

UNIVERSITY OF SWAZILAND
DEPARTMENT OF BUSINESS ADMINISTRATION
MAIN EXAMINATION DECEMBER 2014

TITLE OF COURSE: SALES MANAGEMENT (BA 418)
DEGREE AND YEAR: BACHELOR OF COMMERCE YEAR 4
FULL TIME
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: HAMBA GEZI ELECTRICAL SUPPLIES COMPANY

Hamba Gezi (HG) Electrical Supplies Company manufactures a wide line of electrical equipment used in both home and industry. The sales force calls on both electrical wholesalers and industrial buyers with the greater part of their efforts concentrated on industry buyers. The industrial products require considerable technological expertise on the part of the sales people. Sales offices spread over the country have 100 sales people operating out of them. In the past eight years sales volume has increased by more than 50 percent. The fast rise in sales volume and the accompanying plant expansion created a problem in that more sales people were needed to keep up with the new accounts and to make sure the additional plant capacity was used profitably.

In addition, the HG sales recruiting problem was compounded by a noticeable decline in the number of college graduates who want a selling career. HG recruiters have observed this at the university when they went searching for prospective sales people. Another indication of the increased difficulty in attracting good young people into selling jobs was the aggressive recruiting by others, especially government and the private sector. These factors compounded to make the personnel recruiting problem serious for HG. As a result of this management ordered an evaluation of the recruiting methods.

Virtually all HG sales people were recruited from the Faculty of Science and Engineering at the University of Swaziland by the district sales managers. Typically, HG the recruiters screened 200 college graduates to hire 10 qualified sales engineers. It was estimated to cost HG about E6 000 to recruit a candidate. Management believed the university recruiting program was deficient in light of the high cost and the fact that only 5 percent of the candidates interviewed accepted employment with HG.

Evaluation of the university recruiting program began with the recruiting division of the company asking district sales managers for their appraisals. Some district managers felt that HG should discontinue university recruiting for various reasons including the time required for recruiting, the intense competition and the candidate's lack of experience. Other district sales managers, however, felt the program should continue with a few amendments such as recruiting the students for vacation employment more or less on a trial basis, concentrating on few students and getting on friendly terms with university student placement directors and professors so that they can identify potential candidates for the company.

HG general sales manager favored abandoning the university recruiting program and believed the company should adopt an active recruiting program using other sources. He opined that, while engineering graduates had a fine technical background, their lack of maturity, inability to cope with business problems, and lack of practical experience affected HG's selling operations.

The general sales manager felt that the 100 sales engineers currently working for HG were an excellent source of new recruits. They knew the requirements for selling the HG line and were in continual contact with other sales people. By enlisting the support of the sales force, the general manager foresaw an end to HG's difficulty in obtaining sales engineers.

The president preferred internal recruiting from the other divisions such as engineering, design and manufacturing. He claimed that their familiarity with HG and their proven abilities were important indicators of potential success as sales engineers. A complete analysis of HG's entire personnel recruiting program was in order and regardless of the approach finally decided upon, it was paramount that the company has a continuous program to attract satisfactory people for the organization.

QUESTIONS

- a. Evaluate HG's recruiting program suggesting whether or not the company should continue its university recruiting of sales engineers or not. (10)
- b. What alternative recruiting program would you suggest for HG? State reasons for your answer (15)

TOTAL: 25 MARKS

SECTION B

ANSWER ANY THREE (3) QUESTIONS FROM THIS SECTION

QUESTION 2

- a. One of the major functions of a sales manager is to compensate his sales force. Discuss the steps that are involved in designing a compensation plan. (15)
- b. Define personal selling. Discuss the different types of sales people giving an example in each case. (10)

TOTAL: 25 MARKS

QUESTION 3

- a. Define sales force morale. Identify three factors that affect sales force morale? Discuss how an individual's level of satisfaction can affect his morale. (15)
- b. Discuss the major reason and methods of controlling the sales force expense account. (10)

TOTAL: 25 MARKS

QUESTION 4

- a. Discuss the steps that a sales manager has to go through when he sets sales territories for his sales people. (15)
- b. Discuss the difficulties that a sales manager faces in evaluating the performance of sales people. (10)

TOTAL: 25 MARKS

QUESTION 5

- a. Define relationship marketing. Discuss the customer loyalty ladder and the three levels of relationship marketing. (15)
- b. Identify and briefly explain ten methods that a sales manager can use to forecast sales in an organization. (10)

TOTAL: 25 MARKS