

Param Pujya Dr. Babasaheb Ambedkar Smarak Samiti's

Dr. Ambedkar Institute of Management Studies & Research

Deeksha Bhoomi, Nagpur - 440010 (Maharashtra State) INDIA NAAC Accredited with 'A' Grade

Tel: +91 712 6521204, 6521203 ,6501379 Email: info@daimsr.in

Motivation & Compensation



- Our program will create graduates who:
- I.Will be recognized as a creative and an enterprising team leader.
- 2.Will be a flexible, adaptable and an ethical individual.
- 3. Will have a holistic approach to problem solving in the dynamic business environment.

Sales and Distribution Management Course Outcomes

- COI- Given a situation of Festival, student manager will be able to identify appropriate Sales Forecasting method to be adopted by a company.
- CO2- Given a situation of opening a new outlet, student manager will be able to draft a sales plan.
- CO3- Given a situation of Selling products / services, student manager should be able to explain Personal Selling Process.

- CO4-Given a criteria of newly launched company, student manager should be able to design an effective Sales Compensation Plan for Sales Executive.
- CO5-Given a criteria of distribution channel of a company, student manager should be able to outline different levels of Marketing channel used by the company.
- CO6-Given a situation, student manager should be able to explain the process of Reverse Logistics.

MOTIVATION

- **Motivation** is the reason for people's actions, desires, and needs. **Motivation** is also one's direction to behavior, or what causes a person to want to repeat a behavior. A motive is what prompts the person to act in a certain way, or at least develop an inclination for specific behavior.
- Internal and external factors that stimulate desire and energy in people to be continually interested and committed to a job, role or subject, or to make an effort to attain a goal.
- 3 Dimensions of motivation Intensity, Persistence, and direction.

Motivating Sales People - Motive

- Money Incentive
- Opportunity Growth (higher responsibility)
- Teamwork Team Incentives
- Independence Empowerment, Freedom,
- Visibility Recognition, Applaud Success
- Excellence (Excell at the same position)

Motivation types

- Intrinsic Motivation :- It means that the individual's motivational stimuli are coming from within.
- Acceptance: We all need to feel that we, as well as our decisions, are accepted by our co-workers.
- Curiosity: We all have the desire to be in the know.
- Honor: We all need to respect the rules and to be ethical.
- Independence: We all need to feel we are unique.
- Order: We all need to be organized.
- **Power:** We all have the desire to be able to have influence.
- Social contact: We all need to have some social interactions.
- Social Status: We all have the desire to feel important.

Motivation types

Extrinsic Motivation:- Extrinsic motivation means that the individual's motivational stimuli are coming from outside.

Employee of the month award

Benefit package

Bonuses

Organized activities

Motivation types

FINANCIAL

Financial Compensation
 Salary,
 Commission,
 Bonus Payments,
 Fringe Benefits,
 Combinations

Sales Contests

NON-FINANCIAL

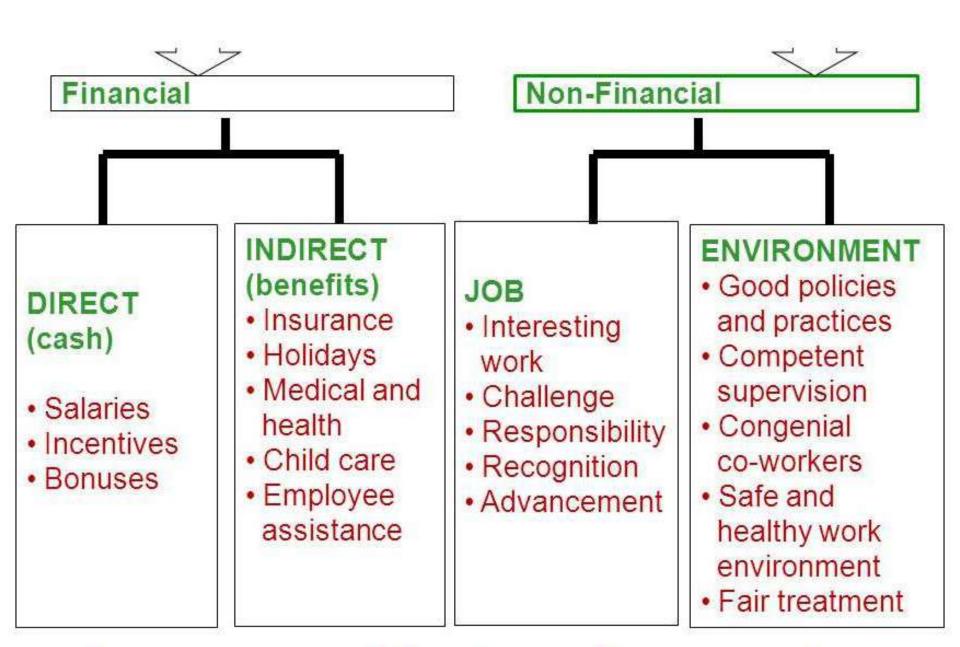
Promotion, Sense of Accomplishment, Personal Growth Oppor. Recognition Job Security Sales Meetings & Conventions Sales Training Progammes Job Enrichment Supervision

Compensating the Salesforce

Financial Compensation is considered as one of the highest tool of motivation for salespeople.

Structure-

- Financial composition
 - Direct Payment (Salary, Commission, bonus)
 - Indirect Payment (Fringe benefits) Medical reimbursement, LTA, Retirement Plans.
- Non-Financial Composition
 - Job Security, Recognition, Job Enrichment



Components of Employee Remuneration

Compensation

Promotion Sonse of accomplishment
Sonso of accomplishment
Sense of accomplishment
Personal growth opportunities
Recognition Job security
Sales meetings Sales training programmes Job enrichment Supervision

Types of Salesforce Compensation

Straight Salary

- Paying salespeople a specific amount per time period
- Most useful when compensating new salesperson, moving into new territories or customers, sales requiring many services for customers
- Salary remains the same until pay increase
- Provides salespeople with more security but less incentive

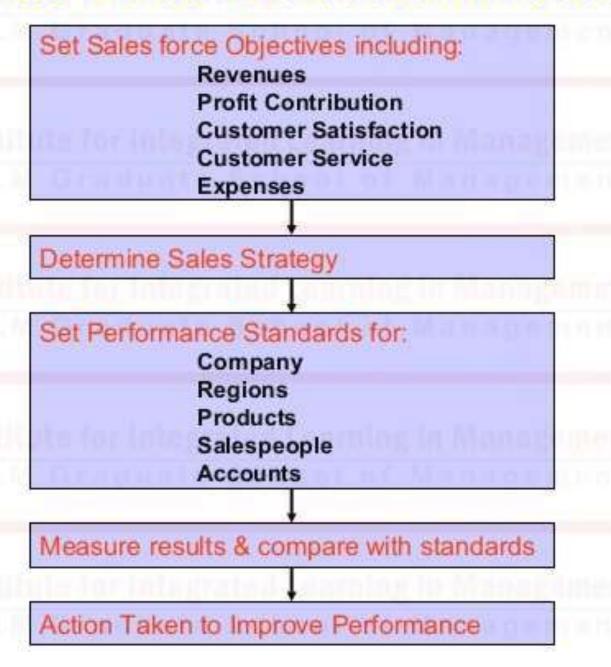
Straight Commission

- Paying salespeople according to the amount of their sales in given time period
- Commission may be based on percentage of sales or on a sliding scale
- Requires highly aggressive selling and minimal nonselling tasks
- Provides salespeople with maximum incentive but little financial security

Combination

- Paying salespeople a fixed salary plus a commission based on sales volume
- Most popular compensation method
- Provides level of security and some incentive
- Can require that salesperson exceeds a certain sales level before earning a commission

Sales Force Evaluation Process



Managing Salesforce

Designing Sales Force Strategy and Structure Recruiting and Selecting Sales People Training Sales People Compensating Sales People Supervising and Motivating Sales People **Evaluating Sales People**