

UNIVERSITY OF SWAZILAND

DEPARTMENT OF BUSINESS ADMINISTRATION

FINAL EXAMINATION MAY 2007

TITLE OF COURSE: SALES FORCE MANAGEMENT (BA 421)

**DEGREE AND YEAR: BACHELOR OF COMMERCE YEAR 4/
IDE BACHELOR OF COMMERCE YEAR 5**

TIME ALLOWED: THREE (3) HOURS

- INSTRUCTIONS:**
- 1. TOTAL NUMBER OF QUESTIONS ON THE PAPER IS 6**
 - 2. ANSWER QUESTION 1 IN SECTION A AND ANY THREE (3) QUESTIONS FROM SECTION B**
 - 3. MARKS AWARDED ARE INDICATED AT THE END OF EACH QUESTION**
 - 4. MARKS WILL BE AWARDED FOR GOOD COMMUNICATION IN ENGLISH LANGUAGE AND FOR ORDERLY PRESENTATION OF YOUR WORK**

SPECIAL REQUIREMENTS: NONE

THIS PAPER IS NOT TO BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR.

INSTRUCTIONS

ANSWER SECTION A AND ANY THREE (3) QUESTIONS FROM SECTION B.

SECTION A: (COMPULSORY)

QUESTION 1: AEROSPACE SYSTEMS, INC.

More than 100 employees of Aerospace Systems had already been terminated as a result of the defense contract cutbacks being experienced by all firms in defense industry. The company's plight was well reported in the news media.

One of the company's divisions was involved in developing computer networking systems. While its work was not being discontinued, it was being reduced to a level that could sustained by its non-defense business. Consequently, its sales staff of 56 people had been reduced to 35 sales representatives in early 1993. Harold Shongwe, the divisional vice president, was meeting with Beda Biswalo, the sales manager, about future plans for the sales force. Shongwe informed Biswalo, "You will have to let 10 more of your sales representatives go in January. Give them two weeks' notice and the usual severance package. Try to get rid of the highly paid ones first. Some of your older sales representatives are making more than E100, 000 a year, while most of the younger people are making E50, 000 to E60, 000.

Biswalo detested being told. He disagreed with the company policies. His silent response to Shongwe's orders were "Yeah, they are being paid a lot more than the younger ones and for a good reason. They make us a lot of money." But Beda Biswalo kept his thoughts to himself because he had no place else to work and he enjoyed his E130, 000 a year plus benefits salary. He did ask, "Can't we give them more than two weeks' notice?"

Shongwe stared coldly at Biswalo and said, "You know better than that. Don't you dare tell anyone about our plans. The minute you tell someone they are history; they quit working for you and start working for themselves. Our obligation is to the company, not to its former employees. We are trying to save this company. It has been good to us. A lot of people are depending on us to do what must be done if the company is to survive. Now, if you do not want to do the job, just say so and"

Shongwe did not have a chance to finish his statement before Biswalo cut him off. "No, no, I will do it. I will have to work out a lot of details about maintaining the coverage of accounts." Biswalo said no more and left Shongwe's office.

Upon returning to his office, Biswalo was met by Dumisani Thwala, the company's leading sales representative, who also serviced the company's most important commercial account.

After the customary greetings, Thwala said, "I just got off the phone with Andy Stewart, who is now president of Spacotech. He wants me to be his sales manager. The pay is about the same as I am making here, but you know that I like it here. I have 20 years of my life invested here, so I do not want to leave. However, the jungle 'tom-toms' have been sending out some messages that there are going to be some more cutbacks coming up in the sales department. If that is true, I and my big salary could be a tempting target. So if I am going to be history around here, then I will have to leave now to take the Spacotech job. We have been buddies for more than 10 years, Beda. Tell me, is it time to move on? You owe me that much!"

Beda Biswalo knew he had to give Dumisani Thwala an immediate answer. If he did not, that in itself would be the answer.

Question:

1. Explain what Beda Biswalo should say to Dumisani Thwala (25)

TOTAL: 25 MARKS

SECTION B

ANSWER ANY THREE (3) QUESTIONS FROM THIS SECTION

QUESTION 2

- a. What are the five personal characteristics necessary for an effective leader? (15)
- b. Assume a company wants to hire a sales representative to sell technical products. Should the firm recruit an engineer and train him to sell or recruit a sales representative and teach him the necessary technical information? (10)

TOTAL: 25 MARKS

QUESTION 3

- a. Discuss five types of sales closes that a sales representative can use to gain commitment from a potential buyer. (15)
- b. A sales force manager made the following statement: "I do not lose my sleep when one of my representatives leaves for another position. Generally, it is the people who do not quite fit in who leave." Evaluate the manager's statement. (10)

TOTAL: 25 MARKS

QUESTION 4

- a. Briefly discuss the five theories of motivation. (15)
- b. You are a sales representative and you happen to oversee your manager's expense report. Clearly he has reported some fictitious expenses. He has been with the company for a long time and is a respected manager. What should you do about this? (10)

TOTAL: 25 MARKS

QUESTION 5

- a. Discuss five sources from which a sales force manager can recruit sales representatives. (15)
- b. Explain why the three elements of motivation are important. (10)

TOTAL: 25 MARKS

QUESTION 6

- a. Discuss the five step procedure for evaluating sales people. (15)
- b. A territorial sales volume analysis indicated that a firm's sales had increased at about 10 percent rate for the past three years in a given territory. Is this conclusive evidence that the company's performance is satisfactory as far as sales volume is concerned in the given territory? (10)

TOTAL: 25 MARKS