to handle long-term growth or if it needs to shift people or responsibilities now, rather than reactively plugging holes later. Basic business functions include marketing, sales, finance, information technology, production, human resources and administration

• Titles

Common titles include staff, coordinator, manager, and director, sometimes called a vice president. A staff member holds no management authority. A director heads a function or department

and is responsible for strategy, planning and management of one area of the company.

• Benchmarks

To establish a long-term HR strategy, create benchmarks that tell the company when its time to add staff or bring contracted work in house. These benchmarks can include specific sales volumes, a certain number of locations or staffs or the company's profitability.

4.3.2. Improving job description analysis

As a matter of fact, job analysis is considered as the building block of everything that the HR Department does. Insufficient job analysis may result in the wrong building of candidates recruiting criteria, wrong recruitment tools, low validity, and reliability and finally badly influencing the performance of the new sales staff of the company as a whole.

4.3.3. Giving the full and real information in the recruitment advertisement

In addition to the full job description, it is necessary to give realistic information to attract suitable candidates. They know it and accept it at the beginning to apply for a job. They can work in the company for a long time with the policies that the company has. On the contrary, with unrealistic policies and conditions, if the company can recruit a talented staff, he will leave the company in a short time. It is waste of time, the money of both of two sides.

5. Conclusion

Through the process of researching the topic, from aggregated data of sales staff and compared with theories in sales force management, the author found that the construction and management sales force management at most real estate companies is conducted in a methodical manner. In which, there are a number of businesses that have not achieved the highest success, have not promoted with the best efforts in managing the sales force. In terms of sales, staff training is weak and lacks a lot to complete the process. That is why the sales force of these companies is not stable. Managers should make some changes to have a stable sales force, so the company's profits are stable. The most important job in sales force management is sales monitoring, motivation, and evaluation. These jobs are also priorities that the company needs to pay more attention and effort ■

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**NÂNG CAO HIỆU QUẢ QUẢN TRỊ
LỰC LƯỢNG BÁN HÀNG TẠI CÁC DOANH NGHIỆP
KINH DOANH BẤT ĐỘNG SẢN TẠI VIỆT NAM**

● NGUYỄN THỊ LIÊN

Giảng viên, Đại học Tài nguyên và Môi trường Hà Nội

TÓM TẮT:

Nghiên cứu này nhằm tìm ra các giải pháp nâng cao năng lực quản trị lực lượng bán hàng - một trong những yếu tố quan trọng quyết định sự thành công của các công ty kinh doanh bất động sản tại Việt Nam. Nghiên cứu này đánh giá thực trạng quản trị lực lượng bán hàng và nêu ra những tồn tại trong công tác quản lý lực lượng bán hàng của các doanh nghiệp kinh doanh bất động sản. Dựa trên kết quả nghiên cứu, một số khuyến nghị được đưa ra nhằm nâng cao hiệu quả quản trị lực lượng bán hàng của các công ty bất động sản tại Việt Nam. Nội dung của quản trị lực lượng bán hàng gồm tuyển dụng và lựa chọn, đào tạo, tạo động lực, giám sát và đánh giá lực lượng bán hàng. Các giải pháp được đưa ra để nâng cao năng lực quản trị lực lượng bán hàng gồm: chính sách lương thưởng phù hợp, hấp dẫn, nâng cao chất lượng đào tạo cho lực lượng bán hàng, nâng cao quy trình tuyển dụng và tuyển chọn.

Từ khoá: quản trị lực lượng bán hàng, nội dung quản trị lực lượng bán hàng.