

PCM[®] Sales Management

Body of Knowledge



AM> | AMERICAN MARKETING ASSOCIATION
Professional Certified Marketer[®]

Overview

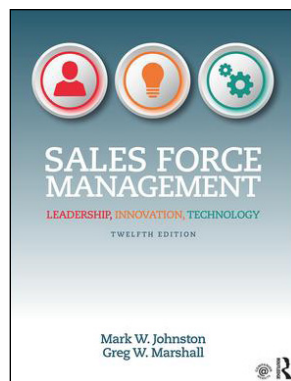
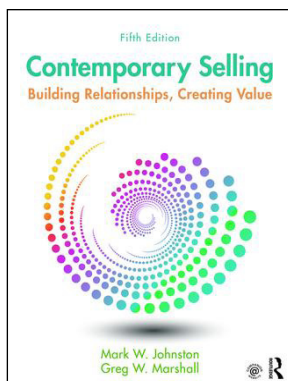
About the AMA PCM® Program

The American Marketing Association [Professional Certified Marketer \(AMA PCM®\)](#) exams are created using a Body of Knowledge format which outlines the responsibilities of and knowledge needed by today's marketing professional in the specific topic.

Below is an outline of the eight major content areas, or domains, of the AMA PCM® Sales Management Body of Knowledge.

Each domain is further organized into topics and learning objectives. The following pages detail the domains, topics and learning objectives, and a list of key terms to study as you prepare for the PCM® Sales Management exam.

Recommended Review



While accomplished marketing professionals should have a good grasp of the content in this Body of Knowledge, the exam still requires preparation for most candidates.

The AMA recommends Johnston and Marshall's [5th Edition Contemporary Selling](#) and [12th Edition Sales Force Management](#) textbooks as resources for those preparing for the AMA PCM® Sales Management exam.

The AMA does not require that individuals purchase or study from a specific source to be eligible for the exam. Also, the AMA does not guarantee a passing score on the exam for individuals who study from a specific source.

DOMAIN 1: BASICS OF ORGANIZATIONAL SELLING AND BUYING

Topic 1: Personal Selling

Learning Objectives

1. Recognize the key drivers of change in selling and sales management.
2. Understand the best practices in selling that lead to exceeding customer expectations.
3. Explain the historical basis for stereotypical views of selling in society.
4. Point out a variety of reasons why sales jobs can be highly satisfying.
5. Identify and explain key success factors for salesperson performance.
6. Discuss and give examples of different types of selling jobs.

Key Terms

- Drivers of change
- Autonomy
- Sales activities
- Job variety
- Intrinsic rewards
- Extrinsic rewards
- Work-family conflict
- Telecommute
- Virtual office
- Adaptive selling
- Job enlargement
- Cost of a sales call
- Retail selling
- End-user consumers
- Business-to-consumer (B2C) market
- Business-to-business (B2B) market
- Industrial selling
- Trade servicer
- Missionary seller
- Detailers
- Technical seller
- New business seller

Topic 2: Organizational Buying

Learning Objectives

1. List and explain the role of various participants in an organizational buying center.
2. Describe the relationship between buying centers and selling centers and the nature of team selling.
3. Outline the stages in organizational buying decision making.
4. Point out the nature of different organizational buying situations.

Key Terms

- Buying center
- Initiators
- Users
- Influencers
- Gatekeepers
- Buyer
- Decider
- Controller
- Perceived risk
- Selling center
- Team selling
- Matrix organization
- Key account
- Organizational buying decision stages
- Derived demand
- Single-source suppliers
- Commodity products
- Slotting allowances
- New-task purchases
- Modified rebuy
- Straight rebuy
- Repeat purchases

DOMAIN 2: THE SALES ROLE: LINKAGES TO MARKETING AND THE ORGANIZATION

Topic 1: Customer Relationships and Strategies

Learning Objectives

1. Understand and outline the key components and goals of CRM.
2. Explain the importance of a market orientation and how a market orientation is fostered within a firm.
3. Identify the key steps in developing and implementing strategies.
4. Describe the role of personal selling in marketing strategy.

Key Terms

- Marketing concept
- Marketing mix
- Marketing communication mix (or promotion mix)
- Market orientation
- Customer orientation
- Customer-centric
- Formalization
- Customer relationship management (CRM)
- Touchpoints
- Mass marketing
- Target marketing
- Customer marketing
- One-to-one marketing
- Customer value
- Customer loyalty
- Lifetime value of a customer
- Firing a customer
- Data warehouse
- Data mining
- Return on customer investment
- Big data
- Sales analytics
- 360-degree view of the customer
- Customer journey
- Mission statement
- Goals
- Objectives
- Strategic business units (SBUs)
- Sustainable competitive advantage (SCA)
- Distinctive competencies
- Generic strategies
- Market opportunity
- Marketing program
- Market exchanges

Topic 2: Organizational Relationship

Learning Objectives

1. Outline the stages in developing strategic partnership relationships between organizations.
2. Discuss the actions salespeople can take to ensure long-term buyer-seller relationships.

Key Terms

- Functional relationships
- Strategic partnerships
- Trust
- Customer delight
- Upgrading
- Full-line selling
- Cross-selling
- Preferred supplier
- Total quality management (TQM)
- Integrated marketing communication (IMC)
- Pull strategy
- Push strategy
- Just-in-time reorder and delivery
- Category management
- Supply chain alliances
- Efficient consumer response (ECR)
- Selling team
- Top-to-top selling

DOMAIN 3: ORGANIZING THE SALES FORCE, FORECASTING, AND QUOTA DEVELOPMENT

Topic 1: Organizing the Sales Force

Learning Objectives

1. Identify the purposes of sales organization.
2. Understand the different horizontal organizational structures of a sales force.
3. Outline the major issues in key account and team selling.
4. Discuss key approaches to determining sales force size.
5. Discuss key vertical structure issues in sales organizations.

Key Terms

- Division and specialization of labor
- Line organization
- Line and staff organization
- Market potential
- Sales potential
- Outsourcing the sales force
- Manufacturers' representatives
- Selling agents
- Transaction cost analysis (TCA)
- Geographic organization
- Product organization
- Organization by customer type
- Organization by selling function
- Telemarketing
- Major or key accounts
- Team selling
- Selling center
- Matrix organization
- Multilevel selling
- Co-marketing alliances
- Logistical alliances
- Span of control

Topic 2: Forecasting

Learning Objectives

1. Describe the sales territory design process.
2. Discuss the differences between market potential, sales potential, sales forecast, and sales quota.
3. Understand the various methods by which sales managers develop sales forecasts.
4. Understand the importance of sales analysis for managerial decision making.

Key Terms

- Sales forecast
- Account analysis
- Sales analysis
- 80:20 principle
- Enterprise resource planning (ERP)
- Buying Power Index (BPI)
- Iceberg principle
- Isolate and explode
- Subjective forecasting methods
- User expectations
- Sales force composite
- Jury of executive opinion
- Delphi technique
- Objective forecasting methods
- Market test
- Time-series analysis
- Moving average
- Exponential smoothing
- Decomposition
- Statistical demand analysis
- Scenario planning
- North American Industry Classification System (NAICS)
- Buying power index (BPI)

Topic 3: Quota Development

Learning Objectives

1. Outline the process of setting a sales quota.
2. Explain the various types of quotas used in sales management.

Key Terms

- Sales quotas
- Sales volume quotas
- Activity quotas
- Financial quotas
- Sales force deployment
- Breakdown method
- Workload method
- Incremental method

DOMAIN 4: SALESPERSON PERFORMANCE

Topic 1: Understanding Performance

Learning Objectives

1. Understand the model of salesperson performance.
2. Identify the various components that make up the model.

Key Terms

- Motivation
- Expectancies
- Valences for performance
- Instrumentalities
- Organizational citizenship behavior (OCB)
- Extrinsic rewards
- Intrinsic rewards
- Job satisfaction

Topic 2: Role Perceptions

Learning Objectives

1. Discuss the role perception process.
2. Understand why the role of salesperson is susceptible to role issues.
3. Discuss how role conflict, role ambiguity, and role accuracy influence a salesperson's role perceptions.

Key Terms

- Role accuracy
 - Perceived role conflict
 - Perceived role ambiguity
-

Topic 3: Motivation

Learning Objectives

1. Understand the process of motivation.
2. Discuss the effect of personal characteristics on salesperson motivation.
3. Understand how an individual's career stage influences motivation.
4. Discuss the effect of environmental factors on motivation.
5. Discuss the effect of factors inside the company on motivation.

Key Terms

- Expectancies
- Motivation
- Accuracy of expectancy estimates
- Magnitude of expectancy estimates
- Instrumentalities
- Accuracy of instrumentality estimates
- Magnitude of instrumentality estimates
- Valences for rewards
- Performance attributions (stable, unstable, internal, external)
- Career stages (exploration, establishment, maintenance, disengagement)
- Plateauing
- Earnings opportunity ratio

DOMAIN 5: SALES FORCE COMPOSITION

Topic 1: Sales Force Personal Characteristics & Sales Aptitude

Learning Objectives

1. Understand the answer to the question, Are good salespeople born or made?
2. Define the characteristics of successful salespeople.
3. Explain the role of aptitude in sales performance.
4. Understand the different success characteristics for different sales positions.

Key Terms

- Selection criteria
 - Psychological traits
 - Physical characteristics
 - Skill variables
-

Topic 2: Sales Force Recruitment & Selection

Learning Objectives

1. Understand the key issues that drive the recruitment and selection of salespeople.
2. Identify who is responsible for the recruitment and selection process.
3. Understand a job analysis and how selection criteria are determined.
4. Define the sources for new sales recruits.
5. Explain the selection procedures.
6. Understand the equal opportunity requirements for selecting salespeople.

Key Terms

- Job description
- Internal sources
- External sources
- Selection tools and procedures
- Structured interview
- Unstructured interview

DOMAIN 6: SALES FORCE TRAINING

Topic 1: Sales Training

Learning Objectives

1. Identify the key issues in sales training.
2. Understand the objectives of sales training.
3. Discuss the development of sales training programs.
4. Understand the training of new sales recruits and experienced salespeople.
5. Define the topics covered in a sales training program.
6. Understand the various methods for conducting sales training.
7. Discuss how to measure the costs and benefits of sales training.

Key Terms

- Sales training analysis
 - On-the-job training
 - Role-playing
 - Electronic Training methods
 - Sales training costs
-

DOMAIN 7: SALESPERSON COMPENSATION AND INCENTIVES

Topic 1: Incentives and Compensation Plans

Learning Objectives

1. Discuss the advantages and limitations of straight salary, straight commission, and combination plans.
2. Explain how and why a bonus component to compensation might be used as an incentive.
3. Discuss making decisions on the mix and level of compensation.

Key Terms

- Compensation plan
- Incentive payments
- Commission
- Bonus
- Quota
- Sales contests
- Benefits
- Nonfinancial incentives
- Variable commission rate
- Draw, or drawing account

Topic 2: Sales Contests, Expense Accounts, and Nonfinancial Rewards

Learning Objectives

1. Understand the effective use of sales contests, as well as the potential pitfalls of their use.
2. Identify key nonfinancial rewards, and how and why they might be important.
3. Recognize key issues surrounding expense accounts in relationship selling.

Key Terms

- Perquisites
 - Expense account
 - Perks
-

DOMAIN 8: EVALUATION AND CONTROL OF THE SALES PROGRAM

Topic 1: Cost Analysis

Learning Objectives

1. Select the appropriate cost allocation method for various sales management situations and how such methods would be implemented.
2. Discuss the importance of return on assets managed (ROAM) and be able to calculate ROAM.
3. Apply financial cost analysis to sales management situations in order to make decisions.

Key Terms

- Full-cost
- Contribution margin
- Activity-based costing (ABC)
- Sales costs
- Direct selling
- Advertising
- Warehousing and shipping
- Order processing
- Transportation
- Return on assets managed (ROAM)

Topic 2: Evaluating Salesperson Performance

Learning Objectives

1. Explain the difference between performance and effectiveness.
2. Understand how a sales manager can make the performance review process more productive and valuable for the salesperson.

Key Terms

- Behavior
 - Performance
 - Effectiveness
 - Attribution theory
 - 360-degree performance feedback
 - Internal customers
-

Topic 3: Objective and Subjective Measurement

Learning Objectives

1. Identify objective measures of salesperson performance, both output and input.
2. Utilize ratio analysis as an objective approach to salesperson performance measurement.
3. Discuss key issues related to subjective measurement of salesperson performance and the forms that might be used to administer such an evaluation.

Key Terms

- Objective measures
 - Output measures
 - Input measures
 - Ratio measures
 - Subjective measures
 - Bias
 - Outcome bias
 - BARS (behaviorally anchored rating scale)
-

Confidence Prepared

The Professional Certified
Marketer® Program



If you have additional questions after reviewing this document, please contact us.

American Marketing Association

Professional Certified Marketer Program

130 E. Randolph St., 22nd Floor

Chicago, IL 60601

Phone:

(800) AMA.1150

E-mail:

pcm@ama.org

Website:

AMA.org/PCM