

Designing an Instrument for Measuring Sales Performance of Healthcare Consumables

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Abstract: *This article will help Health care companies to have a set of questions through which they can easily measure the performance of the sales, and according to the results they can plan different activities with the employees (sales team) example, they can conduct product trainings, workshops, also know your employees if the motivation level is down various methods to keep sales people motivated like get together, internal office sports competitions, improving work culture if needed, improvising the incentives.*

This instrument will also help company the resources who are not valuable and helps to take decision what to do with the resource. Then company can give one month time for improvement, and then take action. It will also help company know the gaps and in-turn will be helpful in improving or adding proper set of process that will improve the sales of the team and that indirectly will increase the sales figures of the company.

Keywords: Instrument, sales performance, healthcare, sales team, Promotion

I. INTRODUCTION

Sales performance is very important for any organization to sustain, it's a backbone of the company, we can also call it as an engine fuel for the company, which must be coming in to run the organization and so sales department is one of the most important department in any company. In this article we will be designing a questioner which will be answered by employees (sales team, sales team managers).

This will help find the performance among the sales team internally and helps to improve team with certain arrangements done. This study can be used by any company who are selling any type of products and services.

It is the questioner that creates answer and questioner comes into being from answer, otherwise there is no questioner.

II. LITERATURE REVIEW

Vishal Singh Patyal Maddulety Koilakuntla(2015), "Infrastructure and core quality practices in Indian manufacturing organizations", Journal of Advances in Management Research, this paper is to develop and validate a scale for infrastructure and core practices, including for total quality management (TQM) and Six Sigma practices, in the Indian manufacturing organizations.

Joseph O. Rents, C. David Shepherd, Arabian Tashchian, Pretibial A. Dabholkar, and Robert T. Ladd A Measure of Selling Skill: Scale Development and Validation (2013) Selling skills are learned proficiency at performing tasks necessary for a sales job. They are among the most important predictors of sales performance. However, the research into selling skills has been hampered by the lack of an overall scale. To address this shortcoming the present paper identifies a model of sales skills consisting of three components of interpersonal skills, salesmanship skills, and technical skills. Using exploratory and confirmatory factor analysis, the authors report the development of a Selling Skill scale as a reliable and valid instrument. The authors suggest priorities for future research and potential uses of this instrument.

III. METHODOLOGY OF THE STUDY

The main objective of this study is to create a comprehensive and effective questionnaire to analyze the sales performance of healthcare professionals, using data from a variety of sources, including peer-reviewed journals, reports, magazines, news websites, circulars, and books, as well as my own five years of experience in the industry.

This questionnaire will be designed to assess a wide range of factors that contribute to sales success, including:

- Knowledge and expertise: How well do the sales professionals understand the healthcare products and services they are selling? How up-to-date are they on the latest industry trends and developments?
- Communication and interpersonal skills: How effectively do the sales professionals communicate with potential and existing customers? Are they able to build rapport and trust?
- Problem-solving and negotiation skills: Are the sales professionals able to identify and address the needs of their customers? Can they negotiate effectively to close deals?
- Motivation and drive: Are the sales professionals self-motivated and driven to succeed? Do they have a positive attitude and a strong work ethic?

The questionnaire will be validated by a panel of experts in the healthcare sales industry, and it will be pilot tested with a group of sales professionals to ensure that it is clear, concise, and easy to understand.

Once the questionnaire is finalized, it will be used to collect data from a sample of healthcare sales professionals. This data will be analyzed to identify the key factors that contribute to sales success in the healthcare industry. The findings of the study will then be used to develop a training program for healthcare sales professionals, helping them to improve their skills and performance.

I believe that this study has the potential to make a significant contribution to the healthcare industry by helping to improve the sales performance of healthcare professionals. This could lead to better patient care, as healthcare professionals will be better able to understand and meet the needs of their patients.

How a Questioner will help company to analyze the performance:

How it helps a sales person:

1. It will help analyze self-performance and they can set a benchmark with the highest performer and improve themselves
2. Helps motivates the team to perform or to improve the skills so next time they can be on top of the table
3. Top performers can share tips and tricks/knowledge that can make a team better
4. Employees can use the results while appraisal, and useful for justifying the work done for the past whole year
5. Ranking can lead for healthy competition within internal team.

How it will help the company:

1. Company will know who all the best resources and who all not a great resources for the company and they are just wasting company's resources into drain
2. It will help company to train and improve the non-performers and even they can give a proper exit if the employee not improving after multiple training to improve them.
3. Based on the results H.R team can work on what and how to find the best employees for the company
4. It can also help company to improve the work culture for sales team, which will improve their effectiveness.
5. It will help incising sales of the company.

Analyses of the Data Collected

Construct Reliability:

Construct reliability is the consistency with which a research instrument measures a construct across items and time points. It is a measure of **internal consistency reliability**, which assesses whether the items on a construct are all measuring the same thing.

Dijkstra and Hensley (2015) recommend that a construct be considered internally consistent and reliable if its **rho value** is greater than 0.7. Any value above 0.8 is considered good, and above 0.9 is excellent. **Jöreskog and Sörbom (2006)** support these recommendations.

Cronbach's alpha is considered a satisfactory minimum threshold of 0.6, with values above 0.7 being preferred. **Burgess and Steenkamp (2006)** and **Cronbach (1951)** support this recommendation.

Based on the above norms for all three tests, the reliability levels of this study are good or excellent.

Construct	Dijkstra-Henseler's rho (ρ_A)	Jöreskog's rho (ρ_c)	Cronbach's alpha(α)
Brand	0.9273	0.9387	0.9248
Price	0.8080	0.8624	0.7902
Sales Force	0.8411	0.8993	0.8314
Service	0.8983	0.9154	0.8879
Sales Growth	0.8855	0.9064	0.8706

Convergent Validity:

Convergent validity assesses the degree to which two measures of constructs that are theoretically related are actually related. Average variance extracted (AVE) was used to test convergent validity. AVE is a satisfactory measure of convergent validity when it is greater than 0.5 (Hair et al., 2011). As all constructs in the model had AVE values ranging from 0.6108 to 0.7491, this indicates that convergent validity is present.

Construct	Average variance extracted (AVE)
Brand	0.6577
Price	0.6108
Sales Force	0.7491
Service	0.6453
Sales Growth	0.6612

Indicator Multi-collinearity:

Variance inflation factor (VIF) values below 5 indicate that multicollinearity is not a concern. All constructs in the model had VIF values below 5, therefore the test confirms that multicollinearity does not exist in the model.

Indicator	Brand	Price	Sales Force	Service	Sales Growth
Brand1	2.2952				
Brand2	2.0836				
Brand3	2.4866				
Brand4	2.8207				
Brand5	3.5175				
Brand6	4.8024				
Brand7	2.0145				
Brand8	3.7126				
Price1		1.5388			
Price2		1.5725			
Price3		1.6434			
Price4		1.5220			
Sales Force1			1.5635		
Sales Force2			2.3811		
Sales Force3			2.4259		
Service1				2.7351	
Service2				3.4993	
Service3				2.4208	
Service4				2.0931	
Service5				1.5187	
Service6				2.4972	

Sales Growth1					2.3644	
Sales Growth2					1.7717	
Sales Growth3					1.6075	
Sales Growth4					2.6656	
Sales Growth5					2.7105	
Variance inflation factors (VIF)						

The structural model:

The structural model includes exogenous and endogenous constructs and the connections between them. Exogenous constructs are considered to be influenced by factors outside the model, and endogenous constructs are influenced by factors within the model.

No arrows in the structural model point to exogenous constructs because they are not explained by the other constructs in the model. In contrast, at least one arrow must point to each endogenous construct, indicating that it is explained by one or more other constructs in the model.

Ovals represent constructs, and arrows represent connections in the model graph. In most cases, a linear correlation is assumed between the various elements.

So we can divide all the questioners into 4 major factors that are Brand, sales force, price and service.

We will be using all this 4 factors and see how they are affecting the sales growth of a company



Structural equation modeling is a multivariate statistical analysis technique that is used to analyze structural relationships. This technique is the combination of factor analysis and multiple regression analysis, and it is used to analyze the structural relationship between measured variables and latent constructs.

Effect	Original coefficient	t-value	
		t-value	p-value (2-sided)
Brand ->Sales Force	0.6615	6.1022	0.0000
Brand ->Sales Growth	0.1425	0.7071	0.4797
Price ->Sales Force	0.2169	2.0728	0.0384

Price ->Sales Growth	0.1623	1.7802	0.0753
Sales Force ->Sales Growth	0.2772	2.8295	0.0048
Service ->Sales Growth	0.4079	2.2477	0.0248

So the study is to know how other factors effecting the sales growth:

So Brand, Salesforce, Price and Service are the factors

Brand and price effect directly towards sales growth and also indirectly through Sales force, and rest Sales force and service directly affect the sales growth.

According to study

Brand effects 14.3 % towards sales growth

Sales force affects 27.7% towards sales growth

Price effects 16.2% towards sales growth

Service effects 40.8 % towards sales growth

And Brand effects Sales force by 66.2 % and price effects sales force by 21.7 %so as per the factors used in the study.

The factors are affecting 84.1 % and rest is other factors, which were not included in the study.

IV. CONCLUSION

As per the study all the factors (Brand, Sales force, Price and service) this factors are affecting the positive and negative way of sales growth. Companies who train there sales staff and use all the rest of the factors for the growth of the sales in the company.

For example:

- **Brand:** Best quality and practices increases the brand value of a company
- **Sales force:** Better trained staff can do wonder for a company, sales staff is revenue generators
- **Price:** Better the price more the sales, same time if the price feels not value for money for customers then they don't buy products. So price is very important for sales growth for any company.
- **Service:** Customers are delighted if they get outstanding services from a company and service can be after sales service, delivery on or before time, POC appointed for a customer, etc.

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ANNEXURE

The Validated Questionnaire for measuring sales force performance.

Thank you for your time and attention.

This research is intended to explore and examine the many factors that influence the sales force performance and the benefits and impact to the business.

I request you for 10 to 15 minutes of your time to fill up this survey. Your feedback is important to me for coming up with validated questionnaire for sales forces performance. Confidentiality is a promise.

Factors influencing sales force performance:

1. Brand
2. Sales force
3. Brand
4. Quality
5. Price
6. Service

Code	Statements	Level of Agreement				
		Strongly Disagree (SD); Disagree (D); Neutral (N); Agree (A);				
Brand (Br)		SD	D	N	A	SA
Brand1	Brand of the product is very much important for Doctors/ Hospitals to encourage and buying the products?					
Brand2	Customers tend to explore new products which have outstanding performance?					
Brand3	Company of the supplier and the brands he is selling should be known in market?					
Brand4	Product marketing is very important (Letting customers know the USPs of the brands and about the company)?					
Brand5	Word of mouth is mostly happening in Health care industry?					
Brand6	Each segment of Market place requires a specific brand or quality, so Marketing should be done accordingly?					
Brand7	Product marketing can be done with the reference of Doctors?					
Brand8	Customer needs high quality/Branded products at a very low cost?					
Sales force		SD	D	N	A	SA
Sales force 1	Its difficult for Sales team to reduce the price and convincing with the middle management (for negotiation)?					

Sales force 2	Companies should arrange internal staff (sales team) picnics for motivation and Inc. their productivity?					
Sales force 3	Attractive incentives should be awarded for completion of targets by sales team?					
Price		SD	D	N	A	SA
Price 1	Price is the only thing matters to the customer?					
Price 2	Payment flexibility to the Customer is one of the requirements to be with them for longer relationship ex; 60 to 90 days Credit period?					
Price 3	Customer is ready to pay high price when the product has high demand and less supply in the market?					
Price 4	Customer does price comparison among multiple vendors (asking for quotations)?					
Service		SD	D	N	A	SA
Service 1	Same day delivery is very important for customers (Healthcare Industry)?					
Service 2	SOP (Standing operating system) is very important rather doing things differently each and every time?					
Service 2	Exchange on default or damaged products should be done in a day or max 48 hours?					
Service 2	Customers prefer Manufacture/Supplier form the same city for better and timely service?					
Service 2	Customers are happy if POC from companies who give them added benefits (Additional discounts, some complimentary products like masks gloves etc.?)					
Service 3	Customers seek to have a proper process from order punching to collection of goods and process the payment?					
Sales Growth		SD	D	N	A	SA
Sales Growth 1	Availability of right product at right time is important for repeat orders?					



Sales Growth 2	Customer always seeks to vendors who make product available on time (also helps in emergency)?					
Sales Growth 3	A POC (point of contact) should be available always for any emergency orders to fulfill?					
Sales Growth 4	Customers prefer to Issue offline PO (Purchase order) rather than generating on the supplier portal?					
Sales Growth 5	Companies should organize Events and invite Doctors and purchase heads for more product knowledge and also help in building relationships?					

