

UNIVERSITY OF SWAZILAND

DEPARTMENT OF BUSINESS ADMINISTRATION

SUPPLEMENTARY EXAMINATION JULY 2008

TITLE OF COURSE: SALES MANAGEMENT (BA 421)

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

TIME ALLOWED: THREE (3) HOURS

- INSTRUCTIONS:**
- 1. TOTAL NUMBER OF QUESTIONS ON THE PAPER IS 5**
 - 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: MAJESTIC PLASTICS COMPANY

Clyde Brion, the general sales manager for Majestic Plastics Company, had just finished a telephone call from Lucille Koll, the Majestic sales representative in New Orleans. This was the third call in six months that Brion had received from Koll concerning the same problem. She was upset by what she called "claim jumping" by James Wiggins, the Majestic representative in an adjoining territory. That is, Wiggins was selling to some majestic customers in Koll's territory.

Two years ago, both of these territories constituted one large unit that was covered by Wiggins but the territory had grown too large in potential for one representative to cover. Wiggins was skimming the market, relying on established accounts rather than intensively developing the growing potential. The territory was split and Wiggins took the Texas district. Koll was hired to cover the other newly formed territory.

Wiggins had been with the company for 12 years and consistently ranked in the top third of the sales representatives, based on total sales volume. His accounts generally spoke well of him, and Brion rarely received any customer complaints about him. Koll also had done well since she joined Majestic Plastics.

She had a good record in opening new accounts and retaining the old accounts that Wiggins had established. Customer feedback reported that she generally did a fine job providing the needed services.

Over the past couple of years, however, Wiggins occasionally sold to one of his old accounts who are now in Koll's territory. He claimed that an old customer would telephone him to place an order. In a few cases the customer asked Wiggins to drop by on a personal sales call.

Wiggins claimed that Majestic might well lose those accounts if he did not service them. Two of these customers were firms with manufacturing plants in Texas, but the home offices were in Louisiana. Wiggins continued to call on the Texas plants, but he also was in contact with and making sales to the home offices in Louisiana.

It was these incursions into her territory that were infuriating Lucille Koll. She also claimed that Wiggins was undermining her in the eyes of some of his old customers. She told Brion that Wiggins was simply a "claim jumper" and that he was using his "good old boy" network to take business away from her.

She reminded Brion that she was being paid a straight commission, so Wiggins's activities were taking money out of her pocket. She was particularly upset that Brion apparently had done nothing in response to her previous two phone calls about the same issue.

Source: Spiro, Rosann,. Stanton, William,. and Rich, Gregory. (2003) Management of a Sales Force. 11th Edition. Irwin

Question:

How should Clyde Brion respond to Lucille Koll's charges?

TOTAL: 25 MARKS

SECTION B

ANSWER ANY THREE (3) QUESTIONS FROM THIS SECTION

QUESTION 2

- a. Discuss five challenges that a sales manager faces in the supervision of his sales force. (15)**
- b. Discuss five types of closes that a sales person can use when selling a product, giving an example in each case (10)**

TOTAL: 25 MARKS

QUESTION 3

- a. Discuss ways in which a sales manager can organize his sales representatives. Indicate one major advantage and one major disadvantage of using each method. (15)**
- b. Outline the steps that a sales manager must take in extending the job offer to a prospective employee (10)**

TOTAL: 25 MARKS

QUESTION 4

- a. Loyalty is a trait highly prized by most top executives. They expect their sales representatives to be loyal to them and the company. When might those loyalties conflict? How much loyalty does a sales representative have to a sales manager? How much loyalty does the representative have to the company? (15)**
- b. Discuss some reasons why sales managers use sales quotas. (10)**

TOTAL: 25 MARKS

QUESTION 5

- a. Discuss the bases that a firm can use to analyze its sales volume. (15)**
- b. Discuss the methods that a sales manager can use to determine the size of the sales force. (10)**

TOTAL: 25 MARKS