The Implementation of the Mobile Sales Force Automation

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Abstract: The topic of this paper is one part of the operational CRM – “sales force automation”, which is a system used by the sales force in a company to facilitate the flow of information from the end customer to the company. The purpose of this paper is to confirm or disprove the presumption that the implementation of the sales force automation has a positive effect on the company’s results. Various international research studies are analyzed to accomplish this. In addition the paper discusses the most frequent issues while implementing the system and suggests factors ensuring successful implementation.

Key words: Sales force automation · Operational CRM · Sales Force · Implementation Efficiency

JEL Classification: M31 · M15

1 Introduction

Sales representatives are the only people in a large company that are able to collect data and spread information about customers further into the company as they have direct relationships with customers. Therefore it is necessary to aim at the fact whether the communication and mainly collecting, storing and spreading information within the company takes place effectively. One of the possibilities how to ensure this effectiveness is the so called “Sales Force Automation” (SFA) or the so called “mobile Sales Force Automation” (mSFA), or, in short, sales automation.

1.1 The definition of the mobile Sales Force Automation

The notion of “Sales Force Automation” expresses any form of information technology that is used at the moment of sales and it enables or facilitates accomplishing the mission of selling a product (Hunter & Perreault, 2006). Sales Force Automation is software installed in a mobile computer of the sales representatives. These software applications are either developed by the companies’ own IT staff or by means of outsourcing the relevant application development or by ready-made packages of software solutions that are already available on the market. Each of the above possibilities of acquiring the software has its advantages and disadvantages. Most often the system features the following functions: it administers the information about customers, it allows sales representatives to complete the information as necessary, it organizes the job content of the sales representatives and it ensures that customers are always visited according to their importance and it also assigns work to the sales representatives. The system is linked with the CRM system, and it enables the sales force to be linked with other segments of the company or it may provide information about the supplies in stock.

1.2 Prediction of mSFA’s future

US companies started to implement mSFA software applications at the beginning of the new millennium. Frost & Sullivan's Agency in its “Mobile sales force automation (SFA) markets report” from the year 2013 assumes 232% growth of sales on the mSFA market in the year 2017 as compared with the year 2012 (CRM Magazine, 2013).

2 Methods

The aim of this article is to introduce the issues of the sales operation automation, to find out about the results of the expert studies related to the mSFA effectiveness (literary review) and to analyze the most frequent problems in the process of implementation. Owing to the set objective it will be analyzed whether the following assumption is valid:

Presumption 1: Sales automation has a positive impact on the company operations.

3 Research results

3.1 Frequent problems in the SFA implementation

Gohmann, Guan, Baker & Faulds (2005a) remark in their article that there is a difference in perceiving the effectiveness between managers and the sales team itself. Managers often incline to the fact that they consider the automated systems

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successful, which is often caused by intentional or unintentional “short-sightedness” within the company processes. This expression cannot be heard as often from the point of view of the sales teams. The authors Scornavacca & Sutherland (2008) came to the same conclusion. In their study from the year 2008 they analyzed a New Zealand company supplying fast-moving goods, such as chocolate bars, biscuits and chewing gums to convenience stores, supermarkets and petrol stations. One business manager was responsible for a team of 20 sales representatives. It turned out that the manager saw the implementation of SFA as a positive influence on the sales amount. Unlike him, the sales representatives were not convinced about the fact that the technology could sell more goods and make customers buy more products. The sales representatives agreed with the fact that SFA could not replace a personal relationship with a customer and it does not provide better knowledge of the market as this knowledge is only based on personal experience with selling on the market. In this respect they did not agree with the manager either.

The above described example of the New Zealand company dealing in fast-moving goods outlines the main reason why the system implementation often fails.

The most frequent problem is the fact that the users (company employees) do not accept the system and do not start using it actively. Robinson, Marshall & Stamps (2005) in their study claim that the more useful the system is for the users and the easier it is to apply, the more open attitude is taken by the users to master such a new technology. Other authors dealt with the reasons why the sales representatives were open, or, on the contrary, closed towards the technology implementation. A study from the year 2006 on this topic states that, for example, people who are oriented towards performance and result and people who like learning accept the new technology more easily (Jelinek et al., 2006). It seems that the technology can really simplify the sale by itself. The change management, i.e. mastering the transition to the new system is a bigger problem here. The company should, of course, provide for sufficient time to the choice of the system and even more attention should be paid to the preparation and the process of the implementation of the new technology as these are the stages that are underestimated most frequently.

3.2 Ensuring successful implementation

What is then the best way, as seen from the managers’ point of view, to ensure that the system can be put in operation successfully? Pullig et al. (2002) created a model describing the conditions necessary for successful implementation of the new technology for the sales representatives. The following figure shows the prerequisites for such implementation to be successful.

**Figure 1 SFA implementation model**

Source: Pullig (2002, 401-414)

In their research the authors set 2 factors having influence on the success of the SFA implementation:

1. **Suitable climate** – this means that the future users of the system will be provided such conditions that will enable them to master the system soon. Sufficient training how to use the system must be provided. It is just the insufficient training meant to teach how to apply the technology that is the most frequent reason for the failure. Managers’ approach is another factor. They should provide sufficient organizational support and they should always try to facilitate their subordinates’ work, or, as the case may be, they should offer some bonuses for using the system. The subordinates should always be convinced about the system benefits.

2. **Values that the company acknowledges** – the company must acknowledge some values to be able to implement the automated system successfully. The company must be customer oriented and it must highlight a long-term perspective of the company-customer relationship. The company must be able to respond to changes flexibly. The company must have such a system established where the individual departments cooperate among one another and they share information. Even mild competition between the individual workplaces may be an obstacle in the successful implementation of the system. This, however, is often the case with numerous companies.

The authors assume that the combination of the two factors described above, i.e. the suitable conditions for the implementation and the suitable values shared across the company may provide for the effective implementation of the
SFA system. According to this model, effective implementation is completed if the company achieved such a state in which employees use the system in the extent that had been set as the objective at the very beginning. If the objective is met, the company may fully use the benefits that SFA brings. Successful implementation of the SFA system will, according to the authors, ensure the following:

1. **Sufficient linkage of the company with customers and the market.** This will enable collecting information about customers, competition and other links of the chain. This way the company may offer customers the added value in the form of better services, for example in the system of executing orders. At the same time the customers’ needs and wishes are understood better across all the organization.

2. **More knowledgeable and competent sales force** and the staff able to ensure the supporting functions.

3. **Customers are provided with more accurate information about the products.**

4. **Shorter delivery terms.**

In order to either confirm or disprove the presumptions the authors of the article carried out a research study in which 23 sales representatives, business managers or marketing managers from different fields in the South eastern part of the United States. All the respondents had some experience with using the SFA systems.

Several interesting results came out of the qualitative analysis. Managers, to a large extent, thought that as far as the employees are concerned it is necessary to build (or if the employees are newly recruited to require) good “computer literacy” and they should also be team players. In this field the authors accord with the other professional literature. When choosing employees to a sales team it is critical for the sales force to be open to new technologies and to be innovators by nature (Mathieu et al., 2007).

Rouziés (2005) aptly depicts the main fact that must be ensured when selecting the SFA technology. As the sales representatives are generally famous for being impatient as far as learning and using information technologies is concerned, and they feel more “at home” with their customers than in front of a PC, the technologies must, first of all, be easily applicable and user friendly.

Jelinek (2013) responds to the surprising finding of the Accenture company (Accenture 2012) that only 15% of companies succeed in SFA implementation. According to the author it is, in applying SFA, necessary to stick to the Pareto principle 80/20, when the author claims that 20% of the SFA system functionalities create 80% of the results and the sales representatives are not trained in such a way as to use the “right” 20%.

Another finding is that because of the fact that companies try to motivate salesmen to use SFA, the sales representatives often expect the results to appear too soon. This causes the atmosphere that if the improved results do not appear instantly, the sales representatives are discouraged and they stop using the system. But in fact the core of such a system consists in collecting data about customers over a period of several meetings between a sales representative and a customer. Only when all the data is collected it is possible to apply it. Managers should therefore stress the necessary patience with the system and highlight the significance of the long-term usage and of the effects of the system application.

The study carried out in the year 2001 on a sample of 56 American companies analyzed the most frequent problems in the implementation of SFA that appeared unexpectedly. For 20% of companies the costs of staff training were higher than expected. 15% of companies reported unexpected problems with the hardware or software. With 15% of companies the turnover of the sales representatives increased significantly. With 10% of companies the sales representatives were resistant to the change. Managers, to a large extent, claimed they should, before the implementation, have considered the consequences of SFA in the company more thoroughly. They recommended creating a “multidisciplinary” team for planning SFA, i.e. to include employees from different departments of the company into planning. The sales representatives themselves should have a possibility of expressing their opinions in the stage of planning. If they could participate in the decision making, the implementation of the new technology would be far simpler as they would have the feeling that the technology at least partly corresponds to their ideas. It is also advisable to carry out research among the customers of the company to find out whether the given system would be acceptable for them and if they were willing to participate by, for example, providing information to help facilitate the implementation of the system.

Companies that decide to transfer to the SFA technology should also consider the following fact. The sales representatives are, to a large extent, influenced by the fact how they perceive the accuracy and the verity of the data collected by means of SFA (Gohmann et al., 2005b). Managers should, therefore, aim at the fact that sales representatives are provided with such data that they perceive as useful and applicable for their work – selling products.

Rouziés (2005) brings another finding. Sales representatives and marketing employees should not have the feeling that SFA serves mainly to monitoring and inspecting their work. Therefore SFA should be devised in such a way that it facilitates the salesmen’s work and it is also perceived like this.
3.3 Effectiveness of the mSFA implementation

The opinions on the influence of mSFA on the company efficiency vary. The following chapter will therefore pay attention to the methods of measuring the effectiveness of the mSFA implementation.

The existing research of the influences of mSFA on a company includes two types of results (Moutot & Bascoul, 2008):

1. **The results oriented towards customer** – these research studies look for the connection between the implementation of mSFA and the satisfaction of the customer or the amount of sales (if the customer is satisfied, he/she will probably order more).
2. **The results oriented towards company** – these research studies look for the connection between the implementation of mSFA and the effectiveness of the internal processes of the company.

The following paragraph brings the results of the surveys oriented towards customer (point 1).

- **Avlonitis & Panagopoulos (2005)** – This research study analyzed the conditions necessary for the successful adoption of mSFA by the sales representatives and also the influence of the adoption of mSFA on the sales force efficiency, which was measured by four quantities: volume of sales, market share, number of acquired new customers and the ability to maintain relationships with the existing customers. The model was based on the responses from 240 sales representatives using the information system. The conclusion of the inquiry is that there is no direct connection between the adoption of mSFA and the increased efficiency of the sales force.
- **Dennis & Ko (2004)** – the authors carried out a study in an international pharmaceutical company Farmaco. The study is based on the information from 1,340 sales representatives of this company. The authors analyzed three mutual connections. The following figure shows the fields of analyzing this model.

![Figure 2 Research model](source: Dennis & Ko (2004))

The aim of the model was to find out whether applying mSFA increases the individual efficiency of the sales force and what influence the expert knowledge and experience of the sales force has on the relationship between using mSFA and the efficiency of the sales force. It was found that the more the sales force used mSFA the more knowledge they gained and the better their individual efficiency was. The salesmen, nevertheless, varied in the extent in which they were able to profit from using mSFA. With less experienced salesmen the benefit of mSFA was bigger than with those who had already had a lot of experience before introducing mSFA. Similarly, the salesmen who had achieved excellent results with using mSFA benefited from using mSFA less than those who had achieved average or worse sales results.

- **Jayachandran et al. (2005)** – The study analyzes if the implementation of the CRM technology, to which mSFA belongs, improves the relationship with customers. The analysis confirms that applying the technology contributes to good relationships with customers as it reduces the administrative burden.
- **Keillor et al. (1997)** – The authors carried out a questionnaire survey on a sample of 129 sales representatives from different fields. The results show that the more experienced sales representatives have the biggest problem with the adoption of SFA. This may be caused by the fact that the experienced sales representatives are often older than the less experienced sales representatives. Younger employees are generally more open to new technologies than older people. The survey also shows that SFA increases productivity of the sales representatives. What is meant by productivity here is the amount of turnover per head and per year. The implementation should, according to the authors, increase the sales of a company. The study also points out that SFA is also a tool by means of which the inexperienced staff can be trained for the job quickly, which enables ensuring professionalism of the sales force faster than without the information technology.
- **Mithas et al. (2005)** – On the basis of data collection from 300 companies in the United States the study analyzes the relationship between the implementation of CRM information system and two variables representing the customer satisfaction and the knowledge of the customers from the company point of view. The authors consider the
knowledge of the customers, i.e. observing the buying behaviour and discovering the needs of customers to be the main motivation why companies invest in the CRM technologies. The results show that the CRM technologies (including SFA technologies) increase the knowledge of customers from the company point of view only in case when the company shares the information about customers in all its supplier chain. Understanding the needs of the customers then leads to increased satisfaction among customers. The following paragraph brings the results of the surveys oriented towards the company:

- Erffmeyer & Johnson (2001) – This study is based on the data gained from 56 American companies. A manager responsible for SFA operation was chosen from each company. A personal in-depth interview was carried out with each manager. The research analyzes possible positives and negatives that SFA brings to the company. Managers mentioned mainly the following benefits for the company:
  - Better access to the information about customers
  - Higher effectiveness of company processes
  - Better communication with customers
  - Faster sales generation
  - More accurate sales forecast

The following negative effects were defined by managers in connection with SFA:

- Lengthy training of users
- Problems in the implementation stage
- High investment for purchasing SFA technologies
- Frustration of sales representatives
- Constant necessity to update the information system and related further costs

- Speier & Venkatesh (2002) – The authors collected data from 454 sales representatives in two companies which implemented mSFA. The model analyzes whether the sales representatives adopted or refused mSFA and the influence of the adoption or refusal on the efficiency of the sales force. The results of the research show that right after the implementation of mSFA and after being trained the sales force perceived the technology positively. Contrary to the above, six months after the implementation the technology was refused by the sales force. The bad attitude towards the technology became evident mainly in the increase of the number of absence from work and in a higher number of voluntary notices. After six months the sales force felt a lower level of commitment towards the company, they did not identify themselves with their work and with the company as before and generally, they were less satisfied with their work.

- Rouziés et al. (2005) – The authors see the economy of time as the main benefit of SFA as the system automatically provides the exchange of data, mainly between the sales and marketing departments.

- Robinson, Marshall & Stamps (2005) – The authors agree with other studies on the fact that if the sales representatives adopt the technology, its long-term application increases sales.

- Ahearne, Jelinek & Rapp (2005) – The biggest problem with the implementation of SFA – the adoption from the part of the sales representatives - is confirmed again. The authors prove by their study that using SFA improves the effectiveness and efficiency of the sales representatives. The effectiveness is understood in the study as fulfilling the plan of sales in percentage and the efficiency is understood as a number of telephone calls to customers in one day. The research also proves that the technical support provided to users and sufficient training contributes to increasing both the effectiveness and efficiency.

- Brown & Jones (2005) – According to this study SFA facilitates the flow of information within the company and like this it improves communication between the individual sales teams (for example regional teams). A better exchange of information should help the sales force to become more effective in fixing appointments with customers and in adapting offers according to the needs of the customers.

4 Conclusions

The above stated studies and surveys analyzing the consequences of the implementation of mSFA used either measurable or non-measurable factors. If these were measurable factors, the consequences of the implementation of SFA were assessed by the amount of the company sales, the market share, the number of newly gained customers, by the individual efficiency of the sales representatives (the goods sold by the individual salesmen), by the amount of absence of work, by the number of voluntary notices, by the time spent by passing over the information about the market further into the company, by fulfilling the plan of sales in percentage or by the number of telephone calls to customers in one day. On the contrary, some studies used non-measurable factors, such as satisfaction of customers, the knowledge of customers from the company point of view, the assessment of the communication with customers or by perceiving the technology by the sales representatives. The measurable factors were inquired by questionnaires, the non-measurable ones by in-
depth interviews. Out of the 11 above stated studies 8 studies proved a positive influence of the implementation of SFA (independently of the units of measure), 2 studies proved a negative or neutral relationship and 1 study analyzed both positive and negative aspects and it did not resort to an unambiguous conclusion. It is therefore possible to state that most authors agree on the positive consequences of the implementation of SFA for a company. The presumption number 1 which was defined at the beginning of the article stating that the sales automation has a positive impact on a company operation has therefore been confirmed.

Each company has its own specific features which must be considered in the stage of the decision making whether to implement the new technology or not. The new technology may work very well in one company but in another company the results may not be positive at all. It is therefore always necessary to judge the existing situation and the type of the company and the market on which it operates and to consider the information when making decisions about the implementation of SFA.

References


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