

TRAINING SALESMAN WITH THE SALES MANAGEMENT GAME

by

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A large company, seeking to fill a vice presidential vacancy in its ranks, decided to interview three prospects from its ranks. The first applicant, who headed the firm's engineering division, was interviewed at length. Finally, the interviewer asked him: "Tell me, Charley, what does two and two equal?" Without hesitating the engineer answered, "Four! Two and two are always four. This is a primary law of mathematics." The interviewer thanked the engineer and requested that the second applicant, the firm's national sales manager, report for an interview.

In the course of the interview the same question was asked:

"What does two and two equal?"

"Five!" responded the sales manager.

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“Would you mind explaining your answer?”

“Of course. I always tell my salesmen: if you can get four orders you can get five!”

The interviewer then ushered the third applicant, the firm’s senior accountant, into his office. And, again, the same question was asked: “What does two and two equal?” The accountant quickly rose and closed the office door. He walked over to the interviewer and, in a low voice, answered, “What did you have in mind?”

The objectives of gaming, like the world of the accountant, are not filled with absolutes. As you have already heard this morning, games have been introduced during the past two decades as a means of providing students with experience as decision makers in a realistic environment. The simulation allows the student to test in a dynamic setting theories and concepts learned in previous courses. It integrates basic concepts

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developed in other business courses and forces the decision maker to recognize -- perhaps as never before -- the interrelationships between the various courses and the functions of the business executive.

The goal of most students of business administration is to become a business executive--with all of the commensurate authority and responsibility for making effective business decisions. These students learn theories, develop concepts, and gain knowledge in production, marketing, and finance in order to understand the functions of each area and the interrelationships between areas as they contribute to the overall operation of the firm. "Tool" courses in accounting, statistics, and quantitative analysis sharpen the future executive's analytical abilities.

Unlike the results from exclusive reliance on the case method, business simulations present a dynamic environment in

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which to make business decisions. Company and industry simulations force the decision maker to analyze all facets of the market -- the products to be produced and marketed, the present and potential consumers, pricing considerations, promotional mixes and dollar expenditures, and the channel or channels of distribution--while anticipating and reacting to the decisions of competitors in the industry.

A simulation is therefore a model of an industry in which various factors collectively determine sales and costs of the operating firms. Although the business simulation does not exactly duplicate an actual industry, much of the excitement of actual competition is provided, as well as invaluable experience in the making of business decisions in a competitive, realistic environment.

Most of us have witnessed the development and publication of simulations for business courses. From their beginnings as teaching aids in the capstone business policy course, they have

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steadily evolved to the functional areas, Games are now commercially available in production, marketing, and finance. Bill Sommerfield, tonight's dinner speaker, has published simulations dealing with business policy, marketing management, sales management, accounting, investments--all within the past five years.

My own experience with development of THE SALES MANAGEMENT GAME resulted from the success of my first marketing management game. MARKETING STRATEGY was first published in 1971 by Charles E. Merrill Publishing Company and was an immediate success. In 1972 I was contacted by General Learning Corporation and asked to develop a game for the sales management course. THE SALES MANAGEMENT GAME was the result.

The game is competitive in that the class is organized into several companies. Competitive interaction among the firms determines how well each management team performs in the game.

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Each group of 3-5 students assumes the functions of the sales manager for a firm marketing relatively homogeneous industrial drills and grinders. Each management team must determine discounted prices for its products; select, train, and perhaps discharge salesmen; assign the sales personnel to territories; allocate the company's sales efforts to each of the products; decide upon the type of sales compensation plan to be used; determine optimum sales support levels; and decide whether to purchase marketing research studies to aid in the decision-making process. In summary, each group faces all of the decisions confronting a sales manager.

Details on the specific operation of the model are available in the instructor's manual that accompanies the game. Sample copies may be obtained by writing General Learning Corporation, 250 James Street, Morristown, New Jersey 07960.

The game has been well-received both in college and university sales and sales management classes, and also in

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industry sales training programs. A good indication of its reception is that Dave Kurtz and I are busy on the second edition. A major change will be the addition of variable complexity of decisions so that students will be requested to make more complex decisions as their experience as decision makers increases. This should allow the game environment to be a continually challenging one.