

Sales Organization | Definition | Meaning | Importance | Need | Functions

one where the functions are carefully planned and coordinated towards the objective of putting the product in the hands of the consumers, where each and every effort is carefully managed to see that the functions are carried out as desired.

From this definition, it is clear that sales organization is that part of the general business organization which is concerned with the careful planning, effective coordination and efficient supervision of the various departments and functions essential for the marketing of products manufactured by the firm or the goods purchased by the firm for resale. Like any other organization, sales organization also consists of persons working together for the purpose of selling the products produced by the firm or the goods purchased by the firm for resale.

What is Sales Organization?

Sales organization is a part of the total business organization of a firm. This unit of the firm is concerned with the distribution of goods. These products may either be produced by the organization itself or may be purchased from manufacturers for resale.

The sales organization is concerned with planning, controlling of activities such of recruitment of employee, training the employees, equipping, assigning, rating, supervising, paying and motivating the sales force.

Importance of Sales Organization

“Sales are the life blood of business”. So, every business undertaking must have an efficient sales organization for selling its products.

In case of small firms, the proprietor does this exercise himself or with the help of a few salesmen under his direct supervision and control, and so, the need for sales organization does not arise. But as the business expands and the market to be covered becomes wider, it becomes too difficult for the proprietor to undertake and control the sales activities personally. So, there arises the need for an efficient sales organization.

Need for a Sales Organization

The need for a sales organization arises due to following reasons—

1. Demand for the goods has to be created through efficient salesmen.
2. Effective advertising campaign has to be undertaken to inform the consumers about the availability of the products and their special attributes.
3. Arrangements have to be made for the prompt execution of the orders received from the customers.
4. Complaints or grievances of the customers have to be attended to and redressed quickly.
5. Outstanding bills have to be collected.
6. Production or purchase of goods has to be planned and adjusted in accordance with the marketing conditions.
7. Marketing conditions have to be studied so as to adjust the business according to the changing market conditions.

Functions of Sales Organization

A sales organization performs a number of functions. The main functions of a sales organization are given below:

1. It has to collect marketing information through market research and other sources.
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