

Comparing Home and Foreign Response to Sales Force Size

Ted Mitchell

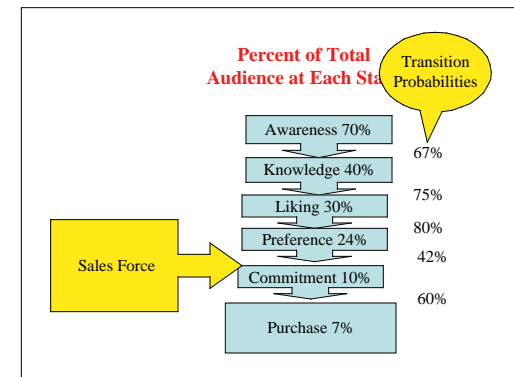
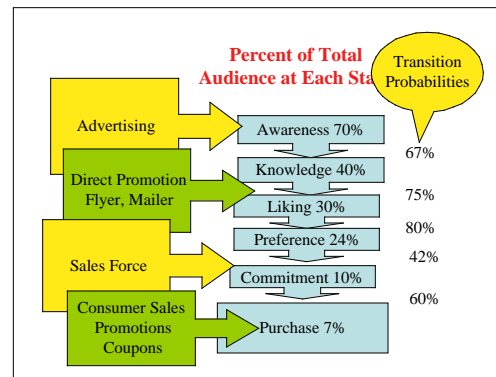
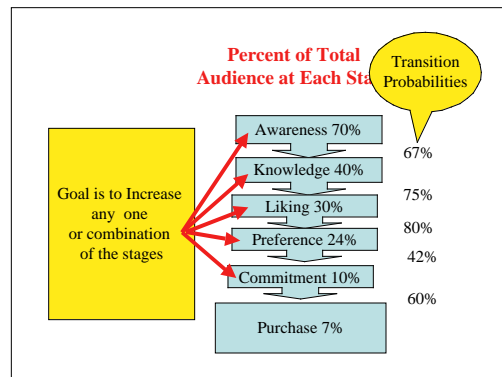
Budgeting Methods

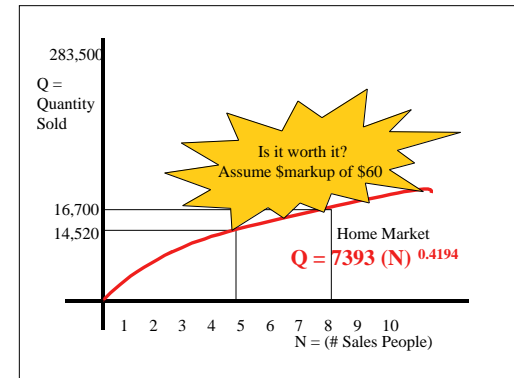
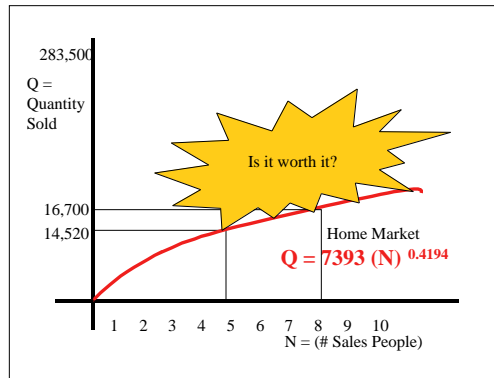
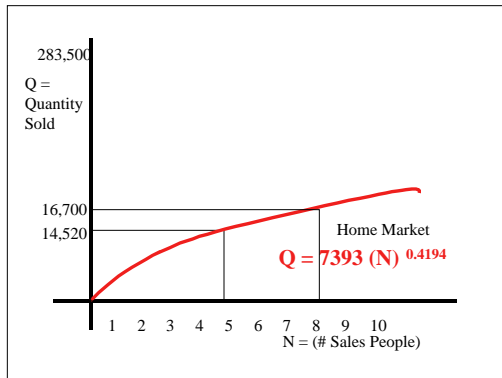
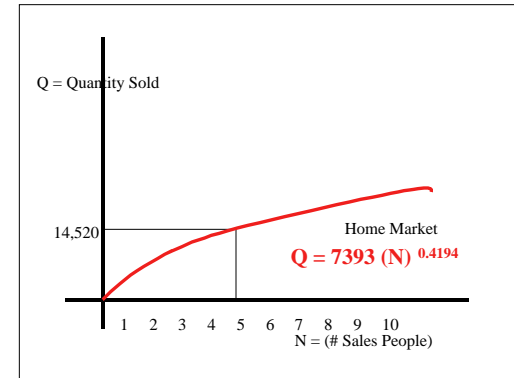
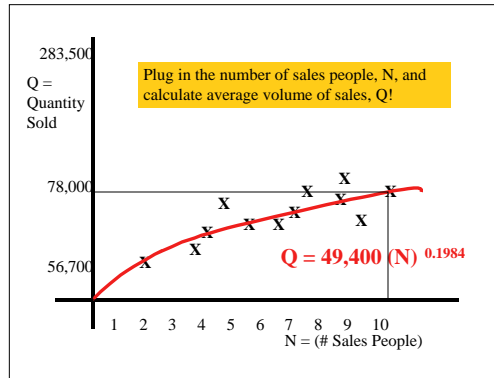
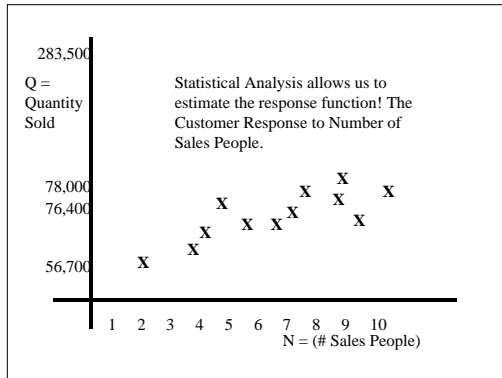
- Affordable
- Percentage of Sales
- Competitive Parity
- Objective Task

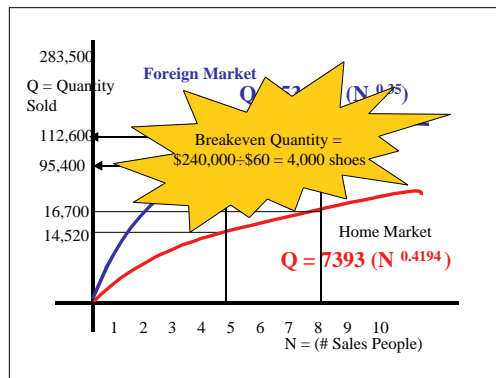
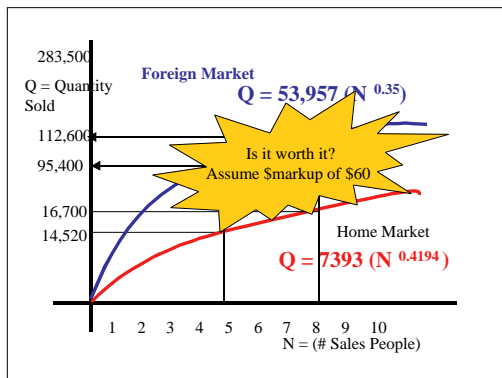
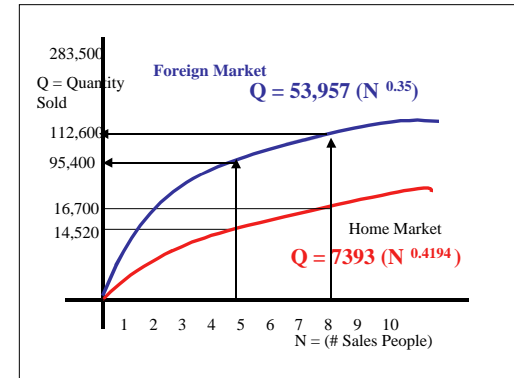
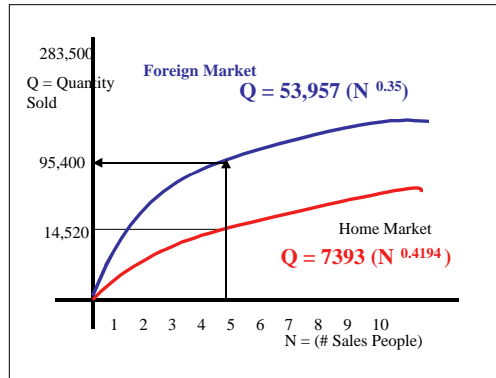
Budgeting Methods

- Affordable
- Percentage of Sales
- Competitive Parity

• **Objective Task**







• **Unfortunately**
 Many of you want to use the
Average sales per salesperson

The Problem with Average Sales Per Effort (e.g. Volume/Salesman)

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The Problem is

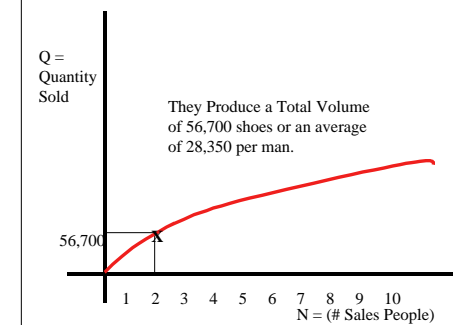
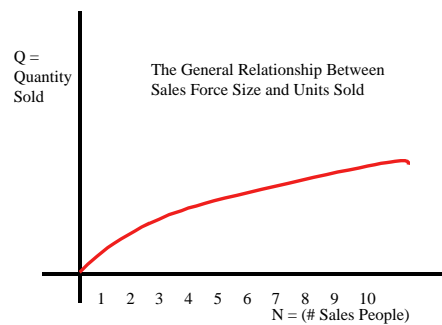
- Average Response to a change in marketing effort is easy to calculate and simple to project.
- BUT
- Average Rates can be misleading.

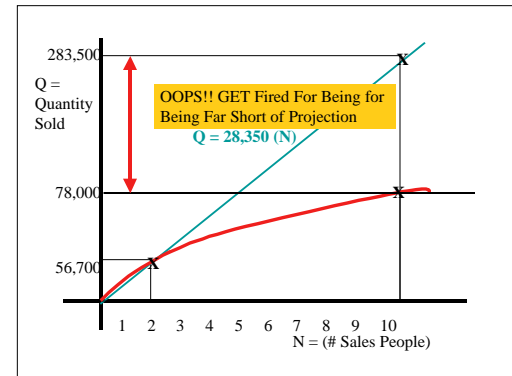
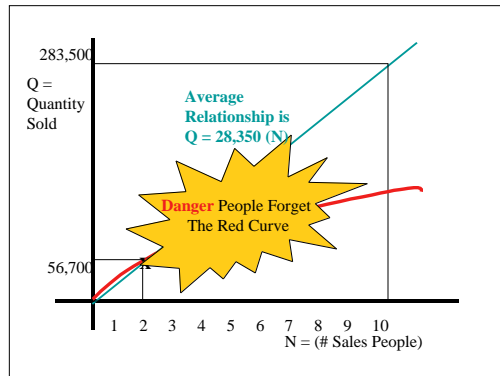
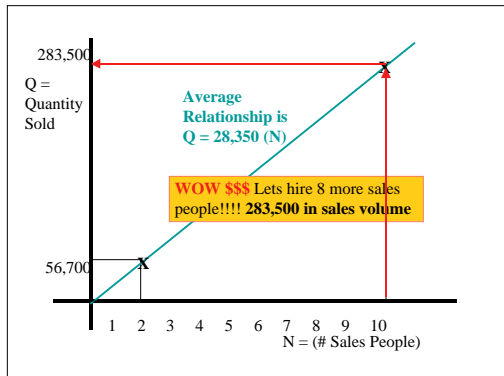
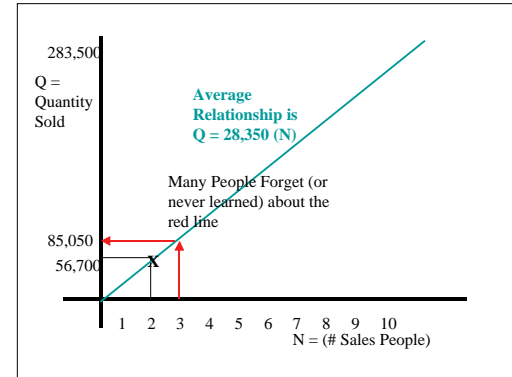
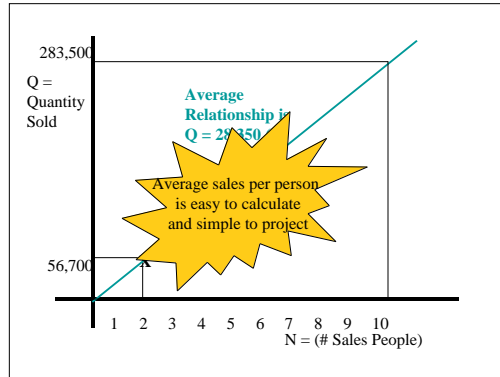
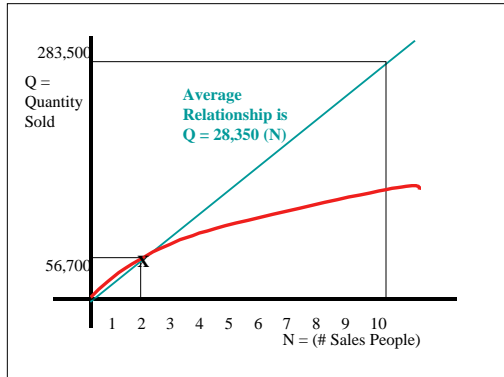
Consider The Domestic Market

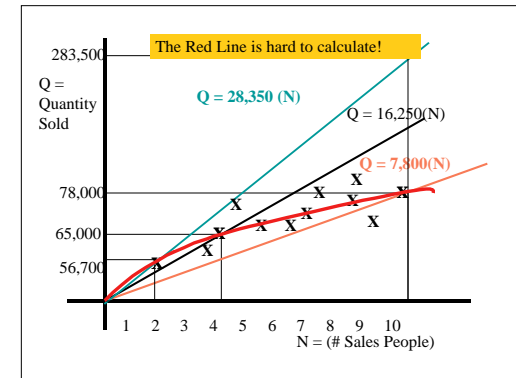
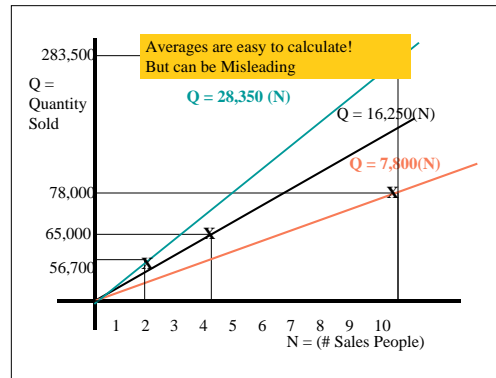
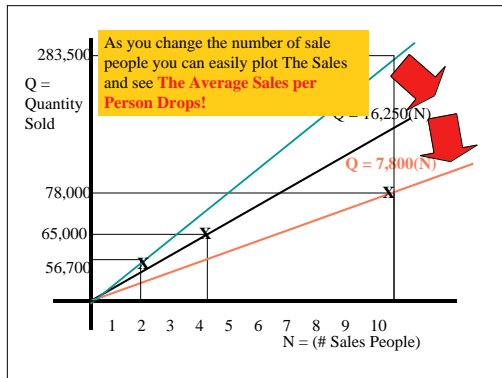
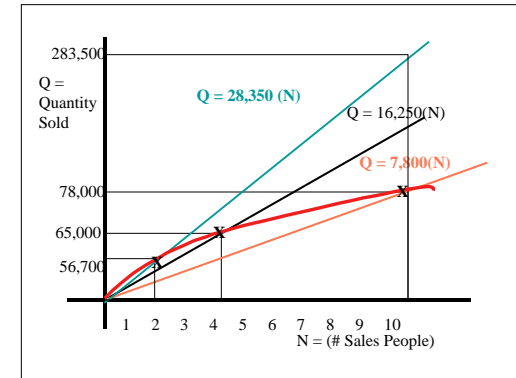
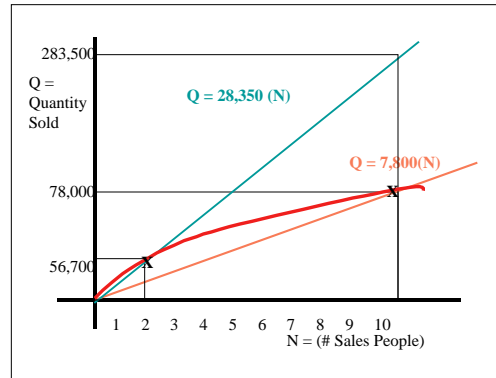
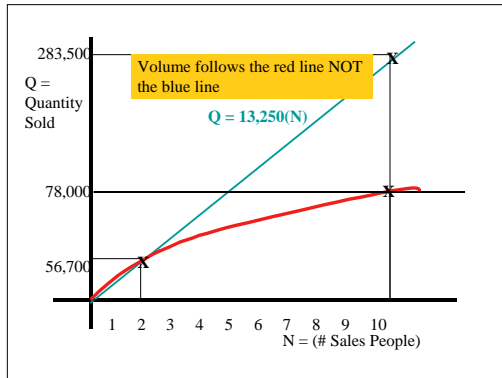
Number of Sales People to be used in Producing Sales Volume in the Domestic Market

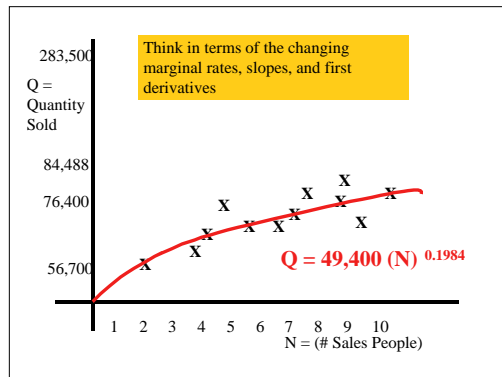
Data analysis shows:

- When the average sales force had 2 sales people the individual sales person would average about **28,350** shoes a period.
- If a sales manager added 1 sales person, he would hope for an increase of **28,350** shoes in his total sales volume.









- Average Rates can be misleading!!
 - Use and Think about Marginal Rates
 - **Marginal Rates Rule!**
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Any Questions?

Ted Mitchell