Research on Sales Business Control Problem

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Abstract. Sales business control is an important part of the internal control of enterprises, which has a significant impact on the production, sales and management of enterprises. With the rapid development of China's market economy, the scale of enterprises is gradually expanding and the economic returns are constantly improving. However, the overall quality of sales business control is not high, which affects the development of enterprises and the realization of strategies. This paper analyzes the problems existing in the sales business control of enterprises in Our country, conducts pre-investigation and evaluation, performance assessment, incompatible job separation and sales price management, and puts forward its own views on how to improve the sales business control of enterprises.

1. The Introduction

Sales business refers to the business activities in which an enterprise obtains income by selling goods or providing services. The quality of sales business control has a significant impact on preventing sales risks, expanding sales, improving market share, and even achieving business objectives and development strategies.

Due to the late start of the construction of internal control in Chinese enterprises, the sales business control work is relatively weak, and has not yet formed a perfect control system. With the development of China's socialist market economy, the competitive environment has become more and more fierce. It is not enough to rely only on the government's macro-regulation and the change of the market environment to promote the effective operation of the efficiency system. A good internal control system must be established. In recent years, the evaluation of internal control has been gradually accepted by the government, legislative bodies and regulatory bodies. These countries have begun to formulate a series of policies and measures to establish effective internal control systems for listed companies. At present, most enterprises have not yet to realize the importance of sales business internal control system, internal control on sales business system, there are many misconceptions about sales business internal control concept is very fuzzy, plus the lack of a reasonable company organizational structure and personnel quality is low, therefore, internal management mechanism of Chinese enterprise sales work or the company's shortcomings.

According to the research results of the 2010 White Paper on Internal Control of China's Listed Companies released by Shenzhen Dubo Enterprise Risk Management Technology Co., LTD., 290 of the 1,570 listed companies did not do well in sales management and had great deficiencies in internal management. In 2010, there were more than 100 more listed companies engaged in sales. However, they have not achieved a benign development. Most small and medium-sized companies do not have a good internal management mechanism and experience in this regard, which will make the management effectiveness of the company low, difficult to achieve good operation, insolvent. In 2014, Chongqing Darong He Restaurant directly transferred the payment to the other party's personal account without strictly implementing the sales business control and without normal sales procedures, causing a huge loss of 6 million yuan. [1]

In this context, this paper analyzes the problems affecting the sales business control of Chinese enterprises and their causes, and puts forward its own views on how to improve the sales business control of enterprises.
2. Existing Problems in China's Sales Business Control

2.1. Prior Investigation and Assessment Control is not Strict

Prior investigation and evaluation is the first step of control. Through the investigation of customer credit status and reputation record, it is the first line of defense against risks. However, the reality is that many enterprises focus on expanding sales, improving market share and gaining profits, and ignore or even ignore the risks arising from this. The specific performance is as follows: incomplete customer credit files and lack of continuous evaluation of customer credit, which may lead to improper customer selection, failure of timely collection of funds or even fraud, affecting the cash flow and normal operation of the enterprise.

In July 2004, Sichuan Changhong announced APEX receivables of 3.7 billion yuan, which had become bad debts. The company entered into cooperation with APEX in the second half of 2001, and entered into a relevant contract: APEX purchased televisions from the company, and APEX's products would be sold in Wal-mart stores and other stores. After the company carried out the project, sales were good and the amount of money increased substantially. Their customer credit policies at APEX are very different from those at APEX, where they have had $3.7 billion in bad loans for more than a year. In November 2003, the United States listed Changhong's trade as a dumping case, and the dumping level reached 45.87%. The United States refused to allow Changhong to export its products to the American market. In 2004 APEX executives were punished, there were internal problems within the company, and Changhong did not get all of APEX's money. In fact, APEX was an obscure agency that operated by using microfinance institutions to make loans and then using credit loans to do a lot of trading. Under the management of the APEX chairman, a large number of companies were deceived so that they could not be paid after they had handed over the products. But some companies, after knowing some things, broke off cooperation in a timely manner. And, before APEX and Changhong approach, it has already had communication with xiamen Hua Electronics and other large-scale TV manufacturers. In order to obtain APEX's credit report, the electronic manufacturer entrusted the credit survey to a Chinese company specializing in foreign trade credit test, as the result of this test is zero credit status. In other words, APEX the company is not guaranteed by any guarantee company.

Changhong also made the same test report, but because of its need to expand the market, so regardless of the report results, even if the risk is higher, resolutely chose to cooperate. [2]

2.2. Unreasonable Sales Business Assessment Control

Performance assessment control refers to a scientific method to conduct qualitative and quantitative assessment and analysis on the performance and benefits of sales business, evaluate the completion of work tasks of employees, and give feedback, rewards and punishments accordingly, so as to improve the work effect. Our country enterprise sales business performance control work not under the attention it deserves, the control effect is poorer, mainly reflected in the following three aspects: the first evaluation index design is unreasonable, set of assessment index is reasonable will directly affect the effect of control, many enterprises in setting up assessment index, focusing on the sales performance indicators, ignored for money, money payback period, recovery of bad debts rate of indicators, formed heavy sales, light collecting payment of examination of the status quo. In addition, failed to combine quantitative evaluation and qualitative evaluation, quantitative evaluation indexes in setting up, failed to light of the specific conditions of the enterprise and the strategic requirements, index on the low side or on the high side, can't adjust in time according to the changing conditions index, lead to index unchanged for many years, these are great impact assessment and control effect. The second evaluation period is not set up rationally, in one case, the period is longer. Performance evaluations are typically conducted by comparing the planning at the beginning of recent years with the performance at the end of the year and at the beginning of the following year, and are then linked to the distribution of year-end bonuses. This makes it difficult to implement changes in a timely manner; It is not only easy to make mistakes, but also may lead to the timely corresponding evaluation and implementation, and then there will be lag. Another
situation is that the performance appraisal cycle is shorter. This will make the work of both sides more intense, and because the period is too short, there is not enough time to deal with the situation. And because the time is too short and the number of evaluations is too much, the cost will rise and the normal operation activities will be blocked. Too short evaluation cycle will also make the evaluation index accounting and the reality of the situation does not conform to the statistical error of the data. Third, improper evaluation methods and poor performance evaluation schemes will make the evaluation results inconsistent with the actual development of the company. Performance evaluation is a key step for the company to carry out its strategy. The implementation of the company's performance appraisal is not correct, make between assessment and the actual development does not accord with, cause the evaluation system is difficult to perform in place, director and staff for its lack of enthusiasm, not good to join the performance evaluation work, there is no quantitative indicators, contact the responsibility is not strong, no apparent performance evaluation can make performance appraisal is affected, cause the company's performance appraisal work does not reach the designated position, the worker produces resistance to work, to plan, will also make the sales staff to achieve sales performance indicators to give enterprise to bring the huge risk for fraud.

2.3. Incompatible Job Separation System is not Strictly Implemented
Incompatibilities are positions that, if held by a department or an employee, allow the department or employee to both cheat and conceal the fraud. For sales business, sales plan management, customer credit management, contract management, delivery, collection, accounting and other incompatible positions should be held by different departments and employees, and mutual supervision and containment should be realized to reduce the occurrence of sales business risks. However, in practical work, many enterprises fail to strictly implement incompatible position control due to the influence of factors such as small scale and small staff, imperfect internal control, reasons for leaders, cost effectiveness and so on, which increases the probability of sales business risks. For example, in January 2008, the huge freight income of The Busan branch of China Shipping Group was exposed, and some investment funds were found to be illegally received by the company's internal staff, and 40 million US dollars were transferred around the Spring Festival. The $40 million was divided over a hundred times and gradually withdrawn from the company's accounts. The main reason for this incident is that Li Kejiang, the financial director of China Shipping Group's South Korea holding company, also worked as an auditor, which seriously violated the separation principle of incompatible positions and finally brought serious losses to the company. [3]

2.4. Improper Management of Selling Price
Pricing mechanism is also a key link in the control of sales business. In practical work, many enterprises have the following main risks in this link: unreasonable pricing, improper sale price without proper approval, fraud, improper credit method, etc., which will cause sales damage and damage the economic interests and corporate image of enterprises. In February 2010, for example, China Eastern Airlines mismanaged its prices. Mr. Liao in Nanchang saw the low prices of some flights of China Eastern Airlines on the official website of China Eastern Airlines. He was ready to price the tickets from Nanchang to Beijing for 1980. Finally, he could only price them for 60 yuan, which was lower than the cheapest train. So Mr. Liao bought a special ticket, and more than 20 of his colleagues decided to try the cheap first-class service. However, according to Ma Xulun, general manager of China Eastern Airlines Co LTD, the incident was caused by an employee at the Nanchang branch of China Eastern Airlines Co LTD who entered the wrong online quotation and the audit department did not examine it carefully. More than 300 tickets were sold for 60 yuan because the employee typed the airline ticket information incorrectly. The company is expected to lose more than 300,000 yuan as it is the peak season of the Spring Festival travel rush.

3. Countermeasures to Strengthen Sales Business Control
Sales business development is very rapid, but its risk factors is more, have a high risk, do not have
enough experience to manage, and now there is no development and achieve high degree of integration of market in China, the risk control ability is low, even if those guarantees in abnormal state, but guarantee company should be liable guarantee. Therefore, the market position of enterprises is not clear. Aiming at the problems raised above, this paper gives the following measures.

3.1. Improve the Pre-investigation Evaluation Control System

Enterprises shall establish and improve the customer credit archives management system, develop the new customer survey system and credit rating evaluation system, according to the customer transactions update and maintain customer credit archives dynamic, focus on the important customer credit changes, take effective measures to guard against credit sale risks, for the development of overseas customers and new customers, shall establish a strict credit guarantee system to reduce the risk of sales.

3.2. Improve the Sales Assessment System

To establish and improve the enterprise sales appraisal system, the following aspects should be done well: first, formulate reasonable assessment indicators, combine qualitative indicators and quantitative indicators organically according to the specific situation of the enterprise, the assessment indicators should be reasonable and scientific, and timely adjust according to the changes in the situation. Second, the assessment cycle set should be reasonable, avoid the assessment cycle is too short or too long, not only to facilitate the assessment, but also to improve the benefits. Thirdly, adopting reasonable assessment method makes the assessment easy to operate and the results reasonable and reliable. Relate it to the company's internal controls. The performance evaluation of sales personnel should be combined with various indicators, and the internal control system will be associated with it. For example, receivables management, sales volume, selling price and other indicators are integrated into the performance evaluation system. Based on the specific rewards and penalties assessed on a monthly basis, all indicators interact with performance-related pay to facilitate internal control of sales operations.

3.3. Realize Effective Separation of Incompatible Posts

In the sales work of the internal control, the separation of incompatible positions must be strictly implemented, also is the key to the internal management, can also reduce the company compliance activities, to avoid the risk of some sales. In the sales work, incompatible positions include invoicing, pricing and examination and approval, etc., and the responsibilities of the position should be specified according to the requirements of the position. One person cannot hold a concurrent post. In the standard of internal control management, it is necessary to redetermine the details of the job responsibilities of sales personnel to reduce the occurrence of risks.

3.4. Develop a Sound Price Management System

Sales internal management, it is necessary to establish and improve the price management system and strict enforcement, actively use information technology to strengthen dynamic management, effectively improve the effect of internal control. In the internal control, should be systematically collated and clear work in the process of possible crisis, in order to sell the key steps. The company should strengthen the improvement and adjustment of the existing internal control, and according to the status quo of sales work to build a reasonable internal management mechanism, the rights and responsibilities of the relevant departments, and its institutionalization, and its implementation into the internal control process, it is necessary to use information technology to design all aspects of the business process. The overall control effect is improved by hand - east control.

4. Conclusion

After control of sales business research, this paper think that lead to our country enterprise sales business control overall quality is not high the reason mainly lies in the prior survey assessment
evaluation work is not careful, sales performance control unreasonable incompatible duties separation control does not reach the designated position, sales business and sales price management is not science. Based on the analysis of these factors, this paper puts forward the countermeasures to improve the control of sales business: first, pay attention to the prior investigation and evaluation work, strict credit management, build a good control of the first line of defense; Second, do a good job in sales performance assessment, optimize assessment indicators, assessment methods, and scientifically set assessment time and standards; Thirdly, strictly implement incompatible duties separation control in sales business to reduce the risk of errors; Finally, do a good job in controlling the sales price, scientifically determine the pricing basis, sales discount and allowance policies, authority and approval standards. Only by really paying attention to the control of sales business and implementing the specific control measures, can the quality of control be improved and the enterprise objectives be achieved.

References
