Part IV

Information Management as the Key to Professionalism in Sales

In Part III, we discussed various aspects of sales management, and examined the structuring of the sales organization, the planning and control of sales activities, personnel management and the design of the sales culture. This part focuses on the information required for effective sales management. Systematic information management promotes professionalism of sales activities in a number of ways:

- Information management can correctly channel the differentiation of market development, which is indispensable in many sectors. As a prerequisite for this, information systems need to contain detailed information about the needs and behavioral patterns of the various customers (or customer segments).
- Information management can significantly aid in coping with the ever-increasing pressure to boost productivity. The prerequisite here is that the information systems provide data about the profitability of individual market development areas (e.g. about the profitability of individual customers (or customer segments) or sales activities).
- Information management can facilitate the timely adjustment of sales activities to changes in market conditions. For this, the information systems have to promptly identify and highlight changes in the market.

Several empirical studies have been able to demonstrate the positive influence that systematic information management has on sales and company success (see Schäfer 2002; Homburg and Fargel 2006a). In practice, however, there are still considerable shortcomings with respect to market-related information. For example, many companies do not have meaningful information about which customers they earn/lose money on. Furthermore, customer structure analyses are often geared exclusively to the sales revenue (e.g. the sales revenue-oriented ABC analysis) currently achieved with the customers. Very few companies systematically assess their customer structure in terms of potential. There are two main reasons for these and other shortcomings: First, the information systems in many companies have evolved historically and are not tailored to the current needs of the decision-makers. Obsolete systems can often only provide answers to questions that are no longer being asked.

Second, many companies have undergone a virtual explosion of blind activism in this respect. For example, many sales managers think they need to introduce a

customer relationship management (CRM) system as soon as possible, without being clear about the exact possibilities of application or prerequisites. One study, for example, revealed that at least 31% of companies questioned are planning to introduce a CRM system in the next few years (see Wilde et al. 2000). However, when such systems are introduced, the technical aspects of implementation often dominate the discussion, which then quickly assumes a technocratic dimension. The information requirements of the decision-makers are pushed into the background, with perfectionism at the forefront instead of pragmatism. An information system that is inadequately conceived in terms of content cannot, however, be made successful by a perfect IT implementation. In this part, we will therefore be focusing on contentual aspects of information management in sales.

Chapter 11 deals with basic aspects of designing an information system. In addition to fundamental requirements, the particular emphasis is on the process from development up to the introduction of a sales information system. Chapters 12, 13, 14, and 15 concentrate on content-related matters. Here, we describe what information a sales information system should contain and what tools can be used to acquire and use that information. There are separate chapters devoted to information about customers, competitors, the market, and internal sales processes. Chapter 16 examines integrated information systems for supporting sales activities, which are frequently discussed in conjunction with the terms computer-aided selling (CAS) and customer relationship management (CRM) systems.