

**UNIVERSITY OF SWAZILAND
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION
FIRST SEMESTER EXAMINATION 2018**

TITLE OF PAPER: SALES MANAGEMENT

COURSE : BA418, BUS427, IDE

DEGREE AND YEAR: BCOM4

TIME ALLOWED : THREE (3) HOURS

INSTRUCTIONS:

- 1. THIS PAPER CONSISTS OF SECTIONS (A) AND (B)**
- 2. SECTION (A) IS COMPULSORY**
- 3. ANSWER ANY THREE (3) QUESTIONS FROM SECTION B**
- 4. LAY YOUR WORK OUT CLEARLY, USING HEADINGS, SUB-HEADINGS AND PARAGRAPH NUMBERS.**
- 5. THE EXAMINATION SHOULD BE CONDUCTED IN STRICT SILENCE.**
- 6. THIS IS A CLOSED BOOK EXAM. NO BOOKS OR NOTES MAY BE CONSULTED DURING THE EXAM.**
- 7. ENSURE THAT YOUR ID NUMBER IS INDICATED ON YOUR EXAMINATION COVER PAGE. NO NAMES SHOULD BE RECORDED ANYWHERE ON THE EXAMINATION BOOK.**
- 8. FAILURE TO OBSERVE THE STATED RULES WILL BE CONSIDERED CHEATING AND WILL BE HANDLED ACCORDING TO UNISWA REGULATIONS.**

FOUR PAGES

THIS EXAMINATION PAPER SHOULD NOT BE OPENED UNTIL INVIGILATOR HAS
GRANTED PERMISSION

Sales Management Strategy 2018

SECTION A

Read the case and answer all questions in this section (40 marks)

FLETCHER ELECTRIC, INC. – Developing a Strategic Partnership

Overview:

Tyandza Magagula, account manager for Fletcher, was pondering her next move with Tymco, her largest account. Fletcher manufactures a line of pumps, electric motors, and controls that are sold to companies that use Fletcher's parts in manufacturing all kinds of equipment. Tymco, a maker of street sweepers and other specialized industrial products had purchased Fletcher controls for the last five years, but also purchased controls from several small distributors for specific applications when Fletcher's products could not meet the specifications. Magagula originally sold the controls by proving to the Tymco engineering department that Fletcher's quality could meet their specifications and demonstrating the controls' accuracy and long life. Then she convinced the purchasing agent that the pricing would be more stable with one major vendor than with multiple distributors. Since then, Magagula had heard no complaints about Fletcher's products. Tymco even allowed a trade magazine to write an article about Tymco's experience with Fletcher's controls.

Early last year, Magaula persuaded the purchasing agent for Tymco to switch to Fletcher electric motors for several applications. Though engineering was not involved in this decision, Magagula had to prove to the purchasing agent that the products were as good as the ones they were currently purchasing. Magagula estimated that Fletcher had about 30% of the Tymco motor business. Thirty percent went to Visa SA, and the remainder of the business belonged to Smart & Co which actually distributed several lines of electric motors imported from the Pacific Rim.

Last month, Magagula received a call from the director of engineering at Tymco asking for a meeting to discuss some issues with Fletcher motors. She was delighted, because one of the Fletcher engineers had suggested combining Fletcher motors and controls and shipping the units as one assembly. Magagula believed such a meeting would be a perfect opportunity to present the new idea. She created and presented a proposal to the engineering department that, if accepted, would mean doubling Fletcher's share of the electric motor business. The proposal would require some redesign by Tymco, but the savings over two years would be more than the redesign costs. After that, Tymco would increase profits on those products by about 3%. But several engineers pointed out that Fletcher was unwilling to manufacture controls for all of Tymco's needs, and they were reluctant to make such a change with a company that was not willing to work more closely with them. In addition, one engineer seemed very unhappy that the purchasing department had switched to Fletcher motors. She thought the reject rate of 2% was too high; all of Tymco's other vendors were achieving fewer than 1% rejects. At the conclusion of the meeting, the director of engineering said to Magagula, "Tyandza, we've enjoyed a long and good relationship with Fletcher. And your idea is a good one. Right now, though, I don't think Fletcher is the company we should do that with. But we'll consider it and let you know."

ANSWER ALL THREE QUESTIONS

QUESTION 1

In what stage of partnering is the relationship between Fletcher and Tymco? Explain why you think so and what should be done in this stage. **(10 MARKS)**

QUESTION 2

Is there anything Tyandza could have done to set the stage for better acceptance of her proposal? **(10 MARKS)**

QUESTION 3

Tyandza's visionary objective is to develop a strategic partnership with Tymco. What should she do to achieve that visionary objective? **(20 MARKS)**

SECTION B

Answer THREE (3) questions in this section (60 Marks)

QUESTION 1 (20 MARKS)

- a. Discuss the Personal Selling Process. **(15 MARKS)**
- b. Which step has been most affected by internet technology? **(5 MARKS)**

QUESTION 2(20 MARKS)

- a. Why do we put so much emphasis on training sales representatives? **(2 MARKS)**
- b. Discuss the six objectives of a good sales training program. **(18 MARKS)**

QUESTION 3 (20 MARKS)

The choice of organizational structure is influenced by factors such as the following. Explain how each of these conditions may affect the choice of structure:

- a. size of the company **(4 MARKS)**
- b. nature of the products **(4 MARKS)**
- c. nature and density of the market **(4 MARKS)**
- d. ability of executives **(4 MARKS)**
- e. financial condition of the company**(4 MARKS)**

QUESTION 4 (20 MARKS)

- a. Why would a sales manager need an operational plan? **(10 MARKS)**
- b. Provide an example of topics which would be included in a sales manager's annual operational plan.**(10 MARKS)**

TOTAL MARKS 100