

SALESMANAGEMENT

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Present business initiative where uncertainty and risks take place asks for more validity of management decisions. We suggest using our Guide to analyze and solve problems of company' sales. It has to unite two components: professional decision making and the search of optimal decision in which corresponds to the goal and restrictions of controlling system of an organization.

Modern business conditions are characterized by increase of instability and risk ask for more validity of managerial decisions. More and more often small and medium enterprises come to the international market. The tendency to globalization is quite obvious. It is becoming more and more difficult to serve the customer. Professionalism of the staff, mobility of decision making structures, necessary instruments, quickness and economic effectiveness are the keys to success. Sales activities are varied so different authors suggest different definitions of sales.

O.A. Novikova defines sales as post-production commercial activity which includes selling the product to the customer, delivery and maintenance.¹

A. P. Tyapuhin understands sales as the activity of distribution of resources, their flow, control and regulation aimed at satisfying the needs of the customer and making profit.²

G. L. Bagiev stresses the fact that sales is initial element of marketing as it is the last stage in providing the customer with the product he needs. Sales are aimed at formation and maintenance of an effective system of the product movement from the producer to the final customer with minimum costs³.

Having analyzed the above mentioned sources and the works of other authors we suggest our own definition. We consider sales as concentrated efforts of the sales department of an enterprise aimed at formation and satisfaction of demand at the right place and time.

Sales is flexible management instrument and it is necessary to build sales policy step by step to optimize sales activities of a textile enterprise:

1) development of inner standards and norms of sales and their fixation in the document " Sales Policy Provisions " on the basis of the analysis of

the adequacy of goals and tasks set before to external and internal conditions of its functioning including its abilities

The development of "Sales Policy Provisions" is initiated by the person responsible for sales conception of the enterprise in general. The document is developed in a work team of the chiefs of sales departments and specialists of different departments, for example specialists engaged in production, finance, etc. being agreed upon the document take effective and all the employees of the enterprise are informed of its contents. It is reasonable to do so because:

- ◆ the possibility of abuses (collusion, mistakes) decrease;

- ◆ employees have common view of sales activities and problems, start understanding not only the problems of their department but also the problems of other divisions of the enterprise;

- ◆ better coordination of activities is provided;

- ◆ sales ratios are set for better control;

- ◆ the enterprise is better prepared for changes;

- ◆ tax risks are decreased when the system of discounts is used;

2) analysis and correction of the existing structure of sales departments, marketing, commercial departments and etc.; clear distribution of tasks to decrease the risk of abuse and mistakes;

3) development of organizational and normative documents and job instructions;

4) development of procedures of business processes control including sales of the finished product.

At the same time we should bear in mind that on every stage of the enterprise functioning different problems connected with sales in general can arise.

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We view the solution of the problem as a mobile cone, the base of which is the process of the problem revealing, the facets are formalization of the problem, formation of alternatives and the choice of the best decision. Solving of the problem moves step by step to the top (result). So, the profile of the cone is an interim result in solving of the problem and the top of the cone is the solution of the problem. But as the cone is turned up we can say that the result can be perfected.

In decision making especially in the sphere of sales there is usually a desire to avoid uncertainty. Even if the result is reached constant movement is necessary to avoid stereotypes.

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Our Guide is a logical scheme oriented towards searching of an optimal decision from several alternatives with consideration of the general strategic goal of the enterprise. In conditions of constant competition it is not enough just to solve the problem, the result sometimes does not reflect real needs of the enterprise. Strategic goal of the enterprise is a guideline, all the efforts of the enterprise should be applied to its achievement. It is necessary to find the potential of growth, to reveal the problems which do not allow moving in the right direction, to solve the problems and to achieve the result.

The Guide is an instrument in this process, it can help the organization to follow the right course, to optimize the decisions taken in the sphere of sales, to reveal problematic situations and sort them out. The suggested algorithm of effective work guaranties that you will be able to take the right decision which corresponds to the interests of the organization and you will spend minimum time on this.

The algorithm is the most structured and the clearest system of actions which can be simultaneous and continuous, unique and varied. Our algorithm consists of 6 levels of decision making and moving up to the next level is possible only after the previous level is clearly understood.

Level 1 – strategic level. It is impossible to consider operational problems without considering strategic goals of an enterprise. Does the problem

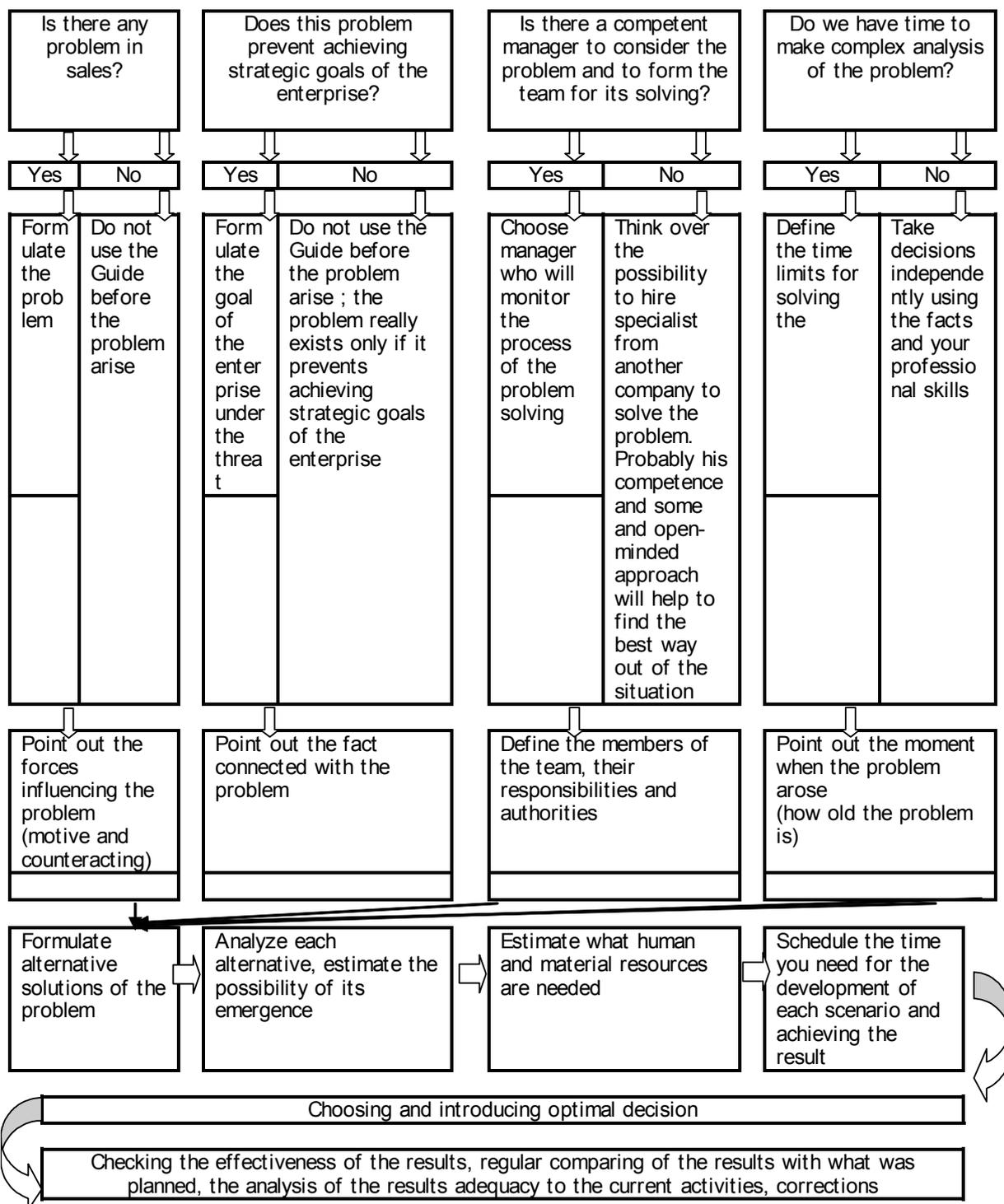
in sales preventing achievement of the strategic goal really exist? Is it necessary to think it over now? Do we have an employee competent enough to solve it? If the answer to any of these questions is “no” we have to analyze once again the situation and probably to reveal the mistake. Maybe what we called “problem” is not really a problem. Maybe it does not influence the strategic goal. Maybe we do not have competent specialist to solve this problem. Only if all the answers are “yes” we can step to the next level.

Level 2 – description of the problem and resources necessary for solving the problem. This level allows concentrating on more clear formulation of the problem, defining the consequences of delays in solving the problem, choosing manager responsible for sorting out the given situation, defining the time limit for solving the problem. If on the first level we saw that the enterprise face the problem in sales which prevents achievement of the strategic goal of the enterprise, on the second level it is necessary to formulate this problem clearly (for example, the strategic goal of the enterprise is to penetrate the international market but the partner vie which it was planned to penetrate the market is bankrupt. The problem arose and it is necessary to formulate it more clearly taking into consideration time parameter and human resources).

Level 3 – revealing of reserves which make it possible to view the problem from different sides. This stage is also very important as it allows analyzing the problem once again and revealing the factors influencing the problem. It is possible that the solution of the problem was built in the moment when the problem arose. That is why it is very important to reveal this moment and the reasons of the problem. At this stage the working team appears.

Level 4 - alternative analysis. When there are alternative decisions it becomes obvious that you should act step by step. Each decision helps to solve some problem in sales. But the matrix of the guidelines is preserved: problem-strategy-resource-time. It is going straightforward through alternatives.

Level 5 – choice and introduction of optimal decision. Alternatives have been analyzed, the problem has been formulated, the strategic goal is clear and it is quite clear what decision should be taken. This is the result we wanted to reach. But you should bear in mind that today this result is optimal and tomorrow everything can change. So we have to step to level 6 of our algorithm.



Puc. The Guide for Problems Analyzing

Level 6 – control of the results effectiveness. Control of the effectiveness of the results, regular comparing of the results with the planned results, analysis of the adequacy of the results, making corrections – all this can be called “inverse loop”. We have made a decision, introduced it, solved the problem, checked effectiveness but we should not forget that sales are unstable and are influenced by many factors. Sales monitoring is the best help in this case.

¹ O.A. Novikova. Commercial activities of industrial enterprises (companies) Collection of articles., 1999.

² A.P. Tyapuhin. Formation of distribution channels for production for technical and industrial use in conditions of reformed economic system. Thesis of doctor of economic sciences, M., 1999.

³ G.L. Bagiev. Interrelation marketing collection of articles, 1999.