

THE FIELD SALESMAN: A MARKET MANAGER

Thesis For The Degree Of Ph. D.

MICHIGAN STATE UNIVERSITY

JOHN HENRY WIELAND

1963



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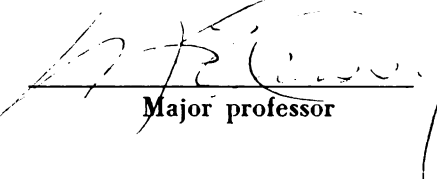
The Field Salesman: A Market Manager

presented by

John Henry Wieland

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THE FIELD SALESMAN: A MARKET MANAGER

by

John Henry Wieland

A THESIS

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ABSTRACT

THE FIELD SALESMAN: A MARKET MANAGER

by John Henry Wieland

It is theorized and verified that a significant relation may exist between the concept in firms of the field salesman as a manager and the success of firms. Further, it is theorized and verified that a significant trend may exist in firms to consider the field salesman a manager. Verification is by appropriate survey research of a sample of the ethical pharmaceutical manufacturing industry and is by validation analysis to determine de facto concepts in firms of field salesman. The hypotheses are confirmed ($P. < .05$). The period of the study is 1956-1962. The responding sub-sample of 28 firms is 85% of n and represents 75% of industry sales. Sales is the adopted criterion of success of firms.

Consideration of the literature supports the conclusion that developing management and marketing concept theories so far have largely left the personal selling function unconsidered. Consideration of the literature, especially sequentially and interpretive of the marketing concept, supports the conclusion that the field salesman, in theory and de facto in concrete situations, may be a manager. He may be a market manager, not a marketing manager. It is absurd that he is a manager because he "manages" his time or self, as inferred by some authors. Distinction is drawn between the occupational function of personal selling and the activity of salesmanship. Through responsibility to complete the function of the firm in optimizing decisions toward the organization of a market segment the field salesman, in concrete situations such as negotiative and complex selling, may be a manager.



PREFACE

In all fairness it may be said that probably no thesis is actually what it presumes to be. It is not alone the work of its student-author. It could not be prepared without drawing heavily upon the richness of the teaching of a distinguished faculty, which cannot be foot-noted. Other experiences and interests of the student, of which he is the beneficiary, not the responsible agent, must enter unheralded into a thesis.

Four specific and highly merited acknowledgments are eminently desirable regarding the work which follows this page.

The first mention is of my thesis chairman, Dr. William J. E. Crissy, Professor, Department of Marketing and Transportation Administration, Graduate School of Business Administration, Michigan State University. His guidance, his succinct and ample criticism, personal interest and enthusiasm cannot be overly stated nor adequately appreciated.

I desire to mention with appreciation of their aid and interest the other members of my thesis committee, Dr. Rollin H. Simonds and Dr. Joseph W. Thompson.

Significant mention must be appreciatively given to an anonymous business firm which made this work possible by its grant. The necessary field study in the research was costly. This firm receives no benefit herefrom that is not available to any other. This support, I attest, serves as a clear, high model for business support of the efforts of business education in clarification and discovery.

Dearest mention I want to give to my wife, Marjorie. She worked like a beaver at unfamiliar tasks --like typing. She saved me from many errors. Her affectionate support is boundless.

John Henry Wieland

Tucson, Arizona
October, 1963



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CHAPTER I

INTRODUCTION: IMPORTANCE OF THE SALES

FUNCTION: ITS ROLE WITHIN MARKETING

Conceptually, this thesis is concerned with the place of the field salesman in the marketing and management process of the business firm.

Functionally, it is concerned with the discovery and consideration of trend, if any, of the organizational relationship of the field salesman. Additionally, it is aimed at discovery of evidence of the relationship between this trend, if any, and criteria of success of firms.

Methodologically, this research includes a search of the pertinent literature of marketing and of management. Additionally, it includes an empirical investigation of policies and practices of a sample of firms in a selected industry as perceived by marketing and sales management executives of the firms.

Importance of the Field Salesman

Since World War II the "marketing concept" has emerged as a way of corporate life. A substantial and extensive body of marketing theory has been produced.

But this literature largely by-passes the sales-making, sales force function in marketing.¹

Perhaps some have taken the sales force and the explicit function of sales-making for granted. Others appear to conclude that personal selling is an art not amenable to theory.

This thesis is directed toward a managerial theory for the function of the field salesman in marketing.

Students of marketing have various ways of interpreting the role of the field sales force within the marketing process. One team of authors says, "The heart of the marketing task is selling."² The words of another are, "As the infantry has been the queen of battles, so is the sales force the mainstay of the sales effort."³

Except in a minority of firms largely confined to the mass marketing segment of the consumer goods industries, personal selling remains the dominant portion of the demand-creating, marketing effort. This is the case

¹John G. McLean, "The New Responsibilities of Marketing Management," Journal of Marketing, Vol. XXIII, No. 1 (July, 1958), pp. 1-8; Walter J. Semlow, "How Many Salesmen Do You Need?" Harvard Business Review, Vol. XXXVII, No. 3 (May-June, 1959), pp. 126-32.

²Charles F. Phillips and Delbert J. Duncan, Marketing, Principles and Methods (4th ed.; Homewood, Ill.: Richard D. Irwin, Inc., 1960), p. 610.

³Harry L. Hansen, Marketing (rev. ed.; Homewood, Ill.: Richard D. Irwin, Inc., 1961), p. 637.

in terms of manpower, of relative costs in the firm, and in expenditure of national income.¹

Selling is not confined to individuals called "salesmen." In the small firm the proprietor may be his own salesman. In any firm in its dealings with large buyers the executive officers may be the salesmen. In the conduct of large or technical negotiations many individuals, not otherwise salesmen, may be directly engaged in the consummation of the sale.

It is a cliché among sales managers that neither an advertisement nor a marketing policy ever wrote an order. "Selling is that force which vitalizes distribution causing the desired action to take place."² Personal selling has the traditional "bread and butter" role in marketing " . . . and it will always be the core of the marketing manager's responsibilities. We must lay heavy stress upon [the] responsibility for doing the selling job--effectively, economically, and in a highly competitive manner."³

The number of salesmen for a firm usually does not reach the large numbers ordinarily associated with employment in factories or offices. Neither does the size of the field sales force often correlate with the size of the firm's total employment or sales. The reason is that the

¹Harry R. Tosdal, Selling in Our Economy (Homewood, Ill.: Richard D. Irwin, Inc., 1957), p. 27.

²Bernard Lester, Sales Engineering (2d ed.; New York: John Wiley and Sons, Inc., 1950), p. 45.

³McLean, p. 2.

number of salesmen is determined by the quantity of clients, customers, or prospects to be solicited, the size of the average sale, the needed frequency of solicitations, the time required per sales call, the needed time for preparation, for travel and for other direct selling functions.¹ The field sales force generally bears a responsibility disproportionate with its numbers.

The cost of the salesman's contact with his client is substantial and is increasing. According to the McGraw-Hill Publishing Company, Inc., the increase in the cost of an industrial salesman's call is greater than the increase in the Consumer Price Index. (See Table 1-1 following page.)

The topic of the field salesman and his function is of importance for many reasons. Among these are the following:

1. The theoretical literature of marketing has largely passed it by.

¹The study of the field sales force of probably largest scale and of greatest frequency of reference by other authors included this distribution of firms by size of sales force:

<u>Number of salesmen</u>	<u>Firms</u>	<u>Number of salesmen</u>	<u>Firms</u>
over 5,000	1	60 - 99	66
2,000 - 2,999	5	40 - 59	61
1,000 - 1,999	9	30 - 39	66
500 - 999	16	20 - 29	116
300 - 499	22	10 - 19	217
200 - 299	18	1 - 9	351
100 - 199	71	no answer	3
		Total	1,022

H. R. Tosdal and W. W. Carson, Salesmen's Compensation (Boston: Division of Research, Harvard Graduate School of Business Administration, 1953), Vol. 1, p. 451.

TABLE 1-1.--Cost of an industrial salesman's call compared with the Consumer Price Index

Year	Average Reported Cost per Call ^a	Index of Average Reported Cost per Call	Consumer Price Index ^b
1952	\$16.94	100	100
1955	17.29	102	100
1958	22.33	132	109
1961	30.35	179	112 ^c

^aIncluding salaries, commissions, bonuses, travel and entertainment expenses divided by the total number of reported salesman calls.

^bBureau of Labor Statistics.

^cPreliminary.

Source: Adapted from Bulletin 8014 issued May, 1962, McGraw-Hill Research, McGraw-Hill Publishing Company, Inc., New York.

2. The modern literature of management theory has generally not been directed to the special problems of the field selling organization.
3. Personal field selling is a key function of marketing.
4. It is key in the success of firms.
5. A sales force bears a responsibility out of proportion to its numbers.
6. The costs of personal selling are substantial and are rising.

Improved concepts are desirable.

Inferences Regarding the Salesman

The field salesman, whom we will later define, is a unique member of the firm's organization. Virtually all other employees are in close linkage, by proximity and by occupational communication, with other employees and with superiors. To a comparatively large degree the salesman is in the nature of things dependent on his own self-management. The inferred independence, the required self-reliance and the substantial responsibility of the salesman are prominent factors in drawing some men into selling.¹

In a very real sense salesmen are "different." As compared with other company employees they are subject to more pronounced emotional ups and downs--not because they are peculiar individuals, but because of the nature of their jobs. The average field salesman works alone; alone he must bear the disappointments of the lost sale. . . He is not in contact with his fellow employees; if he travels for extended periods, he doesn't even have a family to return to each evening.²

The salesman may spend a large part of his days with prospects who may have their defenses up against him.

Characterizations of the alleged nature of the salesman and of the nature of his economic and social relationship can be traced deep into history. In The Republic, Book II, Plato wrote:

¹William J. Stanton and Richard H. Buskirk, Management of the Sales Force (Homewood, Ill.: Richard D. Irwin, Inc., 1959), p. 403.

²Robert T. Davis, "The Field Sales Manager and His Place in the Organization," The Field Sales Manager, ed. Albert Newgarden (New York: American Management Association, Inc., 1960), p. 14.

Suppose now that a husbandman or an artisan brings some production to the market, and he comes at a time when there is no one to exchange with him. Is he to leave his calling and to sit idle in the market-place? Not at all; he will find people there who, seeing the want, undertake the office of salesman. In well-ordered states they are commonly those who are weakest in bodily strength, and therefore of little use for any other purpose.

There have been the endless jibes about "the salesman and the farmer's daughter." Playwright Arthur Miller in his Pulitzer Prize play of 1949, Death of a Salesman, depicted through salesman Willy Loman the tragedy of a futile life. Such stereotypes may have delayed the maturity of a proper hypothesis concerning the salesman and the personal, field selling function.

Classical economics posits selling as an imperfect usage of society's resources.

But the purpose of this paper and research is not to explore a social hypothesis. This introductory cognizance of historical, social, economic, institutional, and behavioral backgrounds, however, is aimed at setting the necessary larger stage for the objective of the thesis. It is desirable, as a further preliminary step, to introduce three more areas of thought.

The first is from the discipline of psychology. This pertains to the issue of whether "salesmen are born or made." Cash and Crissy pointed out in their criticism of Eimicke's work that, as to the general population of salesmen, a typical pattern of abilities does not exist

for successful salesmen.¹ Psychological studies support the Cash-Crissy position. No significant relationship has been found between independent measures of personality traits of salesmen and the success of salesmen.² It is a fallacy to assume that successful salesmen are simply "born" or are uniform in characteristics.³ Extroverts, introverts, ambiverts--all--have been successful salesmen.

Second, we mention the training of salesmen. There may be controversy on whether the individual can be taught to sell. There is none that he can be taught to sell something. The rule is: Do not train a man simply in selling. Train him to sell a particular product line in a particular market.

It is a corollary of the foregoing that selling is not a unitary vocational field. Selling is a spectrum of occupations. At one end of the spectrum is the route salesman (of milk, of fuel oil); at the other is the

¹Harold J. Cash and W. J. E. Crissy, "Comment on 'The Effect of Intensive Sales Training Experience of Salesman Candidates,'" Journal of Marketing, Vol. XVIII, No. 2 (October, 1953), p. 169.

²Samuel N. Stevens, "Selling and the Salesman," Aspects of Modern Marketing, A.M.A. Management Report No. 15 (New York: American Management Association, Inc., 1958), p. 87.

³Ralph E. Cooper, "Three Popular Fallacies about Salesmen," Printer's Ink, Vol. CCXIII, October 12, 1945, pp. 129-30; also see Edward C. Bursk, "Low Pressure Selling," Harvard Business Review, Vol XXV, No. 2 (Winter, 1947), pp. 227-42, and Edward C. Bursk, "Thinking Ahead: Drift to No-Pressure Selling," Harvard Business Review, Vol. XXXIV, No. 5 (September-October, 1956), pp. 25-26ff.

salesman who copes with a variety of complex situations. Between these extremes lie a considerable, differentiated array of sales tasks.¹

The final preliminary point to develop pertains to general management theory vis-à-vis the sales function. The "Scientific Management" movement in this country received its impetus from the American Society of Mechanical Engineers in the 1880s in connection with shop management.² It was not until 1920 that the Taylor Society made distribution the full-fledged agenda of a meeting.³ In the 1930s concern arose about the adequacy of the Taylor theory in view of social and psychological forces which affect productivity. Expanded understandings developed regarding the significance of social interactions and the significance of

¹A. A. Witkin, "The Prediction of Potentials for Effectiveness in Certain Occupations within the Sales Field" (unpublished Ph.D. dissertation, New York University, 1956). Witkin says in his abstract, "The study supports the trend to focus on specific occupations within the sales fields rather than to consider selling as a unified occupation without sub-division." The finding was that tests discriminated differently by salesman occupational types.

²It is traditional to credit Frederick W. Taylor with the genesis of "Scientific Management." Typical of this is George Filipetti, Industrial Management in Transition (Chicago: Richard D. Irwin, Inc., 1946).

³Taylor Society Meeting of October 14, 1920, Springfield, Massachusetts. See editorial comment, Sales Management Magazine, October, 1920, p. 42.

the individual in production.¹ The "human relations" theories of management evolved. While extensive theoretical literature and experimentation regarding the manufacturing and clerical segments of industry developed on the issues arising from the clash of these theories, no like quantity or quality of literature or experimentation has come forth regarding the field sales force.²

¹Elton Mayo, The Human Problems of an Industrial Civilization (Boston: Division of Research, Harvard Business School, 1933); T. North Whitehead, The Industrial Worker (Cambridge: Harvard University Press, 1938); F. J. Roethlisberger and William J. Dickson, Management and the Worker (Cambridge: Harvard University Press, 1939); Elton Mayo, The Social Problems of an Industrial Civilization (Boston: Division of Research, Graduate School of Business Administration, 1945); Burleigh B. Gardner and David G. Moore, Human Relations in Industry (Homewood, Ill.: Richard D. Irwin, Inc., 1955); and more lately, Rensis Likert, New Patterns of Management (New York: McGraw-Hill Book Co., Inc., 1961).

²Exception might be noted for Rensis Likert and J. M. Willits, Morale and Agency Management (4 vols; Hartford, Conn.: Life Insurance Management Association, 1940). Also to the contrary is such literature as the following: Donald R. G. Cowan, Sales Analysis from the Management Standpoint (Chicago: The University of Chicago Press, 1938); James H. Davis, Increasing Wholesale Drug Salesmen's Effectiveness (Columbus, Ohio: Bureau of Business Research, The Ohio State University, 1948); Frank R. Bacon, Carlos Chapman and Robert Woolson, "An Analysis of Salesmen's Time," Annual Marketing Research Conference, Michigan Business Papers No. 31 (Ann Arbor, Mich.: Bureau of Business Research, University of Michigan, 1955), pp. 99-126. These, however, are examples of many works exclusively devoted to "scientific management" techniques for dealing with the productivity of field salesmen. They do not treat with the clash of theory. They simply accept and project the technological aspects of "scientific management" and unquestioningly treat with the salesman as a technologist. The point remains, therefore, that the work and function of the field salesman appears to be relatively unexplored in the contexts of marketing and management theory.

Again, it is not the objective of this thesis to develop an explicit theory of management of the field sales force. It is only to be hoped that some contribution to that cause may occur.

Extraneous Issues

There is a long-standing generalization concerning the non-promotability of the outstanding salesman to supervisory managership. Professor Robert T. Davis states, "Competence as a salesman is no guarantee of management potential."¹ Distinction must be made between this generalization and the consideration in this research of the possible managerial function of the field salesman himself.

Disposal should be made of another extraneous issue to this research. The issue is this: Should a salesman be called a salesman or should he be called by some other title (some firms, in fact, calling him a "manager")? A dialogue on this topic took place in a panel discussion at the University of Michigan in 1954. Mr. W. Fred Allen, Vice President-Marketing, The Upjohn Company (ethical pharmaceutical manufacturer), pointed to his industry's tendency to call its salesmen "Professionals."

¹Robert T. Davis, Performance and Development of Field Sales Managers (Boston: Division of Research, Graduate School of Business Administration, Harvard University, 1957), p. 49; Robert T. Davis, "Sales Management in the Field," Harvard Business Review, Vol. XXXVI, No. 1 (January-February, 1958), p. 97.

Service Representatives." Harvard's Professor Tosdal commented:

The desire of the salesman to have a higher measure of respect is very important . . . you should give straightforward titles, but you should make people understand just what is involved in the word "salesman." The salesman has been suffering too much from the aspersions cast by those who still remember farmer's daughter stories.¹

The present research is not concerned with titles as such for salesmen. The concern is with the functions which salesmen perform.

The Field Salesman as a Manager

An extensive search of primary and secondary literature sources has uncovered but few references to the possibility of the field salesman being a manager. Most are of recent date. This excludes the references in recent salesmanship literature to "time management" or "self-management" by the salesman.

Michelson in an address in 1960 said:

The career salesman is an individual contributor to company profits. . . . He also has demonstrated no particular interest or skill in activities other than selling. He does not want to be a manager. (Although in Minneapolis-Honeywell we think of the career salesman as a member of management, he is

¹Harry F. Tosdal, W. Fred Allen, et al., "Salesmen's Compensation and Allied Problems," Conference on Sales Management, Michigan Business Papers No. 28 (Ann Arbor, Mich.: Bureau of Business Research, School of Business, University of Michigan, 1954), p. 84.

not, in the ordinary sense of the word, a manager. He is responsible only for his own activities.¹ (Underlining mine.)

Kelley and Lazer wrote in Industrial Marketing in 1960:

The job of the salesman has strategic and innovative dimensions just as does the sales manager. Many salesmen are faced in their own territories with problems of goal determination, planning and long run market development. Acting in these capacities the field man is a manager of a market area.² (Underlining mine.)

Barry in 1960 in Sales Management magazine categorized eleven jobs (he says these are in addition to selling) of the modern salesman which included "merchant," "local advertising manager," "adviser on distribution," "authority on packaging," "interpreter and defender of prices," "product adviser," "sales trainer," "sales forecaster," "technical service expert," "report writer," and "sales manager." Regarding the last item Barry wrote:

11. Sales manager. He should manage his own territory: make plans and programs to achieve maximum penetration of his territory potential, and then carry out these programs. He should allocate his time and effort according to customer and prospect potential. . . . The concept of a salesman as a mere order-getter is woefully incomplete. If

¹Arnold Michelson, "Developing Career Salesmen," The Field Sales Manager, ed. Albert Newgarden (New York: American Management Association, Inc., 1960), pp. 333-34.

²Eugene J. Kelley and William Lazer, "Basic Duties of the Modern Sales Department," Industrial Marketing, Vol. VI (April, 1960), p. 74.

anything, he should be regarded as a territory marketing manager.¹ (Underlining mine.)

Again in Sales Management magazine in 1961 Spencer had this to say:

As we see it, our own sales training challenge lies in the development of a real understanding of customer behavior and motivation. We have developed a completely new approach to sales training which we call Sales Situation Management.²

DeVoe in 1956 quoted the president of the American Safety Razor Company as saying,

Every salesman should look upon himself as the sales manager of his territory duplicating at his level all the things that make for successful sales management at the top of the organization.³

The earliest reference of this nature to be found is that of Murphy in 1946 in Sales Management where his thought is that the salesman is

the man in charge of the sale. . . . He is . . . the bottom manager in the organization's tier [sic] of management.⁴

¹ John W. Barry, "Do Your Salesmen Care About Your Total Marketing Effort?" Sales Management, Vol. LXXXIV, February 5, 1960, p. 96.

² John A. Spencer, "Tomorrow's Demands for Marketing Talent," Sales Management, Vol. LXXXVII, July 21, 1961, p. 110. Note that Spencer's reference is not to market, or marketing, management but to "management" by the salesman of his face-to-face sales situation. He is talking about salesmanship, not management.

³ Merrill DeVoe, "How to Sales-Manage Your Territory," Selling: Its Broader Dimensions, ed. Taylor W. Meloan and John Rathmell (New York: The Macmillan Co., 1960), p. 357, quoting from Stanley Weil.

⁴ J. A. Murphy, "Why Decentralization Takes Root in Sales Management," Sales Management, Vol. LVII, November 10, 1946, p. 80.

It is believed that the most complete exposition up to the present of the position of the field salesman as a manager is to be found in Crissy and Cash, The Salesman as a Self-Manager, as the following may indicate.

Every salesman has a definite managerial assignment--the profitable operation of his territory or market segment. This territory or market segment is, in effect, an "operating subsidiary" of a larger business, called a district or branch. The district or branch, in turn, may be thought of as an "operating subsidiary" of a still larger business, called a division or region. Finally, the division or region can be seen as an "operating subsidiary" of the total market place of the firm.

The salesman's company can achieve its goals only when each of the smaller businesses is effectively managed. In a real sense, then, the most critical managerial assignment in the company is that of the salesman--running his territory or market segment at maximum efficiency.¹

Whether this is the full extent of references to the salesman as some sort of a manager is not certain. It is clear that these are but modest glimpses of such an idea. The references are but assertions. They are not rigorously arrived at. They present different and conflicting ideas of what the salesman may be manager of.

¹W. J. E. Crissy and Harold C. Cash, The Psychology of Selling, Vol. VI: The Salesman as a Self-Manager (Flushing, N. Y.: Personnel Development Associates, 1962), p. 9. However, this thesis will later raise the question whether the field salesman may be justified in theory to be a manager if his function is simply that of self-management. The theory will be advanced that as a manager the salesman may properly be conceived of only as a market manager, and that companies which so view their field salesmen tend to be more successful.

Further, there appears to be a dearth of research-substantiated theory to support such views.

Summary

The literature of the marketing concept has tended to by-pass the sales force. The main present bodies of management theory have not been adequately applied to the special and unique problems of the field selling organization.

Personal selling is a key function of marketing and is key in the success of firms. The costs of personal selling are substantial and are rising. There is need for concepts which may improve the productivity of the personal sales effort.

There are insights of rather recent origin of various types, in various non-research literature, that the field salesman may be a manager, and as such may be more productive for his firm. Research-substantiated theory for these positions appears to be lacking.

CHAPTER II

OBJECTIVES, HYPOTHESES AND PLAN

It is not now a new thing, though it appears to be of recent occurrence, to conceive specifically of the field salesman as a manager. But, is it justified? For instance, he supervises, usually, no one. It was for some time held in management theory that such supervision is essential to being a manager.

References in the literature to the salesman as a manager have not settled on what he may be manager of: of a market; of marketing in a territory or market segment; of a sales situation; of "self"? Which is justifiable as the function which may permit the salesman in theory and practice to be a manager?

Is there any trend among managements of field selling organizations in the matter of their concepts of their field salesmen as managers, or as non-managers?

Is it possible that corporate success may be greater among firms which have a de facto concept of their field salesmen as managers?

These are the kinds of problems with which this research is designed to deal.

Objectives Stated

The objective of this study is to contribute specifically to the resolution of four questions which are believed to be significant to marketing and to management theory, and significant to the policies and practices of business firms. These main, specific questions are:

1. Is a managerial concept for the field salesman theoretically justified?
2. What may the salesman be a manager of, in theory?
3. Is there significant evidence of trend toward a managerial concept for the field salesman?
4. Does a significant statistical relation exist between such a concept, reflected in company policy and practice, and a measure of the success of firms?

Hypotheses

Four criteria are used for the adoption of hypotheses for this study. These are: (1) that the hypotheses shall pertain to and be significant to the practical marketing and management processes of firms; (2) that they may pertain to and be significant to the success of firms; (3) that the hypotheses shall pertain to and be significant to the developing theory of marketing and to the developing

theory of management; (4) that the hypotheses shall be testable.

It is specifically hypothesized that it is a trend of marketing management to consider the field salesman a manager.

It is further specifically hypothesized that a statistically significant relation exists between adoption by firms of a manager concept for field salesmen and criteria of success of firms.

These two hypotheses are tested both by an empirical research study and by a critical synthesis of the pertinent literature.

Limitations of the Study

Limitations can be thought of as of two kinds: input limitations and output limitations. Inasmuch as the latter are generally derivatives of the former, input limitations are discussed here. Output limitations receive consideration in the concluding chapter.

Four principal input limitations pertain. The first results from the limited literature bearing closely upon the topic. Note has already been taken of the preoccupation of contributors to the relatively new marketing literature with other aspects of the marketing concept than with the sales force. The research and primary literature regarding the job of the salesman comes largely from the

field of psychology, though sociology, anthropology and philosophy also contribute.¹ The art and science of persuasion are the main focus of the existing behavioral science literature on personal selling.

The research and primary literature in management theory contributes a different limitation. This is today a "jungle" of theory.² Further, little specific focus on the selling job is available.

A second input limitation pertains to the necessity of considering but a sample of the business universe. For the objectives and hypotheses of this research it is considered desirable to hold constant the strong variables of industry and of differences in selling patterns. Thus, the decision is made to draw a sample from a single industry. Every industry is in a sense unique. (The uniqueness of the selected industry is analyzed in a later chapter.)

A third input limitation is the method of data collection which is explained in the appropriate later chapter.

Finally, of course, reasonable economy of endeavor is an input limitation.

¹Joseph W. Thompson, "A Strategy of Selling," Salesmanship, eds. Steven J. Shaw and Joseph W. Thompson (New York: Henry Holt & Co., Inc., 1960), p. 13.

²Harold Koontz, "The Management Theory Jungle," Journal of the Academy of Management, Vol. IV, No. 3 (December, 1961), pp. 174-88.

Plan of the Work

Chapter I discussed the importance of the field salesman function and its role within marketing. Relevant economic, psychological and sociological inferences were brought out. Extraneous issues were isolated and the main issue of the study was identified.

The present chapter has treated the objectives, hypotheses and limitations of the research.

Subsequent chapters are arranged as follows:

Chapter III develops definitional assumptions from the literature and in theory relevant to the manager, to the field salesman, to the field salesman as a manager, and to measures which may be used in empirical research to determine the firm's de facto concept of the salesman.

Chapter IV deals with the selection of the industry from which the sample was drawn for the empirical research. It contains a description of this industry and provides the necessary definitions.

In Chapter V there is a description of the experimental design of the empirical research. Also included is analysis of the survey response and additional items of supportive information.

In Chapter VI the findings of the empirical research are presented.

Chapter VII is a summary and evaluation of the study.

The Appendix contains tables of auxiliary data, information additionally procured, true copies of the survey questionnaire and of various research correspondence, and other pertinent materials.

CHAPTER III

DEFINITIONAL ASSUMPTIONS

The purpose of this chapter is to delimit terms and concepts related to the study. These include the manager, the field salesman, the market, the field salesman as a market manager, and measures for policies and practices of firms.

The problem of definition is never an easy one. This is especially the case in the emerging disciplines of management and marketing, which together form the roots of this research. Marketing and management are historically old as arts and practices in economic enterprise. The search for scientific bases for them is relatively recent. Progress is being made in arriving at nomenclature. But terms and concepts used in these fields continue to be used with different connotations.

It is perhaps natural at this early date that such science and theory of business as has developed may have least penetrated enterprises at their center where

top management is.¹ This may apply, also, at their periphery where the salesman makes his contact with the market environment. Both the center and the periphery may under certain circumstances have this in common--that they are essentially entrepreneurial. This is because the more the objective is to change or to create conditions rather than merely to perform tasks the more there is entrepreneurship, which is a form of managership.²

Top managers and salesmen perhaps recognize more vividly than others in the business enterprise the non-linearities of the systems for which they are responsible, wherein results are nonproportional to causes.³ The infinite variety of non-linear, behavioral, and dynamic variables with which both must model their actions is well known. It should follow that viable definitions for manager and for salesman must be more conceptual (non-linear) than explicit (linear).

¹Peter F. Drucker, "Thinking Ahead: Potentials of Management Science," Harvard Business Review, Vol. XXXVII, No. 1 (January-February, 1959), pp. 25-30, 146-50, where he discusses the failure of "management science" to deal thus far with the "risk-making and risk-taking decisions of business enterprise."

²Except note that Schumpeter in his analysis of economic profit constructed an hypothesis of difference between managership (static state) and entrepreneurship (dynamic of economic innovation) in Joseph A. Schumpeter, The Theory of Economic Development (Cambridge: Harvard University Press, 1949).

³Jay W. Forrester, Industrial Dynamics (New York: The M.I.T. Press, Massachusetts Institute of Technology, and John Wiley and Sons, Inc., 1961), pp. 49-53.

The Manager

Professor Kenneth E. Boulding opens his little volume, The Skills of the Economist, by attributing to Professor Jacob Viner the remark that "economics is what economists do."¹ The task faced by those who would define "manager" is of the same difficulty. To paraphrase that managers manage is not good enough. Furthermore, description of the manager's skills or techniques is not good enough because skills and techniques are of a second level of derivation. They follow from functions and processes.

Our method here will be to conceptualize functions and processes for definition purposes. This has the convenience that it should more easily permit consideration of a correlation between manager and salesman.

Historic and economic

Historically the words "manage" and "management" do not go far back. The earliest usage of the verb "manage" is placed in the year 1561; "management," in the year 1598.² The earliest meanings arose from husbandry and stewardship in the feudal household system. It is to be noted that in their early usage they are economic concepts, and furthermore, that they are static, caretaking concepts.

¹Kenneth E. Boulding, The Skills of the Economist (Cleveland: Howard Allen, Inc., 1958), p. 1.

²The Oxford Universal Dictionary on Historical Principles (London: Oxford University Press, 1955).

Sociological concepts (groups), psychological concepts (individuals), concepts of mathematics and logic (systems), and Schumpeterian-type economics (entrepreneurship and innovation) have contributed in more recent times to an emerging concept of the manager.¹

The economic concept remains basic. Indeed, there is no need for the manager unless an economic problem exists. Such a problem does exist whenever scarce means are used to satisfy alternative ends. If the means are not scarce there is no problem; there is nirvana. If the means are scarce but there is only one end, it is a technological problem, not an economic or managerial problem. No value judgments are necessary. Technological relationships require only analysis and maximization. Whenever the concept of "best" enters into consideration of the end there is present the marginalistic consideration of alternatives--the giving up of one or more things of value for one or more other things to which value is attributed. This is a process of optimization rather than of technological maximization. This is the function and process of managers.²

¹For simplification herein manager, administrator, and executive and their derivatives are terms which are used synonymously.

²It will be noted that this argument goes beyond the self-imposed limit of the classical economist. The argument postulates cooperation of personnel, effective organization, etc., to be economic scarcities, just as leisure is an alternative for labor in economics. These thoughts borrow heavily from Milton Friedman, "Notes on Lectures in Price Theory," given at the University of Chicago, January-June, 1951. (Privately mimeographed.)

Types of developing thought

Herbert Simon is among the contemporary, highly regarded and stimulating scholars on management theory. Simon sees all managing as decision making, especially among qualitative variables and alternative sub-ends and final ends. He subsumes all else therein.¹

Similar in meaning, in general, are the older, classic thoughts of Henri Fayol,² and of R. C. Davis³ that the manager is concerned with integration of interests, and of Mary Parker Follett⁴ that his purpose is to achieve a "functional whole or integrative unity."

William H. Newman, less rigorous than Simon, defines management as a process of goal-directed planning, organizing, assembling resources, directing, controlling of "the efforts of a group of individuals."⁵ (Underlining mine.) In his new book with Summer, which won an Academy

¹Herbert Simon, Administrative Behavior (2d ed.; New York: The Macmillan Co., 1960).

²Henri Fayol, General and Industrial Management (first publication in French, 1916), trans. Constance Storrs (London: Sir Isaac Pitman and Sons, Ltd., 1949).

³R. C. Davis, Industrial Organization and Management (New York: Prentice-Hall, Inc., 1940).

⁴Henry C. Metcalf and L. Urwick (eds.), Dynamic Administration: The Collected Papers of Mary Parker Follett (New York: Harper and Bros., 1940), p. 71.

⁵William H. Newman, Administrative Action (New York: Prentice-Hall, Inc., 1950), pp. 1, 4.



of Management's selection among the 1961-62 McKinsey Foundation Awards, it is said, "A manager is a man who gets things done with people and other resources; in order to reach an objective, he coordinates the activities of others rather than perform operations himself."¹ (Underlining mine.)

The American Management Association through its president, Lawrence Appley, repeatedly has simplified, or, in the view of some has over-simplified to a cliché, that management is "the art of getting things done through people." (Underlining mine.)

In this connection it is of interest to trace the effort to define manager and management through a time series. Though Fayol had written somewhat earlier (1916), it was not until 1949 that an English translation became available with an immediately wider impact. He originated a functional terminology for a general theory of the manager which, with one variation or another, has been adopted since by most authors.² His classification of functions was planning, organizing, commanding, coordinating and controlling. In 1955 Koontz and O'Donnell used

¹William H. Newman and Charles E. Summer, Jr., The Process of Management (Englewood Cliffs, N. J.: Prentice-Hall, Inc., 1961), p. 9.

²Theo Haimann, Professional Management: Theory and Practice (Boston: Houghton Mifflin Co., 1962), p. 22.

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similar words to those of Appley.^{1,2} They proceeded to define by saying, ". . . the manager plans, organizes, staffs, directs and controls the activities of subordinates."³ (Underlining mine.) This might be called, like Newman's earlier work, the personnel management viewpoint.⁴ It is directed exclusively to internal organization.

McFarland in 1958, adopting a similar view, in speaking of production management says, "The manager group includes all those . . . with supervisory responsibility over others," and "The essence of management is that a person called a manager, or an executive, is responsible for the efficient direction of human effort in the manipulation of nonhuman resources."⁵ (Underlining mine.) This statement, however, proceeds beyond purely human relation to economic variables and ends, but the essence of the manager is still of a personnel type.

¹Harold Koontz and Cyril O'Donnell, Principles of Management (New York: McGraw-Hill Book Co., Inc., 1955), p. 3.

²Note: A sequence of textbooks is introduced as references for the reason that such works, at the secondary theoretical level, usually provide useful generalizations of a developing, more or less accepted theory.

³Koontz and O'Donnell, p. 3.

⁴Newman, Administrative Action.

⁵Dalton E. McFarland, Management Principles and Practices (New York: The Macmillan Co., 1958), pp. 8-9.

More recently, in 1962, Simonds, Ball and Kelley broaden the thought. They write,

We should like to enlarge it [the management definition] to read planning, organizing, directing, and controlling the activities of people and a sequence of operations [sic] to accomplish a purpose. This is added in the belief that while much of the work of management involves managing workers and other managers, a significant part of management is not primarily [sic] concerned with managing people. . . . This is not to minimize the importance of human relations in business but, rather, to emphasize that not all of business administration can be properly encompassed in human relations.¹

On system theory

Of great influence on most modern management scholars and authors is the sociological work of Chester I. Barnard of 1938.² Simon especially expresses his debt to Barnard. Barnard explicitly directs his attention to formal organizations but emphasizes that these are "cooperative systems."³ He views the manager's work as the specialized work of creating and maintaining the organization.⁴ He finds no problem in the fact that managers "do a considerable amount of non-executive work. Sometimes

¹Rollin H. Simonds, Richard E. Ball, Eugene J. Kelley, Business Administration: Problems and Functions (Boston: Allyn and Bacon, Inc., 1962), pp. 4-5.

²Chester I. Barnard, The Functions of the Executive (Cambridge: Harvard University Press, 1938).

³Ibid., Chaps. 8, 9.

⁴Ibid., p. 215.

this work is more valuable than the executive work they do."¹ Barnard presents his diagnosis of managerial functions in this manner: (1) to provide a system of communication; (2) to promote the securing of essential efforts; (3) to formulate and define purpose for the organization.²

It is desirable to refer to another and recently accredited source of concepts about the manager. This source is the field of system theory. Representative of this field is another of the winners of the Academy of Management's McKinsey Foundation Awards for 1961-62, Professor Jay W. Forrester's Industrial Dynamics.³

Forrester's thesis is that the manager's function is the (decisional) design and control of operating systems which are generated from the manager's analysis of systems-results and predictions. His textual foundations are information-feedback theory and decision theory. The non-linearity of qualitative, behavioral variables, of market interconnections, and of the amplitudes of time and communications fall within his model. This is a model of the organizational enterprise, as an integrated system, inclusive of its external (market) environment.⁴

¹Ibid., pp. 215-16.

²Ibid., Chap. 15.

³Forrester, especially the Introduction and Chaps. 1-3, 10-12, 19, 20.

⁴Ibid., pp. 8-9.

According to Forrester, "management is the process of converting information into action."¹ It includes appreciation that the interconnections and interactions among the components of a system will often be more important than the separate components themselves.

Nowhere in this review of literature is account taken of the structural or hierarchal aspect of the manager as one who has authority and responsibility by delegation. This classic and empirical concept is assumed.

Summary: the manager

After consideration of the semantics of the problem, two principal methods of summary, coincidental to the introduction of the marketing concept, will be used: a time or sequence view; a contrast of the manager with the non-manager.

Semantics.--Koontz in his article with the fetching title, "The Management Theory Jungle," lays the problem among academic discussants of management to semantics, viz., " . . . some of the trouble lies in the meaning of key words," and " . . . jungle is caused by the unwillingness or inability of the management theorists to understand each other."²

¹Ibid.

²Koontz, Journal of the Academy of Management, Vol. IV, No. 3 (December, 1961), pp. 182, 185.

The probable fact is that often the theorists are discussing quite different things, which they know very well and perceptive readers do too. (A key problem is the plethora of writing.) Among some authors the discussion is in terms of what we might call the limited case: the case of the internal organization. Among other authors the assumption of the limited case is "relaxed" (as the economist would put it): the discussion pertains to the general case of the enterprise organization in the entirety of its purpose which encompasses its external environment. Those who have defined manager for the internal functions are not per se denying the external. Those who are primarily concerned with human relations are not necessarily saying that there is no management other than of, with, or through people.

Fayol, Davis, Follett, Barnard, Newman, Koontz, McFarland, Newman and Summer, and Simonds et al. appear to be writing about internal organization-activity, and the accomplishment of work in a social organism. Others, such as Simon and Forrester, appear to be writing about organization in the sense of the broader, total enterprise. The latter hypothesize an externally dynamic enterprise whereas some of the former, possibly implicitly assuming this, give the impression of a relatively static organization of the enterprise environment.

The word "system" with its implications of formality, conscious rationality, and mathematics calls up a rejection mechanism among human relationists. Yet the systems idea, simply, is a formal awareness of the interactions among the parts of a purposive, total organization. It includes no denial of human relations, though like pure human relations it can be misconstrued and misused. The primacy of man is unquestioned by anyone anymore. The system concept serves man and includes man, the difficult variable.

Sequence of theory.--In a time perspective and in a conceptual sense it is doubtful if there is a significant difference of view of the manager's function and process between the earlier Fayol, Barnard, Davis, and Follett and the later Simon and Forrester. The former thought in terms of integration, coordination and unity, and of internal cooperative system. The latter think in terms of decision-making, communication and enterprise system. The latter enjoy theory and method not available earlier. System theory, explicit or implicit, is a common thread through both these earlier and later writings.

Again, in a time sequence Fayol (1949), Newman (1950), Koontz-O'Donnell (1955), McFarland (1958), Newman-Summer (1961) and Simonds et al. (1962) make progress in two dimensions: (1) increasing emphasis on enterprise purpose; (2) increasing application of managerial functions to nonhuman as well as human variables.

The marketing concept.--It is a matter of no little interest, reading further in Simonds et al., that the marketing concept enters as a dimension of management. It enters not as a separate manager function but as a factor to the equation of all managerial functions. It might be asked: what is the unique characteristic of the marketing concept? It is that the enterprise-organization is mobilized in orientation to an external environment which is in the form of market system and consumer satisfactions. It is a matter of no little interest that Simonds et al., as follows, carry the argument full circle to include, in the manager function, organization of the external environment, decision-making, and the system concept.

Marketing as a field of study or practice cannot be logically separated from the study and practice of business administration. . . . The function of marketing management is to mobilize the total resources of the firm to capitalize on market opportunities by serving customer needs. . . . The concept is gaining acceptance that it is possible to plan production activity; that, indeed, planning is the foundation of modern marketing strategy. . . . The core of the modern management movement is that management by objectives is possible and necessary. . . . The marketing manager of the future will pay great attention to developments in decision making. In fact, study of the process of decision making in business enterprise is a unifying notion for all students of business.¹

Manager vs. non-manager.--Finally, it is desirable to conceptualize the manager by distinguishing him from

¹Simonds et al., pp. 160-61.

the non-manager. (This analysis will have special value inasmuch as it will bear specifically on the issue of whether a field salesman is, or can be, a manager.)

In the first place, the distinction of "white collar-blue collar" cannot apply. All members of an enterprise work. Thus, some cannot be workers while others are non-workers, managers.

It is well to distinguish managerial work from technical work. Real managers have technical skills. They are market managers or production managers, or top executives, or otherwise. Departmental managers usually have skills pertinent to the work of their departments. Like top executives they usually come to their posts from some demonstration of capacity in technical work. But despite their skills their work is not primarily technical work.

Assuming the sociological, and other concepts of the manager and business enterprise, there is in common, between managers and the firm, the economic problems and purposes of the firm. The distinction between the economic and the technological has been discussed. The manager is a decision maker among scarce means and/or among alternative ends for the firm. He seeks optimal solutions, not maximal solutions which are the province of the technician who is a non-manager.

Akin to the contrast of technical and managerial is the insight of Katz that there may be three basic

skills: technical, human, conceptual.¹ As to technical skill Professor Katz writes that this is a proficiency in a specific kind of activity, especially one involving methods, processes, techniques. He illustrates these skills in the surgeon and musician. Katz defines conceptual skill as the ability to see as a whole, to see how factors depend on each other. "Success of a decision depends on the conceptual skill." "The conceptual skill is the highest skill."² It is maximally required in the highest responsibilities "where its effects are maximized and most easily observed." Katz proceeds to say, "At low levels the major need is for technical and human skills."³ We will later return to this point more fully. To conclude here, in contrast to technical skill it is conceptual skill and function which distinguish manager from non-manager.

Distinction can be made on grounds of decision theory. In theory a policy is a rule which states the basis for operating decisions. Decision under policy is routine. It is non-managerial. But if decision is among alternatives

¹Robert L. Katz, "Skills of an Effective Administrator," Harvard Business Review, Vol. XXXIII, No. 1 (January-February, 1955), pp. 33-43.

²Also see George C. Houston, Manager Development: Principles and Perspectives (Homewood, Ill.: Richard D. Irwin, Inc., 1961), especially Chap. V, pp. 95-115, "The Missing Ingredient--Conceptual Skill." (Note: Another of the Academy of Management, McKinsey Foundation Award books of 1961-62.)

³Katz, p. 42.

for which the objective is "the best," "the least," "the most efficient" among alternative means and/or sub-ends, or ends, then planning, organizing, executing, controlling and evaluating--manager functions--are defined because there is absence of explicit policy; there is only enterprise purpose for guidance.

The assumption of earlier management literature was that managers always have authority over subordinates. Non-managers never have this authority. Fayol included "command" in his original list of manager functions. He spoke of "the right to give orders and the power to exact obedience."¹ Koontz and O'Donnell relaxed the command function to " . . . controls the activities of subordinates." McFarland further relaxed to " . . . is responsible for efficient direction of human effort." Newman and Summer alter the statement to " . . . with people and other resources . . ." Finally, Simonds et al. state the manager functions as to " . . . the activities of people and a sequence of operations [sic]." (Underlining mine except as indicated.) It may be construed from this sequence that the theorists are relaxing ordinate authority over subordinates as the requisite of a manager. They come to view the function of a manager as being concerned with activities, with people, with resources.

¹Fayol, p. 21.

Lastly, consideration will be given to the manager and non-manager in terms of enterprise purpose or objective. It is interpreted in this context that it is a special quality of the manager that his delegated authority and responsibility (formal or informal) is peculiarly associated with the achievement of enterprise purpose rather than the performance of work itself. The degree of managership expands as the delegated purpose becomes more congruent with the enterprise purpose. Thus the degree of managership ascends scalar-wise to the top executive. Likewise managership, i.e., managership of a sub-set of the enterprise purpose, ascends to any point where the issue of enterprise purpose at any time is highest. For instance, this may be the point of product development, of solution of a financial plan, or the point of creation of markets. When enterprise accepts the marketing concept, managership may exist at the point of explicit market creation, i.e., in the salesman.

Definitional assumption as to
manager, concluded

Purposes and problems of business enterprise are solved through enterprise organization, formal and informal, internal and external, which includes organization of markets. Managers are the optimizing, decision-making organizers. Their work is not technological. Usually they are concerned with people and systems. Managership tends to

be ordinal toward the point where the enterprise purpose is great. According to the marketing concept, market organization is central.

At the nexus of the business enterprise and its market or customer there usually is a salesman. Consideration of definitional assumptions pertaining to the field salesman, directed to the question whether he can be a manager, follows in the next section.

The Field Salesman

A definitional assumption as to the manager has been analyzed and proposed. The purpose now is to consider the field salesman. This leads to a fundamental question: whether the field salesman may be considered a manager in theory and in fact.

The concern is limited to the field, territorial, outside, or traveling salesman. He may be primitively defined as one who has the occupation of personal selling for an enterprise, often in a market away from any branch office, usually climaxing his activity on the premises of a prospect, buyer, or customer. This has the faults (a) of being mechanistic and not very informative and (b) of being descriptive and not functional. Needed is a further definition of terms and functions.

Personal field selling

Personal selling for this purpose is limited by initial constraint to the field salesman. The in-store salesman is excluded.

Many persons perform selling tasks acting as salesman as a part of their functions in enterprise. The term "salesman" is limited for the present purpose, as a second constraint, to persons whose primary occupation is personal selling.

Third, limitation is made to business enterprises whose purposes are assumed to be profit, security, survival, and growth of enterprise and of organization.

There are numerous dimensions, with multiple variables, in any definition, if one is possible, for all personal, field selling. Definition by categorization has been attempted by students of marketing. Beckman dichotomizes into low-level or service selling (wherein the buyer has previously determined to buy) and high-level or creative selling (wherein demand is aroused).¹ Stanton and Buskirk classify salesmen by two interactive criteria: (a) "for whom the man is working," and (b) "to whom he is selling."² Whereas the foregoing authors, respectively,

¹Theodore N. Beckman and William R. Davidson, Marketing (7th ed.; New York: The Ronald Press Co., 1962), p. 448.

²Stanton and Buskirk, p. 117.

define descriptively and institutionally, others are eclectic. Haas divides personal selling into four types: tangible, intangible, continuity, and non-repeat.¹ Kirkpatrick without defining recommends several simultaneous classification systems. His methodology mathematically results in thousands of definable salesmen. In his terms he would classify according to purpose of buyer, type of buyer, characteristics of salesman, skill and training of salesman, purchase-sale features, type of product or service, employer type, compensation method for salesman.² Crissy and Cash, even more eclectic, list 24 factors not to define but "to understand the nature of the various selling occupations."³

Kahn and Schuchman follow Beckman by establishing a dichotomy of personal selling.⁴ They describe selling as creative selling (getting new customers) and maintenance selling (keeping, servicing and expanding relations with existing customers). This is of real interest in theory and

¹Kenneth B. Haas, Professional Salesmanship (New York: Holt, Rinehart & Winston, Inc., 1962), p. 21.

²Charles Atkinson Kirkpatrick, Salesmanship: Helping Prospects Buy (3d ed.; Cincinnati: South-Western Publishing Co., 1961), p. 21.

³W. J. E. Crissy and Harold C. Cash, The Psychology of Selling, Vol. VI: The Salesman as a Self-Manager (Flushing, N.Y.: Personnel Development Associates, 1962), p. 69.

⁴George N. Kahn and Abraham Schuchman, "Specialize Your Salesmen," Harvard Business Review, Vol. XXIX, No. 1 (January-February, 1961), pp. 90-98.

for practice because it is functional. (Whether the concept is operationally and humanly efficacious is a separate question, and one with which we cannot be concerned here.)

However, salesmen and the personal selling function cannot be so easily dichotomized in theory or in practice. Perhaps in "simple selling" the dichotomy of creative-non-creative, or maintenance, holds (as in getting new milk route customers, and then keeping them). In "complex selling" such a simple dichotomy cannot hold (as in the continuing negotiation from initiation of selling to completion of selling by delivery of "defense hardware," as in the sale and adaptation of production or data processes, or in other complex, continuing and interlocking business relationships such as between advertising agents and clients). Nor can so simple a division of the personal selling task (Kahn and Schuchman would divide it between two men of differing skills) hold for "moderately complex selling" (as in professional prescriber relationships such as ethical drug selling or architectural and industrial materials and services selling wherein there are multiple-acceptance and continuous-interlocking relations). Imperfections of fit need continually to be overcome.

Confining his attention to consumer selling, McMurray disagrees with the Kahn and Schuchman dichotomy.¹

¹Robert N. McMurray, "The Mystique of Super-Salesmanship," Harvard Business Review, Vol. XXIX, No. 2 (March-April, 1961), pp. 113-22.

On the other hand he applauds their selection of creativity as the discriminator. He develops a plausible selling spectrum with seven examples allegedly requiring increasingly the ingredient of creativity. That he confines himself to consumer products is a serious limitation. The limitation of all three authors to differentiation by creativity, apparently defined by them as the persuasive, face-to-face element of the art of salesmanship, is more serious. This confinement to face-to-face persuasion omits the portion of the spectrum of personal selling of "complex" nature involving initial and continuing adaptation and negotiation between buyer and seller due to problems of imperfection of fit (of which examples were given above).

As inferred from Kirkpatrick and from Crissy and Cash, and partially supported by McMurray, a continuous ordinal spectrum of the personal selling occupation is assumed herein. One end of such a scalar spectrum may consist only of personal selling of a simple, though possibly of a highly persuasive and technological, face-to-face, nature. The other end of such a spectrum suggests the possibility of a highly complex, managerial nature. Such management may be of arranging the fit, or creating and maintaining networks, i.e., solving the problems of behavior systems. It is assumed that an ordinal spectrum of personal selling occupations adequately describes this

variate function. This is a spectrum of complexity of fit and of negotiation with possibilities of managership increasing with the ordinal scale.

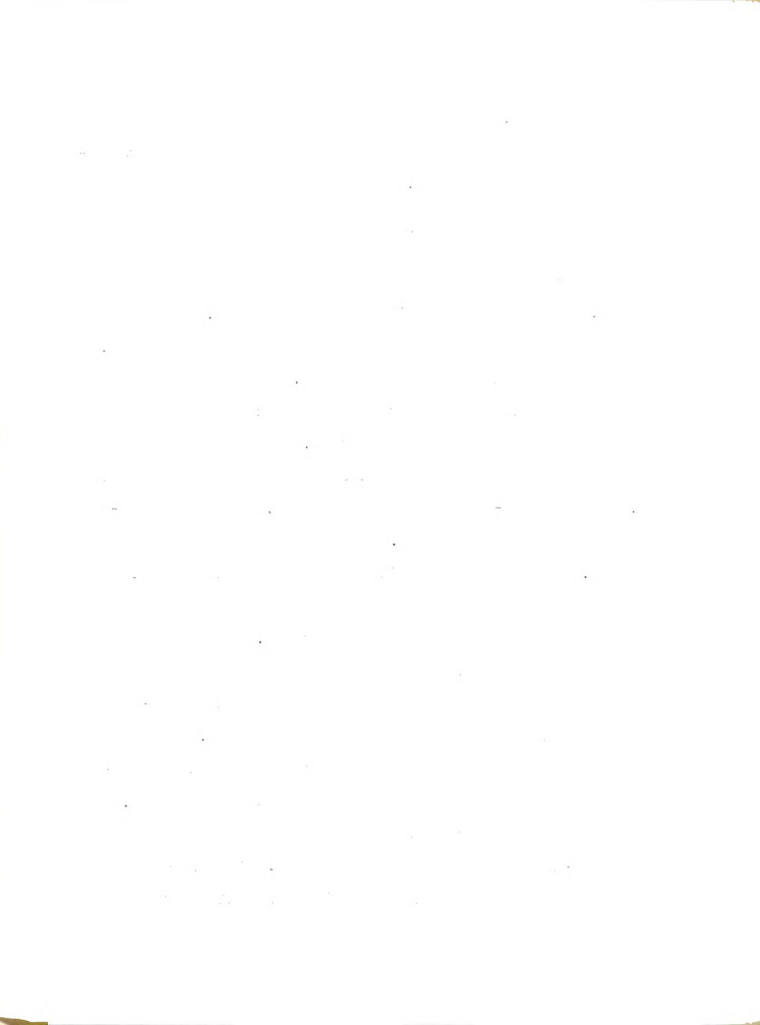
Personal selling and sales-
manship distinguished

The occupation of the field salesman is personal selling. It often is described as salesmanship. "Personal selling" and "salesmanship" are commonly used synonymously. Distinction, if it exists, is not made. The result may be a contribution to the indeterminateness which pervades the personal selling segment of marketing.

Salesmanship is the contactual act in personal selling. It is a sub-set of personal selling. It is not congruent with personal selling. Salesmanship is not the entirety. It may be the zenith but it is not the omega. (The zenith hypothesis may even be subject to investigation on empirical as well as theoretical ground.)

Salesmanship is here defined as the persuasive communication of the salesman as he performs the interpersonal portion of his occupation with a client.

It is well known that but a fraction of the occupation-time of the field salesman is spent in salesmanship. Various studies have reported this percentage of total occupation-time from less than 20% to 36%. In personal field selling of ethical pharmaceutical products to the



health professions, particularly to specified physicians, the percentage of interpersonal salesmanship time out of full occupation time probably is very low.

Client

Normal nomenclature for the second person in the dialogue of the salesman includes the words prospect, customer, and buyer. This nomenclature, first, is inexact for numerous long-established sales relationships; second, is inappropriate for a relatively new, significantly growing sales relationship; third, may be improved (a) on behalf of the perceived social role of the salesman, and (b) in the light of well-established psychological theory.

First, the physician and the architect are common examples of persons to whom the conventional terms are, in a sense of purity, inexact. They are prescribers. As such they are not prospective nor actual users, consumers, customers, nor buyers of the products presented to them. Of course, the impurity is no matter of significance in the reality of commercial enterprise. Its clumsiness is recognized in such an environment as the ethical drug industry wherein the physician is primary to the dialogue of salesmanship. The role expectation and subtle stereotype for behavior in the medical profession is well known.¹ To

¹Robert Richard Rehder, "The Role of the Detail Man in the Diffusion and Adoption of an Ethical Pharmaceutical Innovation within a Single Medical Community" (unpublished Ph.D. dissertation, Stanford University, 1961), pp. 203-208.

consider physicians point-blank as prospects or customers violates the physician's role model. Most ethical drug firms and salesmen endeavor to maintain a non-commercial posture. Prescriber selling is more historic and more common than generally perceived. The industrial salesman has long sought purchase prescription from corporate personnel who are not the empowered buyer. No appropriate, common terminology has been in use for this prescriber relationship.

Second, there is a well-known, relatively new, significantly growing trend to non-individualized buying. The stereotype of the salesman's dialogue is becoming inappropriate under many institutional arrangements. Buying committees, purchasing analysis, value analysis, systems relationships are eliminating the face-to-face technique of "old-fashioned" personal persuasion. The selling relation is highly complex. Old meanings of prospect, buyer and customer lose appropriateness.

Third, the historically developed, low social perception of the salesman is well-known.

Finally, the "needs-satisfaction" concept of the salesmanship function and process has come to general acceptance among scientists, authors, and skilled salesmen.¹

¹A term used by Crissy and Cash, The Psychology of Selling, Vol. 1: A Point of View for Salesmen.

The foundation of the concept is established in modern perception and motivation theories of psychology. The scientific method (observation, hypothesis, analysis, verification) has been brought to personal selling. It is a concept of economic, social and psychological service.

"Client" is an honorable term. Its major usage is in the legal relationship. Unperceived by laity is the law's ethical principle of vigorous pursuit by the lawyer with his client himself of the client's needs and interests. This is not too dissimilar from the buyer-seller relation under modern psychological principles.

To accept the client terminology does not itself deny or dilute the vitality of commercial "hot pursuit" which is properly part of selling. Client terminology is not a matter of low-pressure salesmanship. There should be no low-pressure selling.¹

Herein the reference will be to "client" to encompass prospect, customer, buyer, or any other relationship subsumed in reality within these terms. Adoption of "client" terminology modernizes the semantics of salesmanship. The terminology is not new. "Client" already is in use in numerous buyer-seller relationships.

¹Bursk, Harvard Business Review, Vol. XXV, No. 2, and Vol. XXXIV, No. 5.

Market defined and territory distinguished

On a journey of discovery of marketing and of markets one can come upon a market, as upon a landscape, from several outlooks. But the real discovery of a market is to find that it is an abstraction, a vista of the mind, not a vista of landscape. The definition of a market for this thesis, therefore, briefly, will involve a concept of a market as an abstraction. Consideration of a territory in the connection is essential because commonly, but not necessarily, the field salesman has a responsibility regarding a geographical territory.

A market has been and may be defined legally, geographically, demographically, culturally, ecologically, in economic theory, in commodities, and, perhaps, in many other ways. Each method has semantic, theoretical, and practical limitations. We shall conceive of a market as a sphere wherein the economic, legal, social and cultural, psychological, and other, if any, adaptations occur as a result of communication regarding goods and services. Place, time and form of a market, in general, are indefinite. For any specified market transaction these may be, but not necessarily are, definitive.

Markets are made by, and of, men's minds. For instance, in the "contactual function"¹ of marketing,

¹A term and concept used by Edmund D. McGarry, "The Contactual Function in Marketing," Journal of Business, Vol. XXIV, No. 2 (April, 1951), pp. 96-113, who attributes it to Ralph F. Breyer, The Marketing Institution (New York: McGraw-Hill Book Co., Inc., 1934), p. 6.

McGarry said the ultimate is "a person-to-person relationship" with the consumer, "essentially a human relationship."¹ But the generality of this is in need of refinement.

From communications theory and cybernetics we can conclude that it is not per se the face-to-face, interpersonal salesmanship which is the ultimate. It is the communication. Communication is not necessarily verbal. It is not necessarily in the formulation of $S(\text{salesman}) + P(\text{prospect}) = MS(\text{market sale})$. The theory of cybernetics lends verification to a definition of communication (and thus of market) as the transaction of symbols which have agreed-upon meanings through any form of transmission, including cultural. For instance, Rehder points to the medical network-transmission among physicians in a clinic, between hospital staff members, among leading practitioners as a powerful medium of innovation (market creation).²

¹Ibid., p. 100. Also see Beckman and Davidson, p. 447, where the authors say, "Personal selling is a natural and inevitable characteristic of a free enterprise economy in which buyers may purchase from alternative sources without compulsion. In a democratic system with a large number of complementary and competitive agencies, the work of the salesman is essential in consummating the exchange of products. . . . It is inconceivable that we could enjoy the benefits of large-scale mass production without the work of the salesman who is the informative link between the various parties in exchange." (Underlining mine.) But note that McGarry states that the contactual function is universal in societies enjoying specialization of economic function no matter whether independent enterprise, cooperative, or statist societies.

²Rehder.

It is for the convenience of the processes of management that the salesman usually is delegated responsibilities in, or for, a territory. However, it is not the territory--not the place of geography, nor a counted number of customers and prospects which is his market. His market is the summation of the relevant processes, in effect the relevant organism which exists and changes in continuum within the geography.

In a proper sense the foregoing must be considered in the nature of an hypothesis. It is presented here as a conceptual assumption in definition of a market and in distinction from a territory.

The marketing concept

The marketing concept holds that all conduct of the enterprise shall be directed and integrated explicitly and congruently relevant to the satisfaction of customers. It is a theory of the firm. The "needs-satisfaction" formulation unlike prior psychological derivations is congruent with the marketing concept.¹ It may be that this formulation, or better, its root in modern perception and motivation theories, shares parentage of the marketing concept.

Wroe Alderson, a major theoretician in modern marketing, brought together his thoughts on marketing in a

¹Crissy and Cash, Vol. I.

volume in 1957.¹ He hypothesized in a single proposition a theory of consumer buying and a theory of consumption.² In his view both sellers and buyers come into the market as problem solvers (for operating behavior systems). By this it becomes incumbent upon sellers to solve consumer problems. Though additionally he discussed sales management and organization theories, including, for instance, advertising, Alderson did not at all address himself to personal selling.

The published theories relating to the marketing concept appear to stop short of personal selling, even though the enterprise cost of personal selling generally is the largest single, total firm marketing cost.³ Many marketing theorists and journalists call for the integration of personal selling within the marketing concept.

¹Wroe Alderson, Marketing Behavior and Executive Action (Homewood, Ill.: Richard D. Irwin, Inc., 1957).

²Ibid., Chap. VI, "The Motivation of Consumer Buying," pp. 163-94.

³Cited in Beckman and Davidson, p. 446, is Thaddeus H. Spratlen, "An Appraisal of Theory and Practice in the Analysis of Sales Effort" (unpublished Ph.D. dissertation, The Ohio State University, 1962), for this data for 1958:

	<u>\$(billions)</u>	<u>%</u>
Sales Worker Compensation	15.8	55.0
Advertising	10.3	35.9
Sales Promotion	<u>2.6</u>	<u>9.1</u>
Total for selling functions, U.S.A.	28.7	100.0

Some make this sound like subrogation.¹ A research of the marketing concept literature has failed to bring discovery of marketing theory beyond a "bottoming out" at this macro level. Beyond this point marketing literature appears to be monopolized by pragmatic writing on salesmanship. There is need for marketing theory at the micro level of personal selling. Partial contribution to this need is an objective of the present study.

Definitional assumptions
regarding the field sales-
man, concluded

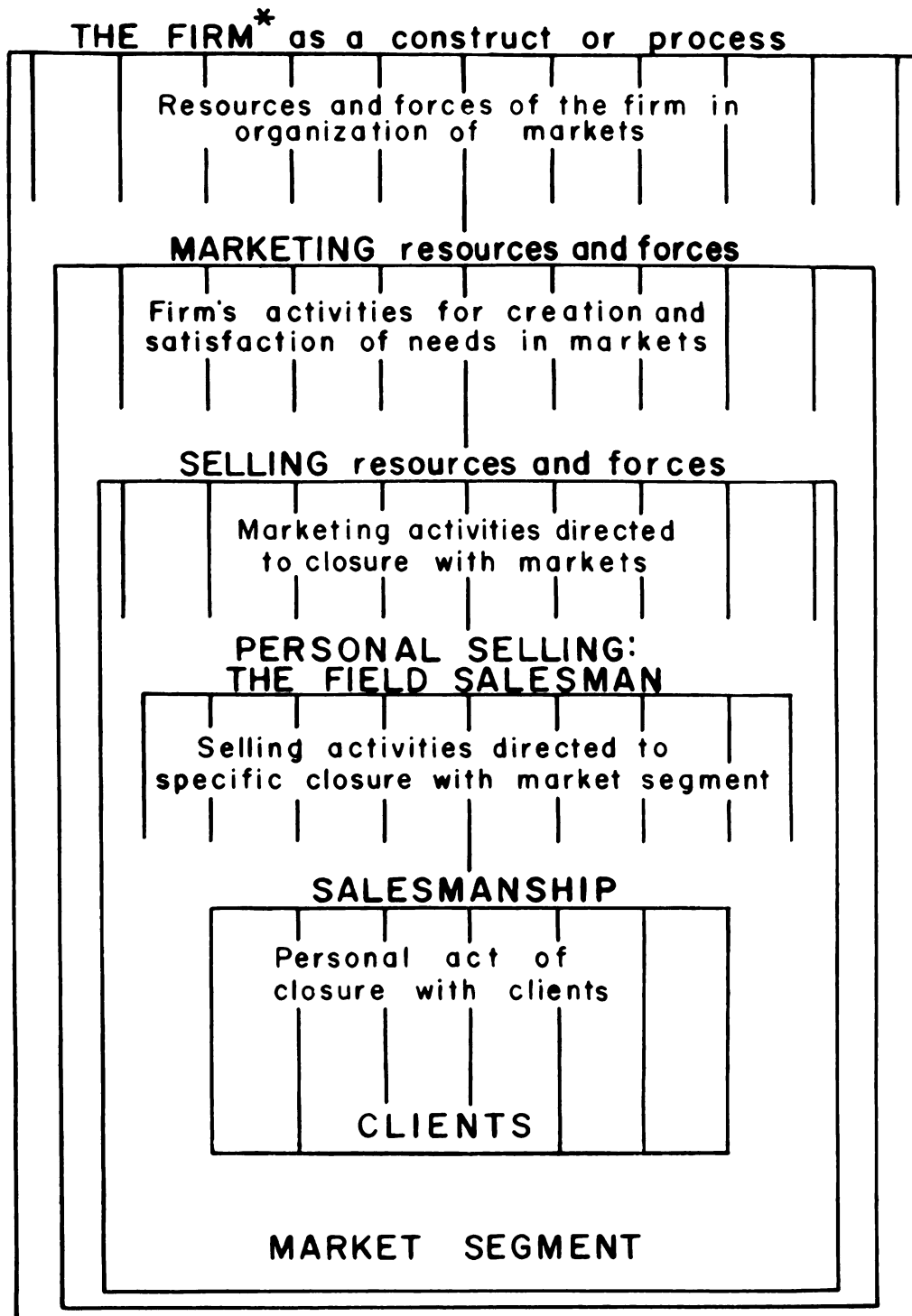
An implication in theory of the marketing concept is that a firm is a construct, or system, of resources and forces orienting the enterprise as a whole to the organization of markets by the creation and satisfaction of market needs. Within the construct, or system, is a sub-set consisting of marketing activities. These are the resources and forces specifically pointed toward the creation and satisfaction of markets. Additionally, within the marketing activities as a sub-sub-set of the firm are selling activities. These are resources and forces specifically pointed toward closure with markets. Finally, within selling activities is the further sub-set consisting of personal selling activities. These are the duties of, and

¹An example of this is Theodore Levitt, Innovations in Marketing (New York: McGraw-Hill Book Co., Inc., 1962), see especially pp. 7-8.

at least are a portion of the responsibilities of, the field salesman. Specific closure with clients, which is by salesmanship, is a main duty or sub-set of the field salesman. It is this specific closure which brings to fruition the whole of the effort in resources and forces of the enterprise. Clients are the interactive, human components of the market. It is the purpose of the internal enterprise organization to achieve external organization of markets, specifically by closure with clients.

In Figure 1 it may be noted that the formulations for the firm, for marketing activities, and for selling activities are assumed to be in the form of optimizing responsibilities for market creation and satisfaction (solid, vertical lines enveloping the market). The formulation for personal selling, that is, for the field salesman, is left indeterminate except that the figure represents responsibility through salesmanship for closure with clients. This may be said to symbolize the salesman who is a non-manager. He has a technological function which is salesmanship. It is a duty with clients. It can be technologically maximized. Omitted or left indeterminate is the potential optimizing, enterprise, decisional responsibility for a market sphere, i.e., a territory or market segment. This is definitionally assumed to be required of a manager.

FIELD SALESMAN AS A NON-MANAGER



*Pursuant to the marketing concept

figure 1



The Field Salesman as a Market Manager

Field salesman: manager or non-manager

The essential difference between a manager and a non-manager, as this was discussed in the preceding sections, may be briefly stated as lying in the nature of a responsibility. A technological responsibility is non-managerial. A responsibility which requires decisional optimization in organization of a market segment, since this is the enterprise purpose under the marketing concept, is definitionally assumed to delineate a manager.

Chester I. Barnard helps us to understand what responsibility is, inasmuch as we need a definition for it. He says,

I shall define responsibility as an emotional condition that gives an individual a sense of acute dissatisfaction because of failure to do what he thinks he is morally bound to do, or because of doing what he thinks he is morally not bound to do, in particular concrete situations.¹

For brevity, from Barnard, a responsibility perhaps may be called a felt obligation in a concrete situation. There cannot be responsibility without obligation and the obligation must be felt. However, the felt obligation of "an individual" cannot be a de facto organizational responsibility unless, also, the responsibility has been placed

¹Chester I. Barnard, "The Nature of Leadership," Human Factors in Management, ed. S. D. Hoslett (New York: Harper & Brothers, 1946), pp. 23-26.

by the firm. Required is a completed communication--the felt obligation, according to communication theory, being the message, and firm and salesman being sender and receiver.

Thus, the mere existence of a field salesman cannot perforce cause the salesman to be a manager, or a non-manager. The nature of the responsibility, which is the communicated felt obligation, governs in a concrete situation. This is the independent variable.

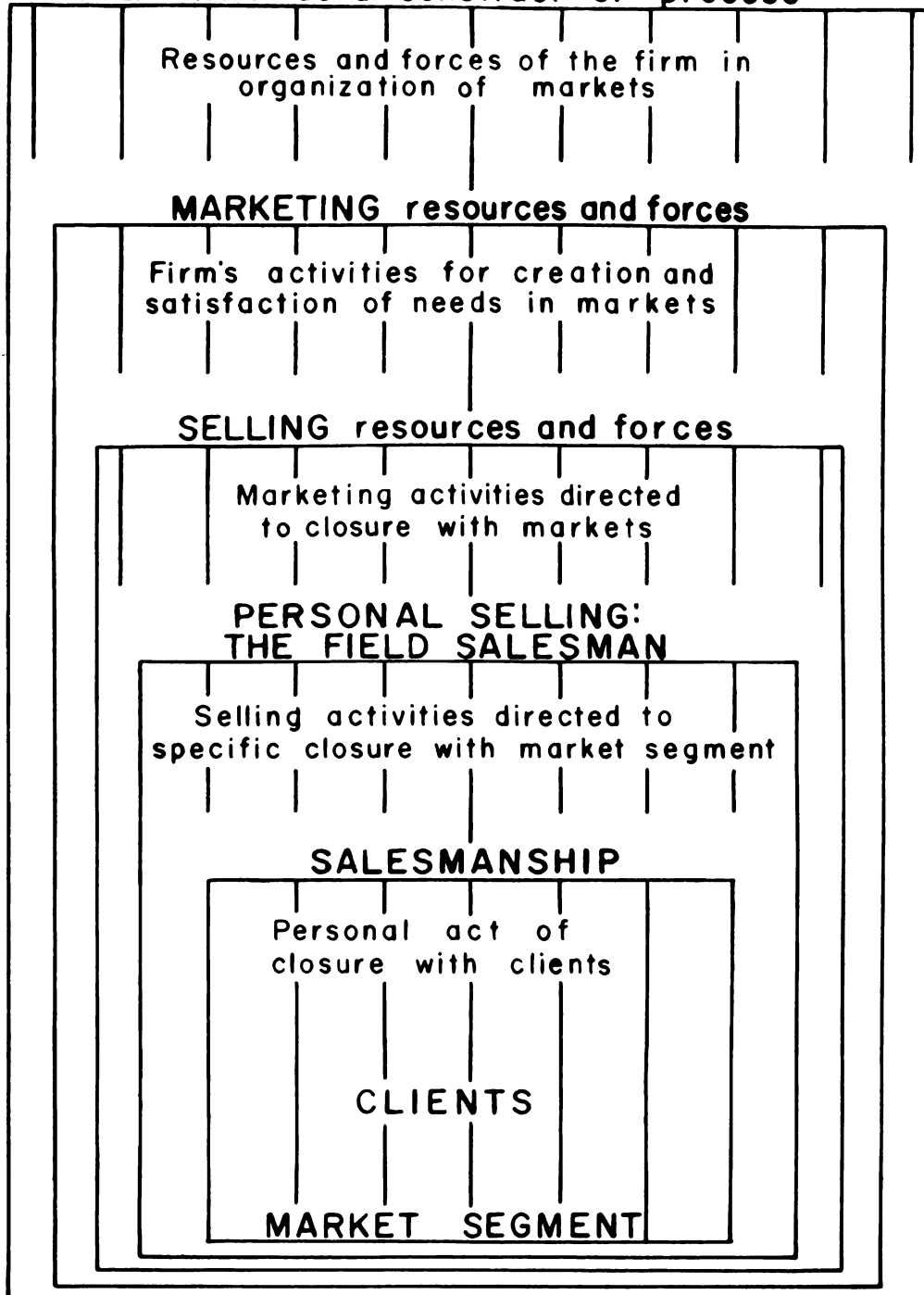
Personal selling activities are the duties of, and at least are a portion of the responsibilities of, the field salesman. If the organizationally communicated and felt obligation is, in fact, specified for such concrete activities, this is technological and not managerial. For instance, the proper rendering of reports is usually among the activity-duties of a field salesman. They can be very simply, technologically maximized by being perfectly on time, perfectly executed, perfect in content. Salesmanship, defined as the art and act of persuasion, is a more important activity-duty perhaps than the salesman's reporting. As an activity for a particular product or service in a particular territory or market segment, salesmanship can be taught; it is a technology--a "salesman can be made," as was discovered in Chapter I. If it is alone for this activity-duty that there is the communicated, felt obligation, the result is a non-manager.

The foregoing illustration may be considered strained. Yet it is not unrealistic. In Chapter VI, in the discussion of the empirical research of this study, we will encounter such a concrete case possibly demonstrated in a firm's executive's statements, and in the firm's job description and training for salesmen. Yet the salesman-vocation is not unitary. It consists, as was discussed in an earlier chapter, of a spectrum of vocations which are ordinally more complex or more simple. Thus, it cannot be said that salesmanship itself cannot be managerial. However, it will be found on close examination in concrete situations that the characteristic which makes it managerial is a definably different relationship with the client, a relationship of negotiation. Complex selling situations are notably negotiative in character. Optimizing decisions among non-linearities often predominate. In this concrete situation the communicated felt obligation of firm and salesman will be the salesman's procurement of an optimal organization with this client, as a market segment. But the principle remains. The distinction is between maximization technologically of mere activity-duties in a market and optimization decisionally in the organization of a market, which is a communicated felt obligation for a market.

Figure 1 can be revised to simulate the latter model. This is accomplished in Figure 2 which shows

FIELD SALESMAN AS A MANAGER

THE FIRM* as a construct or process



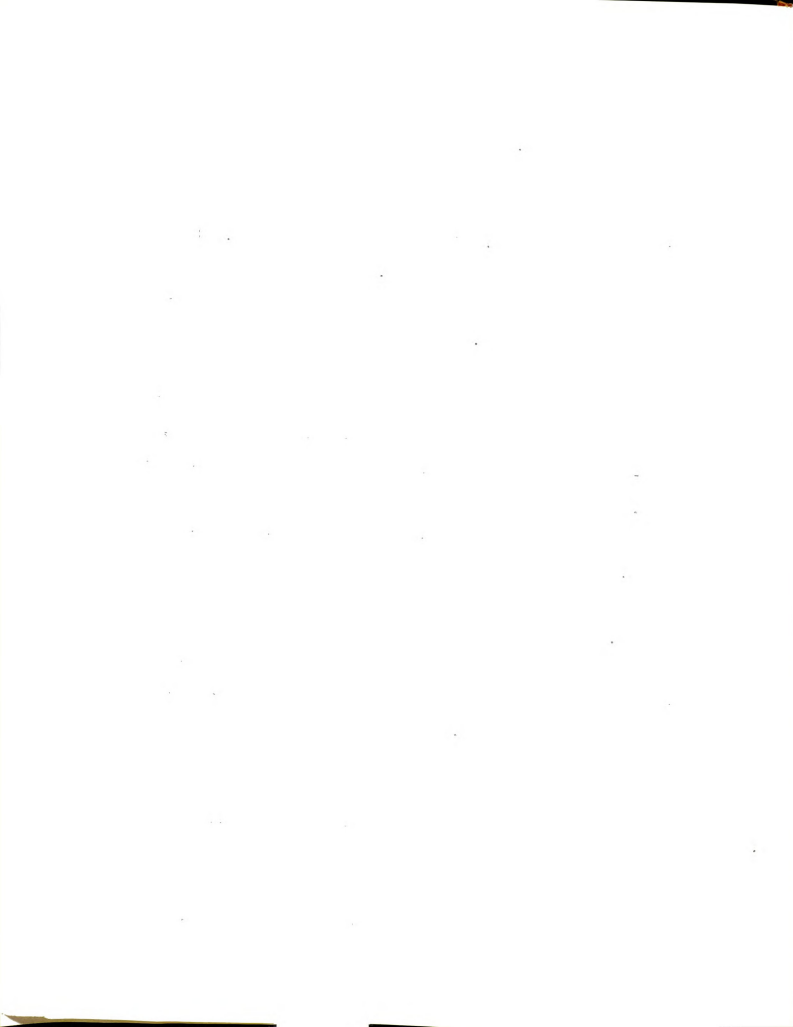
*Pursuant to the marketing concept

figure 2

responsibility (solid) lines for personal selling which envelop the market. Here, personal selling takes on a responsibility de facto for the market just as the firm, the marketing activities, and the selling activities have such a responsibility. There are no differences. If one is managerial all are managerial. Additionally, in Figure 2 can be noted a simulation of managerial salesmanship responsibility. This is simulated to illustrate that a market segment, consisting of one or more clients, may in fact be brought under a manager form of salesmanship where the complexity of the interactive, personal, needs-satisfaction relation, involving negotiations, warrants. Like the more classic description of such authors as Fayol (command excepted), Follett, Davis, Newman, and others, this manager works with and through people (clients, in the decisional optimization of a needs-satisfaction system). He organizes a territorial or segmented external market environment (a demand system) into the enterprise --more fully: he plans, organizes, directs, executes, controls, and evaluates.

Marketing manager or market manager

If it is found in a concrete situation that a field salesman can be a manager, the question arises: can he optionally be a marketing manager or a market manager? In a real firm he can be titled as the firm may choose.



However, the use of title does not alter a fact. The fact proceeds from the concept and communication, i.e., the de facto behavior system in the firm.

A purpose of the firm is to organize its external environment, namely, its market. Organized markets are continuous markets wherein sales are not individual, one-time, transient phenomena. The most costly of sales, normally, is the first one made. When an enterprise achieves the position that a second sale follows more easily from its effort than the first, a third more easily than the second, it may be said that the firm enjoys an increasing market propensity to purchase. A firm which enjoys greater market propensity to purchase is likely to have a better organized market. It is likely to have lower distribution cost, if not lower total cost, than one with less organized market propensity to purchase.

Following from competitive advantage in costs is the probability of greater security and survival in the market. These are among the purposes of enterprise. These especially are purposes of corporations because by law these institutions are given the right, but not yet the achievement, of perpetual life. It is to be understood that any statement of achievement of propensity to purchase, of organization of markets, of survival, or of security is a probability statement. It is a statement of probability of clients interacting with the enterprise.

This human interaction with the firm is accomplished in any of three ways: (1) without personal selling, providing some other selling activities exist; (2) with non-managerial personal selling; (3) with managerial personal selling. Our concern here is between the latter two alternatives.

There should be no need for semantic distinction between "selling" and "marketing." There is no requirement to call a field salesman a marketing manager in order to avoid the term of selling manager.

If to be a marketing manager is the same as to be a manager of personal selling, since personal selling is the defined occupation of the field salesman, this is simply the field salesman being a manager of himself and of his occupation. In the textbook and trade literature of selling, this is commonly dealt with under the captions of "self-management" and "time management." In these senses every human member of the organization is a manager of his occupation in the ethical concept of the free individual and the organizational concept of a cooperative system. It is absurd that the field salesman can be a marketing manager on this basis. The self and time management of a field salesman certainly is much greater in degree than that of most other employees of an enterprise, but this is not a difference of kind. It is improbable that the difference can be construed to distinguish manager from non-manager.

Pursuant to the theory of sets the enterprise is the set, and marketing activities, selling activities, and personal selling (the field salesman) are sub-sets in descending order. By the definition of sets personal selling cannot be superior. The field salesman cannot be a manager of superior functions, such as a manager of selling, or a manager of marketing.

Non-personal marketing and selling activities enjoy economies of scale in centralization. This results from adoption of policies that are more or less standardized and universally applicable in the enterprise. Attention for purposes of information-feedback to the territorial affairs of these impersonal, centralized activities may be included in the duties of the field salesman. These are technological field salesman activities. They are routine, peripheral and non-policy in relation to the true, centralized responsibility. They are not managerial of the impersonal and centralized marketing or selling activities in the territory.

Some managements take the position that the field salesman in the discharge of his territorial activities should have a "managerial view." Semantically, they say that the field salesman should act as if the territory is a business of his own. Having a managerial perception of personal selling activities and being a manager are two different things. If the firm's de facto concept and

communication of responsibility relates only to activities, the responsibility is non-managerial. A mere change from molecular perception to molar perception does not change non-manager to manager.

For all these reasons the field salesman cannot be a marketing manager. If he is a manager, he is a market manager.

The field salesman, distinguished
from other chain-ends in organi-
zation hierarchy

Because the field salesman generally is "the low man on the totem pole" in the hierarchy of the line sales organization it becomes an anomaly from a certain viewpoint that he may be a manager. Attention should be briefly given to the question: why is he not organizationally like other persons at chain-ends of hierarchies, like factory and office operatives?

The problem arises only in terms of the internal hierarchy of the firm. In this frame of reference the salesman is the end of a chain. In the frame of the marketing concept, or of organization theory as it encompasses the external environment, the field salesman is not the end of a chain. Involved is a limited perspective which is rapidly clarified in organization and marketing theory: this is that the informal, persuasion relationship between

salesman and client is unlike the relationship of hierarchy. The problem arises, in part, possibly, from the idea of classical economics that sales and markets are impersonal exchange phenomena. But clients, salesmen, firms, sales, and markets are human phenomena. The marketing concept puts the client informally on the organization chart. In organization theory the internal firm is an informal, cooperative system. Thus, in informal concept, the salesman is not a chain-end. He may be a manager.

In physical description the assumed chain-end occupations (field salesman and operative) vary notably. Typical of the operative is that, under work specialization and simplification, the work is brought to and taken away from him. The job description is in physical and technological terms. Distinguish the field salesman, especially of the complex selling situation. He is charged with finding, creating, and maintaining clients and may be responsible for a market. His work in the ordinary sense does not come to him; he creates it, notwithstanding work specialization and simplification in marketing.

These distinctions of themselves do not make a manager of the salesman. His job still may be manager, or non-manager. However, any seeming parallel between the field salesman as a chain-end and other chain-ends is illusory.

Definitional assumptions
regarding the field sales-
man as a market manager,
concluded

The field salesman in theory and in fact may be either manager or non-manager. He cannot be a marketing manager except in name only, and his occupation is distinguishable from other chain-end occupations in the hierarchy of the firm. Whether or not the field salesman is a market manager in a concrete situation is determined by the nature of his responsibility, which is a felt obligation expressed in the concept and communication of the enterprise and consists of responsibilities for a market contrasted with technological activities in a market.

Measures of Market Manager

It has been determined that the field salesman may be either a manager or a non-manager. If he is a manager he is a market manager, not a marketing manager. Whether the field salesman is a manager in a concrete situation is dependent on the nature of responsibility, which is a felt obligation expressed in de facto concept and communication. A field salesman-manager has responsibility for a market as opposed to responsibility for technological activities in a market.

Thus, criteria have been developed. Now the problem is to provide means whereby concrete situations may be measured. This becomes a matter of measuring the internal

organization of a firm, because the responsibility and occupation of the field salesman is vested in him by his firm, not by the market.

By the definitions of communication and of responsibility, which have been discussed, whether or not the field salesman is a manager may be measured in the concepts held (a) by the firm, (b) by the field salesman. The concept of the firm will particularly be resident in the line selling managers superior to the field salesman. Differences may exist in the concept, due to defects in organization communications, among superior managers at various levels of the hierarchy. While explicit significances would be difficult to assign to levels, it may be assumed that the concept held by the top line sales executive of the enterprise is a valuable criterion for the firm's de facto concept of market manager. Another valuable criterion for the de facto concept may be that held by the immediate superior of the field salesman inasmuch as this concept is immediate to the communication with the salesman.

Measures in concrete situations will depend upon survey, psychological, or sociological investigative techniques. The validity of any measure would best be expressed as a probability statement based on numerous assumptions. Reliability would likewise be conditional.

Though by definition these concepts from the behavioral techniques would in theory afford the true measure of market manager, analysis of formalizations of the firm may also yield a measure. Such formalizations alone may not be assumed to be reliable criteria of the true concept and communication but they may be assumed, normally, especially if further validated from the environment, to tend to reflect truth.

Definitional assumptions
regarding measures,
concluded

Measures of whether the field salesman in a concrete situation is market manager or non-manager would be procured by techniques of survey, psychological, or sociological research. They would tend to be de facto concepts in the hierarchy superior to the field salesman and in the salesman himself. They could be formalizations of the firm (an example is a job description) if further supported from the environment.

CHAPTER IV

THE INDUSTRY USED

Considerations in Selecting the Industry

As the research was planned three possibilities suggested themselves. The first alternative was to survey a sample of a selected industry. This was the decision. It had the merit of reasonably homogeneous product line, market place, marketing effort and distribution channels. It held constant the variance that might result had a decision been made to cut across industry lines. Size, history, financial, physical, and operational structure, product mix, market niche, and value system of firms vary significantly even within an industry, and far more among industries. These, over time, would be likely to influence both the independent and the dependent variables in the proposed research study.

The second alternative considered was to seek cooperation of Sales and Marketing Executives, International in making a survey of its membership which is drawn from all varieties of business. The third alternative was to use Fortune's list of "500 Largest U.S. Industrial Corporations." Had either of these been selected, a survey by

mail would have been necessary for collection of data, rather than personal interviews.

The last alternative was the first discarded. Firms of this size with complex, multi-industry and subsidiary operations would induce serious problems of communication and of non-standardized nomenclature. It was thought that comparable, confidential data would not be divulged even if available. Restriction to a single industry with generally comparable data and nomenclature, with the possibility of higher response from a small sample by personal interview, was thought to be superior to the second of the alternatives. The latter, which would be a survey of individual executives, would introduce great heterogeneity of companies as well as of managerial posts of the executives themselves. It was feared there would be the probability of a small proportion of respondents in any sample drawn.

There was hope that an ethical pharmaceutical industry sponsorship of the survey could be procured. This appeared necessary if response and cooperation of a great enough proportion of the sample were to be procured for reliable results. Neither an industry sponsorship nor an independent endorsement by members of the industry was forthcoming. However, a firm from the ethical

pharmaceutical industry, by its generous grant and by its anonymity, made possible the empirical research.¹

It is believed that this industry is admirably suited by its characteristics to tests of the research hypotheses. Yet like any industry it is unique. The suitability of the industry may best be judged from the definitions and description which follow.

Industry Definitions and Description

Definitions

The pharmaceutical industry can be defined in terms of its historic dichotomy, ethical and proprietary drugs. The ethical segment can be sub-defined in terms of prescription products and over-the-counter products. "The line of demarcation between products is not clear, as some ethical specialties enjoy wide 'over-the-counter' sale to the public and some proprietary medicines occasionally are prescribed by physicians."² The ethical-proprietary classification is becoming more of a continuum than a dichotomy.

The terms ethical and proprietary have varying usage in the literature. In this research the terms are

¹It also should be said that this sponsoring firm has enjoyed no special benefits from this research not equally shared with other firms.

²Francis C. Brown, "The Pharmaceutical Industry," The Development of American Industry, ed. John G. Glover and Rudolph L. Lagai (4th ed.; New York: Simmons-Boardman Publishing Co., 1959), p. 332.

determined by the marketing policy of the firm whether derived from law, from government regulation, or from decision of the firm.

An ethical product is defined as one promoted by the seller to the physician or other licensed practitioner (medical, osteopathic, dental, veterinary, etc.) for his administration or for his prescription but not advertised to the lay, drug-using public. A proprietary product is defined as one advertised in mass media to the public. An over-the-counter ethical product is one which can be purchased without prescription; though, by the business decision of its maker, it is not advertised to the public in mass advertising media.

Ethical pharmaceutical firms are defined in this research as firms, or divisions or subsidiaries of other firms, and their composite, which, by marketing policy, do not promote their products by mass media advertising to the layman, relying principally, if not entirely, upon administration or prescription by licensed practitioners.

The numerous forms of licensed practitioners for medical or health purposes, for humans or for nonhumans, are referred to in this research as physicians for the purpose of economizing on nomenclature.

Socio-legal position

Few if any other industries operate under the severity of social constraints, laws, and regulations

imposed on the ethical drug industry. These constraints are imposed particularly on product marketing actions. Responsibility for legal surveillance rests with the Food and Drug Administration of the Department of Health, Education and Welfare. Regulations of increasing severity to the industry have been placed against the introduction of new products and against advertising and sales promotion.

Descriptive economics

The Census of Manufacturers does not segment the pharmaceutical industry by its ethical and proprietary divisions but lists approximately 1,300 establishments, numerous firms owning more than one establishment. Dun and Bradstreet lists 105 firms with annual sales of \$1.0 million or more. The Pharmaceutical Manufacturers Association, an organization of ethical firms, has 141 members who account for 90% of the prescription drugs sold.¹ Dean Rostow in testimony before the Kefauver Committee said that 33 ethical companies account for 80% of sales.²

¹U.S. Congress, Senate, Committee on the Judiciary, Subcommittee on Antitrust and Monopoly, Hearings with Respect to Manufacture and Distribution of Drugs, Part 4, 87th Congress, 1st Session, 1961, p. 1994.

²ibid., p. 2050, testimony of Eugene V. Rostow, Dean, Law School, Yale University.

Various estimates from various sources regarding total pharmaceutical and ethical drug sales have been encountered. From them it can be said that sales of ethical drugs have expanded since World War II at a much greater rate than those of proprietary products, and that domestic ethical sales at manufacturer's prices were upward of \$1.5 billion in 1960.

The Wholesale Price Index for ethical drugs is not simple and straight-forward for the period of this research (1956-61). The Bureau of Labor Statistics did not during this full period maintain separate indexes for ethical and for proprietary products. A separate ethical products index was initiated in January, 1961.¹ In the year of 1961 (January, 1961 = 100) the range of the new ethical index was 98.2-100.1 with the year average 99.3. Reference to the combined index provides an approximation for ethical products, 1956-61. This index (1957-59 = 100) may be said to be relatively steady during the period of this research. The index data are as follows, expressed as averages for years:

<u>Year</u>	<u>Index</u>
1956	97.6
1957	99.3
1958	100.5
1959	100.2
1960	100.5
1961	98.9

¹Letter dated July 23, 1963, from Assistant Commissioner, Prices and Living Conditions, Bureau of Labor Statistics, U.S. Department of Labor, Washington, D.C.

In view of the practice of branding throughout this period, in view of non-choice of product by the consumer, and in view of an assumed predisposition of physicians to prescribe drugs in accordance with diagnostic and therapeutic values, it may be assumed that price elasticity of demand is low. Uncertainty results as to the location of demand curves. Differentiated oligopoly describes the market form of the industry.

Ethical pharmaceutical manufacturers, even many leading manufacturers, are not characteristically publicly-owned companies. Companies listed on stock exchanges are in the minority. Closed corporations, and divisions or subsidiaries of amalgamated corporations are the majority. Foreign-owned companies are among the leaders of the industry.

The ethical drug industry for some purposes is dichotomized into broad line and specialty product line companies. There are few of the former. Most firms are specialists to some extent in their product lines.

Research and development

"The basis of advance in the pharmaceutical industry is research."¹ Discovery, or development, and marketing of new products sometimes results in phenomenal changes

¹Brown, p. 344.

of sales.¹ This is the form of competition which Professor Schumpeter described as the kind of competition that really counts. He says this

. . . is not competition from lower prices, but the competition from the new commodity, the new technology, the new source of supply, the new type of organization--competition which . . . strikes not at the margins of the profits and the outputs of the existing firms but at their foundations and their very lives.

The drug industry is well-known as a leader in sophisticated research. Its leading companies are highly research-dependent.² Research expenditure has grown. Innovation and the substitution of products occur rapidly. Few products have any definite assurance of a long run share in the market. Arthur D. Little, Inc. reported that over one-half of the really successful drugs reach peak sales for their companies in the first six months they are on the market.³ Obviously this kind of experience places a premium on capable marketing. It is desirable not only

¹U.S., Congress, Hearings with Respect to Manufacture and Distribution of Drugs, p. 2051.

²U.S., Congress, Senate, Committee on the Judiciary, Subcommittee on Antitrust and Monopoly, Hearings on Administered Prices in the Drug Industry, Part 16, 86th Congress, 1st Session, 1959, p. 9386: "Of 417 new chemical entities (as distinguished from combinations or duplicate products or new forms of existing products) introduced 1949-58, 1,312 companies introduced no new drugs and 59 companies introduced all 417 "new products."

³M. L. Vidale and H. B. Wolfe, "An Operations Research Study of Sales Response," Operations Research, Vol. V (June, 1957), p. 380.

to be first in the market from research but also to be able to "blitz" with marketing. As a result it is natural that highly sophisticated marketing has been demanded by the industry.

Physician sub-culture

The ethical market is controlled principally by prescribing medical physicians of which there are about 170,000 in the United States. The role and the role expectations of these physicians are controlled by an informal medical community as well as by a formal community which is the American Medical Association. The medical community enforces a strongly collective, professional criterion.

At least two aspects of this sub-culture require mention. The first is the conflict between the profit expectations of drug marketers and the institutionalized expectations of physicians. The joint roles of the marketers and the physicians are complex and contain conflict.¹ Second, although the physician fills a sophisticated professional role he is subject to normal human behavior in that he is a creature of habit, suffers in some degree from resistance to change and to invasion, and is subject to loyalties.

¹Rehder, p. 204.

The physician is highly dependent on a reliable, rapid flow of information through the marketing processes of the drug firms. He is subject to pressures from patients for the most advanced diagnostic and therapeutic measures.

Field Salesman: The Detail Man

Defined and described

The field salesman of the ethical drug industry is the detail man. According to a government publication, he

introduces new pharmaceutical products and their methods of use to physicians, dentists, hospitals, and public health officials, promoting the use of the product rather than selling it. This requires a thorough familiarity with the application of the medical preparations and a general knowledge of medical practice.¹

While efficient use of his costs and opportunities puts the detail man's emphasis on newly introduced products,

¹U.S., Department of Labor, Dictionary of Occupational Titles (2d ed., 1949). Other definitions in the literature are these: Theodore Caplow and John J. Raymond, "Factors Influencing the Selection of Pharmaceutical Products," Journal of Marketing, Vol. XIX, No. 1 (July, 1954), p. 18: "The detail man is a salesman who seldom or never takes an order. His primary functions are to describe products and to maintain good public relations so that the physician will be favorably disposed to the company and its products when he comes to the writing of prescriptions." Robert Ferber and Hugh G. Wales, The Effectiveness of Pharmaceutical Promotion (Urbana, Ill.: University of Illinois, 1958), p. 21: detail men are "sales representatives of pharmaceutical manufacturers [who] visit doctors and attempt to convince them of the value of their firm's products."

by no means are his efforts limited to them. He details physicians on their requirement for existent diagnostic and therapeutic products and he makes presentations to hospitals and other institutions. There is an increasing emphasis to be noted among firms that they desire their detail man to take orders, i.e., to be more than a communicator of information which has long been his classic function. The orders he writes are filled according to the distributional arrangements of his company, usually from wholesalers. His principal effort, however, remains to influence prescribing habits of physicians.¹ In addition the detail man is customarily responsible for selling to pharmacies, wholesale drug houses and others as distributive outlets for his firm. Responsibilities vary among territories, and vary with policies of ethical manufacturers.

The detail man is known by different titles. Major designations appear to be "Professional Representative" or "Professional Service Representative." Few firms frankly call them salesmen.

These men usually are assigned geographical territories, but sometimes they are hospital specialists or are assigned to certain medical specialties.

¹See Table 7, Appendix D, for reported desired distribution of salesman time from this survey research.

It is obvious that the effort of the detail man for the physician's prescription may be much removed from the wholesale transaction of his firm. To measure the effectiveness of the detail man's effort and for other sales force management purposes, and in some firms to compensate the detail man, sophisticated statistical and judgmental measures are used.

It is typical of an ethical drug firm to plan the utilization of its field salesmen by what are called "detailing periods." These are periods usually of six to eight weeks during which concentration is on "detail" of products according to a structure established by marketing, product, or sales management. Adaptation of the "detail" to his territory and to his physicians is usually required, although companies vary in the leeway permitted to salesmen. Subtle differences exist among firms in these practices and subtle differences occur within a firm from detail period to detail period.¹

By various means firms and their field salesmen, with more or less success, are endeavoring to designate and to influence the large volume, influential prescribers among physicians. This increasingly congests the limited time of these physicians. Many of these physicians are trying to reduce the time devoted to interviews with detail men.

¹At least one firm in this research requires memorization of the detail. And, one firm requires repetition of the memorization to physicians.

Importance of the detail man¹

In 1954 staff members of Arthur D. Little, Inc. wrote,

With few exceptions the sales detail staff has been the most productive approach to selling in this specialized field.²

Seven major studies appear to have been published concerning the effectiveness with which pharmaceutical marketers communicate with physicians.³ Jeuck in 1940 sought general information on medical magazine readership and medical direct mail received by physicians in Chicago. Rand, 1941, obtained similar information about physicians in small towns. Belley, 1943, attempted the measure of

¹This section will consist of a review of reported research relating to the detail man and relating to the comparative effectiveness of the sales communication methods of the ethical drug industry.

²Robert F. Larsen, Frederick K. Abel and Arthur E. Foden, "Drug Industry: Pause in a Miracle Climb," Chemical Weekly, January 9, 1954, p. 33.

³These are F. T. Branch, "A Comparison of Direct Mail and Magazine Cost in Pharmaceutical Advertising," Journal of Business, Vol. XVIII (April, 1945), p. 78; Bernard Belley, "Toward A Measure of Pharmaceutical Advertising Effectiveness," Journal of Business, Vol. XVI (April, 1943), p. 107; Theodore Caplow, "Market Attitudes: A Research Report from the Medical Field," Harvard Business Review, Vol. XXX (November-December, 1952), p. 105; Theodore Caplow and John J. Raymond, "Factors Influencing the Selection of Pharmaceutical Products," Journal of Marketing, Vol. XIX (July, 1954), p. 18; J. E. Jeuck, "Direct Mail Advertising to Doctors," Journal of Business, Vol. XIII (January, 1940), p. 17; R. B. Rand, "Pharmaceutical Advertising to Doctors," Journal of Business, Vol. XIV (April, 1941); and Robert Ferber and Hugh G. Wales, The Effectiveness of Pharmaceutical Promotion (Urbana, Ill.: University of Illinois, 1958).

advertising recall effectiveness in Chicago. Branch, 1945, related advertising recognition to costs of media for Chicago physicians. Caplow, in 1952 and 1954, published what are believed to be the earliest public studies pertaining to the ethical industry field salesmen.

Caplow reported in 1952 that detail men, medical colleagues, medical journals and advertising, and direct mail were the major classifications of sources of information concerning drug products among physicians. Caplow reported that 22% of physicians were "enthusiastic" about the services to them of detail men; 47% had "favorable" attitudes; 17% were favorable but with qualification, such as "there are too many," "they take too much time," "they are not well informed"; and 14% were "unfavorable," e.g., "I would prefer to see no detail men at all."¹

In his subsequent study (1954) Professor Caplow with Raymond reported that physicians were influenced as to product usage as follows (percentages are of first mentions of sources stimulating drug usage): detail men, 31%; colleagues, conventions and medical conferences, 21%; medical journal articles, 19%; direct mail and journal advertising, 21%; all other, 7%.²

¹Caplow, p. 105.

²Caplow and Raymond, p. 18.

Ferber and Wales in 1956 distinguished between initial sources of the physician's first product information and the sources convincing the physician to use the drug product for the first time. Detail men were the leading source of first notice of drug information.¹ Detail men were the source most influencing physicians in their use of established ethical products. Medical journal articles were the source most convincing to physicians to use a new drug, followed closely by detail men. The authors stated, "The overall impression provided by this study is of a pharmaceutical market dominated by detail men and medical journals as the primary influencing media."²

Finally, in the Kefauver Hearings, Dr. Austin Smith, president, Pharmaceutical Manufacturers Association, in his testimony, reported from a 1958 survey sponsored by the American Medical Association entitled "Attitudes of U.S. Physicians Toward the American Pharmaceutical Industry."³ Smith stated 68% of physicians interviewed said the detail man was the most important source to them of information on new products, and on extended and new uses of old products;

¹Ferber and Wales, pp. 10, 22-28.

²Ibid., p. 13.

³U.S., Congress, Hearings on Administered Prices in the Drug Industry, Part 19, 2d Session, p. 10729.

87% of physicians rated detail men "as competent to very competent in their jobs."¹

The ethical drug detail man has very great importance to the industry as its field salesman, and to physicians.

¹Similar findings were reported by G. Norman Hawkins, M.D., "The Detail Man and Preference Behavior," Drug Topics, March 27, 1959. Other studies of interest, mainly sociological and pertaining to analysis of the physician's innovative behavior, as cited by Rehder, pp. 6-8 (in addition to his own study), are as follows: Herbert Menzel and Elihu Katz, "Social Relations and Innovation in the Medical Profession: The Epidemiology of a New Drug," Public Opinion Quarterly, Vol. XIX (1955-56), p. 337; Elihu Katz and Paul Lazarsfeld, Personal Influence (Glencoe, Ill.: The Free Press, 1955); Pharmaceutical Advertising, A Report Prepared by the Institute for Motivation Research, Inc., Ernest Dichter, President (New York: Pharmaceutical Advertising Club, 1955); American Medical Association, Effectiveness of Promotion in a Medical Marketing Area, A Study Conducted by Ben Gaffin and Associates (Chicago: American Medical Association, 1956); Herbert Menzel, Elihu Katz, and James Coleman, "The Diffusion of an Innovation Among Physicians," Sociometry, Vol. XX (1957), p. 253.

CHAPTER V

EMPIRICAL RESEARCH: DESIGN, SAMPLE, PROCEDURES, AND RESPONSE

This chapter contains a description of the research design, the sample drawn, the data collection methods, and the procedures used in the field study. The responding sub-sample from the study is set forth and analyzed. The chapter lists the types of information of significance and practical interest obtained in addition to the basic data bearing on the hypotheses.

Research Design

The design of this research is technically classified as experimental. It is directed primarily to test two hypotheses:

1. That there is a positive statistical relation between the concepts in firms that their field salesmen are managers and the success of firms;
2. That there is a trend to consider the field salesman as a manager.

The source of data is a single industry, namely, the ethical pharmaceutical manufacturing industry. The sample for study was selected to be representative of the industry. The survey method was used. An extensive, tested questionnaire was administered principally by personal interview, but additionally by mail. The extensiveness of the questionnaire and of personal interviewing was determined on the assumption that certain qualitative aspects of the information may be even more significant than quantitative data. Tabulation of the data was manual. Methods of analysis and interpretation will be set forth in the study as the discussion proceeds. The research design, the sample, procedures and techniques should permit appropriate tests of the hypotheses subject to the inherent limitations of the methodologies. Additional limitations, of course, are those of money and of time.

The design of the survey questionnaire and the conduct of the interviews were a joint undertaking with Mr. Gary A. Marple who, also, is preparing a dissertation in partial fulfillment of the Ph.D. degree in the Department of Marketing and Transportation Administration of the Graduate School of Business of Michigan State University. His hypotheses differ significantly from those of this study. This joint undertaking permitted sharing of substantial out-of-pocket costs and permitted

economical cooperation of sample members which well might not have been available in duplicate. The only significant matter in common was the sharing of a common questionnaire.¹

The Sample

The population from which the sample was drawn is the ethical drug industry. It has been determined in Chapter IV that such selection of a single industry might best provide the reliability and usefulness required of the study and provide an appropriate test of the hypotheses.

If the interest of this research were to make statements representative of the firms, representative of the field salesmen, or representative of the concept of firms regarding field salesmen in an industry, a research design using the entire industry population would be required. The statistical magnitude of such an undertaking would probably be greater than the realistic value of the result. The independent variable of this study is a description of field salesmen as managers or as non-managers. This variable is studied pursuant to the

¹The importance and necessity of a large increase in the number of empirical investigations contributing to the advancement of theories of business and of doctoral research may be assumed. The costs to businesses of these researches and the acid test of willingness and ability of businesses to cooperate in many such time-consuming activities may well make joint undertakings such as this more desirable in the future. The present research, possibly, is a pioneer undertaking of this nature.

hypotheses, over time and in relation to a dependent variable, namely, the success of firms. For this purpose, an informed drawing of a sample from the industry is appropriate.

Some major diversities built into the sample drawn for the research are as follows: broad line ethical firms and specialty firms; largest companies of the industry and very small companies; independent, fully ethical companies and ethical divisions or subsidiaries of diversified companies; companies of rapid recent growth and of slow growth; companies with volatile product innovations and with stable products; older firms and younger firms; publicly owned and closed corporations; domestic and foreign owned companies; companies which have no direct distribution to retailers and companies which by-pass the wholesaler. It was determined that the sample could be small. Such a sample is adequate for test of the hypotheses and will permit appropriate tests of statistical significance. The sample of 33 ethical drug firms was drawn by an authority in the industry to reflect the above listed variables. No knowledge was available from which to predict a proportion of sample response.

Reliable estimate is not available relevant to the proportion of total industry sales volume represented in the drawn sample. However, an independent, confidential research authority on the ethical drug industry has

estimated that the responding 28 sample firms represent approximately 75% of total domestic ethical drug manufacturer sales. Such data argue for the representativeness of the sample and the sample response permitting significant conclusions to be drawn with a good degree of confidence.

Data Collection

The technique chosen for the collection of primary data is that of a questionnaire survey. This technique allows appropriate, significant and practical tests of the hypotheses. It provides data which are amenable to statistical analysis and to tests of statistical significance. Various alternative psychological and sociological research techniques were considered and discarded. Either they were found not to be appropriate to the hypotheses, or they were not of reasonable cost in time or money, or they were judged likely not to elicit adequate cooperation from the sample.

The questionnaire

From literature studies, experience, and test interviews a trial questionnaire was designed. This then was tested with selected sample firms in extended interviews. Considerations included were: rapport; availability and cost to sample members to procure the information being

sought; usefulness of content to the investigator as well as to the respondent; and wording.

From the pretest a final questionnaire was drafted. An exhibit of this is in the Appendix. The final questionnaire consisted of 17 pages and 101 questions of which 52 questions are of concern to this study.¹ The questionnaire was designed so that the major hypothesis is tested by multiple questions. The questionnaire responses were edited, analyzed, and followed up for internal consistency.

It may be desirable to discuss specific features of the questionnaire designed to procure response at a time when the industry of the sample members was assumed to be unusually cautious regarding investigations, intra-industry cooperation and release of confidential data.² The questionnaire was issued in the name of the University for a simulated "Bureau of Marketing Research." The name of Professor W. J. E. Crissy was published as Advisor. A signed "Certification" was included. This emphasized that the cooperation of respondents was with the University only. It stated that respondents are not to be identifiable and

¹Questions of concern to this study are numbers 1-32, 37, 51-53, 81, 84-89, 94-101.

²Many members and the association of the industry were then and had continuously for four years, 1959-62, been subject to the U.S. senatorial investigations of the Subcommittee on Antitrust and Monopoly, and other investigations.

that statistics are to be published in aggregates only. Thus, all data from the research is anonymous.

A very full page of information and instructions was a part of the questionnaire. This included such provisions as these:

1. Three copies of the questionnaire were supplied to permit working copy, file copy, and return copy.
2. Data requests were for 1956 and 1961. (Statements as to "present" policies, practices, or opinions are for 1962.) However, if 1956 was an unusual year or data not available, substitute 1955 or 1957; and if there was a major change of policy during the years 1954, 1955, 1956, or 1957, please use the year preceding the change as the basis for answering questions relating to that policy.
3. If practices or policies vary in the respondent company, answer in terms of prevailing or general policy.
4. Check carefully that the questionnaire is complete from other Company departments.
5. Execution of the questionnaire is to be by a top line executive at the policy level of the sales force organization.

Additionally, by frequent footnotes and other notations throughout the questionnaire, various terms were defined.

Copies of the field salesman's and of his supervisor's job description forms, salesmen's report forms, and job evaluation procedure forms were requisitioned for 1956 and for the present. In this connection it must be stated, though not unexpected, that there was a low availability of forms for 1956. Businesses are notably poor

historians. Out-of-date procedural materials often are not retained, and if retained are not well identified.

Despite the care taken with semantics and with definitions and instructions, certain information was inconsistently returned, and, thus, has been deleted from the analysis. These difficulties arose with regard to expense and product records and expense procedures. This is attributable to interpretations by accounting, personnel, and statistical departments of respondent companies where the researcher had to depend on his interviewee for inter-departmental communication. Thus, returns from questions relating to expense budgeting, sales operating expense, and detail of the number of products (questions 25, 86-89, 94) are deleted from analysis.

Administration of the questionnaire

The semantics of the questionnaire, the extent and complexity of the cooperation required by the questionnaire, and the cautiousness of sample members regarding investigations made personal interviews desirable with a substantial portion of the sample. It was determined, furthermore, that personal interviews would be required to procure an adequate, representative, reliable response, even though extensive personal interviews themselves would be difficult to procure. Additionally, it was determined to survey a portion of the sample by mail. It is notable that the resulting method, using both personal interviews and

mail response, is more accurate regarding response error than using either method exclusively.

The determination of sample sub-group (personal interview or mail) into which any sample member fell was simple and straightforward. The determination was by contiguity of sample members to the travel necessary to procure a maximum number of conveniently located personal interviews at reasonable cost. Likewise the size of the sample sub-groups was so determined, except that the purpose was to maximize the personal interviews. The resulting proportions of the sample of 33 firms was as follows: 23 firms drawn for personal interview and 10 firms drawn for survey by mail.

Preliminaries.--On July 6, 1962, a letter was addressed to the "Office of the Executive Vice President" of each sample member from a "Bureau of Marketing Research" of the University asking for " . . . the names and titles of your company's top sales and marketing managers and of the executives to whom they are responsible." The purpose, obviously, was to ascertain the name of the correct person to be approached for interview and to permit contact, if desirable or necessary, with his superior. This served also to open a line of communication with each sample member without which it might otherwise be more difficult to procure the interview and data. The return to this inquiry was immediate and virtually complete.

On July 24 the tested questionnaire (dated July 23) was mailed to the selected executive of each firm drawn for personal interview and drawn for mail survey. The dispatch was by air mail and the postage of \$0.88 each was affixed in the colorful, attention-attracting form of 22 four-cent stamps. A covering, explanatory letter accompanied each questionnaire. The letter to personal interview sample members stated, "We will telephone you for an appointment to visit you to execute the questionnaire." A sample of this letter and samples of other correspondence are in the Appendix. Immediately on the date estimated for receipt of the letter and questionnaire by the executive to be personally interviewed, a personal long distance telephone call was made to arrange an appointment.

Interviewing and follow-up.--Each personal interview occurred in the office of the respondent. Often additional executives of the respondent firm were present. Interviews averaged three hours in length. However, further gathering of data and their return always followed the interview. Immediately after the interview the respondent received a confirming letter from the researcher summarizing data and answers yet to be returned or clarified. The structured questionnaire was the basis of interview. There were extensive probes beyond the formal questions in order that the researcher might interpret accurately the answers

as furnished. Most interviews were conducted in August, 1962, and a few in the ensuing months.

A follow-up letter dated August 6 was dispatched to the members of the mail sub-sample. Several individual follow-ups (all by mail) to several of these sample members were necessary to develop an adequate level of response.

Sample Response

Survey response

As described above, the drawn sample consisted of 33 domestic ethical pharmaceutical manufacturing firms. A sub-sample of 23 was drawn for personal interview with a resulting sub-sample of 10 firms from whom cooperation would be sought by mail.

Of the 23, one sample member refused to be a respondent for reasons of company policy; with one it was impossible to arrange a mutually convenient appointment for an interview despite several efforts. One member of this sub-sample was converted to the mail sub-sample when the appointment could not be kept by him and, therefore, his responses are tabulated in the mail sample. Thus, of the final, personal interview sub-sample the response was 20 of 22 companies, or 91%.

Of the final mail sub-sample of 11 members, one sample member refused to be a respondent for reasons of

company policy; two sample members pled inconvenience, although one offered to respond at a date too late for inclusion here. Thus, of the final mail sub-sample the response was 8 of 11 companies, or 73%.

Total respondents from the drawn sample were 28 of 33, or 85%. These high levels of response and the comparative typicality of levels should allow conclusions to be drawn from the research with a high degree of confidence. Furthermore, as previously discussed, an independent, confidential research authority for the industry estimates that the 28 respondent domestic ethical drug manufacturing companies approximate 75% of the domestic sales volume of the total industry. This argues for the typicality of the sample and that conclusions may be drawn with a high degree of confidence.

Sales index response

Under the research design and hypotheses an objective of the survey was to produce a dependent variable in the form of a criterion of success of firms. Three inquiries were placed in the questionnaire relative to corporate success in 1956 and 1961, as follows: a question relevant to sales, a question relevant to pharmaceutical profit, and a question relevant to corporate profit. In advance there was no certainty whether any, or which, of

these would be productive of responses on such confidential information.¹

By asking all three questions it was anticipated that the most desirable datum of significance to this study --sales figures--might be forthcoming. In addition, it was arranged in personal interviews, or by special correspondence in connection with the mail survey, that respondents could report on these questions by use of an index with $1956 = 100$. The response on sales was made by 21 sample members with substantially fewer respondents to the questions on profits. Thus, it was determined to use an index of sales as the criterion of success of firms for analysis required in testing the major hypothesis.

Consideration is given now to the representativeness of this response. Of the 21 sales indexed respondents, 16 were from the personal interview cell and 5 were from the mail response cell. Thus, the responding sales indexed sub-sample represents proportions as follows: 80% of the responding personal interview sub-sample; 62.5% of the responding mail sub-sample; 75% of the combined responding

¹It is to be noted that of the 33 surveyed ethical drug manufacturers it is calculated that only seven are public companies listed on a major U.S. stock exchange; seven are unlisted and in some instances closed corporations; three are foreign owned; and, sixteen are divisions or subsidiary companies which do not publicly report. It should be noted, furthermore, that virtually complete answers were received to all inquiries of the questionnaire from all respondents, except regarding these sensitive inquiries on sales and profits.

sample. The high level and consistency of these responses argues that significant conclusions may be drawn with confidence. Extracting from data which will be presented elsewhere in this study, further illumination can be given to the significant congruence and representativeness of the sales indexed sub-sample. Confidence in this sample is of great importance. This is because the sales index serves as the dependent variable for test of the major hypothesis. Data which are significantly comparative of the total response sample and of the sales indexed sample are presented in the following Table V-1. From this it

TABLE V-1.--Data comparing the sales indexed sub-sample with the total response sub-sample

	Sales Indexed Sub-Sample	Total Response Sub-Sample
<u>Percentage of n</u>	63.63	84.84
(All following data are for 1961.)		
<u>Criteria of size:</u>		
Range, sales force size	1038-85	1038-85
Median, sales force size	348	325
<u>Criteria from product research:</u>		
Range, % sales in 2 major products	69.0-11.0	69.0-11.0
Mean, % sales in 2 major products	38.20	37.0
<u>Criteria from marketing:</u>		
Range, % wholesale of total distribution	100.0-6.0	100.0-6.0
Median, % wholesale of total distribution	71.0	71.0

can be summarized that the sales indexed sample will allow significant conclusions to be drawn from it with a high degree of confidence.

Additional Information Procured

The following are types of basic information procured in addition to that bearing on the tests of the hypotheses. This information is included because it makes added practical contribution to marketing and management knowledge relevant to the field salesman. Basic data relating to these areas of information are found in two places in the Appendix, with as little duplication as possible between them. First, such information will be found in the "Research Memorandum to Cooperating Firms" dated June 23, 1963 (Appendix B). Second, information not adequately presented in the foregoing is presented in a series of separately labeled tables (Appendix D). Data of the research which have been presented in the body of the study are not duplicated in the Appendix.

1. Desired, minimum, and types of education of inexperienced salesmen.
2. Specific efforts to control how the experienced salesman uses his time.
3. Supervisory ratios.
4. Trend of frequency of supervisory contact with experienced salesmen.
5. Practice of specification of number of salesman calls.



6. Distribution of time desired of salesmen.
7. Reimbursement methods for salesman's expense.
8. Requirement of daily, weekly, other regular periodic reports from salesmen.
9. Reports to salesmen.
10. Training used and trend of training.
11. Criteria for evaluation of experienced salesmen for compensation.
12. Use of job description of salesman.
13. Use of job description of supervisor.
14. Use of job evaluations with salesmen.
15. Marketing assistance personnel provided to salesman.
16. Methods of distribution.
17. Sizes of sales forces.
18. Percentages of sales in two major products.

CHAPTER VI

INFERENCES FROM EMPIRICAL RESEARCH

It is the pragmatist who seeks to determine the meaning of all differences by making the discussion hinge as soon as possible upon some practical or particular issue.

(William James)

It is when we resolutely insist that the discussion should hinge as soon as possible upon some particular issue that we discover the fallacies of the doctrinaire approach to the great problems.

(Henry Steele Commager)

The hypotheses being tested by this research had these criteria: that they must

- pertain to the practical marketing and management processes of firms;
- be significant to these processes;
- be significant to the success of firms.

The success of firms is the measurement criterion of the major hypothesis of the study.

Sales Indexes of Firms

The adopted criterion of the success of firms is an index of sales for 1961 contrasting with sales in 1956 where 1956 = 100. It is recalled that 21 sample members



responded with sales data thus becoming the sales indexed sub-sample. In Table VI-1 is found a summary description of this sub-sample. The table contains the total range, quartile ranges, quartile means and the median and mean of the sample. It is readily apparent that the data are discontinuous and are skewed. The median is the better statistic of central tendency. Quartiles and their means especially facilitate the description.

TABLE VI-1.--Sales success of 21 reporting firms: 1961-1956

	1961 Sales Index	
	Range	Unweighted means
	(1956 = 100)	
First quartile	500-200	304
Second quartile	171-150	157
Third quartile	149-125	136
Fourth quartile*	103- 92	102
Unweighted sample mean, 171		
Median, 149		

*Contains six members.

Having now an inference of the relative success of sample firms, it is desirable to proceed immediately to a description of the concepts held of field salesmen.

The Concept Held of the Field Salesman

In Chapter III it was found to be justified in theory that the fact of manager in organizations is expressed in the concept communicated by the organization. It was found justified in theory that the de facto concept of the firm or organization can be measured, among several measures, through the communication of the top line sales policy executive regarding the field salesman. The research procured, by questionnaire survey, the responses of these executives. Chapter III, in addition, found justification in theory of the measure of the concept of the firm in terms of formalisms of management.

It is desirable now to establish an inference of the incidence of consideration of the salesman as manager, or as non-manager.

Field salesman considered manager

Of the top line sales policy executives of 28 total responding sample members, 23 answer that in some ways they consider their field salesmen in 1962 to be managers. Of 21 respondents comprising the sales indexed sample, 18 answer that in some ways they consider their field salesmen in 1962 to be managers. Respectively these proportions are 82.1% of the total responding sample and 85.7% of the sales indexed sample.

It would be convenient if these statements were acceptable without further validation as the de facto concepts of the firms. They cannot be so accepted. Presently unknown is whether these are statements of "what is" or "what is wished." Validation is desirable. Yet the statements are not without value. Methodologically they form a bench mark from which we can proceed.

First, we might expose the foregoing data to expression in a 2×2 contingency table related to sales indexes of firms, as in Table VI-2.

TABLE VI-2.--Consider field sales-
man manager or non-manager, 1962

		Manager	Non-Manager
<u>Success of</u> <u>firms</u> (Greater or less than sales index of median firm.)	<u>Greater</u> <u>success</u>	9	1
	<u>Less</u> <u>success</u>	8	2

N = 20

It is conspicuous that the responses of executives relevant to the dichotomy of manager and non-manager are not discriminatively related to the success of firms. The ambiguity of the data should come as no surprise. The responses were the result of self-definition by respondents of the term, or concept of, manager. The term is commonly known to be loosely used in the practical affairs of business. Meaning varies among firms and among individuals



within firms. In firms, the formal and informal organizational realities, the interpersonal conditions and organizational and personal value systems, rather than purity of semantics or theory, customarily prevail as criteria for terminology.

Validation methodology

Now we proceed with a theoretical analysis in order to obtain a justifiable inference of the de facto concepts of sample firms. This analysis is one of segmenting the "as wished" responses from the "as is" responses. Three criteria are used in validation. These are: first, the rationalization given by the respondent for his self-defining answer of manager or non-manager; second, the formal job description, if any, used by the respondent's firm; third, the use or non-use, by the firm, of training for experienced field salesmen beyond training in salesmanship and other activity-duties (later discussed and defined).

The rationalizations and the formal job descriptions for field salesmen, each, may be classified usually in either of two categories. The first category is functional. This is pursuant to the theory justified in Chapter III pertaining to optimizing decisions among alternative courses of action with felt obligations for market organization by the salesman. The second category

is operative/social. This pertains to technological responsibility in the salesman for maximization of relevant duties; or, it pertains to the firm's desire for an organizationally social result.

The self-defining, straight-forward question of respondent executives was as follows: "Do you in any ways consider your salesmen to be managers?" It is to this that the sales indexed sample gave an affirmative answer from 18 members and negative from 3 members, or 85.7% affirmative. For affirmative respondents there was the added rationalizing question, "Why and in what ways?" For negative respondents the question was, "Why not?" Of course all answers are in qualitative terms. In accordance with normal expectations there is a wide variety of subjectivized answers. These answers require classification.

Functional responses are supportive of a manager concept. To illustrate: according to theory justified in Chapter III, to be classified functional the response must indicate that the felt obligation of the salesman is more than the face-to-face salesmanship duty. The data must indicate the salesman to be more than a technologist in the performance of his duties in order to be classified functional. For instance, in ethical drug detailing over the researched five-year period there has been introduced in some companies, but in most companies there has been

refined, a technique whereby physicians are segmented according to the estimated volume of prescriptions issued by them.¹ Usually the detail man participates in this segmentation of physicians. It is interpreted here, when the salesman classifies physicians merely by supply of names "plugged into" a company formula, or participates merely as a localized advisor, that he is acting as a technologist. This is classified as operative. If the salesman is said to segment his market in accordance with the marketing theory, technique, and objectives of his firm, he is classified as providing the optimizing decision and is classified as functional. Failure to classify as functional usually results in classification as operative/
social. However, this dichotomy is not always theoretically justifiable. Some cases arise which are indeterminate. For these a third category, indeterminate, is used.

Due to the well known imperfection of communications the methodology will require that two of three

¹Physicians who enjoy large prescribing practices are known by the trade as "good writers." (Formal segmentation for detailing of physicians by specialization is not recent.) The researcher noted no firm (based on interviews and on forms and reports received from the companies) which formally segments physicians demographically. By this is meant the segmentation of physicians by medical sub-culture groups, as centers of networks, or as dynamic innovators. Most companies endeavor to identify early the young physician who is just entering practice; as it is well known that significant loyalties are formed early, and that beginning physicians have more time to be detailed for these loyalties.

validations must confirm an executive's self-defined answer. Failure to receive two out of three validations will negate the executive answer as the de facto concept of the respondent firm.

Validation from rationalizations of executives

Respondent DD's interview is of interest.¹ To the self-defining question the executive answers that his field salesmen are considered managers. In response to the rationalizing question the respondent tells how his firm awards plaques to field salesmen entitled "Territory Manager Award." The further explanation of the executive is that these awards have the partial purpose of offsetting "the stigma" (sic) of being a salesman. Under probing, no further "free response" was offered. This rationalizing response is classified as operative/social.

Sample member O responds non-managerial to the self-defining question. To the validating interrogation the respondent first answers that his firm could not consider field salesmen to be managers because they do not

¹Coding of sample members will follow this scheme: single letters (for example, D) will designate sales indexed sub-sample members; double letters will designate the members of the responding sample who did not supply sales index data; the order of the single letter designations will be in descending order of the index of firms (examples: A designates the firm with highest sales index and U designates the 21st, and lowest, of the indexed sub-sample).



supervise people. However, this respondent further contributes the statement, "We tell 'em what to do." This being an operative/social response, it is validating of the self-definition answer that these field salesman are not considered managers.

Two other respondents, namely, J and P, in addition to O, apply the concept supported by a certain body of management literature (discussed in Chapter III) that lack of supervision of people negates the concept of manager. This alone, in this analysis, is not permitted to be determinative of classification. If no other acceptable data for classification--as above in the instance of respondent O--is available, the sample member is classified in a third category, called indeterminate, with regard to the executive's rationalization.

A small and rapidly growing respondent firm (H) after defining its salesmen as managers explains in the continuing interview that its "new aim is to make its salesmen more than information distributors."¹ This sample member's field salesmen now develop and submit sales expense budgets for approval, then operate within them and control their territorial activities accordingly. Also, these salesmen are charged with "periodic territory

¹It will be recalled from Chapter IV that information distribution constitutes, approximately, the classic, older, occupational definition for the detail men of the ethical drug manufacturing industry.



and customer analysis." Continuing the interview respondent H expresses his view that increased supervision of salesmen is not a paradox in the consideration of salesmen as managers.¹ It is stated that this supervisory effort is directed to cause salesmen to act managerially, in addition to causing improved performance of face-to-face salesmanship. The classification is functional.

In some instances the salesman is described by the respondent as a "manager of his time" or as a "manager of himself." These rationalizations are classified operative in the absence of other evidence. This is pursuant to the finding of Chapter III that it is absurd to consider a job holder to be a manager for the reason that he may determine his own use of time or use of self.

Respondent N after answering "non-manager" explains, "We do not wish to dilute the salesman's primary responsibility." Inasmuch as this is from the mail sample, search had to continue for validation beyond this cryptic explanation. Interpretation is found in further correspondence, as well as in the company's formal job description. "Primary responsibility" is understood by the respondent to be

¹Data from this research indicates substantially increased supervision of salesmen. Ratios of number of salesmen per supervisory manager have generally decreased; frequency of supervisory contact with salesmen in the field has increased almost unanimously among firms; and, specific efforts to control salesmen have increased during the researched period. The Appendix tables present data regarding these areas.



the face-to-face salesmanship duty. The classification is operative.

Respondent S, a member of the mail sample, in his rationalization of his self-defining answer that his salesmen are managers, writes, "They are literally managers of their territories." This response is like that of sample members L, M, and T. M stated: they are managers because "they operate their territory as though managing their own businesses within company policy." The ambiguity and the cliché of these responses is self-evident. Whereas L, M, and T did not clarify the ambiguity, respondent S amplified by saying, in part, "Too, he obtains sales through others just as district managers must. We consider the same qualities of leadership are employed by salesmen as by district managers alike." Classification of the foregoing responses were: S, functional; L, M, and T, indeterminate. It is interesting, perhaps, to note that S is the firm which, due to business adversities, had reduced its sales force of 1961 to 70% of its 1956 size. This firm reports that it had not considered its field salesmen to be managers in the base period of this research. In the meantime the firm has reorganized and revitalized its sales force. (Regarding sample members classified indeterminate this research will have to look elsewhere for validation; this will be in job descriptions and in training provided to experienced salesmen.)



To summarize to this point which is through the first step of validation, the analysis provides the statistics presented in Table VI-3.

TABLE VI-3.--Result of first validation criterion: Rationalizations for self-defined classification of field salesmen as manager or non-manager

	Salesman as Manager	Salesman as Non-Manager
Self-defined responses	18	3

Validation results:		
<u>Functional</u> (validated as manager)	11	
<u>Operative/Social</u> (invalidated as manager; validated as non-manager)	4	2
<u>Indeterminate</u>	<u>3</u>	<u>1</u>
Totals	18	3

Validation from formal
job description

It is desirable to note again, briefly, the methodology of validation. The start is with the respondent's self-defining answer that the firm conceives of its salesmen as managers or as non-managers. Validation consists of three criteria. First, the respondent executive's rationalization of his self-defining answer is classified as functional, operative/social, or indeterminate. Second, if the respondent uses and has submitted a current, written

job description for field salesmen it is classified in the same manner. Third, by straight-forward observation of the respondent's answer it is determined whether the respondent trains its experienced salesmen beyond the face-to-face salesmanship duty and other technological duties. Two validations are required for acceptance of the respondent's self-defining answer.

The purpose of the present section is to consider the job descriptions submitted by sample members. Of the sales indexed sample of 21 respondent firms, 16 in 1962 report use of formal job descriptions for salesmen.¹ All these respondents provided copies of their job descriptions.²

Of the 16 present users of a formal description for salesmen, 12 firms report that they used a formal job description for salesmen in the base period, viz., 1956. Few of the 12 firms could and did provide copies of the

¹A footnote on page four of the survey questionnaire (see Appendix A) conveyed this definition to respondents: "Please define job description as a written analysis, made available to all concerned, of a sales position encompassing the purposes, objective, duties, responsibilities, methods, and/or authorities of the position." For this purpose a job description does not require formal language. It may be a manual, or may be in a manual, or in any other form, providing that the foregoing definition is met.

²Copies of all current, formal salesman job descriptions of firms of the sales indexed sample are included in Appendix E. Names and other identifying characteristics of firms and needless detail have been removed.

earlier description. (As commented before, businesses are generally assumed to be, and in this research are found to be, notably negligent historians.) It is significant to note that 11 of these 12 respondents report that they revised their job descriptions for salesmen once or more during the researched period.

It is of interest, possibly even of significance, that all five present non-users of a formal job description are the median or higher firms of the sales indexed sample. All of these respondents fall within the interquartiles of sales force size. They are not the smallest firms.

One other commentary may be worthy of mention. In the survey questionnaire there was the inquiry whether a separate written job description is used for inexperienced salesmen. The response is 100% in the negative. It is common knowledge that the responsibilities of a new, inexperienced salesman differ distinctly from those of an experienced salesman: the inexperienced salesman has heavy initial responsibilities for self-training; his authority is severely limited as compared to the experienced salesman; his sales quota and other performance requirements usually are lower. It is possible that these sample firms, and that marketing firms generally, err in the failure to establish explicitly different responsibilities and standards of performance for trainees through a specialized job

description. Lack of such (a) causes the trainee's job to be indeterminate, (b) vitiates the significance of the experienced salesman and his job description, (c) dilutes the inferred discipline of the use of formal job description.

Most illustrative, perhaps, of an operative job description is that of respondent 0. Its job description consists of the first 12-page section of a 127-page manual for field salesmen. Herein it is stated, "In detailing our products to physicians we use a 'Planned Sales Talk.' All . . . Salesmen are required to memorize and use this presentation." (Underlining in the original.) By explicitly removing the decisional characteristic required of functional classification, this job description is classified as operative. This validates the sample member's self-defining response that his salesmen are non-managers.

Respondent G is a company in the interquartile range of the sales index array and of sales force size. It is known in the industry as highly individualistic. It uses no formal job description for its salesmen. It is one of only four respondents without a formal job description for the management level which supervises salesmen. The company is notable for its ability to introduce unique, high-demand products. (This respondent refuses to reveal the proportion of its sales in its two leading products,

the only firm so to refuse, probably--a fact known personally to the researcher--because of a remarkably high proportion.) The stated marketing policy of this respondent is to "get as decentralized as we can." Its salesman is made to feel, in the company's opinion, that "all decisions are his." He is treated as a "free, guided agent of the management." All training for experienced salesmen is conducted by the seminar, case method and, in the company's words, is "market oriented rather than route oriented." Training cases emphasize "all relevant economic factors of markets and communications." All salesmen execute their responsibilities under expense budgets which they prepare themselves and submit for approval. However, it is important to note, since this firm does not have a formal job description, that its self-defined classification of its field salesmen as managers cannot be validated by job description. (There is little doubt, in the judgment of this researcher, that this respondent enjoys an unusual clarity of communication of its concepts with its field salesmen, surpassing, perhaps, the communication of many firms well experienced in formal description.)

Respondent L is one of the largest firms of the industry. It defines its salesman as a manager but points out specific avoidance of use of "such a title" (sic). In the rationalization of its self-definition the respondent

explained that its salesman "is always thought of as completely responsible for area success." This rationalization was classified indeterminate. However, under the heading "Nature of Work" in the firm's written job description the salesman's job is described: "to provide information," "to get product specification," "to develop and maintain good professional and public relations." Under the heading "Functions of Job" are five paragraphs, all of which open with these words: "Call on . . ." This job description is technological and is classified operative.

On the other hand, respondent F's written job description is classified functional, validating the respondent's managerial self-definition. It contains these concepts: "General Responsibilities: a . . . is responsible for the general management and development of his territory. His primary purpose is to obtain a major share of the available markets for the . . . products." Additionally, this description contains these sections and sub-sections: "Territorial Operations": "Organization," "Planning"; "Territorial Management": "Controls," "Records," "Surveys," "Sales expenses." It is of interest that this job description specifically aligns a "Standard of Performance" for each statement of responsibility. Respondent F has one of the largest sales forces among the sales indexed firms. It is a member of the second quartile of the array

of sales success indexes, substantially above the median index.

The job description of Respondent E is classified functional. This validates the respondent's self-defining managerial response. In its "Statement of General Function" the job description assigns "the responsibility of carrying out an assigned territorial operation." (Underlining mine.) The wording of the statement continues, " . . . in a manner which will insure the maximum sale, distribution and profit." (Underlining mine.) The words "and profit" are an addition to Respondent E's present job description from his prior form. Notable is the contrast between these statements and Respondent L's description, above, wherein the functions were those of providing information, procuring prescription, and public relations. Among the "Specific Duties" spelled out in this job description there is the one which reads, "Plan, organize, and carry out an efficient [sic] territorial operation."

Disturbing, perhaps, to some analysts would be the extensive "spell-out" of a "hard policy" for the field salesmen of Respondent E. This job description contains a statement that "every . . . salesman is expected to detail an absolute minimum of 30 good prescribing physicians every week. These details are to be complete product presentations of the detail schedule." This is new content

in the present job description. Other changes from the prior job description are the following: the word "maximum" is substituted for "adequate" in: "Detail maximum numbers of institutional . . ."; Respondent E newly uses consistent underlining of the words "regular" and "regularly" when referring to other performances. It is held by this analyst that neither hardness nor specifichness of policy is relevant to the concept of manager. The central characteristic of the non-manager is that his felt obligation is technological. Hard policies result from a firm's individualized problem solving and behavior experience. Such policies are factors unrelated to the dichotomy of manager or non-manager.

In concluding this portion of the analysis, special acknowledgment is probably desirable of the frailty of judgments of de facto situations from formal statements. The literature, as well as empirical experience relating to management and to organizations, amply demonstrates the potentially wide gap between formalisms and factual, informal practices. Yet formalisms, such as written job descriptions, are not without value as substantial evidence for inference. The probability of the de facto concept, or situation, being of condition "A" when the formality is of condition "A" certainly is significantly greater than when the formality is of condition "B." This assumed

probability is especially justifiable when it is realized that formalities are usually dependent upon and arise out of informal situations. Thus, it has been assumed that formal, written job descriptions for field salesmen, when analyzed and classified pursuant to the theoretical justifications of Chapter III, may be sources of inference.

It is to be recalled, further, that two independent validations are required, according to the methodology of this analysis. Frailties of inference from a formal job description, thus, or from any other single source, are not permitted to be governing. The methodology of dual validation should increase significantly the probability of correct, final inference of the de facto concept of the field salesman as a manager or as a non-manager.

Before making a summary, statistical presentation of the results of validation by the job description criterion, it is a desirable economy to proceed immediately to the third step of validation. This will be by the criterion of training of experienced field salesmen. The following sub-section will treat this validation. Then, a complete, statistical summary of the validation procedure will be presented along with appropriate tests of statistical significance.



Validation from training of
experienced field salesmen

The questionnaire contains a series of questions regarding training. To eliminate bias, this series is placed prior to and separated from the matter regarding the field salesman as a manager or a non-manager. The specific qualities of these questions are significant. They are reproduced here as a convenience to the reader.

10. What training, formal or informal, for experienced salesmen was used in addition to training on products, face-to-face salesmanship, deals, execution of reports, advertising?
11. Please describe how your formal training, if any, of experienced salesmen has changed, if it has, over this period, i.e., changed regarding (a) purposes and (b) content (not training media or technique).
12. Please describe how your informal training (i.e., "work with" or other local training by supervisor) of experienced men has changed, if it has, over this period?

Limitation of the questions to the "experienced salesman" is significant. This removes ambiguities from data which might result from lack of discrimination of the various stages of training of salesmen. Limitation to the experienced salesman provides a rigorous test of the firm's concept and communication through training. The emphatic "in addition to" is a significant distinction. It segments operative training from functional training, as these terms

have been earlier defined. The probes in questions 11 and 12 for change are significant. The uncertain, experimental nature of much sales training and constantly changing sales force conditions result in relatively frequent alteration of sales training programs. The questions are believed to reveal training, if any, of the type intended to be segmented. Classification of responses is relatively easy and straight-forward. Affirmative answers are functional. The reverse are operative.

Only seven of the 21 sales indexed sample firms respond so as to be classified functional. It should be noted that the questions include "informal" training.

The ethical drug manufacturing industry may be judged relatively sophisticated as to sales training and as to the semantics thereof. It is a widespread user of "on the job" (called in the industry "work with") training of the salesman. Nevertheless, it is possible that some respondents do not identify certain efforts as training, considering them to be practices of direct supervision. Supervision to a large degree is training. It may be that the low proportional finding of functional classified training results from an overly rigorous methodology or from an unexpected semantic difficulty. The result is that validation of the manager concept is very conservative.



Comment may be made concerning expansion, during the researched period, of a type of training of experienced salesmen which might be called "whole man training." Such training is typified by the objective to create understandings of the communications processes, as distinguished from training in the processes. In the researched ethical drug manufacturing industry sample, training for experienced field salesmen continues to be predominantly in techniques of face-to-face salesmanship, in general product (medical) knowledge, and in specific product (prescription) knowledge.

Summary of validation

Table VI-4 summarizes the self-defining responses of top line sales policy executives relevant to whether or not their field salesmen are considered managers. The table fully summarizes the validation procedure. This includes the classifications functional, operative/social, and indeterminate. Validation is by three steps: first, the rationalizations by the respondent executives of their self-defining responses; second, formal job descriptions; third, training programs for experienced field salesmen. Two validations are required to authenticate the self-defining response of the executive as the de facto concept of the firm. The methodology of dual validation is adopted in view of the well known inconsistencies of

TABLE VI-4.--Summary of validation

Respond- ent	Self-Defining Response		Validation Procedure						Validated Result	
	Manager	Non- Manager	Rationalization of Self-Defining Response			Formal Job Description			Training of Experienced Salesmen	
			Func- tional	Oper- ative	Indeter- minate	Func- tional	Oper- ative	Indeter- minate	Func- tional	Oper- ative
A	X			X			X			X
B	X		X						X	
C	X		X						X	
D	X		X						X	
E	X		X						X	
F	X		X						X	
G	X		X						X	
H	X		X						X	
I	X		X						X	
J	X		X						X	
K	X	X			X					
L	X		X		X					
M	X		X		X					
N		X		X						
O		X		X						
P	X			X						
Q	X			X						
R	X			X						
S	X			X						
T	X			X						
U	X			X						
21	18	3	11	6	4	5	10	1	7	14
									9	12

-----Indicates do not use formal job description for field salesman.

communication of concepts within firms. This also is in view of the difficulties of research interpretation of subjective materials. It is assumed that this requirement of dual validation improves reliability of the resulting conclusion. Table VI-4 summarizes all response and validation data for the sales indexed sample. It identifies sample members by the coding which was earlier introduced.

The result of the validation procedure as shown in Table VI-4 is further expressed and summarized in a 2×2 contingency table identified as Table VI-5.

TABLE VI-5.--Validated concept of field salesman

		Manager	Non-Manager
<u>Sales Indexed</u> <u>Sample Firms</u> (Greater or less than index of median firm.)	<u>Greater</u> <u>success</u>	7	3
	<u>Less</u> <u>success</u>	2	8

N = 20

This table dichotomizes firms by relative sales index, i.e., by firms above and below median sales index. Thus, N = 20 for the 21 sales indexed respondents.

This data is not suitable for parametric methods of analysis. There is no assumption that the sample is drawn from a normally distributed population. The data in part is classificatory and thus not amenable to parametric techniques. Nonparametric techniques are appropriate.¹

¹Sidney Siegel, Nonparametric Statistics for the Behavioral Sciences (McGraw-Hill Series in Psychology; New York: McGraw-Hill Book Co., Inc., 1956), pp. 3, 31-34.

The purpose now is to test whether the difference between two independent groups (manager and non-manager) is statistically significant with regard to the sales success of sample firms. The χ^2 test has the advantage of ease and of being a sensitive measure of whether two independent samples are from populations which differ in any respect at all. However, χ^2 is only an approximation technique. Furthermore, it is valid only for relatively large samples. Siegel says when N is less than 20 use the Fisher test in all cases.¹ The Fisher Exact Probability Test is conservative inasmuch as it tends to overstate the alpha error. It is especially adaptable to 2×2 data.²

Accordingly the data of Table VI-5 are subjected to the Fisher Exact Probability Test (one-tailed alternative because the hypothesis is a prediction of direction) at the .05 level of statistical significance. It is found at this level that there is confidence in the difference.³ The null hypothesis of no statistical difference is rejected. The research hypothesis subject to the research methodology is upheld.

¹Ibid., p. 110.

²Ibid., p. 157.

³Ibid., Table I, p. 258.



Trend to Consider the Field
Salesman a Manager

A second hypothesis of this study is that there exists a trend to consider the field salesman a manager. The starting point for the analysis is the self-defining response for 1962 reported in the preceding sections. The response was--18 manager, 3 non-manager for the sales indexed sample and 23 manager, 5 non-manager for the total responding sample.

The survey questionnaire also asked of respondents, pursuant to their self-definition, whether in the base period (1956) their salesman was considered a manager or a non-manager. It is quite impossible, probably, under this or any other research design or procedure, to be certain whether such subjectivized responses concerning the past reflect present view of the past, or a present recall of a past view. Respondents answer for the base period (1956) in the following proportions: for the total responding sample--15 manager, 13 non-manager; for the sales indexed sample--12 manager, 9 non-manager. Table VI-6 presents the 1956 data compared to 1962 data in convenient form.

To be noted regarding the data in Table VI-6 is the remarkable consistency between samples. This consistency reinforces again, as often discovered and discussed before, the conclusion that the sales indexed sample is very closely typical of the total responding sample.

TABLE VI-6.--Consider field salesman to be manager or non-manager (Tabulation)

	Total Responding Sample		Sales Indexed Sample	
	1956	1962	1956	1962
	(number of sample members)			
Manager	15	23	12	18
Non-Manager	<u>13</u>	<u>5</u>	<u>9</u>	<u>3</u>
Totals	28	28	21	21
	(percentages)			
Manager	54	82	57	86
Non-Manager	<u>46</u>	<u>18</u>	<u>43</u>	<u>14</u>
Totals	100	100	100	100

Observation of Table VI-6 clearly indicates the existence of a trend over time toward the consideration of the field salesman as a manager.

Now the problem is to consider whether the observed trend is statistically significant. An .05 level of confidence is adopted. A nonparametric technique is required inasmuch as the measure is classificatory. The statistical test to be chosen must be one which is appropriate to a one-sample case. It is to try the question whether the observed frequencies are significantly different from expected frequencies for the identical sample. The sample is large enough (E_i with $k = 2$ is greater than 5) with the result that the chi square method is appropriate though only approximate.¹ The data of Table VI-6 are cast for convenience in the 2 x 2 contingency table presented in

¹Ibid., pp. 46, 49.

Table VI-7. This is for the sales indexed sample wherein the E_i 's are respectively 12 and 9 and the O_j 's are 18 and 3 for manager and non-manager respectively. The calculated χ^2 is 7.0 by the formula $\chi^2 = \frac{(O_j - E_i)^2}{E_i}$. (For the total responding sample $\chi^2 = 9.189$.) Since the hypothesis (H_1) predicts trend a one-tailed test is specified. The determination is that the null hypothesis is to be rejected at the .05 level of statistical confidence.¹

TABLE VI-7.--Consider field sales-
man to be manager or non-manager

		<u>1962</u>	
		Manager	Non-Manager
<u>1956</u>	Manager	12	0
	Non-Manager	6	3

N = 21

Thus the hypothesis is upheld that there is a trend subject to the research methodology among the sample firms to consider the field salesman to be a manager.

Summary

In this chapter the results of the empirical research pertinent to consideration of the hypotheses are reported and analyzed. First, the self-defining answers

¹Ibid., Table C, p. 249. In fact, the null hypothesis is rejected at the .01 level of statistical significance. It is rejected at this level by the Fisher Exact Probability Test also.

of respondents relative to their concepts of their field salesmen as managers or as non-managers are considered. Second, a validation procedure is presented and justified. The validation procedure has the purpose of accepting or rejecting the self-defining responses as de facto concepts of the sample firms. The procedure is justified as conservative and as increasing the probability that the accepted concepts may be de facto concepts of firms.

By appropriate statistical tests applied to the validated concepts it is learned that ($P < .05$) the first hypothesis can be accepted. This is the hypothesis that there is a positive relation between the concept of the firm that its field salesmen are managers and the sales success of the firm for the sample of firms and pursuant to the methodology of the research.

By appropriate statistical test applied to the responses of sample members it is learned that the second hypothesis of the research can be accepted ($P < .05$).¹ This is the hypothesis that there exists a trend to consider the field salesman to be a manager for the sample and pursuant to the methodology of the research.

Additional Information

Additional information produced by this empirical research is available in the Appendix. Tests of

¹Also acceptable at $P < .01$.

statistical significance are not performed for this auxiliary data. The results are believed to be reliable and representative in the light of the research design and of the survey procedure, and in the light of the frequent previous demonstrations herein of typicality, consistency, and comparability of data.

This additional information will be found in two places in the Appendix with as little duplication as possible between them. First, such information will be found in the "Research Memorandum to Cooperating Firms on Policies and Practices Affecting Marketing Performance of Ethical Pharmaceutical Field Salesmen" dated June 23, 1963 (see Appendix B). Second, information not adequately presented in the foregoing is presented in a series of separately labeled tables (see Appendix D). Data on other collateral results of the research which have been presented in the body of the thesis are not duplicated in the Appendix.



CHAPTER VII

SUMMARY AND CONCLUSIONS OF THE STUDY

In this chapter the principal procedures and findings of the study will be summarized. The sequence of the summary will generally follow the sequence of the body of the study. Support from the literature and quantitative analysis will not be repeated. The limitations will be stated in general terms inasmuch as they were presented in detail at the appropriate places in the study.

Purposes of the Study

Broad objectives for the study were that it must

- pertain and be significant to the practical marketing and management processes of firms;
- pertain and be significant to the success of firms;
- contribute to the developing theories of marketing and of management;
- offer hypotheses which are testable.

It was found that the developing theory of the marketing concept has been concerned primarily thus far with issues other than the important and unique problems (a) of administration of the field sales force, (b) of

the function of the field salesman. It was found that management theory has been largely preoccupied with areas other than the important and unique one of the field sales organization.

Literature references indicated that the field salesman may be considered some sort of a manager. The number, extent, and depth of these references were meager. There was lack of agreement regarding what the salesman may be manager of.

First major questions were whether it is justifiable in theory that the field salesman may be a manager. If so, a manager of what?

Two empirical questions became the hypotheses for the research. These were:

1. that there is a significantly positive relation between the concept in firms that field salesmen are managers and the success of firms;
2. that it is a significant trend of marketing management to consider the field salesman a manager.

Findings of the Theoretical Study

The field salesman is a unique member of the enterprise organization. It is pertinent to summarize the following particular elements of uniqueness. The salesman

spends much of his time away from other members and from supervisors of the internal organization. He is a chain-end in the hierarchy of internal organization. But he is not a chain-end in the firm's total organization system. This system includes the firm's effort to attain efficient organization of an environment called a market. The field salesman's activities and responsibility pertain to a territory or segment of the market. The function of his position at the market nexus is to make particularly final the enterprise purpose which is closure with the market.

Manager

The manager usually has technical skills and activities pertinent to his area of enterprise responsibility. However, he is distinguished in that his function is more than the technological maximization of activities. He is an optimizing decision maker, an integrator, an organizer toward enterprise purpose. This forms his responsibility, or felt obligation. The possibility of being a manager ascends ordinally to points where the enterprise purpose is greatest. By the marketing concept this especially includes the market nexus.

Subordinates are not necessary to the condition of being manager. Yet, the work of the manager is especially with non-linearities, and the human relationship is particularly such a non-linearity. Thus, the felt obligation of

managers in economic enterprise usually is with people as well as with resources and forces of the enterprise organization, internal or external, formal or informal. This responsibility consists of the organization of a cooperative system, which may be an external, informal market system. The manager (which may be the salesman in a de facto concrete, complex, continuing situation) provides a system of efficient organizational communication and negotiates essential cooperation formulating and fulfilling the purpose of the cooperative organization.

Field salesman as manager

The vocation of the field salesman is personal selling which is not unitary. Personal selling ranges from the simple to the complex. The complex is principally identifiable by negotiating characteristics which are decisionally relevant to the market purpose of the firm. Field salesmen in concrete situations, which in firms are communicated de facto concepts, may be managers or non-managers. As managers they are decisionally responsible for a market segment. This is in contrast to a felt obligation, from de facto concept, for activities in a market. Salesmanship is an activity sub-set of personal selling.

To be "manager" of time or of self does not make a manager of a salesman. It is theoretically possible for a salesman to be a market manager, not a marketing manager.

Whether in a concrete situation a field salesman is a manager or a non-manager is measurable. The measurement is of the de facto held and communicated concept of the firm. This concept may be measured in the hierarchy of sales force organization and may be measured in the formalisms of management, especially if these are confirmed by the informal concept.

Findings of the Empirical Study

It was found that a research in a single industry would be most appropriate. The industry selected was the domestic ethical pharmaceutical manufacturing industry. Its most significantly descriptive characteristics are that it is a differentiated oligopoly, is highly innovative of new products, is constrained substantially by law and by required adaptation to the professionally stereotyped environment of the prescribing physician.

Its field salesmen are generally of the class called detail men. Their most important specific purpose is to procure prescription of products rather than sales in the sense of direct exchange. In prior research the detail man had been identified as a leading influence for prescription.

A sample of the industry was drawn and was studied by the survey method using an extensive questionnaire, principally in personal interviews. Mail response also

was used. The result was an unusually high level and representative response. A sales indexed sub-sample was procured which is very closely and consistently typical of the total responding sub-sample.

The range of sales success of the indexed sample for the researched period was substantial. Respondents differed in their self-defining answers regarding whether they consider their field salesman a manager or a non-manager. Rationalizations for these answers were studied and classified pursuant to the theory justified in the study. This rationalization was one of three validations used to verify a de facto concept for a firm. The other two were written job descriptions and the training of experienced salesmen. Two validations were required to accept a de facto concept for a respondent firm.

Statistical test was made of the hypothesis that a significantly positive relation exists between the concept in firms that field salesmen are managers and the success of firms. A dichotomy according to sales index was used as the dependent variable. The hypothesis was upheld ($P < .05$) for the sample and pursuant to the methodology.

The second hypothesis was likewise submitted to statistical test. This hypothesis is that it is a significant trend of marketing management to consider the

field salesman a manager. The hypothesis was upheld ($P < .05$) for the sample and pursuant to the methodology.

Conclusions and Implications

The conclusions and implications to be discussed will be those which are more apparent, significant or challenging. These thoughts are enriched from the auxiliary results of the main study, as presented in the Appendix, and from the extensive, informal content of the personal interviews.

There is interest in business in the field salesman as a manager. A trend toward greater interest is indicated. The ideas of many executives relevant to the theoretical if not practical considerations which make a manager are ill-formed. Managership exists accurately in concept before it exists in fact.

According to this study, in theory the field salesman may operate more productively in concrete situations, especially in complex selling, as a manager than as a non-manager. It follows that this possibility expands if also the salesman is appropriately selected, trained, and supervised. This may require a new kind of man. Auxiliary information, presented in the Appendix, determined that the minimum education among new field salesmen has risen. The education desired of new salesmen is now at full college level. The type of desired education shifts from

specifically pertinent technical knowledge toward business administration education and broader backgrounds. This infers an increasing confidence of firms to train in technical knowledge. However, absence of training of experienced salesmen beyond training in face-to-face salesmanship and other specific activities was notable in the study. To accomplish a productive manager concept among salesmen appropriate training is indicated.

The study shows that no company uses a separate written job description for the inexperienced salesman. The responsibility of the inexperienced salesmen differs significantly both in type and in depth from that of the senior salesmen. Lack of separate job description causes the trainee's responsibility to be inexplicit, vitiates the significance of the experienced salesman, and dilutes the intended discipline of written job descriptions.

Sales success differs significantly among firms. A relationship exists between success and the concept of firms that their field salesmen are managers. Undoubtedly there are larger forces which are causal of this relationship. Such forces probably are fundamental and originate at the core of the firms. These differences, or forces, among firms are believed to be expressed in practice and in the literature by such ideas as decentralization, delegation and control, problem and opportunity definition,

management by objective fact, leadership and supportiveness, responsibility and accountability, and the marketing concept. It may possibly be inferred that positive inclinations in these ideas underlie the concept of the salesman as a manager.

It is questionable whether the marketing concept exists in full or in fact in firms unless it is carried through to the level of the field salesman. So long as personal field selling is seen only as salesmanship doubt about the marketing concept in a firm has legitimacy. The marketing concept should have a "bottom-up" as well as a "top-down" view.

Frequent reference is made in the study to the scalar spectrum of the field selling occupation from simple to complex selling. This theorizes a continuum of occupational variations. The theory has been advanced that as the scale ascends to the complex the possibility increases that the field salesman, in concrete situations, may be a manager. No effort has been made, other than this, to segment the spectrum. No effort has been made, other than to identify negotiating and possibly continuing ingredients, to identify the distinguishing characteristics of complex selling. These are tasks which remain for other research studies.

Limitations

The limitations of this study have been presented in detail in the appropriate places during the course of the report. Reference was made in Chapter II to input limitations. These consist of: the limited preceding literature bearing upon the topic; the desirability of considering a small, single-industry sample of the business universe; the method of data collection; the necessitous economy of money and time. Output limitations are a derivative of input limitations.

The degree to which the empirical conclusions reached by the study can be generalized concerning American industry is uncertain. Uncertainty remains, also, regarding the degree of ascertainment of the de facto concepts of firms. This is a matter about which certainty may never be expressible. Finally, managership certainly is a matter of degree. No account has been taken of degree.

Implications for Further Research

One of the functions of this study is to discover and to infer areas for further research. An obvious suggestion is to test the results of this study (a) by other methods, (b) in other business environments. A valuable study would concern the concepts held by field salesmen themselves, and by their immediate supervisors. This study would be of communications, methods, and concepts in

comparative situations where the salesman is identified as a manager and as a non-manager.

Improved theoretical understanding is desirable of the scalar spectrum which constitutes the occupation, from the simple to the complex, of personal field selling.

With an acceptance that the field salesman may be more productive in appropriate concrete situations as a manager, more description is desirable for identification of these situations.

Important for further study is the subject of managership itself by the field salesman. Is this managership simply another way of doing the same work? Can it merely be a difference of view by the firm and the salesman of the work? Or, is it a yet undescribed, unperformed work?

Tradition has made face-to-face salesmanship in most situations the omega of personal field selling. Not to expose this inheritance to theoretical and to empirical investigation is like being harnessed to driving with a rear-vision mirror. It is the hope that this study may open the way a little to new consideration of the field salesman. In this way we can shift to looking to the future.

APPENDIX A

QUESTIONNAIRE AND SAMPLES OF
CORRESPONDENCE USED IN
DATA COLLECTION

Bureau of Marketing Research
Graduate School of Business Administration
Michigan State University

A Survey of Pharmaceutical Marketing and Sales Executives
on
POLICIES AND PRACTICES AFFECTING MARKETING PERFORMANCE
OF
ETHICAL PHARMACEUTICAL FIELD SALES PERSONNEL

Dr. W. J. E. Crissy, Advisor

Gary A. Marple

John H. Wieland

Research Directors

(This certification is for your file)

CERTIFICATION

This survey is conducted entirely under the research auspices of Michigan State University as a part of the University's doctoral research program in business and for this purpose only.

Cooperation is with the University only.

All information is supplied, held, analyzed and treated in strictest confidence. Answering firms will not be identifiable. They will be number-coded during processing of the statistics. Final statistics will be in the form of aggregates. Thus, all data will be anonymous.

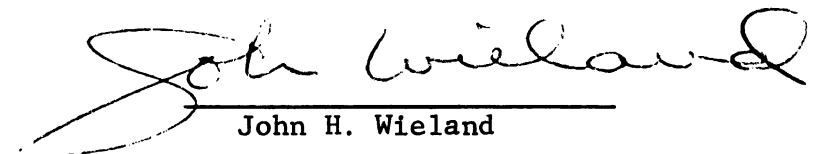
If you request, an advance summary of the findings can be forwarded for your approval.

Valid research requires complete response from all firms. Your fullest cooperation, therefore, is respectfully requested with sincerest appreciation.

July 23, 1962



Gary A. Marple



John H. Wieland

Research Directors



About this Questionnaire.....

The importance to you of the many problems of management of the ethical sales force scarcely needs mention.

The term "marketing concept" has become virtually a management cliché. Yet no basic, new thought has come forward in many years regarding the essential element, the sales force. Especially is this true as to the ethical pharmaceutical salesman.

Those managements that have been intimately consulted say they feel this present research has high promise of value. We think it can be significant to you as a participant.

Your participation is urgently requested.

The questionnaire has been extensively tested. It is planned so that it will be the least burden possible on you.

Three copies of this questionnaire are supplied to you. Two copies are provided to facilitate your execution, for working papers and for your file. This will permit your routing to other of your departments if necessary. One completed copy should be returned to us in the enclosed envelope.

1. For many questions, answers are requested for 1956. However, a major purpose of this questionnaire is to measure change or trend.

Therefore, on questions asking for figures and statistical data, if 1956 was an unusual year, such as one affected by mergers, consolidation or expansion so that information is difficult for you to obtain, please feel free to substitute 1955 or 1957.

On questions regarding policies or practices, if there was a major change of a policy in question during the years 1954, 1955, 1956 or 1957, please use the year preceeding the change as the basis for answering questions related to that policy.

Whenever you use a substitute year, please indicate so.

2. Please check carefully to insure completion of the questionnaire, this is to see that all answers are filled in, especially those from other departments, unless the information is unavailable.
3. If additional space is needed for any answers, or if you wish to make additional statements, please feel free to use the reverse side of the page. Merely identify the statement by the question number.
4. If practices or policies vary in your company please answer the questionnaire in terms of your prevailing practice or of your general policy.
5. It is our request that this questionnaire be executed by line executives at the policy level of the sales organization.

We thank you most sincerely for your cooperation.

An advance copy of the survey results as well as a report of the research will be sent to participants. We are certain you will want these.



1956 period

Present

About the sales job

and the inexperienced salesman

1. In hiring an inexperienced salesman, what did you consider the minimum educational requirement?

High school	<input type="checkbox"/>	<input type="checkbox"/>
Part college	<input type="checkbox"/>	<input type="checkbox"/>
College grad	<input type="checkbox"/>	<input type="checkbox"/>
Post grad	<input type="checkbox"/>	<input type="checkbox"/>
Other: please specify-						

2. What education did you consider desirable?

Please specify level:

Please specify type (i.e., whether and how much pharmacy, business administration, liberal arts, etc.):

3. Did you use a separate written job description* for inexperienced salesmen?

yes ☐ no ☐

yes ☐ no ☐

4. When did you last revise this job description*? _____ year

About the field salesmen's supervisor

5. Did you use a written job description* for the field salesmen's supervisor?

yes ☐ no ☐

yes ☐ no ☐

6. When did you last revise this job description*? _____ year

Now, about your experienced salesmen

7. Did you use any written job description* for salesmen?

yes ☐ no ☐

yes ☐ no ☐

8. When did you last revise this job description*? _____ year

9. What was the percentage distribution of time that you desired of these salesmen?

Physicians	_____%	.	.	.	_____%
Druggists	_____%	.	.	.	_____%
Hospitals	_____%	.	.	.	_____%
Wholesale					
drughouses	_____%	.	.	.	_____%
Other	_____%	.	.	.	_____%

Please supply a copy of each job description for each period, if one used, identifying by date. Please define "job description" as a written analysis, made available to all concerned, of a sales position encompassing the purposes, objective, duties, responsibilities, methods, and/or authorities of the position. Thank you.



1956 period

Present

10. What training, formal or informal, for experienced salesmen was used in addition to training on products, face-to-face salesmanship, deals, execution of reports, advertising?

none ☐

none ☐

If used, please list subjects and explain using reverse side to explain in full.

11. Please describe how your formal training, if any, of experienced salesmen has changed, if it has, over this period, i.e., changed regarding (a) purposes and (b) content (not training media or technique).

12. Please describe how your informal training (i.e., "work with" or other local training by supervisor) of experienced men has changed, if it has, over this period?

13. Did you make any specific effort (other than through generalized training, general meetings, or generalized supervision) to control how the (experienced) salesman spends, or routes, his time?

yes ☐ no ☐

yes ☐ no ☐

If yes, please explain, using reverse side to explain in full.

14. Did you require daily *reports?

yes ☐ no ☐

yes ☐ no ☐

15. Did you require weekly *reports?

yes ☐ no ☐

yes ☐ no ☐

16. Did you require any other regular, periodic *reports?

yes ☐ no ☐

yes ☐ no ☐

Please supply a copy of each report, identified by date and by required frequency, in so far as possible. Thank you.

1956 period

Present

17. Did you require any other, non-periodic *reports?

yes ☐ no ☐

yes ☐ no ☐

Now, about your administration of salesmen

18. Was the frequency of personal, field supervisory contact with experienced salesmen up or down from the previous period?

up ☐
down ☐
same ☐

19. Do you in any ways consider your salesmen to be managers?

yes ☐ no ☐

yes ☐ no ☐

20. If "yes", why and in what ways?

If "no", why not?

21. By what criteria did you evaluate experienced salesmen for purposes of compensation?**

Please check. If more than one checked, please number in order of importance.

By total sales	<input type="checkbox"/>	<input type="checkbox"/>
By total sales quota or standard	<input type="checkbox"/>	<input type="checkbox"/>
By sales of particular products	<input type="checkbox"/>	<input type="checkbox"/>
By quota or standard for particular products	<input type="checkbox"/>	<input type="checkbox"/>
By ***margins on	<input type="checkbox"/>	<input type="checkbox"/>

(please specify)

Other: please specify fully and in detail

(using reverse side to answer if necessary).

<hr/>	<input type="checkbox"/>	<input type="checkbox"/>
<hr/>	<input type="checkbox"/>	<input type="checkbox"/>
<hr/>	<input type="checkbox"/>	<input type="checkbox"/>
<hr/>	<input type="checkbox"/>	<input type="checkbox"/>
<hr/>	<input type="checkbox"/>	<input type="checkbox"/>

22. Did you provide any marketing assistance personnel (in addition to his supervisor) on whom the salesman might call for aid in development of his territory or of particular contacts?

yes ☐ no ☐

yes ☐ no ☐

If yes, please check below:

Sales or potential analysis <input type="checkbox"/>	<input type="checkbox"/>
Technical service <input type="checkbox"/>	<input type="checkbox"/>
Promotional aid <input type="checkbox"/>	<input type="checkbox"/>

If other, please specify:

Please supply a copy of each report, identified by date and by required frequency, in so far as possible. Thank you.

*Please note that for the purpose of this question the method of compensation is irrelevant. The question pertains to your explicit evaluation of experienced men (and for) their jobs.

***Please consider "margins" for this usage to include actual margins or profits, or transfer price, calculated or assumed margins, gross or net

100



1956 period

Present

23. Have you had any increased interest in or given increased consideration to such marketing assistance (as in preceding question) since the earlier period?

yes ☐ no ☐

24. Have your salesmen shown any increased interest in such marketing assistance since the earlier period?

yes ☐ no ☐

25. Did you use expense budgeting in the allocation of or for the usage of....

yes ☐ no ☐

yes ☐ no ☐

If yes, please check if budgeted
for for for for
**district salesman **district salesman

Samples
Literature
Deals, bonus or extra goods
Technical services
If other, please specify:

☐ ☐ ☐ ☐
☐ ☐ ☐ ☐
☐ ☐ ☐ ☐
☐ ☐ ☐ ☐
☐ ☐ ☐ ☐
☐ ☐ ☐ ☐

26. What written production reports did you provide to your salesmen of their performance

Please check if provided to salesmen.
Please specify frequency provided.

1. Total dollar or unit sales
2. Particular products sales
3. Sales to each account
4. Sales to selected accounts
5. *Margins on _____

Frequency Frequency
☐ _____ ☐ _____
☐ _____ ☐ _____
☐ _____ ☐ _____
☐ _____ ☐ _____
☐ _____ ☐ _____

(please specify)

If other, please specify and explain fully (using reverse side if necessary):

6. _____ ☐ _____ ☐ _____
7. _____ ☐ _____ ☐ _____
8. _____ ☐ _____ ☐ _____
9. _____ ☐ _____ ☐ _____

27. If reports (see preceding question) provided to salesmen, which ones compiled and produced from your general office?

Please specify by number or write ALL:
____,____,____,____,____
____,____,____,____,____

28. Did you use EDP (computer) production for any of these reports to salesmen?

yes ☐ no ☐

yes ☐ no ☐

lease consider "margins" for this usage to include actual margins or profits, or transfer-price, calculated or assumed margins, gross or net.

Please define "district" as the administrative unit comprised of salesmen and the first echelon manager.



- | | <u>1956 period</u> | <u>Present</u> |
|---|--|--|
| 29. Did you use <u>formal</u> evaluation interviews between the salesman and his supervisor (i.e., at regular intervals and <u>with</u> use of printed company *forms)? | yes <input type="checkbox"/> no <input type="checkbox"/> | yes <input type="checkbox"/> no <input type="checkbox"/> |
| 30. If "no" to preceding question did you use <u>informal</u> evaluation interviews (i.e., <u>without</u> company forms even if at regular intervals)? | yes <input type="checkbox"/> no <input type="checkbox"/> | yes <input type="checkbox"/> no <input type="checkbox"/> |

If "yes" to either of the preceding questions:

- | | |
|---|---|
| 31. What was the frequency of such evaluation interviews? | Please specify quarterly, annually, etc.
_____ |
| 32. What did you consider the three most important criteria or subjects of evaluation included in these interviews? | Please list in order of importance (using reverse side to explain clearly if necessary):

_____ |

With regard to compensation

33. Regarding the total number of full-time pharmaceutical salesmen employed by your company, please estimate as accurately as possible the following information:

	<u>1956</u>	<u>1961</u>
What amount of money did the <u>average man in the highest paid 10%</u> of the sales force earn during the year?	_____	_____
What amount of money did the <u>average man in the lowest paid 10%</u> of the sales force earn during the year?	_____	_____
What was the average amount earned per man for the <u>total sales force</u> during the year?	_____	_____

- | | |
|--|--|
| 34. Are any of your salesmen members of a union? | yes <input type="checkbox"/> no <input type="checkbox"/> |
| 35. If yes, approximately what percent? | _____ % |
| 36. Also if yes, what, in your opinion, was the reason for salesmen joining the union? (use reverse side if necessary) | _____ % |

	<u>1956 period</u>	<u>Present</u>
37. Are salesmen expected to perform a specified number of calls per man per week?	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>
38. Are automobiles used for travel? (If not, go directly to question 47)	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>
39. If yes, have your policies* regarding purchase, use and reimbursement changed from the last period?		yes <input type="checkbox"/> no <input type="checkbox"/>
40. Please check as to whether automobiles are:		
a. Company owned	_____	_____
b. purchased and owned by salesman	_____	_____
c. leased	_____	_____
d. other (please describe)	_____	_____

41. If purchased and owned by salesman, did your company assist him in purchasing the car?	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>
42. If yes, please describe how the company assisted in purchase:	_____ _____ _____	_____ _____ _____
43. If automobiles are privately owned by the salesman, how are the salesmen compensated for the use of their auto? (check those which apply)		
a. flat allowance per mile	_____	_____
b. flat amount per month	_____	_____
c. combination amount per month plus allowance per mile.	_____	_____
d. other (please describe)	_____	_____

44. If automobiles are "company owned," "leased," "other," or if the company assists in purchasing a car owned by the salesman, does the salesman have a choice of makes and models to drive?	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>

*Please supply a copy of these policies, both those presently in force and those of the preceeding period, if available. If the policies answer questions 40 through 46, omit them and go directly to question 47.



1956 period

Present

45. If yes, what makes and models were available to him? (use reverse side if necessary)

46. How were these choices determined?
(For example: "Men working with the company for more than five years may have their choice of any automobile up to and including a Pontiac Bonneville," etc.) (Use reverse side if necessary)

Regarding questions 47 through 51: If you have written policies and procedures on compensation, please provide a copy. If the written statements contain all of the answers needed in questions 47 through 54, omit and go directly to question 55.

47. Regarding your present compensation program, please complete the following by placing a check mark in the relevant square for each group of salesmen in your company. (Under the column headings, if you separate your salesmen into more than two categories of "trainees" and "experienced salesmen," please specify them under the "other" headings and indicate their method of compensation separately. If compensation is optional with certain salesmen's categories, please state "optional" in the relevant squares under that category.)

Method of compensation	trainees	experienced salesmen	other	other
Salary only				
Salary plus commission				
Salary plus bonus				
Salary, bonus and commission				
Bonus only				
Commission only				
Drawing account with bonus or commission				
Other (please describe below)				

48. Please indicate, by placing a check in the relevant square, the method used in computing the bonus or commission to be paid:

Method computation	train- ees	experienced salesmen	other	other	computation re- lated to quota?	
					yes	no
Percent of gross margin						
Percent of sales						
Bonus for each prod- uct category						
New account sales						
Profitability of sales						
Other (please describe below)						

49. Is the commission or bonus portion of your plan: (check one)

___a) related to identifiable and direct efforts of individual salesmen?

___b) pooled and then divided among the men?

50. If pooled, how is the pool divided?

___a) management judgment only.

___b) specific performance factors which are discussed with the
salesmen.

___c) other (please describe) _____

	<u>1956 period</u>		<u>Present</u>	
51. Did you reimburse for meals and lodging expense?	yes <input type="checkbox"/>	no <input type="checkbox"/>	yes <input type="checkbox"/>	no <input type="checkbox"/>
52. If yes, did you specify fixed limits per day for meals and/or lodging?	yes <input type="checkbox"/>	no <input type="checkbox"/>	yes <input type="checkbox"/>	no <input type="checkbox"/>
53. Or, if yes, did your salesman have a budget for such expense?	yes <input type="checkbox"/>	no <input type="checkbox"/>	yes <input type="checkbox"/>	no <input type="checkbox"/>

54. Some companies provide items such as pension plans, life insurance, etc., free of charge to salesmen. Others enable salesmen to purchase the items at a reduced rate by special company arrangement or by sharing the costs of such plans with the salesmen. Please indicate with a checkmark in the appropriate squares whether the following items are provided for, or available to the salesmen. If yes, please indicate who pays for the items.

Provided for or available through company arrangements:	yes	no	Paid for by:		
			company	salesman	both*
Pension or retirement plan					
Hospitalization insurance**					
Insurance for Physician's fees***					
Life insurance					
Auto insurance					
Other (please specify)					

If both contribute to the expense, please indicate the approximate proportions of contribution by giving the percent paid by the company.

*Hospitalization insurance is defined to mean an insurance policy which covers the patient's costs for rooms, services, and diagnostic and therapeutic facilities while hospitalized. An example would be the Blue Cross plan.

**Insurance for physician's fees is defined to mean a policy which covers physician's, surgeon's and specialist's fees while hospitalized or in emergencies and excepting routine office calls. An example would be the Blue Shield plan.



Regarding questions 55 through 80. These questions are in regard to attitudes and opinions on salesmen's compensation. Consequently, they must be completed by a line sales executive at the policy level.

When completing the following questions, please answer from your own personal point of view, rather than from the company's point of view or as an industry representative.

Immediately below each of the following statements you will find five letters, A, B, C, D, & E. Please read the statement and then circle letter "A" if you strongly agree, "B" if you agree, "C" if you are undecided, "D" if you disagree, and "E" if you strongly disagree.

55. An experienced and competent salesman thinks of opportunity rather than security of income.

A B C D E

56. The experienced and competent salesman is not concerned regarding week-to-week or month-to-month fluctuations in earnings, but concentrates on total annual earnings.

A B C D E

57. Salesmen as a group are generally less concerned with security of income than are other employee groups.

A B C D E

58. The important factor is not security of income, but rather, the salesman's self confidence of his sales ability. If his selfconfidence is high, his concern with security is low and vice versa.

A B C D E

59. Our company sales compensation plan is too concerned with security.

A B C D E

60. There is some minimum amount of security needed in any sales compensation plan. If this minimum amount is not provided, one finds it very difficult to hire and retain good salesmen.

A B C D E

61. Too much security of income will cause poor salesmanship.

A B C D E

62. Salesmen in the ethical pharmaceutical field today have too much income security.

A B C D E

63. A good sales compensation plan always provides an incentive to the salesman to earn more money.

A B C D E

64. Money is probably the strongest incentive affecting salesmens' performance.

A B C D E

65. One of the major problems in using a commission plan is that it tends to cause salesmen to "oversell" the customers.

A B C D E

66. Sales contests tend to undermine the professional attitude toward selling.

A B C D E

67. An automobile is an extremely important incentive to salesmen.

A B C D E

68. A sales compensation plan should not have a maximum earnings limitation. The salesman should be able to earn as much as he is able, even if it is more than the sales manager's income.

A B C D E

69. There is probably too much emphasis on incentives today; either a man is an interested and effective salesman or he isn't, and incentives won't change his behavior very much.

A B C D E

70. Group incentives such as a bonus pool or shared commissions are more meaningful to the company because selling is a team effort.

A B C D E

71. Contests, properly designed and operated, are more effective as an incentive than are commission or bonus plans.

A B C D E

72. Non monetary incentives such as free trips to Europe, outstanding salesman of the year awards, etc., tend to be more important to salesmen than cash incentives.

A B C D E

73. What a manager considers as being a fair and equitable compensation plan is often different from what a salesman considers as fair and equitable.

A B C D E

74. To be fair, a compensation plan should provide a salesman with earnings which are at least equal to the average earnings of salesmen in his industry.

A B C D E

75. Men of equal productivity should receive equal pay regardless of time with the company.

A B C D E



76. A guaranteed minimum income is fair to the salesman, and a guaranteed maximum is fair to the company.

A B C D E

77. A salesman should not be allowed to earn an income which is equal to or greater than his superior, because the salesman does not have managerial responsibilities to perform.

A B C D E

78. A sales compensation plan should provide additional income for additional investments of the salesman's leisure time in such activities as night school, extra training sessions, special duties, etc.

A B C D E

79. In the final analysis, it is measurable sales results that should determine a man's income, and not years of service, amount of responsibility, degrees received in college, or any other basis which is not directly related to sales results.

A B C D E

80. Please rank the following criteria in what you feel to be their order of importance regarding an effective compensation plan:

- | | |
|---|-------|
| a. ease of administration | _____ |
| b. flexibility to meet changing requirements | _____ |
| c. fairness to company and salesmen | _____ |
| d. understandable to salesmen | _____ |
| e. incentive to salesman to perform his
job requirements | _____ |
| f. provide security of income to salesman | _____ |
| g. expense of computation and operation
of plan | _____ |
| Other (please specify): | _____ |
| _____ | _____ |
| _____ | _____ |

Finally, about your company:

(All data are strictly confidential. The following questions are only for the purpose of classifying data from the questionnaire so that a meaningful analysis can be made.)

	<u>1956</u>	<u>1961</u>
81. Total number of pharmaceutical field salesmen employed end of year?	_____	_____
82. Number of new salesmen hired during year?	_____	_____
83. Number of salesmen leaving a sales job for any reason during the year?	_____	_____

	<u>1956</u>	<u>1961</u>
Of these approximately what percent		
a). were promoted or transfered out of salesman job?	_____	_____
b). left company voluntarily?	_____	_____
c). left company through retirement?	_____	_____
d). left company for other reasons (e.g. released, forced to leave due to poor health, etc.)?	_____	_____
84. Number of immediate field supervisors of salesmen, end of year?	_____	_____
85. Total number of "districts" (a district being defined as the administrative unit comprised of salesmen and the first echelon manager), end of year?	_____	_____
86. What was your <u>salesmen's expense</u> as a percentage of sales (using the same basis of calculation for each year)?	_____ %	_____ %
87. If there was a change of percentage in your answer to the above, please comment on the principle causative factor: _____ _____ _____		
88. What was your <u>total, direct field expense</u> as a percentage of sales (using the same basis of calculation for each year)?	_____ %	_____ %
89. If there was a change of percentage in your answer to the above, please comment on the principle causative factor: _____ _____ _____		
90. Did your company keep records on the total number of pharmaceutical invoice lines?	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>
91. If yes, what was the total number of pharmaceutical invoice lines?	_____	_____
92. Did your company record the total number of pharmaceutical orders?	yes <input type="checkbox"/> no <input type="checkbox"/>	yes <input type="checkbox"/> no <input type="checkbox"/>
93. If yes, what were these totals?	_____	_____
94. Approximately how many different pharmaceutical products are sold by your company?	_____	_____



- | | <u>1956</u> | <u>1961</u> |
|---|-------------|-------------|
| 95. What percent of the total pharmaceutical sales for each year (1956 and 1961) was accounted for by the two major products of that year? | _____ % | _____ % |
| 96. What percent of the total pharmaceutical sales for 1961 was accounted for by the two major products of 1956? | | _____ % |
| 97. <u>Total</u> pharmaceutical sales? | \$ _____ | \$ _____ |
| 98. What was your fiscal year pharmaceutical net profit? | _____ | _____ |
| 99. What was your company's total reported net profit? | _____ | _____ |
| 100. Please check which of the following methods of distribution are used by your company, and approximately what percent of the company's total pharmaceutical sales are distributed by each method: | | |

(Check)	Method of distribution	Approximate percent distributed by this method
_____	a) Direct to independent retail druggists	_____ %
_____	b) Direct to physicians	_____ %
_____	c) Direct to hospitals	_____ %
_____	d) Direct to chain retail druggists	_____ %
_____	e) Through wholesale drug houses	_____ %
_____	f) other	_____ %
		<u>100</u> %

101. What is the title of your position with your company? _____

Signed (if you wish) _____

July 6, 1962

Office of the Executive Vice President
[REDACTED]

Dear Sir:

The Bureau of Marketing Research of the Graduate School of Business Administration would like to have the names and titles of your company's top sales and marketing managers and of the executive to whom they are responsible.

Would you kindly provide a list of these persons, along with the name and title of the person to whom they are responsible? For example:

John Jones, General Sales Manager; reports to Jim Smith,
Executive Vice President

or

John Jones, V. P. (Sales), Richard Roe, V. P. (Marketing)
report to Jim Smith, Executive Vice President

Your attention to this matter is very sincerely appreciated.

Very truly yours,

Gary A. Marple

John H. Wieland
Research Directors

Dr. W. J. E. Crissy
Advisor

July 6, 1962

Office of the Executive Vice President

Dear Sir:

The Bureau of Marketing Research at the Franklin School of Business Administration would like to have the names and titles of your company's top sales and marketing managers and of the executives to whom they are responsible.

Would you kindly provide a list of these persons, along with the name and title of the person to whom they are responsible? Your cooperation is appreciated.

John Jones, General Sales Manager, reports to the Chief Executive Vice President of the company.

Your attention to this matter is very sincerely appreciated.

Very truly yours,

Gary A. Mangle

John H. Mangle
Research Director
Dr. W. J. R. Givens
Advisor

July 24, 1962

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
Dear Mr. [REDACTED]:

We hardly need to mention the importance of the problems of the ethical sales force. Most of them have never benefited from careful, independent research.

The aim of our research is to measure variations in practices, trends and correlations of management in terms of the detailing salesman and, in correlation with criteria of corporate success, such as growth.

You might ask: why is this a survey of the ethical sales force? We believe the ethical sales force represents one of the purest forms of modern selling and is of great importance to corporate success.

The only need is your execution of the questionnaire.

As you well know a 100% response from cooperating firms is important.

A certification of this research is enclosed with the questionnaire.

As a participant you will receive an advance copy of the survey results. We are certain you will find this valuable.

It is possible that this research may make discoveries or interpretations of significance to managements.

We will telephone you for an appointment to visit you to execute the questionnaire.

We thank you sincerely for your cooperation.

Very truly yours,

Gary A. Marple

John H. Wieland
Research Directors

Dr. W. J. E. Grissy
Advisor

Attachments:
Questionnaire (3 copies)
Return envelope

[REDACTED]

to be used in the
of the [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED]

The [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]

You might [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]

The [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]

as you will [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]

as a [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]

It is [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]

It will [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]

No [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]

July 24, 1962

[REDACTED]
Executive Vice President
[REDACTED] New York, NY
[REDACTED]
Dear Mr. [REDACTED]:

We hardly need to mention the importance of the problems of the ethical sales force. Most of them have never benefited from careful, independent research.

The aim of our research is to measure variations in practices, trends and correlations of management in terms of the detailing salesman and, in correlation with criteria of corporate success, such as growth.

You might ask: why is this a survey of the ethical sales force? We believe the ethical sales force represents one of the purest forms of modern selling and is of great importance to corporate success.

The only need is your execution of the questionnaire.

As you well know a 100% response from cooperating firms is important.

A certification of this research is enclosed with the questionnaire.

As a participant you will receive an advance copy of the survey results. We are certain you will find this valuable.

It is possible that this research may make discoveries or interpretations of significance to managements.

We thank you sincerely for your cooperation which we hope will be prompt.

Very truly yours,

Gary A. Marple

John H. Wieland
Research Directors

Dr. W. J. E. Crissy
Advisor

Attachments:
Questionnaire (3 copies)
Return envelope



Dear Mr. [redacted]

We hardly need to mention
special sales forces. Most of the
residents remain

The aim of our research is to
correlations of [redacted] and [redacted]
in [redacted] with [redacted]

You might be interested to
know the [redacted] and [redacted]
[redacted] and [redacted]

The only [redacted] is [redacted]
[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]
[redacted] [redacted] [redacted]

as a [redacted] [redacted] [redacted]
[redacted] [redacted] [redacted]

If [redacted] [redacted] [redacted]
[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]
[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]
[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]
[redacted] [redacted] [redacted]

[redacted] [redacted] [redacted]
[redacted] [redacted] [redacted]

August 6, 1962

[REDACTED]
[REDACTED] Vice President
[REDACTED]
[REDACTED] Division of New Johnson & Company
[REDACTED]

Dear Mr. [REDACTED]:

About 10 days ago we wrote to you about our research on selected sales management problems encountered by firms in the pharmaceutical industry.

Numerous completed questionnaires have been returned. Yours may be among them. As you know, responses can be anonymous. On the other hand, you may have the questionnaire well along toward completion but as yet have not transmitted it.

If, by chance, the earlier file has been mislaid use the enclosed.

We cannot too hopefully express our request for your participation in this research.

We sincerely thank you for your interest.

Very truly yours,

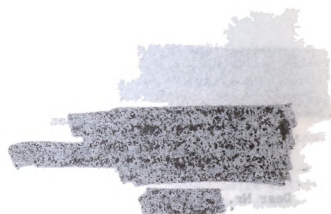
Gary A. Marple

John H. Wieland
Research Directors

Attachments:

Copy, letter of July 25, 1962
Questionnaire (3 copies)
Return envelope

Dr. W. J. E. Crissy
Advisor



about 1940, and
selected and
has been

known as the
On the other hand,
found

It is by

We have

the

and

and

and

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and

and

and

August 17, 1962

[REDACTED]

Dear Mr. [REDACTED]

If you have any questions or any problems about the research into sales management regarding which we have written to you, we hope you will be in touch with us immediately by phone or mail.

Only a few questionnaires have not been returned. Our questionnaire permitted anonymity as you know. Thus, it may be that your response has been received here. In this event, please excuse this additional contact.

Preliminary tabulations and analyses indicate that there should be a considerable amount of information of value to sales management operations.

However, full validity of the findings rests on a full return of the questionnaires.

If you have not responded but intend to do so--which we do strongly urge--we hope we can benefit from your early reply.

We thank you sincerely.

Very truly yours,

Gary A. Marple

John H. Wieland

Research Directors

Dear Mr. [REDACTED]

1. The first step in the process of identifying a problem is to define the problem. This involves identifying the symptoms of the problem and determining the scope of the problem. Once the problem has been defined, the next step is to identify the causes of the problem. This involves identifying the factors that are contributing to the problem and determining the underlying causes. Once the causes have been identified, the next step is to develop a plan of action. This involves identifying the steps that need to be taken to solve the problem and determining the resources that will be needed to implement the plan. Finally, the last step in the process is to implement the plan and monitor the results. This involves putting the plan into action and tracking the progress of the solution. Once the problem has been solved, the final step is to evaluate the results and determine if the solution was effective. This involves comparing the results of the solution to the original problem and determining if the problem has been solved.

[illegible]

1. 2000 年 1 月 1 日以前

$$\begin{aligned}
 \mathcal{L}_1 &= \mathcal{L}_1(\mathbf{y}, \mathbf{y}^*) = \sum_{i=1}^n \ell(y_i, y_i^*) \\
 &= \sum_{i=1}^n \left(\frac{1}{2} (y_i - y_i^*)^2 \right) \\
 &= \frac{1}{2} \sum_{i=1}^n (y_i - y_i^*)^2
 \end{aligned}$$

John A. Johnson

APPENDIX B

RESEARCH MEMORANDUM TO COOPERATING FIRMS

Following this page is presented the report to sample members who cooperated in this study. Dated June 23, 1963, this report is entitled "Research Memorandum to Cooperating Firms on Policies and Practices Affecting Marketing Performance of Ethical Pharmaceutical Field Salesmen."



Research Memorandum

To

Cooperating Firms

On

Policies and Practices Affecting Marketing Performance

Of

Ethical Pharmaceutical Field Salesmen

June 23, 1963

John Wieland
Associate Professor of Marketing
The University of Arizona
Tucson, Arizona



Research Memorandum
to
Cooperating Firms

John Wieland
Associate Professor of Marketing
The University of Arizona
Tucson, Arizona

I. Background

This is research conducted in partial fulfillment of the requirements of the Ph.D. degree of the Graduate School of Business Administration, Michigan State University. The survey portion of the research consisted of administration of a tested questionnaire to top executives responsible for the sales forces of a sample of firms in the ethical pharmaceutical industry. It pertained to policies and practices affecting marketing performance of field salesmen.

The survey was principally conducted in August, 1962, and was concluded in the following months. This was a joint undertaking of Mr. Gary A. Marple and of this author whose concerns, while differing distinctly, would be served economically by cooperating firms in this joint manner.

The objective of this author's research is to test these hypothesis: (1) that the trend of sales management is to treat the field salesman as a market manager; (2) that this treatment by firms tends to correlate with criteria of success of firms.

II. Purpose of this Memorandum

The purpose of the present report is to provide selected, partial results, from preliminary statistical analysis of the survey-produced data, to the cooperating respondents of the survey. This is not a report designed to be pertinent to the hypothesis.

Assemblage of the data of the research is not complete. Correlations have not been performed nor have tests of statistical significance been applied. However, the data herein is believed to be representative, reliable and of significance.

III. Sample and Survey Method

An industry authority selected a sample of 33 ethical drug firms as representative of the industry. Of these, 28 responded extensively: 20 in personal interviews based on a 100 item structured and probed questionnaire, eight by mail on the identical questionnaire. The percentages of response were - 87% of sample firms selected for personal interview; 80% of sample firms selected for mail response; 85% of total sample.

The 28 responding firms represent, according to a confidential authoritative research source, approximately 75% of domestic ethical pharmaceutical sales.

Seven of the 28 respondent firms did not complete the questionnaire by divulging either domestic dollar sales or an index of sales. A

purpose of the research is to relate sales policy and practice to criteria of success of firms, sales being used as this criteria. The dates used for measurement of change were year ends of 1956 and of 1961 for statistical data and 1956 and 1962 (the "present") for policies and practices.

The percentages of responding firms (21 firms) for which sales indexes are available are - 80% of personal interview firms; 62.5% of mail response firms; 75% of total responding firms.

The foregoing indicates that the sample represents a high degree of typicality and should permit a high degree of confidence.

IV. Success of Firms

The criteria of success of firms to be used is their change in domestic ethical drug dollar volume of sales. The period to be measured is 1961 versus 1956.

An array of the 21 sales indexed firms divulges that sales for 1961 ranged widely among the firms from 92% to 500% of 1956. Half of the firms had approximately 50% or more increase of sales; half less. The top one-fourth of firms increased sales by double or more. Arranged in quartiles the success of firms was as follows:

	1961 Sales Index	
	Range	Unweighted Mean
	(1956=100)	
First quartile (firms with highest sales success)	200 - 500	304
Second quartile	150 - 171	157
Third "	125 - 149	136
Fourth "	92 - 103	102
Unweighted mean average, 171		
Median, 149		

Three observations from an analysis of the survey appear to be

Possible with regard to the foregoing:

- 1) firms with initially smaller sales forces produced higher sales gains, and vice versa;
- 2) firms with shorter, specialty product lines produced higher sales gains, and vice versa;
- 3) firms with high and/or increasing concentration of sales in few products produced higher sales gains, and vice versa.

These observations are not necessarily surprising. They may reflect (a) results from initial relative lack of market coverage or penetration, (b) results from unique product development on which marketing and sales management capitalizes, (c) results from combinations of causes.

V. Sales Forces

Twenty seven firms responded with data on size of their sales forces. The respondents constitute a spectrum of sales force size from 65 to 918 field salesmen in 1956 and from 85 to 1,038 field salesmen in 1961.

The following table analyzes the size of sales force and change of size of sales force among the 21 sales indexed firms. The data is typical of the 27 responding firms. This has the value of (1) further describing the sample, (2) revealing the sizes of firms, (3) permitting comparisons of change of sales forces with change of sales.

The data of this table shows the wide range in sales force size (thus, probably roughly the range in gross domestic ethical drug sales of firms); the greater erraticness of sales force change and of sales success among smaller firms; a general tendency for sales to rise more than sales force size and more for smaller than for larger firms; some reductions of sales force; and probable wide differences of productivity (sales) per salesman.

Grouped Sizes of Sales Force: # of Field Salesmen, 1956	# of Firms	Index of Sales Force Size (1956 = 100)		Index of Sales (1956 = 100)	
		Range of Index, 1961	Mean Index, 1961	Range of Index, 1961	Mean Index, 1961
65 - 180	9	90 - 469	196	92 - 500	216
247 - 432	6	70 - 142	115	95 - 200	139
590 - 918	6	108 - 136	119	103 - 171	134
	<u>21</u>				

Means are unweighted

An additional calculation will be significant. This is to deflate the sales indexes of firms as analyzed in quartiles on page four, above, by the paired change of size of the sales force of the identical firm. This permits an index of productivity per salesman which is a vital factor in effective, profitable marketing.

Beyond strengthening the analysis of preceding tables the following table verifies the possibility of wide differences in productivity (sales) per salesman. Some firms in this period greatly increased sales per salesman, others seriously declined.

(1956 = 100)						
Sales Index Quartile	Sales Index		Sales Force Size Index		Gain (or Loss) of Productivity per Salesman	
	Range	Mean	Range	Mean	Range	Mean
First	200-500	304	141-469	250.4	31-100	53.6
Second	150-171	157	109-146	125.8	4-59	31.2
Third	125-149	136	111-180	132.2	(52)-38	3.8
Fourth	92-103	102	70-118	102.4	(23)-28	(0.4)

Means are unweighted

() indicates loss



VI. Selected Inferences and Data Pertaining to Policies and Practices Affecting Marketing Performance of Field Salesmen

A. Control of Salesmen

1. Control of salesman's time and routing

Specific control of the experienced salesman's time and routing has increased. This is now the common policy among firms. By their own statements 13 firms of 28 (46%) believed they practiced this control in 1956 compared to 21 firms (75%) in 1962. The reference is, to quote from the questionnaire, "specific efforts to control (other than through generalized training, general meetings, or generalized supervision) how the experienced salesman spends, or routes, his time." However, it is beginning to appear significantly in the analysis that control, in this sense, is less practiced by firms of higher sales index.

2. Specification of number of calls per week

The percent of firms practicing specification of calls to be made by salesmen remains constant in 1962 from 1956 at about 75%. There appears to be a greater tendency not to lay down a call specification per day or per week among firms of higher sales index.

3. Supervisor's contact frequency with field salesmen

Stepped-up frequency of contact of supervisors with experienced salesmen is reported by 25 of 28 firms in comparison of 1962 with 1956.

4. Ratio of salesmen per supervisor

Among the 21 sales indexed firms the median number of salesmen per supervisor at the year end of 1961 was 11.6 whereas at the year end of 1956 the figure was 13.2. For 1961 the range reached from 6.8 salesmen per supervisor to 17.6. Obviously, this range represents widely divergent managerial costs. 80% of firms lowered the ratio of salesmen to supervisor in the period 1956 - 1961.

Eight out of the highest 10 and 10 out of the highest 13 sales index firms had salesman-supervisor ratios equal to or less than the median for 21 firms. That is to say, firms with high numbers of salesmen to supervisors were more heavily represented among firms with low sales indexes. The causes and effects, of course, of supervisory ratios are numerous.

B. Selection of Salesmen

1. Minimum and desired quantity of education of inexperienced salesmen

There is an upward shift of the educational minimum for inexperienced salesmen, but it is slight. Of 28 firms 13 (46%) now have a full college education as a minimum among new, inexperienced salesmen.

The desire for a full college education from new, inexperienced salesmen in contrast with the minimum of actual hiring is 100% among firms.

2. Type of desired education

In 1956 the desires of firms for educational types among

inexperienced salesmen were - 50% pharmacy training, 47% bio-science training. There was then no indicated desire for business administration training.

Three types of change occurred by 1962; decrease of pharmacy preference to 22%; increase of business administration preference to 16%; increase of "no preference" and liberal arts preference, combined, to 20%. Bio-science held close to its previous percentage of preference.

Underlying this shift there may be two phenomena which by inference appear as well in other places in the analysis of this survey: increased confidence of firms in their capacity to train salesmen in product and technical matters; increased confidence of firms in their ability to select man-types.

C. Job Description

No firm reports use of a separate, formal job description for inexperienced salesmen. This may be an oversight by firms.

The use of formal, written job description for the field salesman doubled in 1962 over 1956 becoming 78% of firms. Three-fourths of firms using a formal salesman job description revised it between 1956 and 1962. Observation of revisions of job description indicates the possibility of an emerging tendency toward a more operative and directive description in terms of explicit territorial responsibility and of end-result, less of a behavioral and generalized nature.

D. Job Evaluation

Evaluation of the job performance of salesmen is of two distinct types and purposes: for compensation review and determination; for

training and for explicit self-improvement and supervisory guidance. Some firms do not make this proper distinction.

An analysis of the criteria stated by firms for evaluation of their salesmen for compensation shows change away from total sales to more discrete criteria of evaluation. In the survey firms were asked to assign a ranking among their multiple criteria of evaluation for compensation. The following table analyzes the reported top-ranked criteria.

<u>Top-ranked Criteria Used by Firms</u> <u>Evaluating Salesmen for Compensation</u> (21 sales indexed firms)			1956	1962
1)	Evaluation by <u>total sales</u> or quota		15 firms	8 firms
2)	Evaluation by sales of <u>particular products</u> or quotas		2	6
3)	Subjective evaluation: By <u>production</u> , such as "coverage of MD lists," "progress in area," "organization and planning"		1	4
4)	By <u>behavioral measures</u> , such as "ability," "willingness," "cooperation," "motivation," "potential"		3	3
			<u>21</u>	<u>21</u>

High sales index firms are distinguishable by greater use of more discrete criteria for evaluation.

Evaluation of salesmen for purposes of training, self-development and guidance has become more rigorous and formal between the salesman

and his supervisor. 35% of firms reported use of formal evaluation methods between supervisor and salesman in 1956, some firms saying these then were more "lip service" procedures than otherwise. In 1962 almost 80% of firms use formal procedures. The tendency is to shorten the interval between formal evaluations. The use of quarterly frequency is increasing. One firm has a longer interval than annual. One firm has discontinued formal evaluation consultations "except when necessary."

E. Structured Information Procedures (Reports)

1. Reports from salesmen

In the period 1956-1962 most firms made changes in reports required from salesmen toward simplification of method and/or of content, and in the direction of more discriminative content. Change has been facilitated in part by almost universal adoption of IBM tabulation and by some usage of EDP (electronic data-computer-processing).

Some change has been made from the daily dispatch of the salesman's report to weekly frequency. Only 40% of high sales index firms require daily report whereas 90% of lower sales index firms have this requirement.

2. Reports to salesmen

Significant change occurs in 1962 versus 1956 toward report of sales of particular products and of sales to particular accounts. Little change occurs in frequency of reports. Major change occurs in reduction of



the time lag of availability of reports. In 1962 the time lag averages one-half the lag of 1956. Summaries of detail activity are increasingly provided to salesmen rather than prepared by salesmen.

F. Authority in Salesmen to Utilize
Specialist Assistance

Inquiry was made in the survey as to authority in the salesman, subject to channels, to call on specialist assistance of technical, market analysis, or promotional nature. Existence of this authority and method of assistance was nominal in 1956. It is more than doubled in 1962. It may be inferred that 40% of firms utilize some of this structure of authority and method.

An interest of firms in the value of this procedure is almost unanimous according to their statements.

G. Training

In this connection it is well to reproduce this item from the questionnaire: "What training, formal or informal, for experienced salesmen was used in addition to training in products, face-to-face salesmanship, deals, execution of reports, advertising?" No such training was reported for 1956. For 1962 it is interpreted that nine firms had some training beyond the exclusion of the question. Increased training occurs pertaining to medical knowledge and in public speaking but both are interpreted in the analysis as within the exclusion of the question.

The purpose of the question is to be sensitive to managerial-



type training for salesmen which is interpreted to stress planning, organizing, execution, control, and evaluation - the functions of managers in dynamic, adaptive circumstances. The nine above mentioned firms tend to be among those of higher sales index.

H. Look upon Salesman as a Manager

The term "manager" often is loosely used in the practical affairs of business. The meaning varies among men and among firms. Yet in practice as in theory it is the operating philosophy and method of men and of organizations that make men managers or their positions managerial. A manager is a concept before it is a fact.

Allowing the definition of a manager to be unspecified it was of interest to procure in the survey from firms in their own terms their stated concept of their salesman. Out of 28 firms 24 say that in some ways they consider their salesman to be a manager in 1962. There are 19 firms which say they would have described their salesman in some ways as a manager in 1956. Thus, there has been an expansion of this concept.

Some responses are social rather than operative. One firm frankly uses the managerial term, in an unofficial or sales promotion-type context, as an offset to the asserted problem of status attached to such terms as salesman or detail man. Another firm strongly opposes any amelioration of the salesman title.

Two firms rule out the managerial concept for their salesman with such thoughts as "we do not wish to dilute the primary responsibility"

or "we conceive of a manager as one who is responsible for people." Two firms self-identify their concept of their salesman to be "more managerial in 1962" than earlier. Other firms apply the managerial thought to their salesman in such generalized, ambiguous terms as "he manages his territory for maximum profitable sales," or "he manages his territory as if it is his own business within company policy." Most respondents admit that their managerial reference to their salesman is in a "loose sense." No firm appears explicitly to emphasize the managerial concept. One firm with candor expresses itself: "the salesman is not a manager; he does what he is told."

Turning attention to the 21 sales indexed firms and to a widely accepted, definitive concept of a manager is instructive. This defines management as that activity which consists of planning, organizing, executing, controlling and evaluating among alternative courses of action directed toward economic results. Within this definition loosely from an analysis of the responses and facts from the survey it is emerging that approximately in a dozen firms the salesman may be considered to act to an extent managerially in his assigned market. Most of these firms are among those of high sales index.

I. Compensation

Compensation of the sales force is not a problem of the research of this author. It is specific to the subject of my research associate who also will report to cooperating firms. Compensation of the salesman is a topic of such vital interest to sales management, however, that to omit



reference to it entirely will leave a significant void in this report. A partial analysis follows.

Respondents to this survey reported their method of compensation of salesman. They reported the amount of compensation in three data: the average of the highest compensated 10% of the sales force; the average of all field salesmen; the average of the lowest compensated 10%.

1. Compensation method

Of the 21 sales indexed firms seven report use of commission plans (with or without bonus), 11 report use of bonus but not commission plans, three report payment of salary only. Analysis indicates that commission plans tend to be concentrated among high sales index firms.

2. Compensation amount

The table on the following page presents ranges and averages of annual compensation of salesmen by the three data. The analysis is by quartiles of sales indexed firms. Correlation approaches zero except that increase of compensation 1956 - 1962 tends to ascend with higher sales index.

	1961 Annual Compensation of Salesmen						% Increase of Compensation from 1956					
	Range			Unweighted Mean Average			Range			Unweighted Mean Average		
Quartile of Sales Indexed Firms	Average of Low 10%	Average of Total	Average of High 10%	Average of Low 10%	Average of Total	Average of High 10%	Average of Low 10%	Average of Total	Average of High 10%	Average of Low 10%	Average of Total	Average of High 10%
1st quartile	\$5,300 -6,000	\$6,700 -8,500	\$8,500 -12,400	\$5,740	\$7,680	\$10,880	6% -33%	12% -21%	8% -44%	15.8%	16.8%	28.8%
2nd "	5,100 -7,200	6,900 -8,800	10,400 -13,000	5,620	8,020	11,060	13 -57	13 -60	4 -50	31.0	32.5	27.2
3rd "	6,000 -7,000	8,000 -9,400	9,300 -15,000	6,500	8,500	11,860	9 -36	4 -22	10 -26	23.0	15.6	19.6
4th "	4,800 -7,400	5,900 -8,800	7,300 -11,000	5,920	7,280	8,980	9 -25	6 -31	5 -31	16.0	14.0	14.0

APPENDIX C

MEMORANDUM REGARDING SELECTED EXTRANEOUS VARIABLES

There are powerful variables operative on the success of firms which are outside the research problem of this thesis. It should be unnecessary to enumerate these variables.

It may be said, based on the informal content of the survey interviews of this research, that some members of the ethical drug industry consider three variables to have been strongly related to the relative success of firms in the period of this research (1956-61). These are size of firm, length of product line, and product research and development. Data possibly permitting inferences relating to these variables were gathered in ancillary portions of the survey questionnaire. The following discussion will be brief and will relate to the sales indexed sample of firms.

Size of Firm

There is opinion in the ethical pharmaceutical industry that the researched period has been one wherein the smaller firm has been more successful than the larger firm. This is a testable hypothesis.

For reasons which have been amply discussed elsewhere (relating to the non-public nature of most members of this industry, and thus, of the research sample), absolute data regarding size of sales, profits, and assets are not available. The research procured data reporting absolute sizes of sales forces. Sizes of sales forces, for various reasons, can be but approximations of sizes of firms. Yet they are useful approximations.

Because to present an array of sizes of sales forces in the usual manner of quartiles would be inadequately descriptive, Table C-1 uses arbitrary, homogeneous, frequency groupings. The table will be permitted to be self-explanatory, except to point out that smaller sales forces are observed to tend to grow more rapidly than larger ones.

TABLE C-1.--Sizes of sales forces of 21 sales indexed firms:
1956 and 1961

Group #	# of Firms in Group	Number of Field Salesmen				% of Change of Means, 1956-1961
		1956		1961		
		Range	Mean	Range	Mean	
1	6	65-105	84	85-375	171	104
2	3	145-180	162	234-325	270	67
3	6	247-432	319	214-480	366	15
4	6	590-918	764	750-1038	901	18

Means are unweighted.

In order to proceed immediately to a test of statistical significance of relation between size of sales force and sales success Table C-2 presents a 2 x 2 contingency table from which an appropriate probability calculation may be made. Appropriately by the Fisher Exact Probability Test, relative size of sales force in this sample is found not to be related with confidence to success of firms at the .05 level of statistical significance.¹

TABLE C-2.--Average sales force size
(1956-1961)
(Greater or less than median sales
force size)

		Greater Size	Less Size
<u>Sales Index</u> (Greater or less than median sales index.)	<u>Greater success</u>	4	6
	<u>Less success</u>	6	4

N = 20

Length of Product Line

A frequent statement to this researcher from respondent firms during interviews was that ethical pharmaceutical manufacturers with narrow, specialized product lines enjoyed greater sales success than "broad line houses." This hypothesis is testable.

The median number of products in the lines of firms in 1962 of the sales indexed sample is 60. It is

¹Siegel, pp. 96-104, 110, 157.

possible immediately to construct a 2 x 2 contingency table (Table C-3) expressing the dichotomies of greater or less than median length of product line and greater or less than median sales success.

TABLE C-3.--Length of product lines,
1962

(Longer or shorter than median
product line)

<u>Sales Index</u> (Greater or less than median sales index.)	<u>Greater success</u> <u>Less success</u>	Longer	Shorter
		2	7
		7	3

N = 19

Tested appropriately by the Fisher Exact Probability method at the .05 level of statistical significance it is found that there is lack of statistical confidence in the hypothesized relation of shorter, specialty product lines with sales success of firms for this sample.

Product Research and Development

Successful research and development, and thus the availability of significant new products, is a variable which is powerfully determinative of the success of firms. The ethical pharmaceutical manufacturing industry is notable for its high level of product research and of new product innovation.

Neither data in dollars, nor other quantitative data for presumed direct measurement of research by individual firms is available from this study.¹ There is no known source for this data. In this study a plausible assumption, however, was made. This is that a relatively high proportion of sales reported by a firm for its two largest selling products is a justifiable inference (under the high-level research conditions of the ethical drug industry) of difference of product research.

The range of concentration of sales in two leading products was reported (1956 and 1961) by firms as 7% to 89%. Comparing firms in the sales indexed sample (1961 against 1956)--

9 increased,

1 remained unchanged,

11 fell,

in proportion of sales in two leading products. The mean (unweighted) percentage of sales concentration for the sales indexed sample was 39.2% in 1956 and 38.2% in 1961. Table C-4 describes the concentration of sales for sales indexed firms. It is apparent that concentration increases in the upper quartiles of the sales indexed firms.

¹In the pre-test questionnaire interviews it was determined that such confidential data would not be forthcoming.

TABLE C-4.--Percentage of sales in two leading products, 1956 and 1961

Sales Indexed Quartiles of Firms	Percent of Sales in Two Leading Products			
	1956		1961	
	Range	Mean	Range	Mean
(all data are percentages)				
First quartile (highest)	26-89	47	33-69	48
Second quartile	7-60	45	20-54	39
Third quartile	13-65	33	11-54	33
Fourth quartile	25-57	33	12-40	32

Means are unweighted.

With adoption appropriately of the same methodology of test that has been used for other hypotheses in this study, Table C-5 is a 2×2 contingency table dichotomizing firms by product sales concentration and by sales index.

TABLE C-5.--Average proportion of sales in two leading products, 1956-1961

(More or less proportion of sales than median firm)

<u>Sales Success Index</u> (Greater or less than median sales index.)	<u>Greater success</u>	More	Less
		7	3
	<u>Less success</u>	3	7

N = 20

By the Fisher Exact Probability Test, proportion of sales in two leading products (an inferred result of difference

of research productivity) is not related with confidence to relative success of firms at the .05 level of statistical confidence for this sample.

Comparative Summary of Tests of Major
Hypothesis and of Hypotheses
of Extraneous Variables

Subject to the limitations of the methodologies and assumptions which have been theoretically justified, consideration has been given in this study to several hypotheses, related to the sales indexed success of firms of the sample, as follows:

1. Hypothesis of the field salesman as manager
2. Hypothesis of the size of firm
3. Hypothesis of the length of product line
4. Hypothesis of product research

These have appropriately been tested by the Fisher Exact Probability Test. Only the first of these hypotheses has been confirmed ($P < .05$).

In view of these results, this question may be asked--and then left unanswered: Could it be that this study has shown that "management" variables in firms (specifically exemplified in this study by the concept of the field salesman) are the determinate independent variable in the success of firms?

APPENDIX D

TABLES OF ADDITIONAL INFORMATION
FROM THE STUDY

TABLE 1.--In hiring an inexperienced salesman, what did you consider the minimum educational requirement?

	1956		1962	
	#	%	#	%
<u>Total Sample</u>				
Less than college	4	14	2	7
Part college	14	50	13	46
College graduate	<u>10</u>	<u>36</u>	<u>13</u>	<u>46</u>
	28	100	28	100
<u>Sales Indexed Sample</u>				
<u>Above median:</u>				
Less than college	3	30	1	10
Part college	6	60	6	60
College graduate	<u>1</u>	<u>10</u>	<u>3</u>	<u>30</u>
	10	100	10	100
<u>Below median:</u>				
Less than college	--	--	--	--
Part college	4	40	4	40
College graduate	<u>6</u>	<u>60</u>	<u>6</u>	<u>60</u>
	10	100	10	100

TABLE 2.--In hiring an inexperienced salesman, what education level did you consider desirable?

	1956		1962	
	#	%	#	%
College graduate	28	100	28	100

What education type did you consider desirable?

Total Sample

Pharmacy	17	41	11	22
Science (incl. pre-med.)	19	46	23	44
Business Administration	2	5	8	15
Liberal Arts	2	5	5	10
Immaterial	<u>1</u>	<u>2</u>	<u>5</u>	<u>10</u>
	41*	100	52*	100

Sales Indexed Sample

Above median:

Pharmacy	4	27	3	18
Science (incl. pre-med.)	8	53	8	47
Business Administration	1	7	1	6
Liberal Arts	1	7	1	6
Immaterial	<u>1</u>	<u>7</u>	<u>4</u>	<u>24</u>
	15*	100	17*	100

Below median:

Pharmacy	6	40	6	32
Science (incl. pre-med.)	7	47	8	42
Business Administration	1	7	4	21
Liberal Arts	1	7	1	5
Immaterial	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
	15*	100	19*	100

*Adds to more than number of respondents because of multiple responses.

TABLE 3.--Did you use a separate written job description* for inexperienced salesmen?

Did you use any written job description* for salesmen?

	1956		1962	
	#	%	#	%
<u>Total Sample</u>				
Do not use <u>separate</u> written job descrip- tion for <u>inexperienced</u> salesmen	28	100	28	100
Use written job description for salesmen	13	46	21	75
Do not use for salesmen	<u>15</u> 28	<u>54</u> 100	<u>7</u> 28	<u>25</u> 100
<u>Sales Indexed Sample</u>				
<u>Above median:</u>				
Use written job description	5	50	6	60
Do not use	<u>5</u> 10	<u>50</u> 100	<u>4</u> 10	<u>40</u> 100
<u>Below median:</u>				
Use written job description	7	70	10	100
Do not use	<u>3</u> 10	<u>30</u> 100	<u>--</u> 10	<u>--</u> 100

*Define "job description" as a written analysis, made available to all concerned, of a sales position encompassing the purposes, objective, duties, responsibilities, methods, and/or authorities of the position.

TABLE 4.--Did you use a written job description for the field salesman's supervisor?

	1956		1962	
	#	%	#	%
<u>Total Sample</u>				
Yes	14	50	22	79
No	<u>14</u>	<u>50</u>	<u>6</u>	<u>21</u>
	28	100	28	100
<u>Sales Indexed Sample</u>				
<u>Above median:</u>				
Yes	5	50	7	70
No	<u>5</u>	<u>50</u>	<u>3</u>	<u>30</u>
	10	100	10	100
<u>Below median:</u>				
Yes	6	60	9	90
No	<u>4</u>	<u>40</u>	<u>1</u>	<u>10</u>
	10	100	10	100

TABLE 5.--Ratios of salesmen per supervisor.

	1956	1961
<u>Total Sample</u>		
Range of ratios	6-31	9-18
Median ratio	14	12
Mean ratio	15	12
Number of firms decreasing ratio, 1956-61		20
Number of firms increasing ratio, 1956-61		6
Number of reporting firms		26
<u>Sales Indexed Sample</u>		
<u>Above median:</u>		
Range of ratios	6-31	8-15
Median ratio	16	12
Mean ratio	16	12
Number decreasing ratio, 1956-61		8
Number increasing ratio, 1956-61		2
<u>Below median:</u>		
Range of ratios	8-28	9-18
Median ratio	15	13
Mean ratio	15	13
Number decreasing ratio, 1956-61		9
Number increasing ratio, 1956-61		1

TABLE 6.--Was the frequency of personal, field supervisory contact with experienced salesmen up or down from the previous period?

	1962 <u>vs.</u> 1956	
	#	%
<u>Total Sample</u>		
Up	25	89
Down	--	--
Same	<u>3</u>	<u>11</u>
	28	100
<u>Sales Indexed Sample</u>		
<u>Above median:</u>		
Up	10	100
Down	--	--
Same	<u>--</u>	<u>--</u>
	10	100
<u>Below median:</u>		
Up	8	80
Down	--	--
Same	<u>2</u>	<u>20</u>
	10	100

TABLE 7.--What was the percentage distribution of time that you desired of these salesmen?

	Physicians			Druggists			Hospitals			Other		
	1956	1962	1956	1962	1956	1962	1956	1962	1956	1962	1956	1962
Total Sample												
Range, %	26-95	19-90	2-35	5-40	0-38	0-52	0-15	0-20	0-15	0-20		
Mean, %	68	67	19	17	9	12	4	5	4	5		
Number increasing, 1956-62		7		4		10		3		3		
Number decreasing, 1956-62		7		9		3		3		3		
Number no change, 1956-62		8		9		9		16		16		
Total reporting		22		22		22		22		22		
Sales Indexed Sample												
Above median:												
Range, %	64-95	60-90	2-35	5-33	0-20	0-25	0-8	0-5	0-8	0-5		
Mean, %	76	77	15	13	6	8	2	2	2	2		
Number increasing, 1956-62		3		1		3		1		1		
Number decreasing, 1956-62		2		2		2		2		1		
Number no change, 1956-62		3		5		3		6		6		
Below median:												
Range, %	26-80	19-70	15-50	15-40	0-38	0-52	0-15	0-15	0-15	0-15		
Mean, %	54	55	28	25	12	15	7	5	7	5		
Number increasing, 1956-62		4		2		4		--		--		
Number decreasing, 1956-62		3		5		--		2		2		
Number no change, 1956-62		1		1		4		6		6		

TABLE 8.--Are salesmen expected to perform a specified number of calls per man per week?

	1956		1962	
	#	%	#	%
<u>Total Sample</u>				
Yes	17	61	18	64
No	10	36	10	36
N.A.	<u>1</u>	<u>4</u>	<u>--</u>	<u>--</u>
	28	100	28	100
<u>Sales Indexed Sample</u>				
<u>Above median:</u>				
Yes	4	40	4	40
No	<u>6</u>	<u>60</u>	<u>6</u>	<u>60</u>
	10	100	10	100
<u>Below median:</u>				
Yes	8	80	8	80
No	<u>2</u>	<u>20</u>	<u>2</u>	<u>20</u>
	10	100	10	100

TABLE 9.--Did you make any specific effort (other than through generalized training, general meetings, or generalized supervision) to control how the (experienced) salesman spends, or routes, his time?

	1956		1962	
	#	%	#	%
<u>Total Sample</u>				
Yes	12	43	21	75
No	<u>16</u>	<u>57</u>	<u>7</u>	<u>25</u>
	28	100	28	100
<u>Sales Indexed Sample</u>				
<u>Above median:</u>				
Yes	5	50	8	80
No	<u>5</u>	<u>50</u>	<u>2</u>	<u>20</u>
	10	100	10	100
<u>Below median:</u>				
Yes	6	60	8	80
No	<u>4</u>	<u>40</u>	<u>2</u>	<u>20</u>
	10	100	10	100

TABLE 10.--Did you reimburse for meals and lodging expense?

If yes, did you specify fixed limits per day for meals
and/or lodging?

Or, if yes, did your salesman have a budget for such
expense?

	1956		1962	
	#	%	#	%
<u>Total Sample</u>				
Yes, reimburse	27	100	27	100
Not reporting	1		1	
Fixed expense limit	12	44	10	37
Use expense budget	2	7	3	11
No fixed limit or budget	<u>13</u>	<u>48</u>	<u>14</u>	<u>52</u>
	27	100	27	100
<u>Sales Indexed Sample</u>				
<u>Above median:</u>				
Fixed expense limit	4	40	3	30
Use expense budget	1	10	2	20
No fixed limit or budget	<u>5</u>	<u>50</u>	<u>5</u>	<u>50</u>
	10	100	10	100
<u>Below median:</u>				
Fixed expense limit	5	50	4	40
Use expense budget	1	10	1	10
No fixed limit or budget	<u>4</u>	<u>40</u>	<u>5</u>	<u>50</u>
	10	100	10	100

TABLE 11.--Did you require daily reports?

Did you require weekly reports?

Did you require any other regular,
periodic reports?Did you require any other, non-
periodic reports?

	1956		1962	
	#*	%*	#*	%*
<u>Total Sample</u>				
Require daily report	23	82	19	68
Require weekly report	18	64	22	79
Require other report	20	71	22	79
Total firms responding	28		28	
<u>Sales Indexed Sample</u>				
<u>Above median:</u>				
Require daily report	8	80	5	50
Require weekly report	4	40	8	80
Require other report	9	90	10	100
Total firms responding	10		10	
<u>Below median:</u>				
Require daily report	10	100	9	90
Require weekly report	7	70	7	70
Require other report	6	60	6	60
Total firms responding	10		10	

*Adds to more than number of respondents and to more than 100% because of usage of multiple reports.

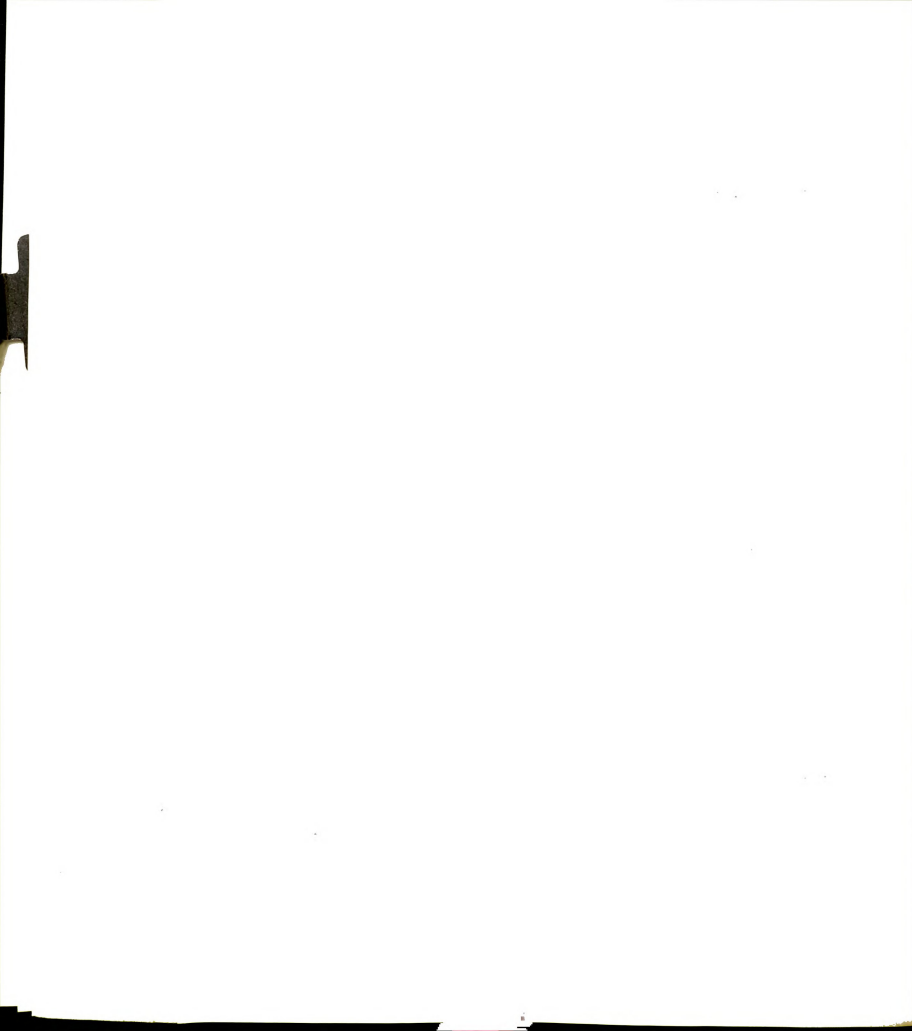


TABLE 12.--What written production reports did you provide to your salesmen of their performance?

	1956		1962	
	#*	%*	#*	%*
<u>Total Sample</u>				
Total sales	26	93	26	93
Sales of particular products	21	75	26	93
Sales by accounts	20	71	26	93
Other	16	57	18	64
Total firms reporting	28	100	28	100
<u>Sales Indexed Sample</u>				
<u>Above median:</u>				
Total sales	9	90	9	90
Sales of particular products	7	70	8	80
Sales by accounts	7	70	9	90
Other	5	50	8	80
Total firms reporting	10	100	10	100
<u>Below median:</u>				
Total sales	8	80	8	80
Sales of particular products	8	80	9	90
Sales by accounts	7	70	8	80
Other	7	70	7	70
Total firms reporting	10	100	10	100

*Adds to more than number of respondents and to more than 100% because of usage of multiple reports.

TABLE 13.--Did you provide any marketing assistance per-
sonnel (in addition to his supervisor) on whom the sales-
man might call for aid in development of his territory or
of particular contacts? If yes, please check: Sales or
potential analysis; Technical service; Promotional aid.

Have you had any increased interest in or given increased
consideration to such marketing assistance (as in preceding
question) since the earlier period?

Have your salesmen shown any increased interest in such
marketing assistance since the earlier period?

	1956		1962	
	#	%	#	%
<u>Total Sample</u>				
Yes, provide	10	36	19	68
No, not provide	18	64	9	32
Total respondents	28	100	28	100
Sales or potential analysis	7	25	12	43
Technical service	9	32	19	68
Promotional aid	7	25	12	43
Increased company interest			23	82
Increased salesman interest			20	71

Sales Indexed Sample

Above median:

Yes, provide	1	10	4	40
No, not provide	9	90	6	60
	10	100	10	100
Sales or potential analysis	--	--	1	10
Technical service	1	10	4	40
Promotional aid	1	10	3	30
Increased company interest			7	70
Increased salesman interest			6	60

TABLE 13.--Continued

	1956		1962	
	#	%	#	%
<u>Below median:</u>				
Yes, provide	3	30	7	70
No, not provide	<u>7</u>	<u>70</u>	<u>3</u>	<u>30</u>
	10	100	10	100
Sales or potential analysis	3	30	4	40
Technical service	3	30	7	70
Promotional aid	3	30	3	30
Increased company interest			8	80
Increased salesman interest			7	70

TABLE 14.--Did you use formal evaluation interviews between the salesman and his supervisor (i.e., at regular intervals and with use of printed company forms)?

If "no" to preceding question, did you use informal evaluation interviews (i.e., without company forms even if at regular intervals)?

What was the frequency of such evaluation interviews?

What did you consider the three most important criteria or subjects of evaluation included in these interviews?

	Total Sample		Sales Indexed Sample			
	#	%	Above Median	Below Median	#	%
Use formal evaluation interviews, 1956	10	36	3	30	4	40
Not use formal evaluation interviews, 1956	18	64	7	70	6	60
Use informal evaluation interviews, 1956	10	36	3	30	3	30
Not use any evaluation interviews, 1956	8	29	4	40	3	30
Use formal evaluation interviews, 1962	24	86	9	90	9	90
Not use formal evaluation interviews, 1962	4	14	1	10	1	10
Use informal evaluation interviews, 1962	3	11	1	10	1	10
Not use any evaluation interviews, 1962	1	4	--	--	--	--
Frequency of formal evaluation, 1956:						
Annual	5	50	1	33	2	50
Semi-annual	4	40	2	67	2	50
Quarterly	1	10	--	--	--	--
Frequency of formal evaluation, 1962:						
Annual	12	50	6	67	4	44
Semi-annual	4	17	1	11	2	22
Quarterly	7	29	2	22	3	33
N.A.	1	8	--	--	--	--

TABLE 14.--Continued

Criteria	Total Sample			Sales Indexed Sample					
				Above Median			Below Median		
	No. 1 #	No. 2 #	%	No. 1 #	No. 2 #	%	No. 1 #	No. 2 #	%
Sales performance	18	72	1	4	6	67	7	78	1
Territory management and planning	3	12	5	20	2	22	3	33	1
"Personal progress"	3	12	5	20	1	11	2	22	1
Selling ability	1	4	3	12			2	22	2
Attitude			4	16			2	22	1
Adherence to plans; area coverage			4	16					1
Product knowledge			2	8					
Reporting			1	4					1
Total respondents	25	100	25	100	9	100	9	100	9
Not classifiable	2		2		1		1		1

TABLE 15.--Total number of pharmaceutical field salesmen employed end of year?

(Tabulation is made according to selected relatively homogeneous groups of sales force sizes, 1956 base.)

Group #	Number of Field Salesmen				Number of Firms	% Change of Mean
	1956		1961			
	Range	Mean	Range	Mean		
<u>Total Sample</u>						
1	65-105	84	85-375	171	6	104
2	145-180	162	234-325	270	3	67
3	247-432	319	214-480	366	6	15
4	590-918	764	750-1038	901	6	18
<u>Sales Indexed Sample</u>						
<u>Above median:</u>						
1	65-105	82	93-375	213	4	160
2	145-160	152	234-250	242	2	59
3	247-302	275	300-429	324	3	18
4	669	669	750	750	1	12
<u>Below median:</u>						
1	83-94	88	85-86	85	2	(3)
2	180	180	325	325	1	81
3	304-357	330	214-423	318	2	(4)
4	590-918	653	800-1038	931	5	43

Means are unweighted.

() indicates decrease.

TABLE 16.--Approximately how many different pharmaceutical products are sold by your company?

	1956	1962
<u>Total Sample</u>		
Range of number of products	7-1151	15-948
Median number of products	150	93
Range of % of change of number of products, 1956-62		(76)-140
Median % of change of number of products, 1956-62		(16)
<u>Sales Indexed Sample</u>		
<u>Above median:</u>		
Range of number of products	7-700	15-200
Median number of products	137	47
Range of % of change of number of products, 1956-62		(76)-114
Median % of change of number of products, 1956-62		(43)
<u>Below median:</u>		
Range of number of products	41-1151	45-948
Median number of products	387	266
Range of % of change of number of products, 1956-62		(40)-34
Median % of change of number of products, 1956-62		(12)

() indicates decrease.

TABLE 17.--What percent of the total pharmaceutical sales for each year (1956 and 1961) was accounted for by the two major products of that year?

What percent of the total pharmaceutical sales for 1961 was accounted for by the two major products of 1956?

	Total Sample	Sales Indexed Sample	
		Above Median	Below Median
Range of % of sales in 1956 of 2 leading products of 1956	7-90	7-89	13-65
Median % of sales in 1956 of 2 leading products of 1956	33	50	28
Range of % of sales in 1961 of 2 leading products of 1956	1-53	1-53	3-40
Median % of sales in 1961 of 2 leading products of 1956	27	42	35
Range of % of sales in 1961 of 2 leading products of 1961	12-69	20-69	12-54
Median % of sales in 1961 of 2 leading products of 1961	37	48	38
Number of firms with decrease % sales of 1956 products in 1961	20	7	6
Number of firms not decrease % sales of 1956 products in 1961	6	2	4
Number of firms with decrease % sales of 1961 products <u>vs.</u> 1956	14	4	5
Number of firms not decrease % sales of 1961 products <u>vs.</u> 1956	12	5	5
Number of respondents	26	9	10

TABLE 18.--Please check which of the following methods of distribution are used by your company, and approximately what percent of the company's total pharmaceutical sales are distributed by each method.

	Independent Retail					
	Wholesale	Druggists	Chain Druggists	Hospitals	Physicians	Other
Total Sample (26 reporting)						
Number using channel	26	17	13	24	11	14
% using channel	100	65	50	92	42	54
Range: % of firm's sales	6-100	3-71	1-16	1-35	1-14	1-12
Mean: % of firm's sales	61	29	8	12	4	5
Sales Indexed Sample						
Above median:						
Number using channel	10	5	4	9	5	4
% using channel	100	50	40	90	50	40
Range: % of firm's sales	22-95	3-56	3-16	1-17	1-4	2-9
Mean: % of firm's sales	75	20	10	8	3	5
Below median:						
Number using channel	10	8	6	9	4	7
% using channel	100	80	60	90	40	70
Range: % of firm's sales	6-100	5-71	4-10	4-35	1-14	1-10
Mean: % of firm's sales	46	38	6	16	6	6

APPENDIX E

JOB DESCRIPTIONS OF FIELD SALESMEN

The following pages contain the present (1962) written job descriptions for field salesmen supplied by respondents using such descriptions. These have been masked to obscure the identities of the companies. The coding is that used in the body of the research report. When the respondent uses extensive material such as a manual or other extensive detail as a job description, there is editing of content for brevity.

COMPANY A

I. CREATE SPECIFICATIONS AND DISTRIBUTION FOR
. . . PRODUCTS

A. Physicians

1. Makes office, clinic or institutional calls.
2. Hospital exhibits.
3. Conventions.
4. Group meetings of doctors.

B. Wholesalers

1. Contacts buyers to maintain adequate inventory of . . . products.
2. Contacts sales manager to arrange for . . . promotions.
3. Personally participates in wholesaler sales meetings.
4. Arranges for listing of . . . products in house organs.
5. Is responsible for general promotion and good trade relations at the whole-sale level.

C. Retailers

1. Supplies retailers with product information.
 2. Informs retailer of promotional plan on product and requests suggestions and help.
 3. Sells product and turns over the order to wholesaler.
 4. At retailer level, performs research as follows:
 - a. Learns about prescribing habits of physicians and general physician habits.
 - b. Secures competitive information.
 5. Performs public relations at retailer level.
- (Further similar detail omitted)

II. PERFORMS ADMINISTRATIVE RESPONSIBILITIES AND ACTIVITIES

A. Keeps records and submits reports.

1. Daily report.
2. Monthly summary of activities.
3. Expense book.
4. Special reports as may be required by management or seems desirable by representative.
5. Route book containing physician, pharmacy, and hospital information.
6. Route list.
7. Group sales records.
8. Wholesaler inventory form, quarterly.
9. Sample inventory form.

B. Plans and organizes his territory.

III. OBTAINS AND CARES FOR EQUIPMENT AND SAMPLES

IV. UNDERTAKES SELF-IMPROVEMENT ACTIVITY

- A. Reads medical journals and pharmacy journals.
- B. Studies medical department bulletins.
- C. Joins pertinent professional organization.

SUMMARY

The . . . Professional Service Representative calls on physicians, wholesalers, druggists, hospitals, and other accounts. In calling on physicians, he attempts to secure the physician's decision to specify . . . products in his prescriptions. He attempts to obtain distribution for . . . products in his calls upon wholesalers, retailers, hospitals and other accounts.

COMPANY C

AGREEMENT made between . . . herein called "Employer" and
_____ of _____
_____ herein called "Medical Sales Representative"

1. Employer engages Medical Sales Representative to promote and sell Employer's products in assigned territory, namely:

Territory No. _____ Headquarters _____

Starting Date _____

Medical Sales Representative agrees to serve the Employer in such capacity.

2. Medical Sales Representative agrees to furnish Employer with a surety bond for \$50,000 satisfactory to Employer, the premium to be paid by Employer.
3. Medical Sales Representative agrees to devote his entire time and energy exclusively to the promotion and sale of the products of Employer in assigned Territory and not to sell in any other territory unless expressly directed to do so by Employer, and not to engage in any business for himself or any other person, firm, or corporation.
4. A. Employer agrees to pay Medical Sales Representative a salary of:
B. Medical Sales Representative shall be reimbursed for expenses incurred in the operation of assigned territory. Refer to Schedule of Reimbursable Expenses in . . . Manual for details.
C. If, during any given quarter of any year our connection is severed, it is understood that the Medical Sales Representative shall forfeit any and all bonus, prizes, commissions, vacations. Employer strictly reserves the right to determine all matters pertaining to final salary and expense checks.

5. Medical Sales Representative agrees that he will make sales of Employer's products and secure orders therefor only at the prices fixed by Employer and shall in no event quote terms or prices in any manner different from those authorized by the Employer in writing, all orders being subject to acceptance by Employer's credit department. Employer may refuse or reject any order, cancel any order, either in whole or in part, after acceptance thereof; consent to a cancellation of any order whether in whole or in part, either before or after shipment of the merchandise; accept any and all returns of merchandise made by customers, or grant any allowance to customer it shall deem reasonable.
6. Medical Sales Representative agrees to make detailed written daily reports to Employer on Employer's daily report blanks, giving names of customers called on, amounts of sales, and other pertinent information. Weekly expense check will not be released unless and/or until satisfactory daily reports, covering the weekly expense period have been submitted in line with instructions. Absence from a territory without leave will constitute cause for instant dismissal. Salary checks, issued the 15th and final day of each month, will not be released unless the pay period is satisfactorily accounted for by daily reports. The right to adjust salary checks in line with absence from a territory, authorized or otherwise, is strictly reserved.
7. It is understood that the Medical Sales Representative is not authorized or empowered by this Agreement to make any contract for or in behalf of the Employer, or to incur any obligation in its behalf, unless specifically authorized to do so upon written instructions signed by an officer of the Employer.
8. Neither the Employer nor the Medical Sales Representative shall be held responsible or liable for any loss, damage, or delay from any cause, which is unavoidable by ordinary foresight and beyond its reasonable control, whether such cause interferes with the obtaining of the necessary raw materials in the way and from the sources now ordinarily used by it, or interferes with the usual method of manufacture, transportation and delivery of the commodity; such cause shall include, but shall not be limited to, fires, strikes, civil or military authority, domestic or foreign insurrection, riot, Act of God or public enemy. The Employer shall, in no event be liable for any consequential damage.

9. Upon Medical Sales Representative leaving Employ of Employer, he shall return all equipment, sample cases, forms, customer and contact records, lists and correspondence. Final salary and expense checks will be withheld or adjusted depending upon the satisfactory return of these materials.
10. This contract shall continue in effect, except for instances justifying instant dismissal as determined by Employer, until terminated by either party hereto on fourteen days' written notice to the other.
11. Medical Sales Representative further agrees that the general policies, all formulae, processes of manufacture, analysis and research procedure at any time used by the . . . are secrets-in-trade of the Employer and Medical Sales Representative will not give, sell, trade nor in any other way dispose of nor disclose any information regarding them, during the course of his employment nor any time thereafter.
12. This contract shall be governed by and construed according to the laws of the State. . . .

(Deletion)

COMPANY E

A. STATEMENT OF GENERAL FUNCTION:

Assume the responsibility of carrying out an assigned territorial operation in a manner which will insure the maximum sale, distribution and profit of . . . products in accordance with Company selling policies and procedures, including the directives of . . . management, and the Division Manager.

B. SPECIFIC DUTIES:

Every . . . salesman is expected to detail an absolute minimum of 30 good prescribing physicians each week. These details are to be complete product presentations of the detail schedule and do not include hospital corridor or hospital display physician contacts. These contacts, while they are important, are reported separately.

Detail maximum numbers of institutional, hospital, industrial, and government service physicians to insure the maximum sale and distribution of . . . specialty products.

Attain the maximum sale and distribution of . . . specialty products by regularly contacting retail pharmacies, hospitals, chain stores, wholesalers, industrials, government agencies, and miscellaneous institutions.

Promote the sale of . . . over-the-counter products through regular contact of management, purchasing, and sales personnel, in retail pharmacies, chains, and wholesale houses.

(Deletion)

Plan, organize, and carry out an efficient territorial operation (including adequate and current records and supplies), incorporating the directives of . . . management and the DM in a manner that will produce the maximum sale and distribution of . . . products.

Carry out to completion all assignments for testing and evaluating new products, promotion materials, merchandising procedures, professional service programs, selling aids and techniques as outlined in testing programs conducted by. . . .

(Deletion)

COMPANY F

GENERAL RESPONSIBILITIES

A Professional Service Representative is responsible for the general management and development of his territory. His primary purpose is to obtain a major share of the available markets for the Division's products in his assigned area. He is accountable for conducting himself in a manner which will increase the prestige of . . . with members of the medical and allied professions as well as the general public in his community.

DUTIES AND RESPONSIBILITIES1. Physician Calls

Regularly contacts those physicians in his territory representing the greatest potential to. . . . Provides them with complete and accurate information on promoted products; solicits specifications for these products in those conditions where indicated.

2. Outlet Calls

Regularly contacts recognized channels of distribution in his territory to assure optimal distribution of the Division's products.

3. Professional and Trade Relations

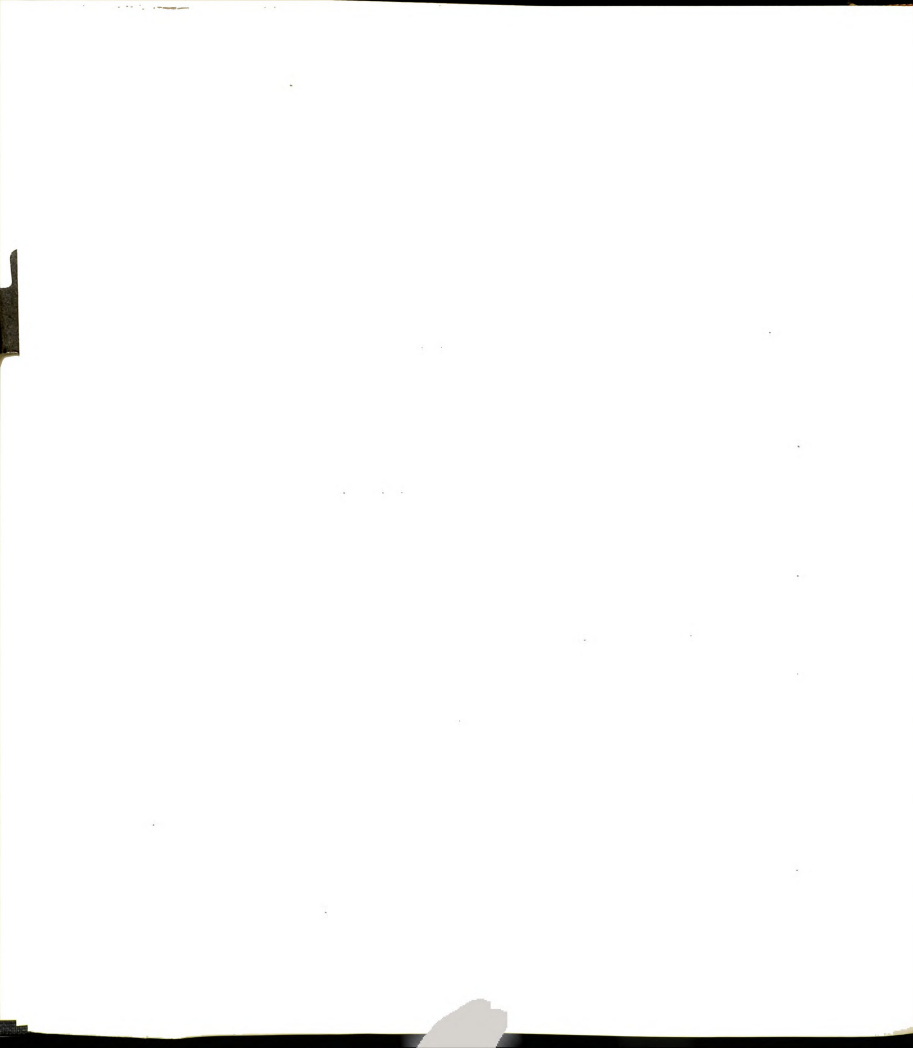
Develops and maintains cordial and cooperative professional and customer relations. When requested, participates in trade and professional meetings in accordance with company policies.

4. Trade and Business Information

Continually keeps management informed on company trade and business conditions encountered in his territory.

5. Controls and Standards of Measurements

Reviews and analyzes all sales and progress reports pertaining to his territory and his activities. Understands that management utilizes these reports to measure and evaluate his progress and performance.



6. Company Policies

Understands and follows company policies and directives that are made available to him.

MEASURE OF PERFORMANCE

1. Attaining or exceeding realistic profit plan objective representing the major share of the markets for the Division's products in a manner which conforms with company policy.
2. Attaining or exceeding realistic physician call objectives on those physicians representing the greatest potential to. . . .
3. Managing and developing his territory in a manner which will reflect favorably on himself and. . . .

ORGANIZATIONAL RELATIONSHIP

1. Reports to . . . Manager.

(Deletion)

Function

Standard

I SALES RESULTS

1. Profit Plan Objective

Equals or exceeds realistic Profit Plan Objectives.

Total sales results as shown on salesmen's monthly sales report.

2. Promoted Specialty Products

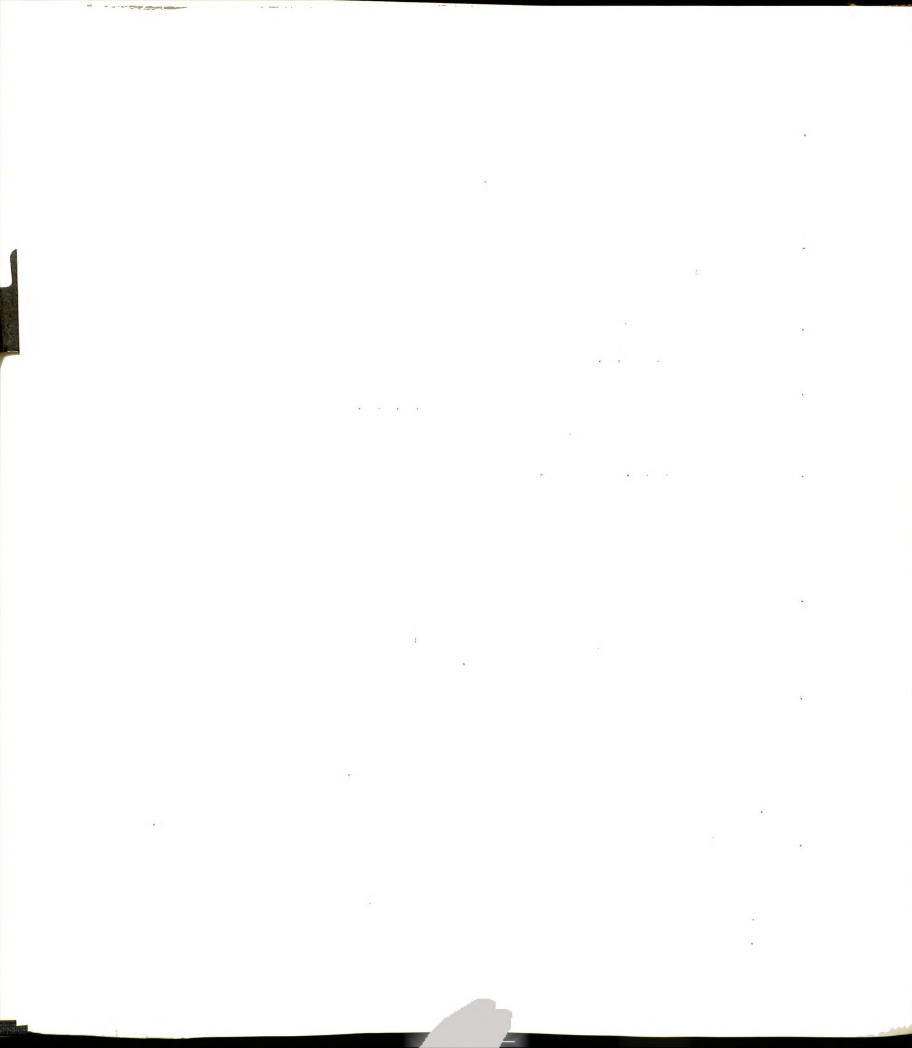
Shows continuing progress on direct sales of promoted specialty products in accordance with the Division's marketing plans and objectives.

When monthly tabulated reports of direct sales of promoted products show satisfactory progress.

3. Sales Incentive Levels

Consistently exceeds sales volume required to earn incentive payments on any sales incentive program in effect.

When sales justify base salary paid and incentive payments are earned.



II CALL ACTIVITIES

1. Physician Calls

- | | |
|---|---|
| a. Regularly contacts those physicians in his territory representing the greatest potential to. . . . | Meets or exceeds assigned physician call objectives on those physicians representing the greatest potential to. . . . |
| b. Provides complete and accurate information on products scheduled for promotion in accordance with. . . . | The degree of believability of presentation as shown by physician trial. |
| c. Solicits specification and use of promoted products. | When tabulations of promoted products show satisfactory progress. |

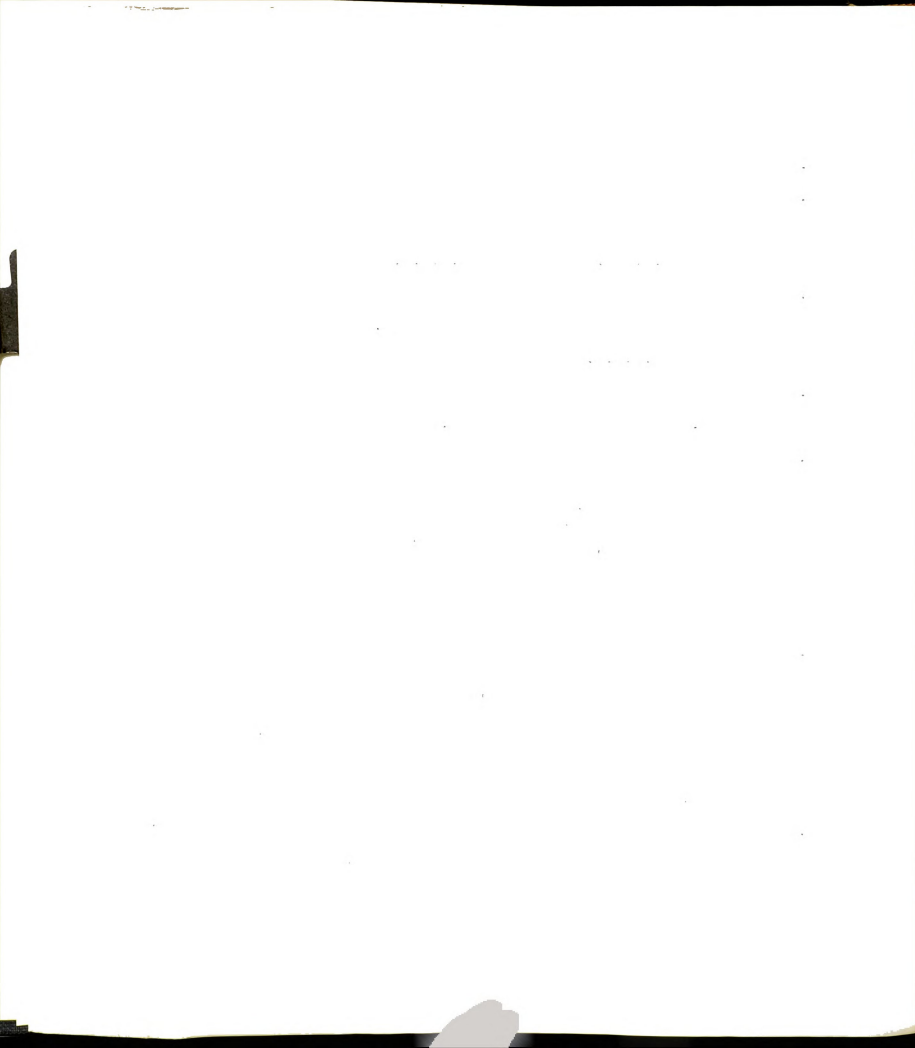
2. Retail Outlet Calls

Services recognized retail outlets in his territory. Solicits orders on a direct basis for sufficient quantities of the Division's products to assure optimal distribution.

When distribution of the Division products is adequate to meet the demand as required.

3. Hospital Calls

- | | |
|---|---|
| a. Services recognized hospitals in his territory, on a planned call basis. Solicits direct orders for sufficient quantities of the Division's products having hospital usage to assure optimal distribution. | When calls are made in accordance with the plan and distribution of the Division's products having hospital usage is adequate to meet the demand as required. |
| b. Contacts house staff and ancillary personnel to furnish complete and accurate information on promoted hospital products. | When tabulations of promoted hospital products show satisfactory progress. |



4. Government Agency Calls

Services city, county, state, and federal agencies as required to assure optimal distribution of the Division's products.

When sales of the Division's products to these agencies show continuing progress.

III TERRITORIAL OPERATIONS

1. Organization

To be knowledgeable of the existing potential in his territory. To stay alert for any changes altering the existing potential and to promptly take advantage of such changes.

When reports are made on such conditions and approved changes initiated.

2. Planning

a. Physician Call Planning

1. Selectively plans for each physician call based upon physician's prescribing preference.

When his Field Manager has received notification of advance planning and observes plans being followed.

2. Personalizes each presentation.

When Field Manager observes personalized presentations while accompanying associate.

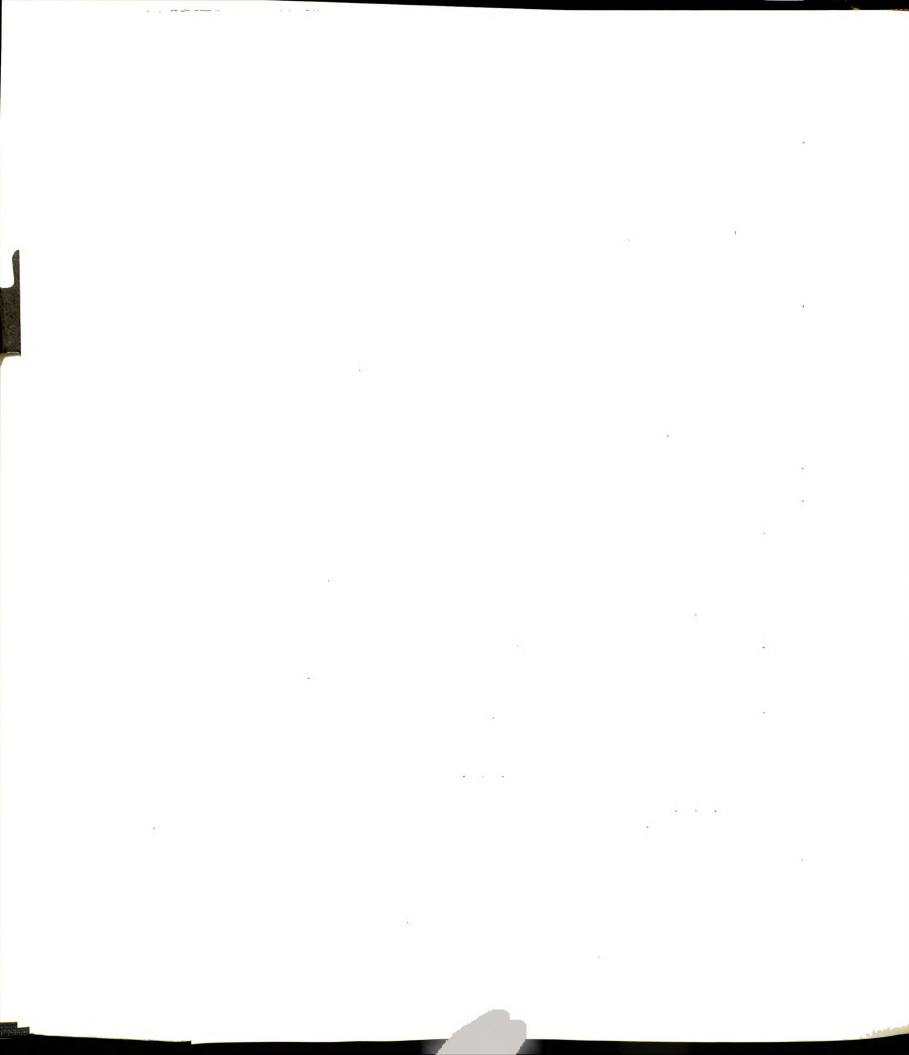
3. Allocates a minimum of 75% of working time to contacting those physicians representing the greatest potential to . . . in his territory.

When reports of physician calls shows optimal coverage of those physicians representing the greatest potential to . . .

b. Outlet Call Planning

Plans to regularly contact those outlets in his territory which represent the greatest potential to . . .

When outlet calls do not exceed more than 25% of total working time.



c. Hospital Call Planning

Allocates sufficient time to hospital activities.

When he submits a specific plan for working products having hospital usage where promotional material is available.

IV TERRITORIAL MANAGEMENT

1. Controls

Studies, analyzes and understands all sales and progress reports pertaining to his activities.

Improves in those areas where improvement is indicated by sales and/or progress reports.

2. Territorial Records

Keeps current and up-to-date records required for effective territorial management as specified by his . . . Manager.

When inspection by his . . . Manager shows all records required are complete and current.

3. Surveys, Reports, Orders, and Correspondence

Participates in special field surveys as requested. Prepares accurately and completely, reports, orders, and correspondence. Forwards these promptly.

When his handling of reports, orders, and correspondence does not cause unnecessary work for others.

4. Trade and Public Relations

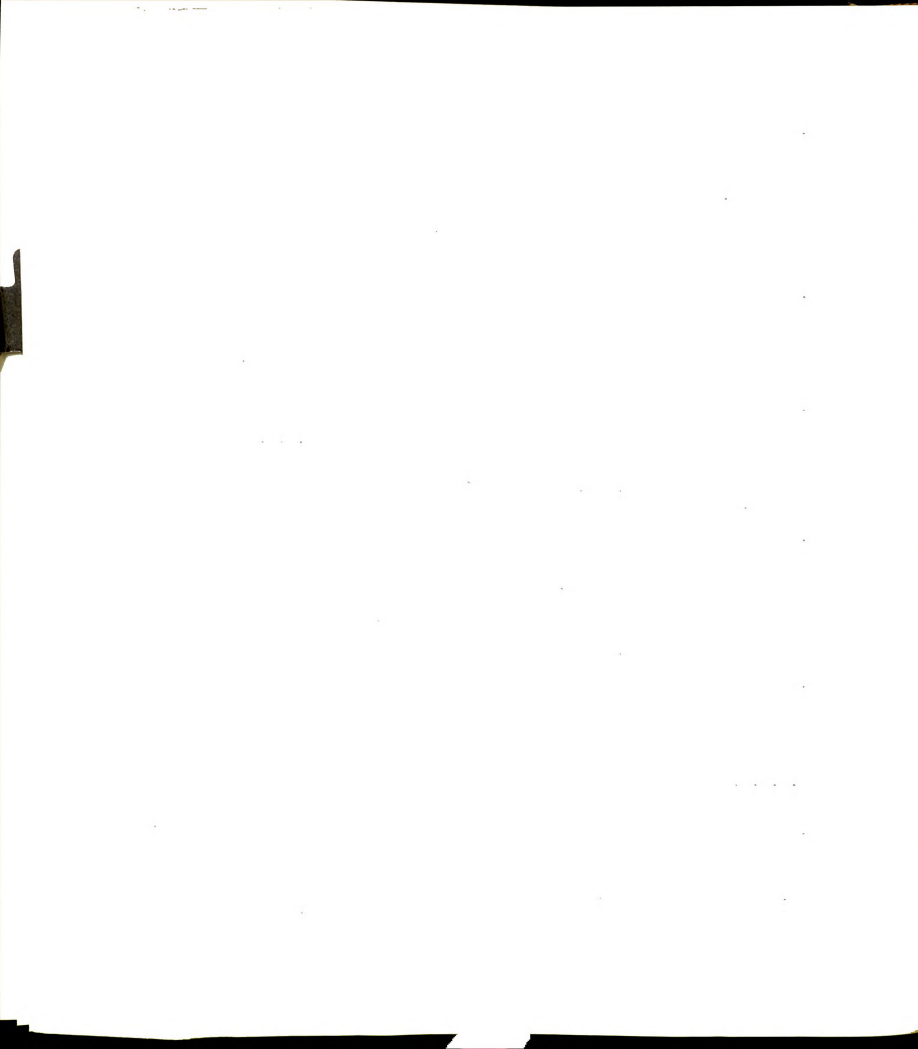
Handles situations which may arise in his territory in a manner which contributes to the prestige of. . . .

When he has sufficient knowledge of and can skillfully explain company policies and philosophy to the medical profession, drug trade and public in his territory.

5. Special Promotional Activities

Makes full use of special programs, exhibits, films, etc., in his territory.

The frequency with which he takes advantage of opportunities afforded by special programs, exhibits, etc.



6. Collections

Assists branch operations in maintaining the accounts in his territory within established credit terms.

Gives attention to past-due accounts in his territory as required.

7. Sales Expenses

Handles the following in strict accordance with company policy:

- a. personal expenses
 - b. leased car expenses
 - c. samples and promotional literature
 - d. sales equipment
- a. When personal expenses do not exceed standard allowances.
 - b. When leased car expenses as shown on "Record of Performance on Leased Cars" are in line with instructions stated in "Rules of the Road."
 - c. When disbursement of samples and promotional literature are made strictly in accord with current government regulations and company policy.
 - d. When sales equipment shows only normal wear.

V COMMUNICATIONS

1. Keeps management informed on important company, trade, and business conditions encountered in his territory.

When the information forwarded is accurate and complete.

2. Keeps management informed on significant competitive activities in his territory. Regularly reports on the acceptance of promotional material, media, and company policies by members of the medical and allied professions.

When he routinely submits accurate and reliable "Market Reports From the Field."

VI COMPANY POLICY

Understands and follows all company policies and governmental regulations pertaining to company business.

When his honesty and integrity are above question.

VII PERSONAL

Conducts himself and manages his activities in a manner which creates prestige for. . . .

The absence of unfavorable comments from his area.

His appearance and manner are a credit to himself and. . . .

Maintains an appearance and conduct that will increase his acceptability.

Demonstrates a loyal, cooperative, dependable attitude toward his company and its management.

Promptly follows instructions and suggestions.

Pursues a course in self-improvement which will increase his ability to express ideas.

Belongs to speaking improvement clubs. Studies, reads, and practices for self-improvement.

COMPANY H

I. PLACE IN THE ORGANIZATION:

The . . . representative operates in a definite geographical territory assigned by the home office. He reports to the Division Sales Manager.

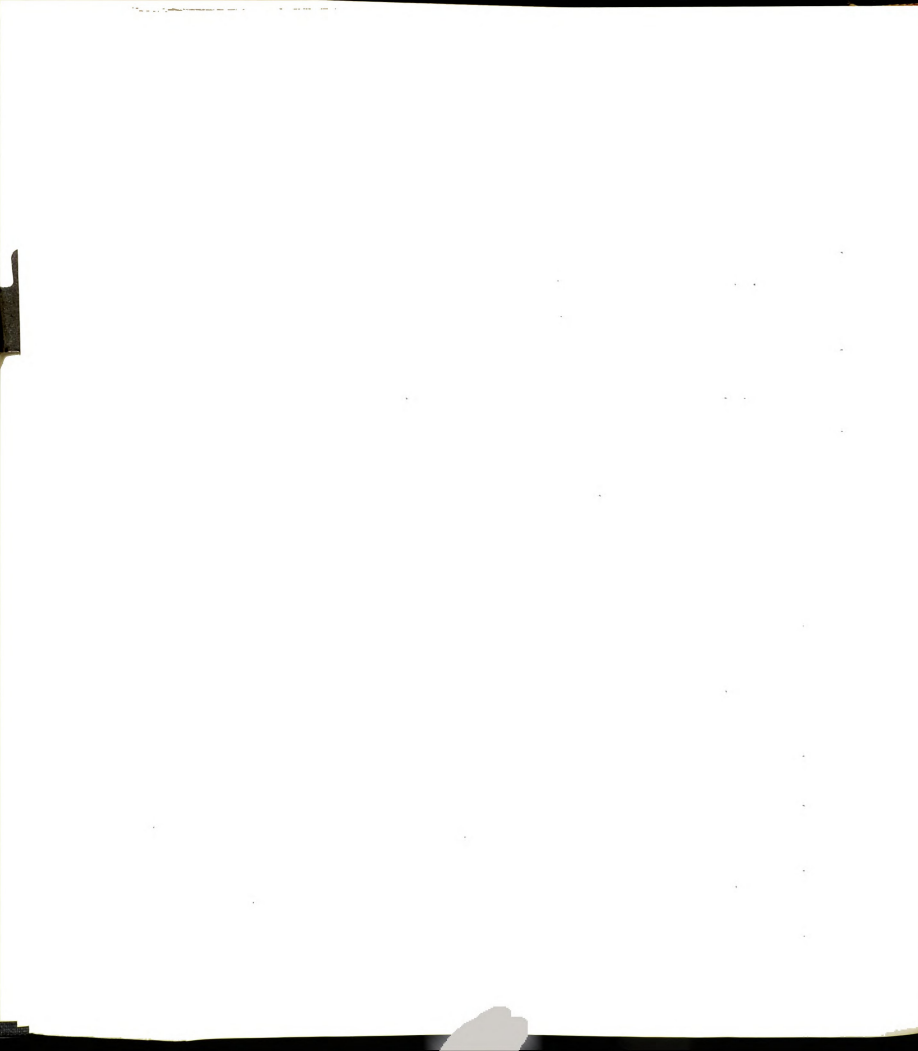
II. BASIC FUNCTION:

He is responsible for the sale, promotion and distribution of all . . . products within his territory.

III. SPECIFIC RESPONSIBILITIES:

Organization:

1. Territory schedule. Determine through statistical data, knowledge of territory and assistance from Division Sales Manager the most productive areas of territory and schedule a systematic manner of contacting on a regular frequency once every detail period, physicians and other groups important to the distribution and sale of company products.
2. Classify physicians in territory as "A" or "B" in order of importance now, or potential importance to the company; from this select and maintain a physical list of 250 "A" and two groups of 50 each "B" physicians. The 250 "A" are to be called on regularly each detail period plus one group of "B" physicians. The "B" groups are to be alternated each detail period.
3. Follow through promptly on inquiries and other instructions from Division Sales Manager and home office.
4. Maintain adequate and up-to-date territory records and report forms, including supplies of samples, literature, and other working supplies.
5. Report all contacts on the day made and on the proper form. Weekly reports are to be sent to Division Sales Manager and home office promptly at close of each week.
6. Submit to Division Sales Manager once a year a Sales Forecast and Selling Expense Budget for his territory.



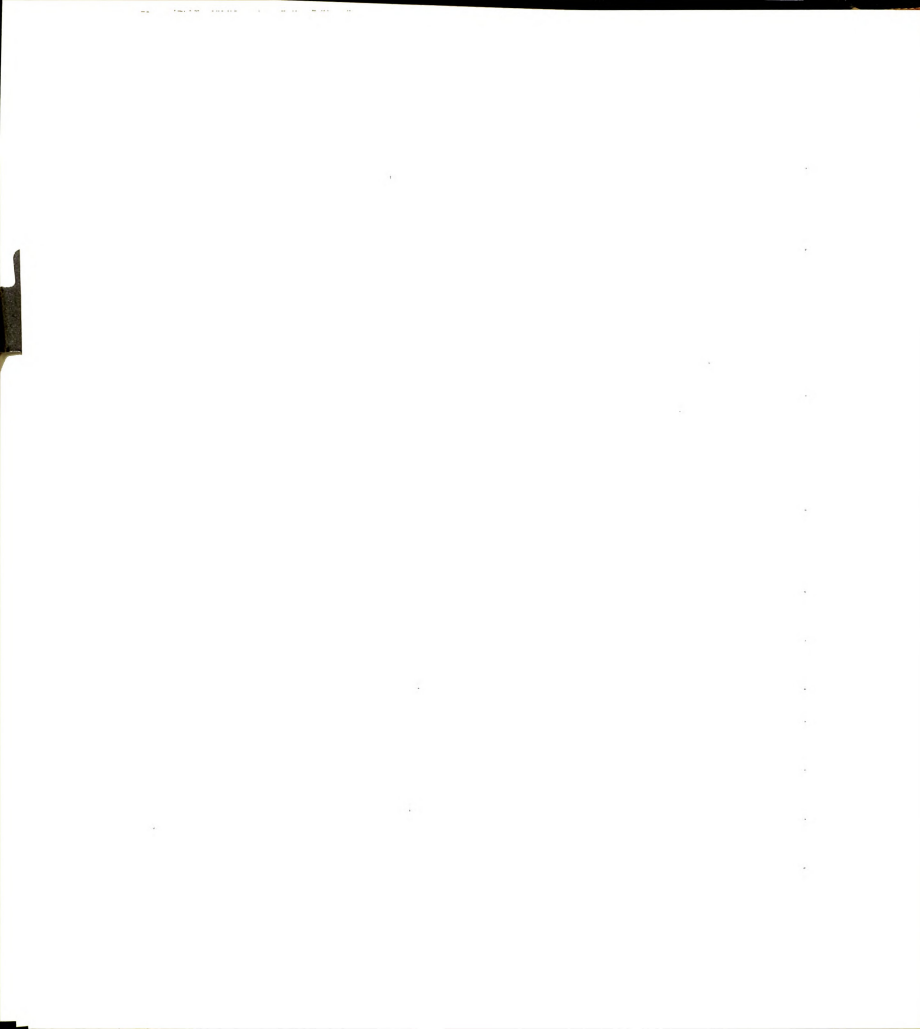
Detailing:

1. Develop thorough knowledge of products to improve versatility of details by study of Product Information Books, literature, reprints and other product information sources.
2. Keep informed on competitive products through Drug Topics, Modern Medicine, New Medical Materias, drug store contacts, bulletins, and review of competitive product literature.
3. Adhere to detail schedule and closely follow promotion plans formulated in home office and by Division Sales Manager.
4. Develop thorough knowledge of basic fundamental selling techniques.

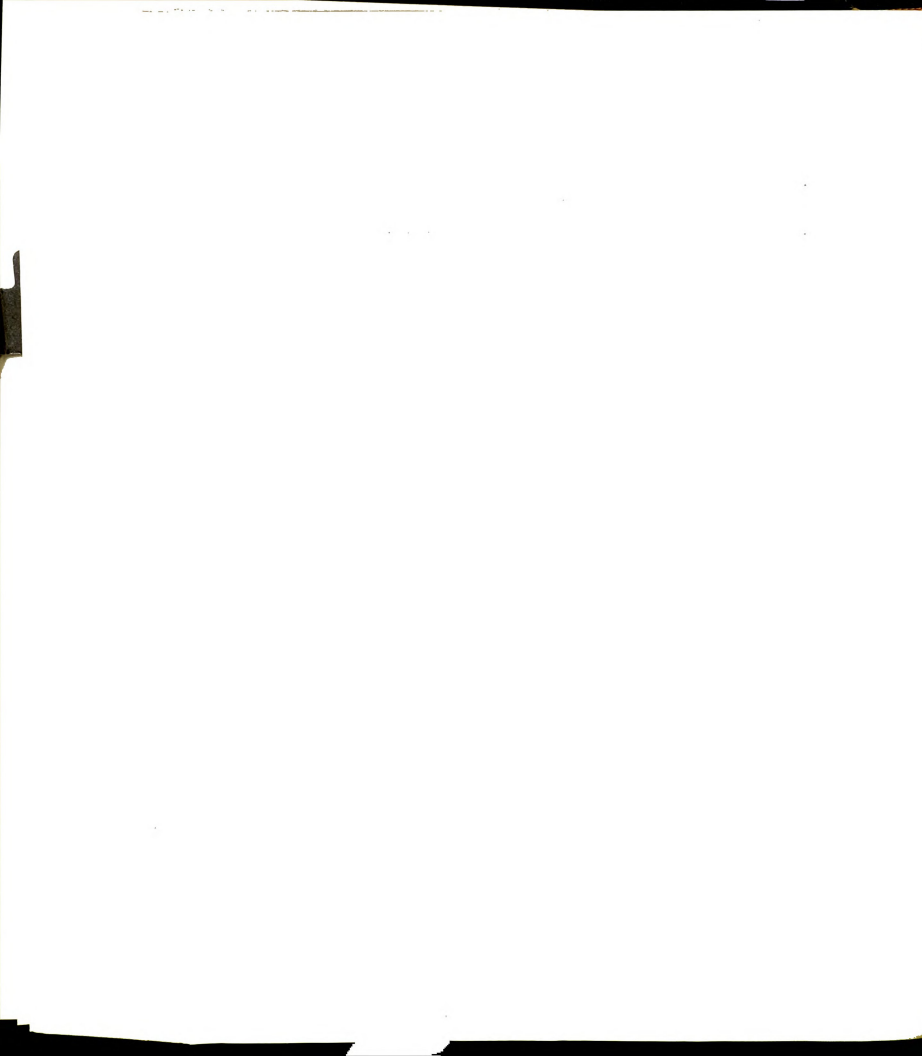
Contacts: (Detail omitted)

IV. GENERAL RESPONSIBILITIES:

1. Maintain all company property in good condition.
2. Send suggestions, product ideas and criticisms to home office and Division Sales Manager.
3. Follow correct procedure in reporting confidential disclosures.
4. Advise home office promptly of any unusual experience or activity observed during routine calls.
5. Maintain neat appearance at all times.
6. When assigned, follow closely all medical meeting instructions.
7. Maintain frequent and adequate communication with Division Sales Manager and home office at all times.
8. Be aware, at all times, of competition's promotion and movement within territory.
9. Submit accurate inventory of all stock packages, samples and literature to home office once each year.
10. Maintain and protect the reputation of the company at all times.



11. Exercise good and proper control of territory expenses at all times.
12. Maintain quantity and quality of calls as required by Division Sales Manager.
13. When required, gather and submit to . . . information on potential direct accounts.



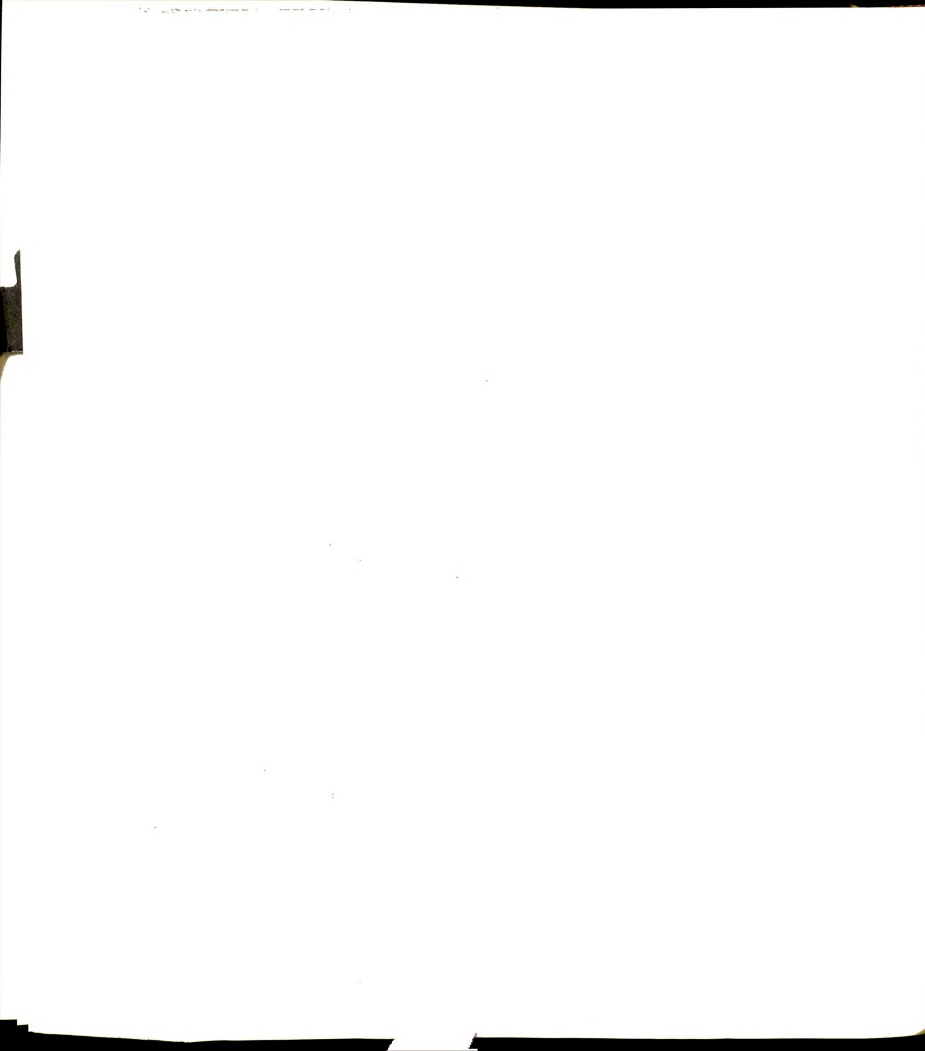
COMPANY J

PLANNING TO SELL

- | | |
|--------------------|---|
| Territory Coverage | - Plan your calls in a logical and systematic manner for the most productive use of time and money. Be constantly aware of changes that might affect your coverage and/or improve your over-all activities. Together with your . . . Manager set realistic territory goals, endeavor to meet them and change them when appropriate. |
| Doctor Knowledge | - Accurately classify your doctors so you know the quantity and quality of their prescribing and their influence in the medical community. Keep accurate records of their attitudes, likes, dislikes, moods, prescribing habits, etc., in order to present . . . products in terms of their needs. Consult these records before each call. |
| Detail Knowledge | - Study your promotion programs for a clear and accurate understanding of the sales objectives and ways to attain them. Practice the actual details so you can present them with intelligence, enthusiasm and confidence. Prior to each call determine the probable ways you'll have to adapt the details for each doctor. Try to anticipate situations that may arise and plan how you'll handle them. |

ACTUAL SELLING

- | | |
|----------------|--------------|
| Doctor Calls | - (Deletion) |
| Hospital Calls | - (Deletion) |



Wholesaler Calls - (Deletion)

Industrial Calls - (Deletion)

Conventions - (Deletion)

SELF-SUPERVISION

Product Knowledge - (Deletion)

Selling Principles
and Techniques - (Deletion)

Work Organization - (Deletion)

Speaking Habits - (Deletion)

COMPANY L

NATURE OF WORK

Provide information on company products and policies, orally and by use of literature to: physicians, pharmacists and other practitioners in private practice; in institutions; and in industrial concerns. The objective is to get product specification and product sale where applicable, and at the same time develop and maintain good professional and public relations for the company.

FUNCTIONS OF JOB

Physicians:

Call on each physician in the territory to present products and literature included in the program, tailoring the presentation to fit the specialty or special interest of the individual physician--the objective--obtain product specification on prescriptions and product sales where feasible.

Pharmacists: (Deletion)

Other Practitioners: (Deletion)

Hospitals: (Deletion)

Industrials: (Deletion)

Initiative and Resourcefulness:

Must use initiative in planning calls, tailoring product presentation to practitioner's individual interest, locating new physicians and stores; be resourceful in budgeting time, gaining audience with physicians and pharmacists, and handling problems which may arise.



Responsibility:

Responsible for adequate preparation, through study and organization, for both sales and detail calls; for proper maintenance and judicious distribution of his personal stock of literature and samples; for a neat, well-organized and properly stocked "detail bag"; in the pharmacy--for checking stocks, presenting product information, deals and promotional material; watching credit, collections and encouraging discounting invoices; for a thorough knowledge of the material in his catalog and sales manual; for promptly executing the various reports requested of him; for creating and maintaining good professional and public relations and at all times conducting himself in a manner becoming a representative of the . . . Company.

1000 1000 1000 1000 1000

COMPANY M

I. WHO IS THE . . . SALESMAN?

He is a man selected to represent the Company in the field, on the basis of his education background, appearance, and potential selling ability.

II. WHAT IS YOUR PRIMARY DUTY AS A . . . SALESMAN?

To produce greater sales volume in an assigned geographical area by creating increased specification and demand for our Company's products with all classes of trade.

III. HOW WILL YOU ACCOMPLISH THIS?

1. Through salesmanship in carrying out the Company's concentration programs and sales plans.

2. Through self-discipline.

IV. WHOM WILL YOU SELL?

A. Physicians

(Deletion)

V. WHAT WILL THE PEOPLE CONTACTED EXPECT OF YOU, THEIR . . . SALESMAN?

To be THE source of information about . . . Company, its products and policies, in your territory.

"Remember--YOU are. . . ."

VI. HOW WILL YOU ACCOMPLISH THIS?

1. By organizing and planning your work.

a. Establish rigid work schedules that will insure complete coverage, and maximum

utilization of available time. Complete physician and retail records are most important in this phase.

- b. Take the time necessary to do a complete job and not set a "time limit."

2. Self-improvement Program

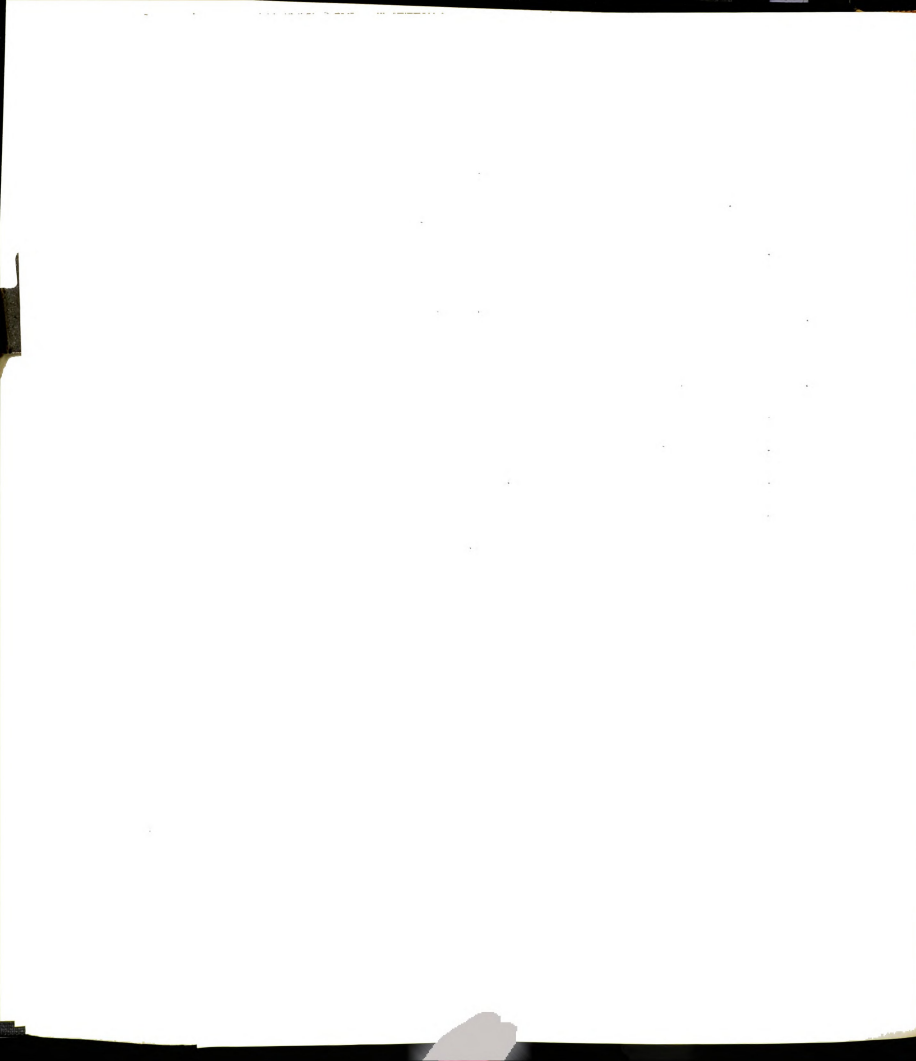
(Deletion)

VII. WHAT WILL THE COMPANY DO TO ASSIST YOU?

(Deletion)

VIII. WHAT DOES . . . COMPANY EXPECT OF YOU?

- 1. A fundamental Honesty--(Deletion)
- 2. Loyalty--(Deletion)
- 3. To accept Responsibility.
- 4. Hard Work--(Deletion)
- 5. To demonstrate good Judgment. (Deletion)



COMPANY N

Primary Responsibility:

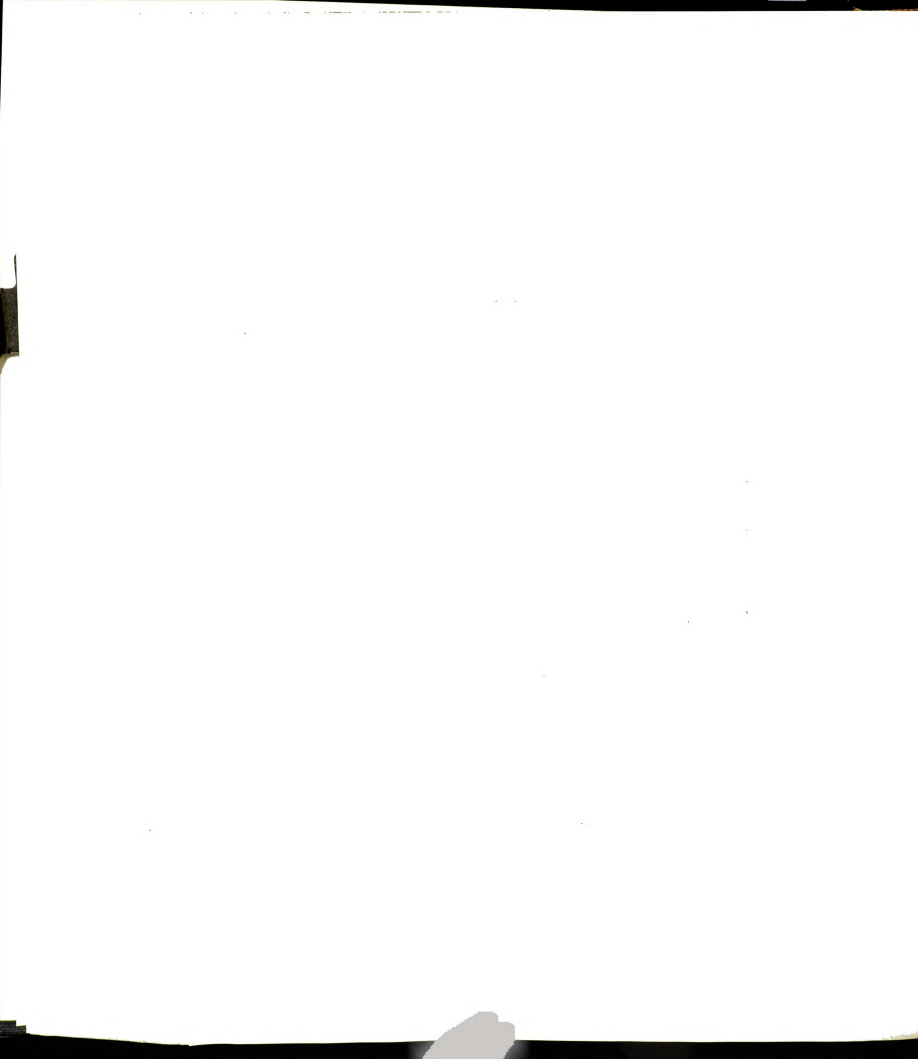
The Sales Representative is responsible for the specification and sale of . . . products and the enhancement of the general Company image and franchise to the Medical and Drug Trade audiences in his territory.

Major Functions:

Within the limits of his approved operating program and the policies and procedures of the Division, the Sales Representative is responsible for the fulfillment of the duties set forth below:

1. Develop and recommend both short- and long-range, specific selling objectives for his territory.
2. Develop and recommend an itinerary for the selling period in conformance with the approved sales program, which will assure the most productive sales coverage of the territory.
3. Plan, at the close of each working day, the next day's work schedule, in keeping with the immediate selling conditions of the territory and the approved itinerary and selling schedule for the promotional period.
4. Carry out the approved selling plans by:
 - (a) Selling to and through Drug Trade outlets,
 - (b) Creating specifications through physicians,
 - (c) Selling to and through assigned hospital personnel.

(Deletion)



COMPANY 0

(Pertinent excerpts from 127-page manual)

Pharmaceutical salesmen have been called "detail men," "medical representatives," "field representatives"--almost everything except salesmen. These titles suggest that salesmen call on doctors to deliver technical lectures on pharmaceutical products, when actually they are there to sell.

In . . . our salesmen are unashamedly salesmen.

(Deletion)

There is so much to do; and only so much time to do it. For example, take the different types of people you have to call on-- . . .

(Deletion)

. . . is designed to help you solve this problem. Its goal is to get the maximum return from your efforts. It is a program that is co-operatively developed by you, your Regional Manager and your District Manager.

(Deletion)

Your selling efforts are directed by the . . . Program as outlined in. . . . On the Program are products that management selects to be promoted by all salesmen in any given month. The . . . Program provides for:

(Deletion)

A PLANNED SALES TALK. In detailing our products to physicians, we use a "Planned Sales Talk." All . . . Salesmen are required to memorize and use this presentation. New talks are prepared to correspond with each new " . . . Program." These must be integrated with the . . . Program.

(Balance
deleted)

COMPANY P

(Representative pertinent excerpts from
40-page manual for new men)

DETAILING ABILITY

He must have not only product knowledge but he must have the ability to impart that knowledge to others. He must be able to project himself into a presentation with honest enthusiasm to hold the doctor's interest. He must have a thorough knowledge but still make his detail concise and effective. He must be ready to answer questions asked by the doctor.

(Deletion)

SELLING ABILITY

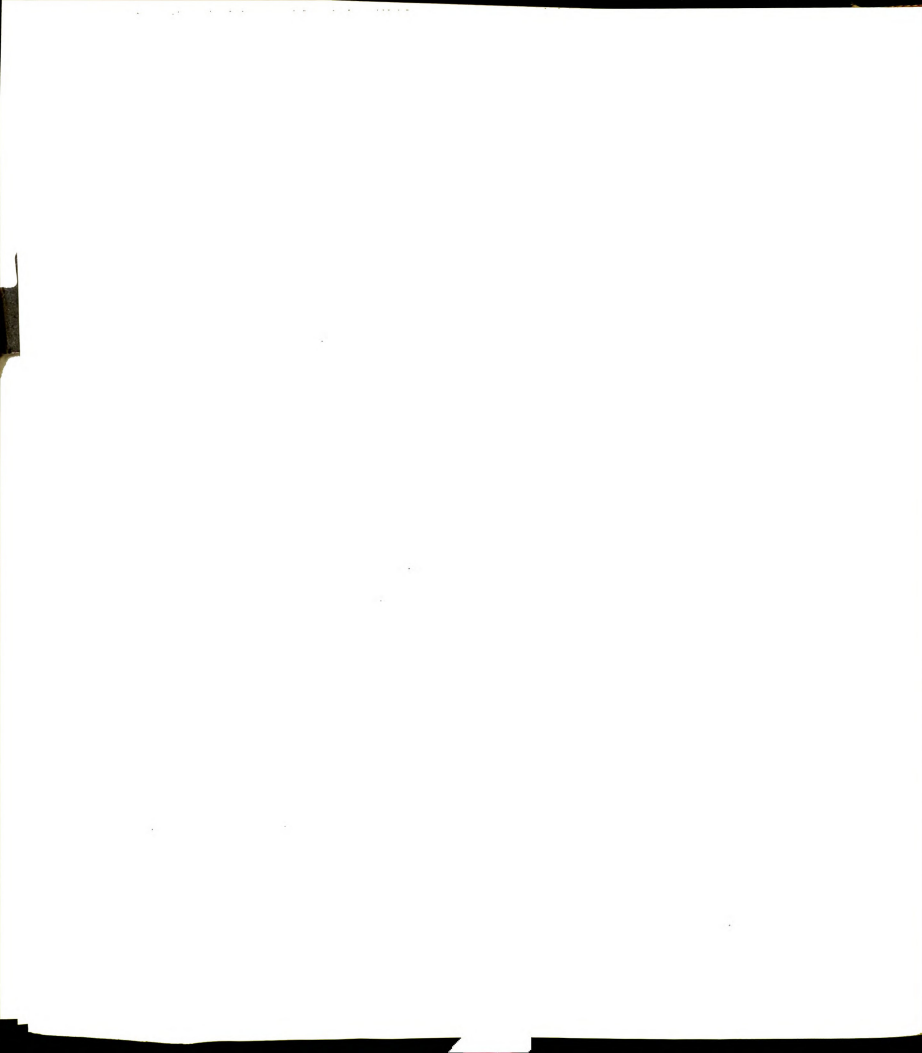
Detailing and selling are much the same, but the detail man often calls upon direct buying accounts where a direct sale is involved. He must possess courage, enthusiasm, and a natural selling aptitude. He must have the ability to gain the confidence of the buyer and to know when to close the sale and get the order.

(Deletion)

HIS ASSIGNMENT

The assignment of a pharmaceutical sales representative will almost always consist of a specifically selected group of prospects composed of physicians, druggists, hospitals, dentists, and veterinarians upon whom he makes regular contacts. The assignment will usually consist of 250 to 400 prospects, and unless it is just a detailing assignment where he calls on physicians only in large medical centers, he will have a specified physical territory in which all of his prospects and customers are located. Factors considered in territory planning include population, retail sales, drug store sales, buying income, hospital potential and the general quality of the market for the area.

The degree of regularity of contact on his customers will vary. Large drug store accounts will be contacted at least every week, with some of the smaller stores being



contacted every two to four weeks. Hospitals will usually be contacted once a week and physicians will vary from once a month to six months with an average of about once every two to three months.

In describing his assignment it is emphasized that . . . will expect him to develop friendships with all members of the health professions. These are "business" friendships and are developed through confidence and trust in him and the service he performs for them. This is not a "one time only" high pressure selling assignment but one where repetitive contacts bring success. He will be held accountable for his statements and promises on future calls.

WHAT IS A DETAIL MAN?

Basically a detail man is a sales representative of a pharmaceutical company who presents his products to the members of the health professions, including physicians, veterinarians, dentists, pharmacists and other personnel in drug stores, and key personnel in hospitals. The detail man plays an essential role in the program of offering better health to all Americans. He is the major link between the pharmaceutical companies and the health professions.

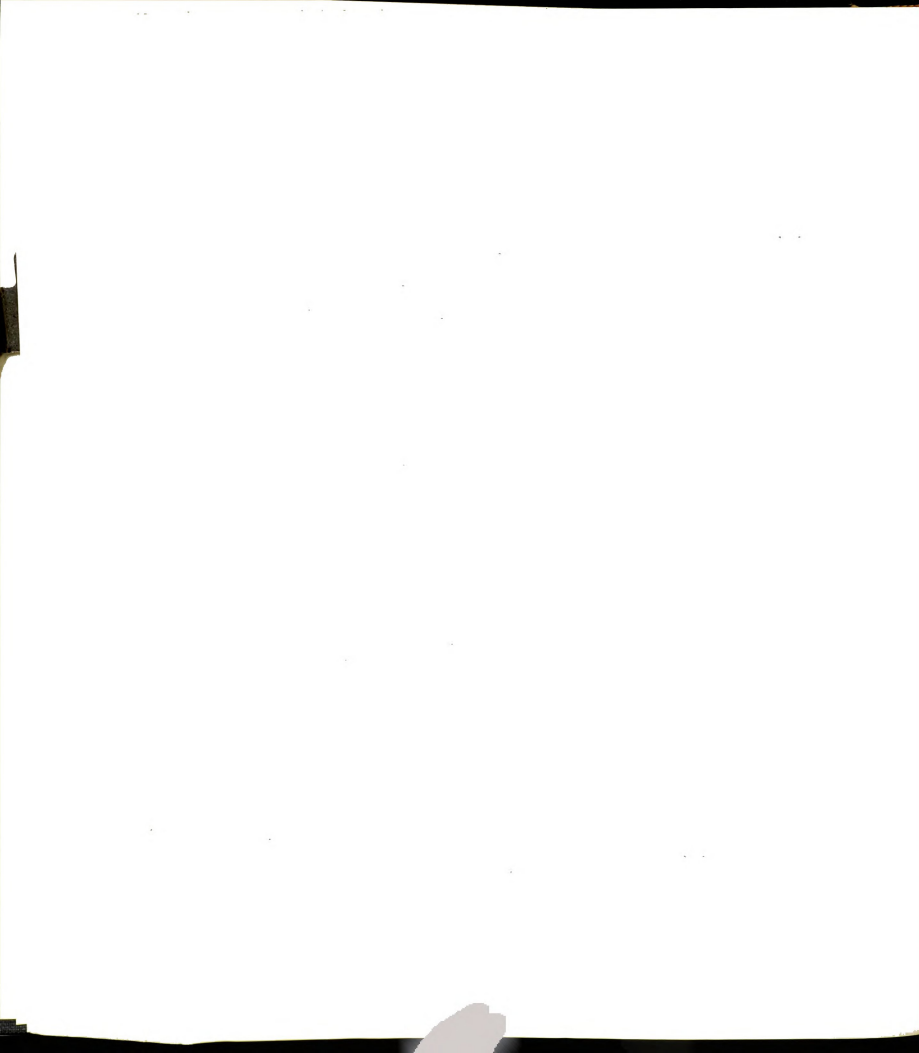
Most pharmaceutical sales representatives have a "detailing assignment," where they call upon physicians to detail products, and also a "Sales Assignment" where they call upon buying accounts, such as drug stores and hospitals. The usual pattern is for the detail man to call upon his drug stores and hospitals in the morning and detail his physicians in the afternoon. Of course this will vary to some extent in different territories.

(Deletion)

HIS OWN MANAGER

Except for the time that the detail man or field sales representative is working with his district manager, he is working alone. Thus it is up to him to plan his day's work, including his routing for the day and in many instances for a week or two weeks as the case might be. This means that he must be a good organizer and be completely trustworthy. Naturally . . . requires and expects a full day's work from each of its representatives.

(Balance
deleted)



COMPANY Q

The . . . salesman's objective shall be to sell . . . products to physicians, to retail pharmacies, and to hospital pharmacies in accordance with the . . . marketing policy.

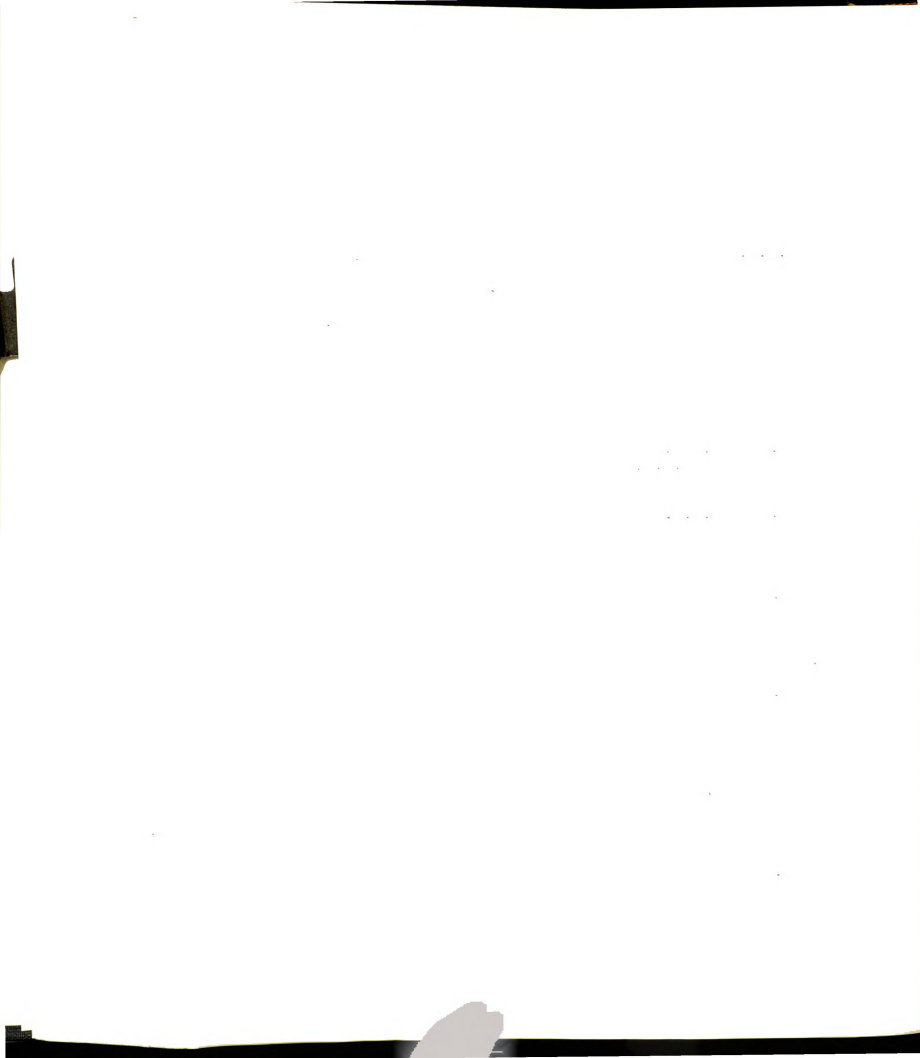
Under the supervision of his district manager, the . . . salesman shall have authority to take action consistent with company policies as outlined in the Sales Manual and other company publications and as directed by company management.

I. General

- A. The . . . salesman shall have complete knowledge of the . . . line and shall keep up to date at all times on product information.
- B. The . . . salesman shall also keep informed about competitors' products and promotional methods and shall report significant developments to the district manager.
- C. The . . . salesman shall keep abreast of medical and pharmaceutical information through current pharmaceutical and medical journals.

II. The Physician

- A. The . . . salesman shall maintain records giving the following information about each physician the salesman details:
(Deletion)
- B. The . . . salesman shall develop and maintain good relations with the following individuals:
(Deletion)
- C. The . . . salesman shall prepare for his detail calls by:
(Deletion)



D. The Detail Interview

(Deletion)

III. The Retail Pharmacy

(Deletion)

IV. The Hospital

(Deletion)

V. Wholesale Distributors Assigned to Salesman

(Deletion)

VI. Management of Territory

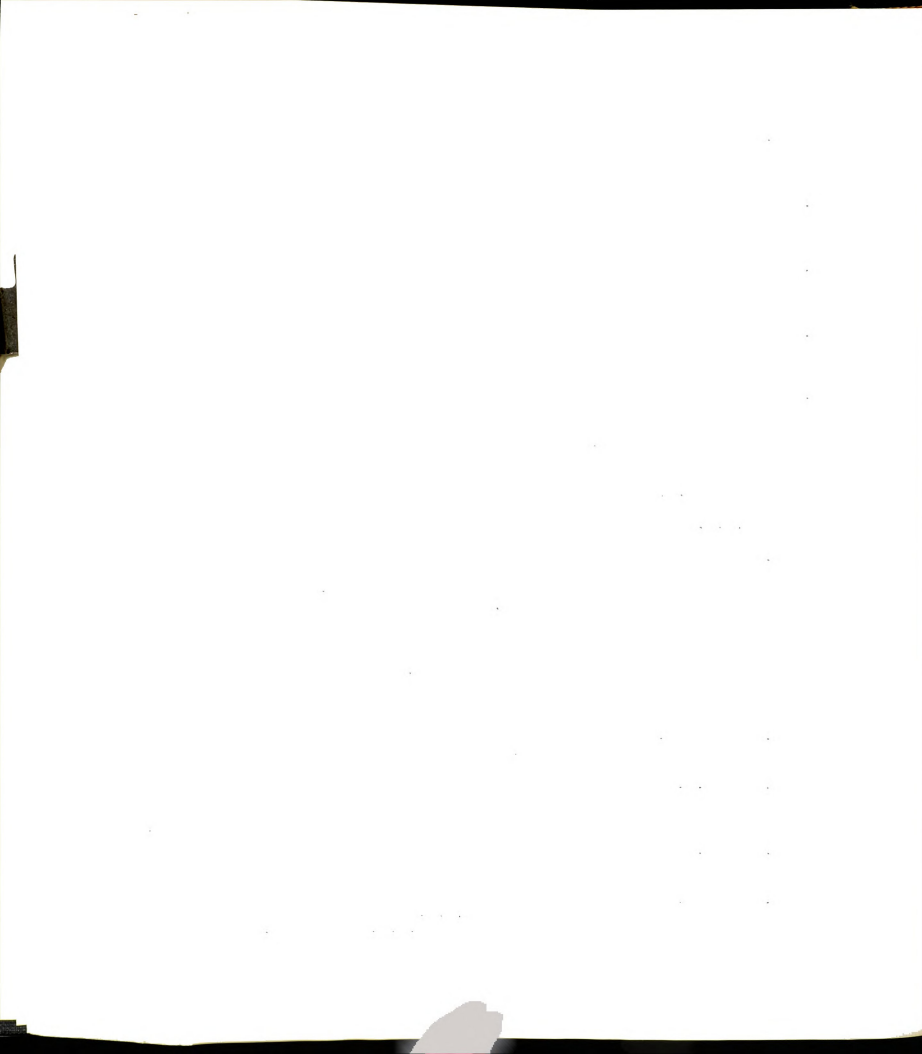
In order to accomplish his job successfully, it is essential that the . . . salesman perform certain other duties and meet certain other requirements.

- A. The . . . salesman shall manage his territory in conformance with the ideals and objectives of . . . Company.
- B. Through personal development, the salesman shall strive for individual stature in his community which is in keeping with his position as " . . . Company" in his territory.
- C. The . . . salesman shall be alert for opportunities within his territory to further the company's interests as outlined below.

(Deletion)

- D. The . . . salesman shall complete necessary paper work promptly and. . . (Deletion)
- E. The . . . salesman shall prepare assignments for, and constructively participate in, district meetings and . . . sales schools; . . . (Deletion)
- F. The . . . salesman shall attend assigned pharmaceutical and medical meetings.
- G. The . . . salesman shall maintain satisfactory relationships with (1) other . . . salesmen, (2) his district manager, and (3) . . . personnel.

(Deletion)



COMPANY R

FUNCTION

Promotes . . . products through detailing physicians, and sells and promotes . . . products in an assigned territory to direct retail and wholesale accounts.

RESPONSIBILITY

TYPE OF ACTION

Physician detailing

(Deletion)

Wholesale and Retail
Trade Accounts

(Deletion)

Hospitals, institutions
and Medical Schools other
than those assigned to
Hospital Service Repre-
sentatives

(Deletion)

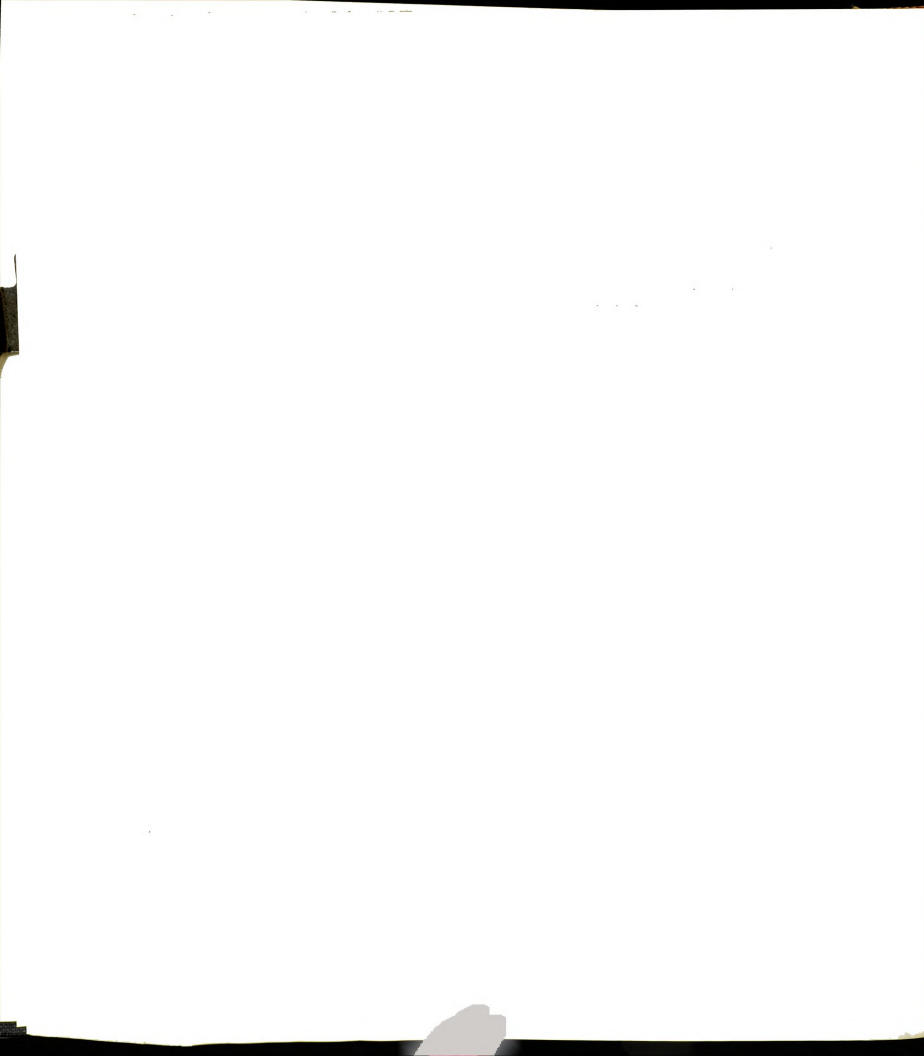
Administration

Provide daily activity reports,
expense reports and route
schedules to the District
Manager and home office.

Make special reports of activ-
ities to the District Manager.

Keep the Company informed of
unusual competitive product
activity.

Maintain adequate stocks and
promotional supplies for ter-
ritorial use.



COMPANY S

The Basic Function of This Position Is:

Create the demand for and manage the distribution of our Professional, Consumer and Veterinary Products by detailing physicians, pharmacists and veterinarians. To sell the largest possible volume of company products to all classes of trade; independent retail drugstores, hospitals, physicians and specifically assigned branches of national chain drugstores, wholesalers, medical centers, and to serve them all effectively within company policies and budgets.

Authority and Responsibilities:

Within the limits of his approved program and the company policies and control procedures, the salesman is responsible for, and has commensurate authority to accomplish, the fulfillment of the duties set forth below. He may not delegate or relinquish his overall responsibility for results, or any portion of his accountability.

Major Areas of Responsibility:

1. Sales Planning and Policy

Reads, reviews, understands and carries out company plans, programs and policies. Reports to the District Sales Supervisor changes and improvements needed in programs and policies.

KEY DUTIES

1. Reads and understands company plans, programs and policies; carries them out in all contacts with customers.
2. Recommends to the District Sales Supervisor needs and opportunities for improving marketing objectives, programs, methods and policies. Also, points out needs and opportunities for product and market research and improvement.

3. Corresponds, with customers, District Sales Supervisor and Regional Sales Manager, as necessary, to keep them informed on matters essential to carrying out the salesman's responsibilities.

2. Sales Forecasts, Quotas, Budgets and Controls

Supplies territory sales volume and expense requirement estimates as requested. Advises of changes and trends in the territory.

(Deletion)

3. Selling Operations

Maintains channels of distribution. Attains goals and sales quotas from selling operations to all major classes of trade; makes sure that these are carried out in line with company policies and budgets.

(Deletion)

4. Industry and Customer and Consumer Relations

Handles customer complaints and service requests. Maintains good relations with all classes of trade. Participates in local medical meetings, drug trade association meetings, hospital conventions and activities.

(Deletion)

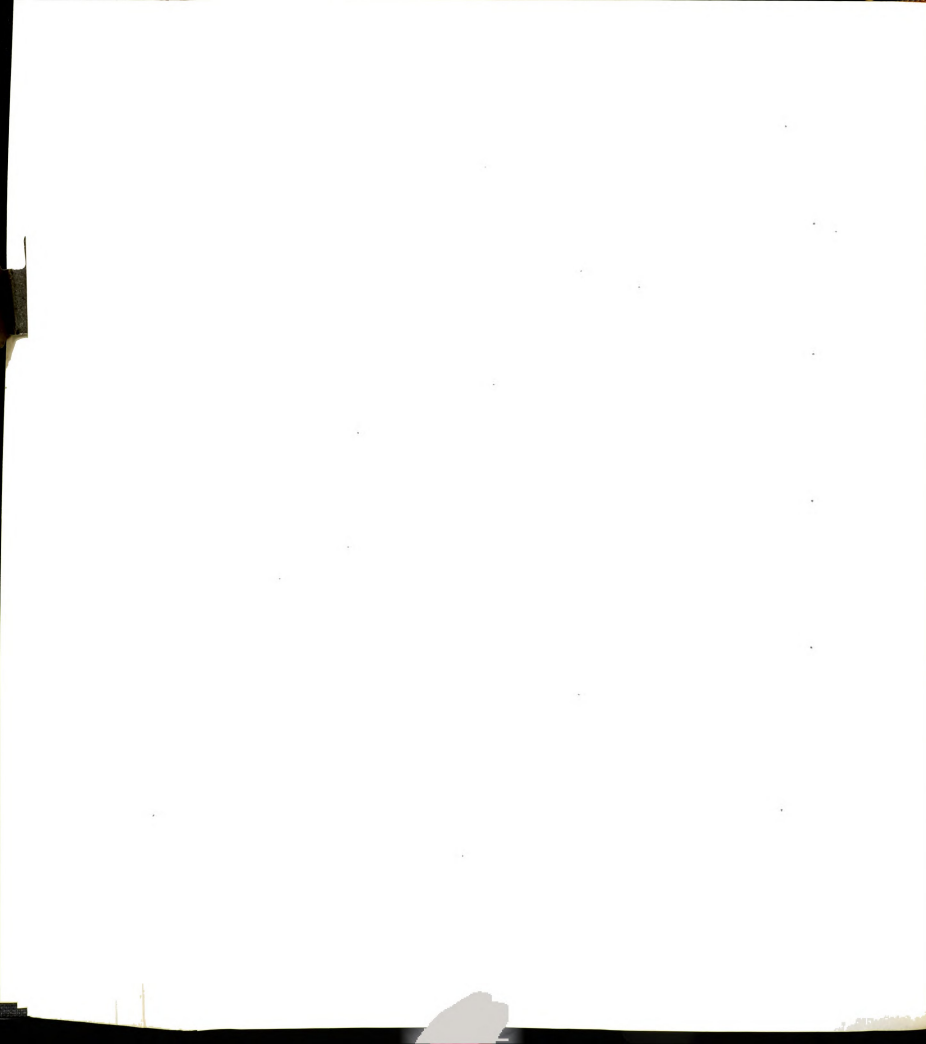
5. Pricing

To study, understand and accept company prices, terms, discounts and policies. To carry out selling operations in conformity with them.

KEY DUTIES

(Deletion)

4. Weighs and recommends to the District Sales Supervisor exceptions and adjustments to prices, terms and discounts where serious loss of business might result otherwise.

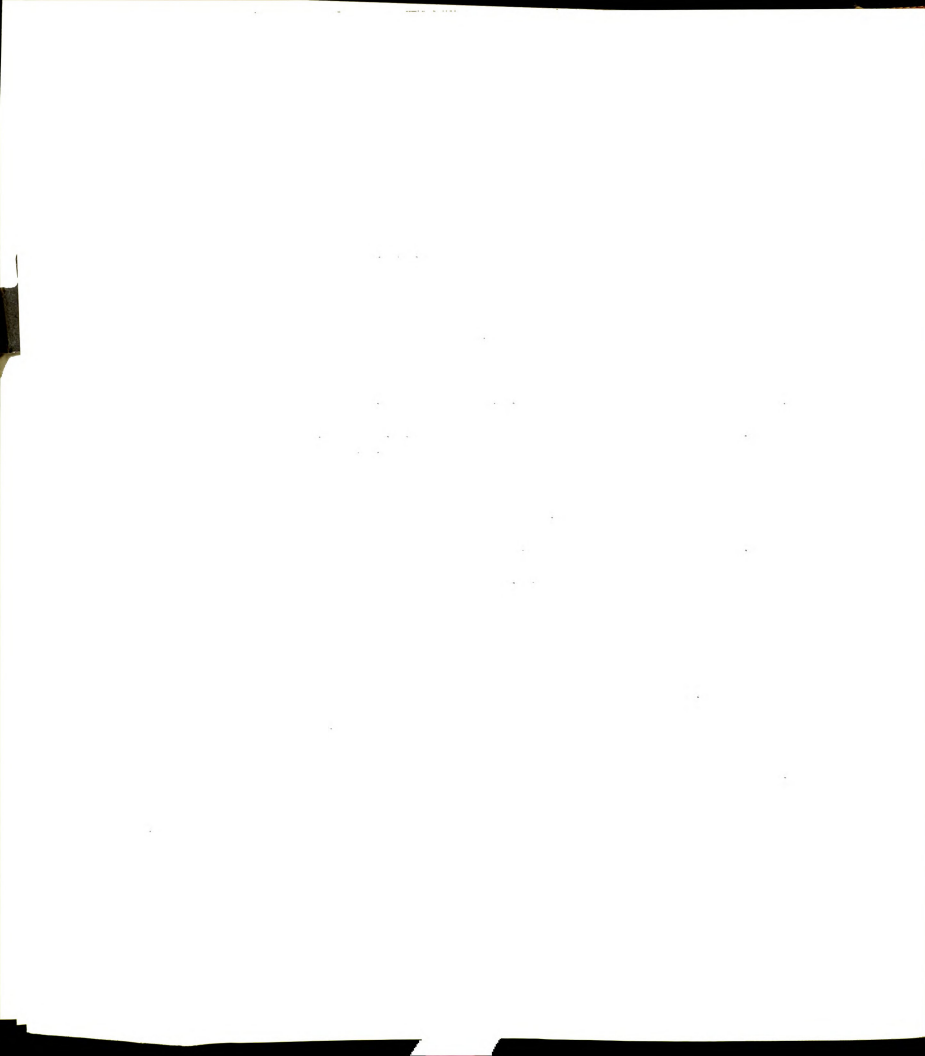


COMPANY T

FUNCTION - Builds maximum sales volume of . . . products in an assigned territory, by developing and maintaining good distribution channels and adequate stocks, by promoting specification of products by "detailing" physicians and taking orders from distributors.

SCOPE OF RESPONSIBILITIES -

- A. Promote Specification of . . . Products.
 - a. Calls regularly on physicians (M.D.'s & D.O.'s) to obtain their specification of . . . products by discussing the chemistry, pharmacology and clinical use and dosages of products, and by supplying the physician with samples, literature and reprints.
 - b. Calls on hospital . . . (Deletion)
 - c. Calls occasionally . . . (Deletion)
 - d. Receives and reports . . . (Deletion)
 - e. Requests information . . . (Deletion)
 - f. Delivers lectures, and sets up, shows, and . . . (Deletion)
 - g. Attends medical and trade conventions . . . (Deletion)
- B. Provides good distribution coverage of territory.
 - a. Evaluate and recommend to Home Office retailers, wholesalers, hospitals and other organizations to be placed on a direct sale basis. Follows through in opening of accounts approved by Home Office, with usual procedures for initial orders, etc., and explanation of . . . policies and products.



- b. Call on . . . (Deletion)
- c. Call on . . . (Deletion)
- C. Promote Sales of . . . Products.
(Deletion)
- D. Supply information concerning activities and market conditions in territory to Division Manager and to home office.
(Deletion)

COMPANY U

Major Responsibility

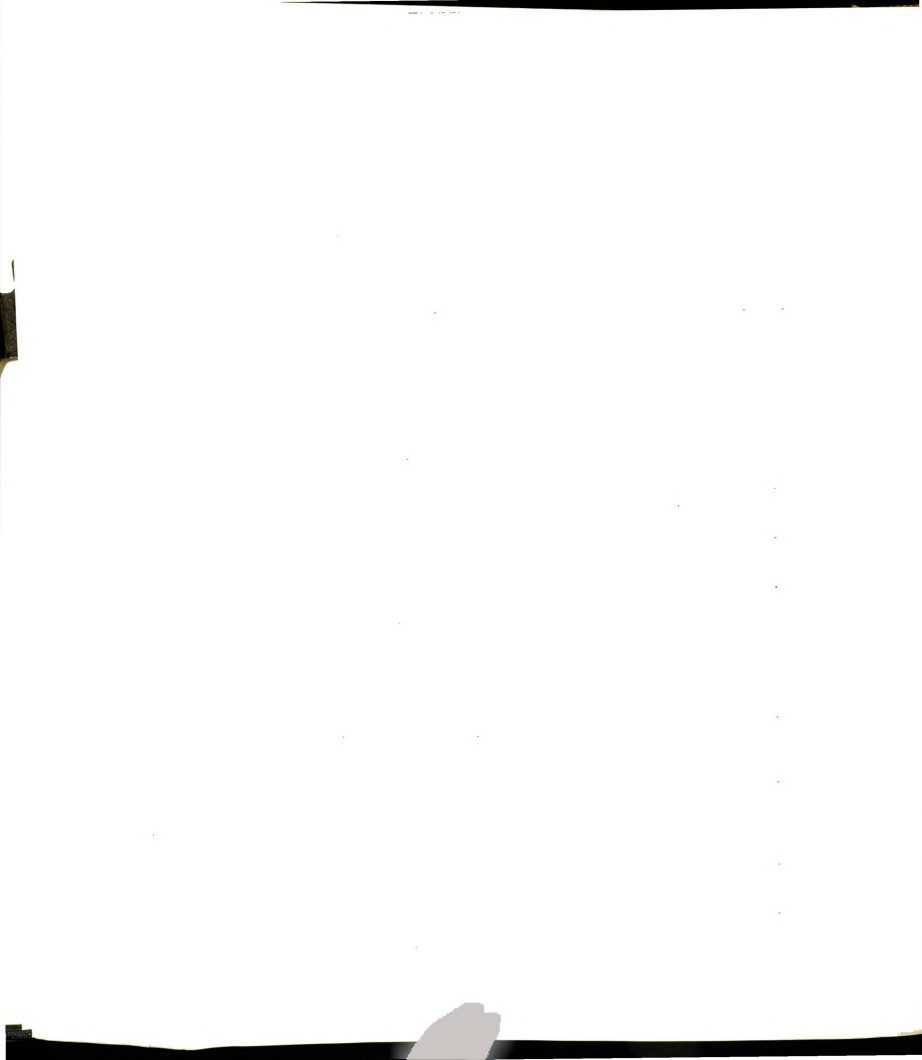
To produce the maximum amount of profitable sales of
. . . products in assigned territory.

Report to

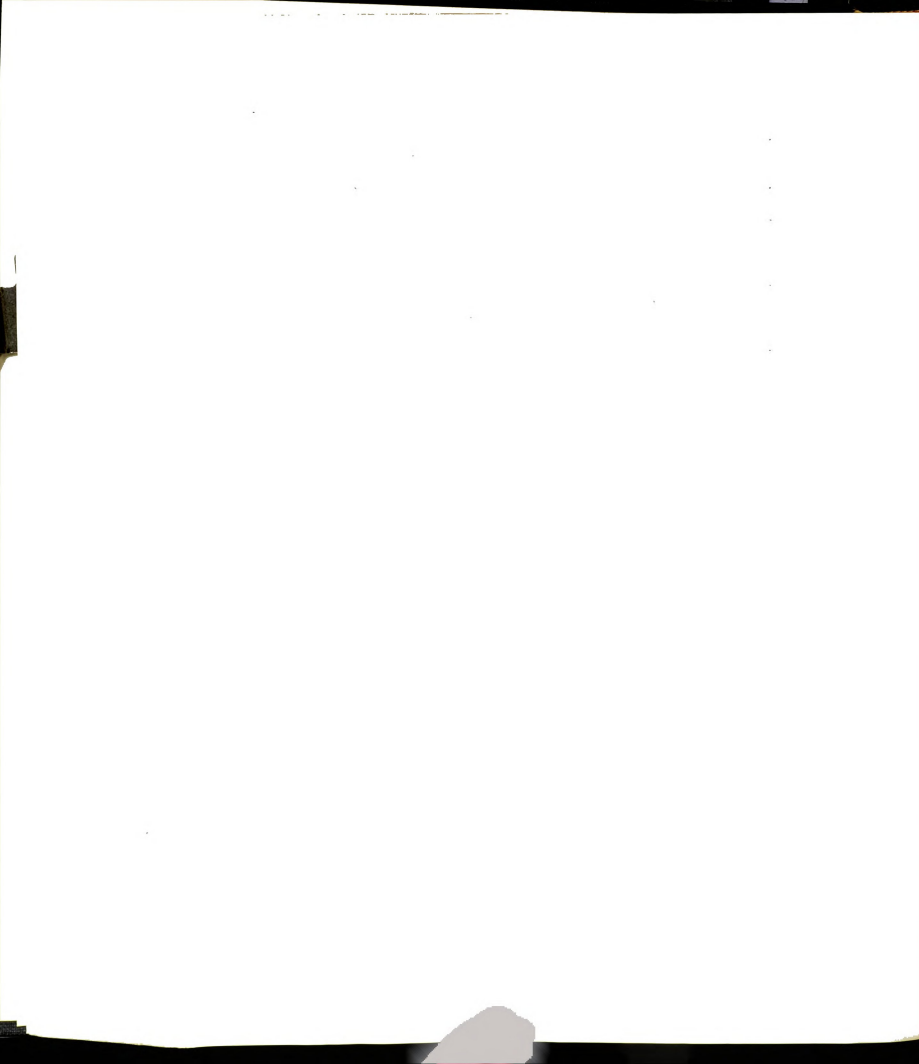
Pharmaceutical Sales Manager

Responsibilities and Functions

1. Plan and organize sales effort in assigned territory in keeping with company policy.
2. Maintains "live" territory records as directed by company.
3. Be completely familiar with the pharmaceutical market in assigned territory.
4. Establish a call pattern on selected drug accounts, hospitals, clinics, physicians, physician supply houses and other potential customers.
5. Be completely familiar with all pharmaceutical line products and capable of presenting a motivating sales presentation to potential users.
6. Be proficient in the application of professional sales techniques in selling . . . and . . . products.
7. Develop sound relationship with physicians and customers; handle complaints to satisfaction of the customer and; . . . maintain customers in good credit standing.
8. Keep all equipment and supplies issued by the company in good condition.
9. Keep informed concerning competitive products, prices and policies, forwarding pertinent facts to the Pharmaceutical Sales Manager.



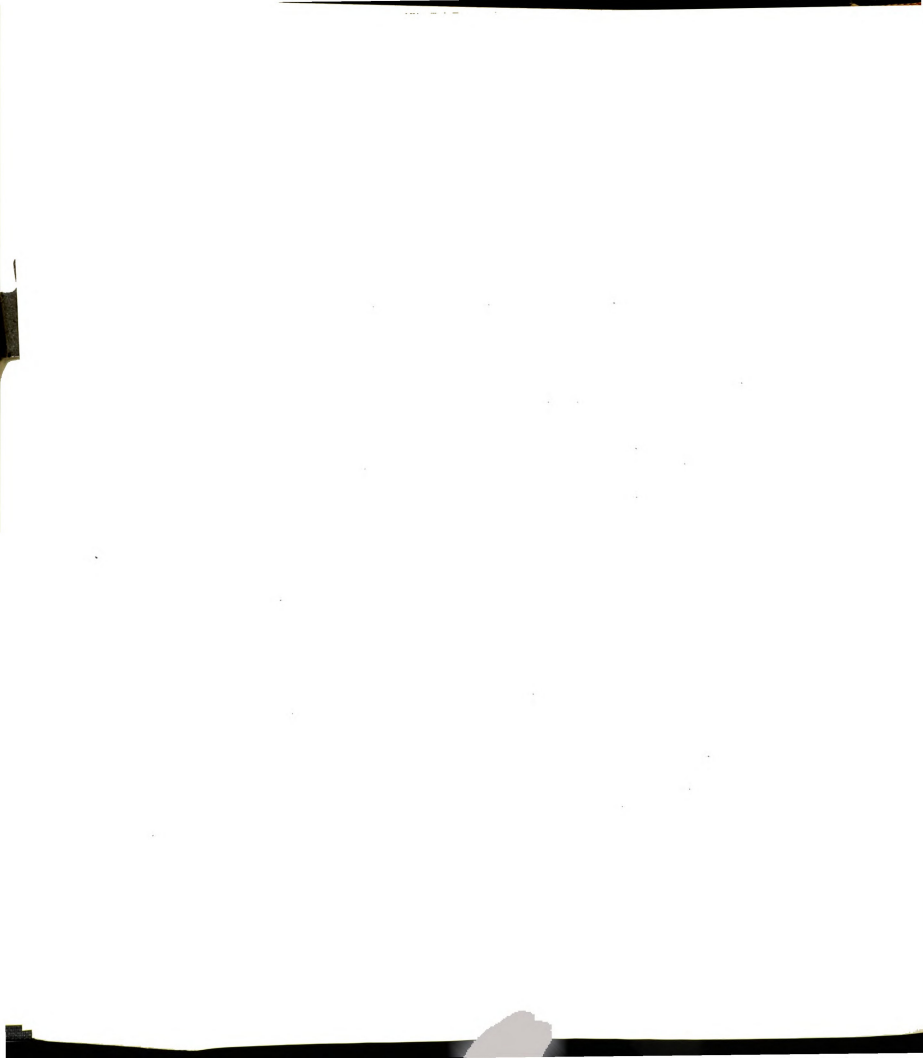
10. Cooperate with distribution services to assure efficient service to our customers.
11. Control expenses within budgets assigned.
12. Establish inventory control with customers to keep return goods to a minimum, particularly dated products.
13. Schedule hospital exhibits routinely in assigned hospitals. Attend conventions as directed by pharmaceutical sales manager.
14. Perform such other duties as directed by the pharmaceutical sales manager.



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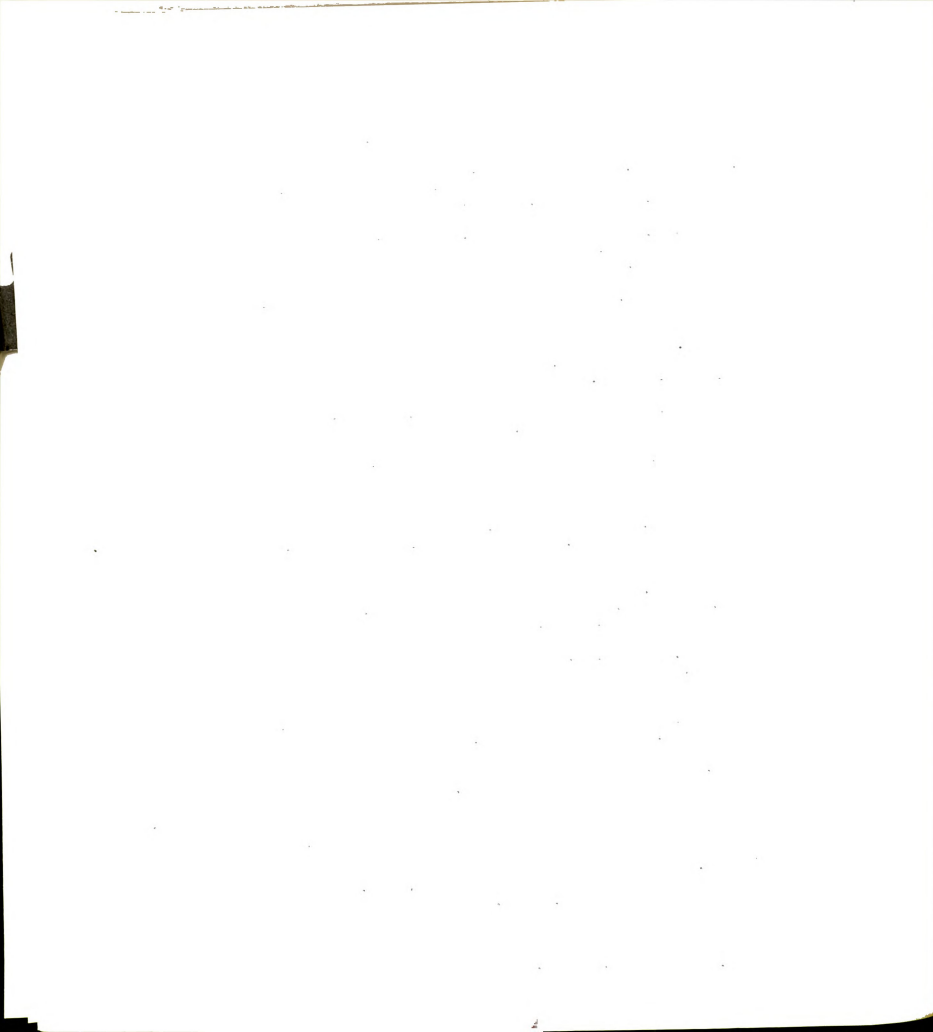
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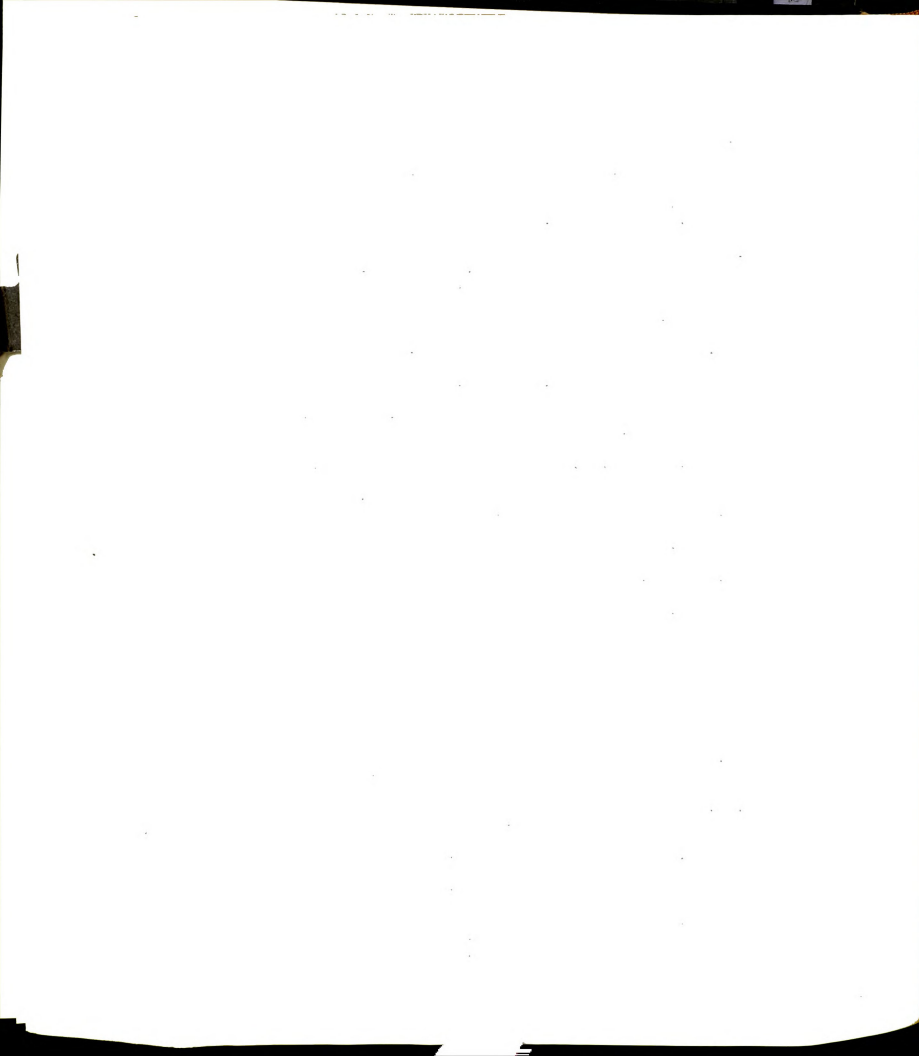
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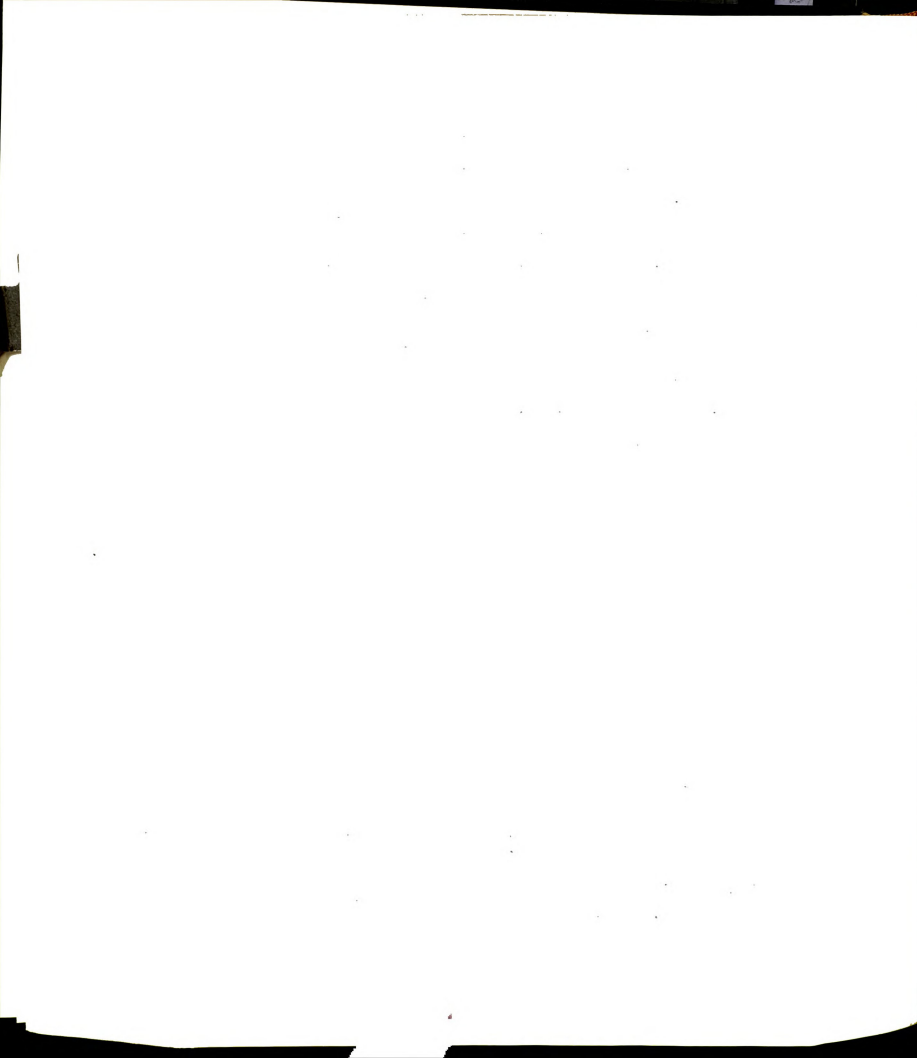
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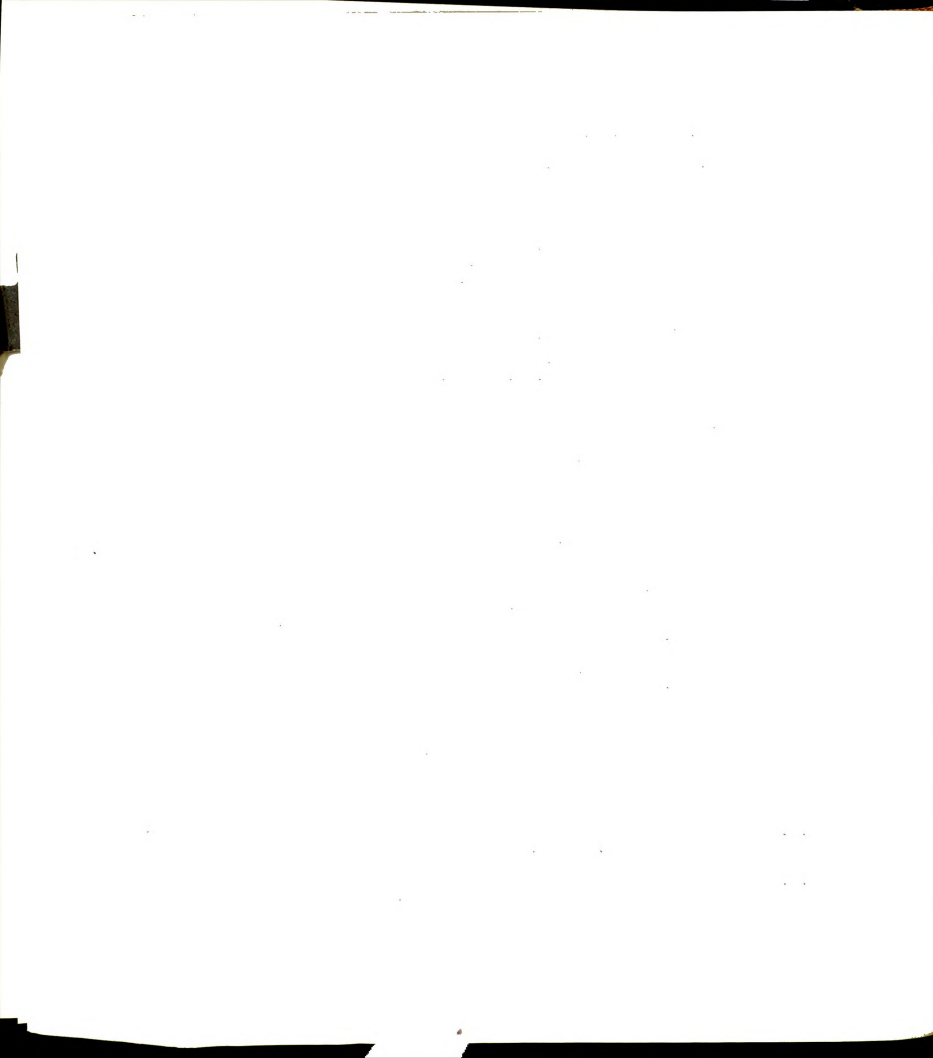
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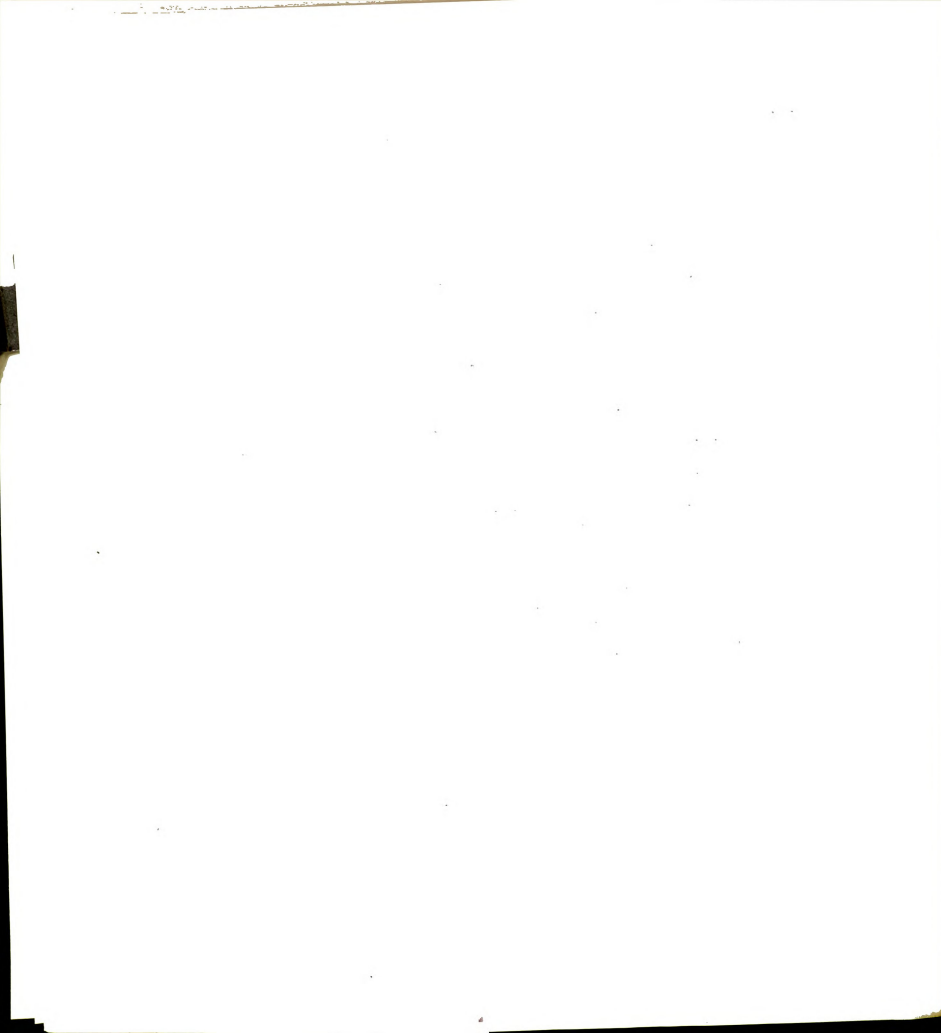
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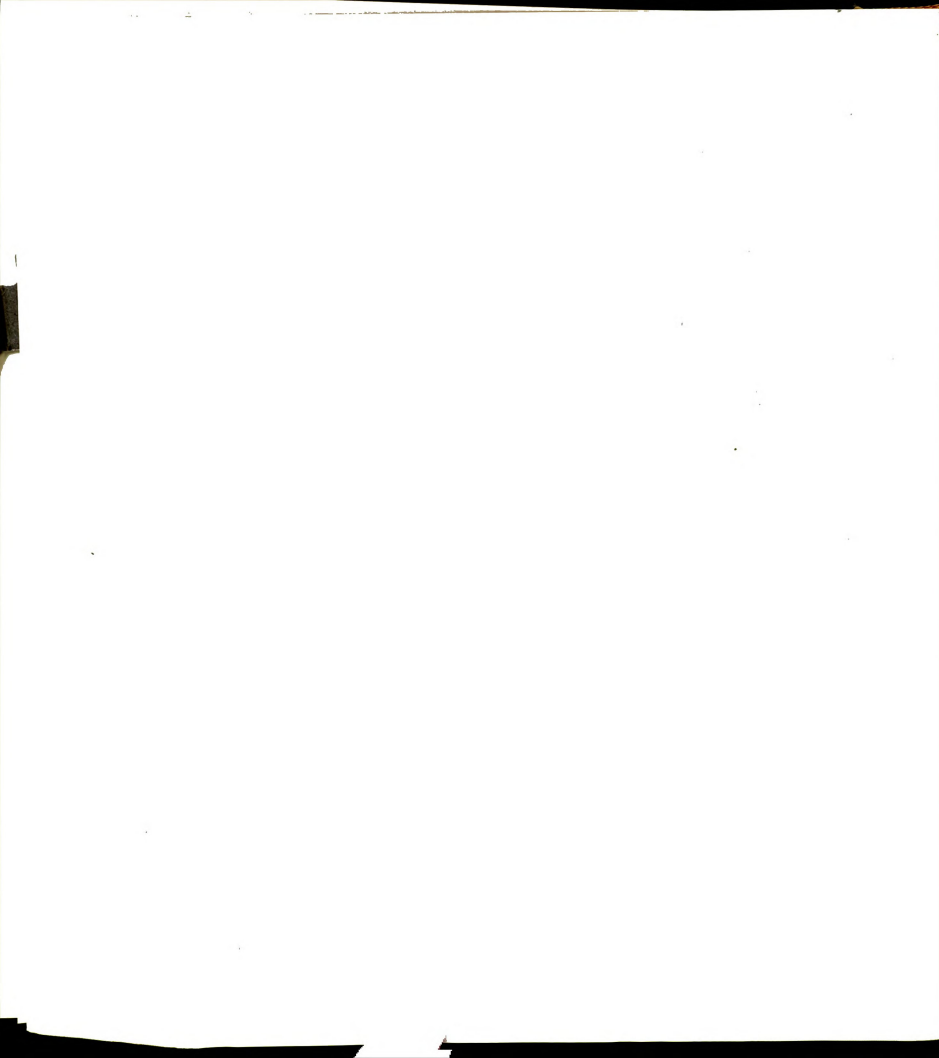
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