

## 6 Factors influencing structure of Sales organization

The sales department in most organizations is usually formed to help handle inbound calls and sales related tasks. The department can also take up the responsibility of managing the procurement of goods. This is the team that is responsible for the growth and development of any profit oriented business.

Creating a dynamic and fruitful sales department is not a difficult task. You just have to consider a few elements within and outside the organization before you settle on a team to handle the responsibilities above.

A number of factors determines how sales organizations are structured; these include the customers, marketing channels, company size, products, practices of competitors and the personality and abilities of sales personnel.

### 1) Customers

Customers naturally influence the structure of sales organization. The customers are the core reason why production is ongoing and why the sales department is being set up. Therefore an organization ought to understand their customer base and experiences before they settle on any particular design for their sales department. Doing this will significantly influence how well the set team will help the organization meet customers' needs and expectations.

### 2) Marketing channels

Marketing channels at the time of setting a sales team also determine how the department will be structured. The marketing channels refer to the methods used to avail products and services to consumers. This just like with the customers is very important. The organization, therefore, ought to pay attention to their channels of distribution as well as how the team will work with these channels to deliver the products and services at the right places and the right time for the consumer to buy.

### 3) Organizational size

Smaller companies do not usually require a vast sales organization because most of the tasks are centralized. Larger companies, on the other hand, need a more powerful sales framework for their sales team. A company with a larger customer base expects more sales personnel to handle the needs of all their

customers. Highly specialized business operations in the same regard also require a more formal structure like the line and staff sales organization.

#### 4) Product

Product and product line is another determining factor that will influence the new design a sales organization will take. For example, a business that deals with a more diversified product or a wide range of products requires a more intense sale force compared to one that deals in only one particular product.

Ideally, the nature of products dealt in significantly influence the structure of the sales organization. The design, as well as selection of the sales team, will vary based on the level of awareness of the products, complexity of the products, and the customization needs. Depending on these elements, an organization ought to determine what the team will constitute, the level of expertise required and what structure will ensure that product awareness, market penetration and customization needs are handled efficiently.

#### 5) Practices of competitors

Another factor influencing sales organization structure is comprised of the practices of competitors. Most organizations form their structures based on the market competition. And therefore in this regard, an individual organization has to map its competitors' practices like marketing techniques, channels, etc. to create its structure that will help beat competition.

#### 6) Abilities of the sales personnel

These capabilities include skills, experience, and knowledge of the sale personnel. For example, a company with a complex nature of products that require thorough customer education as well as extensive customization need a sale force design of well educated, highly dedicated and specialized members. This will be so from the top management to the lowermost position.