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| **Week, TCOs and Topics** | **Readings/Class Preparation** | **Activities/Assignments** |
| **Week 1 TCO A**  Introduction to Sales Management | Chapter 1: The Field of Sales Force Management  Chapter 2: Strategic Sales Force Management  Chapter 3: The Personal Selling Process | Graded Discussion Topics |
| **Week 2 TCOs A & B**  Selecting Sales Professionals | Chapter 4: Sales Force Organization  Chapter 5: Profiling and Recruiting Salespeople  Chapter 6: Selecting and Hiring Salespeople | Case Study  Graded Discussion Topics |
| **Week 3 TCOs C & D**  Training and Motivation | Chapter 7: Developing, Delivering, and Reinforcing a Sales Training Program  Chapter 8: Motivating a Sales Force | Graded Discussion Topics |
| **Week 4 TCOs D & E**  Compensation and Morale | Chapter 9: Sales Force Compensation  Chapter 10: Sales Force Quota and Expenses  Chapter 11: Leadership of a Sales Force | Midterm Exam  Graded Discussion Topics |
| **Week 5 TCO F**  Forecasting and Territories | Chapter 12: Forecasting Sales and Developing Budgets  Chapter 13: Sales Territories | You Decide Assignment  Graded Discussion Topics |
| **Week 6 TCO G**  Evaluation & Supervision of the Sales Professional | Chapter 14: Analysis of Sales Volume  Chapter 15: Marketing Cost and Profitability Analysis  Chapter 16: Evaluating a Salesperson's Performance | Case Study  Graded Discussion Topics |
| **Week 7 TCO H**  Ethical & Legal Responsibilities | Chapter 17: Ethical and Legal Responsibilities of Sales Managers | You Decide Assignment  Graded Discussion Topics |

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| **Grading Summary** |

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| **Grade Details** |

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| |  |  |  |  | | --- | --- | --- | --- | | |  |  |  | | --- | --- | --- | | 1. | Question : | (TCO A) How does relationship-oriented selling differ from transaction-oriented selling? | | | |  |  |  |  | | --- | --- | --- | --- | |  | Student Answer: |  | Transaction oriented selling focuses on the one time sale of the product. ex. Selling a set of steak knives to a client. Relationship oriented selling focuses on developing trust in a few selected accounts over a period of time. ex. Develop relationship with customer, sell the steak knives but retain their account and become their preferred supplier. | |  | Instructor Explanation: | Instructor Feedback and Answer In relationship-oriented selling, salespeople concentrate their efforts on developing trust in a few carefully selected accounts over an extended period of time. The goal of this type of selling is to develop mutually beneficial, long-term relationships. These relationships are based on trust, reliability, commitment, and cooperation on the part of both the buyer and seller. In transaction-oriented selling salespeople focus on the immediate sale rather than on the relationship with the customer. The goal is to maximize short-term sales. | | |  | | | | | | |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | |  |  |  | | --- | --- | --- | |  | Points Received: | **20 of 20** | |  | Comments: |  | | |  |  |  |  |  | | --- | --- | --- | --- | | |  |  |  | | --- | --- | --- | | 2. | Question : | (TCO A) As a sales rep, you are required to develop an annual sales plan for your territory. What would you include in your plan? (Hint: think in terms of objectives, strategies, and tactics.) | | | |  |  |  |  | | --- | --- | --- | --- | |  | Student Answer: |  | I would summarize my objectives of I want them to be. Then I would Identify the strategic objectives. I would also assess prior sales performance and segment my customers. Then I would set objectives for this year and develop territory action plans. I would also develop key account plans where i would measure and monitor my results. Finally i would establish my annual sales planning cycle. | |  | Instructor Explanation: | Instructor Feedback and Answer   * Objectives:   + sales goals perhaps by custome   + new accounts to be sough   + gross margin targets   + work habits (i.e., call rates) * Strategies: How do you plan to do it. (i.e., Will increase gross margin by pushing product line X and Y and by concentrating on certain accounts that are not price sensitive.) * Tactics: Details how rep would go about pushing high margin products and how he or she would identify and develop customers who were not price sensitive. | | |  | | | | | | |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | |  |  |  | | --- | --- | --- | |  | Points Received: | **16 of 20** | |  | Comments: | Objectives: sales goals perhaps by custome new accounts to be sough gross margin targets work habits (i.e., call rates) Strategies: How do you plan to do it. (i.e., Will increase gross margin by pushing product line X and Y and by concentrating on certain accounts that are not price sensitive.) Tactics: Details how rep would go about pushing high margin products and how he or she would identify and develop customers who were not price sensitive. | | |  |  |  |  |  | | --- | --- | --- | --- | | |  |  |  | | --- | --- | --- | | 3. | Question : | (TCO B)    Beth is a sales manager for Johnson Controls.  A former sales rep who sold for Johnson Controls eight years left the company (in good graces) in 2007.   That same sales rep, surprisingly, applied to fill a recent sales vacancy in Beth's organization. Why would a company be willing to rehire someone who had earlier left the firm? | | | |  |  |  |  | | --- | --- | --- | --- | |  | Student Answer: |  | Because she is acquainted with the product and also has been indoctrinated in company policies and programs. Also , her values fit with the company culture. Also, since she has worked for the company in the past , she is less costly to train (if needed). It can also boost the morale of other employees knowing the the company is loyal to there previous employees. She is also her own referral and has a good record in the company and many people can vouch for her. | |  | Instructor Explanation: | Instructor Feedback and Answer  If the person was a valued employee, then the fact that they left for another opportunity doesn't lessen their value. In fact, in the position at the other company, they may have added to or improved their current skills thereby making themselves even more valuable to the original company as an employee. They are more knowledgeable about the industry, the overall product lines of different companies, and have developed additional personal maturity. | | |  | | | | | | |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | |  |  |  | | --- | --- | --- | |  | Points Received: | **20 of 20** | |  | Comments: |  | | |  |  |  |  |  | | --- | --- | --- | --- | | |  |  |  | | --- | --- | --- | | 4. | Question : | (TCO B) What are the advantages and disadvantages of using video conferencing to interview sales candidates? | | | |  |  |  |  | | --- | --- | --- | --- | |  | Student Answer: |  | Advantages: - Easy to interview non-local candidates - Better than phone interview since you can see the person. - Candidates can be more relaxed since they don't have to rush back to work or worry to not be able to find the company address. - Can save cost associated with interviewing non-local candidates - Can interview more candidates in a shorter period of time. Disadvantages - Lack of physical contact such as handshake to get a feel of the candidate - Lack of small talk. - Prevents Candidate to see the company and get a feel of the energy of the company. | |  | Instructor Explanation: | Instructor Feedback and Answer  Videoconferencing obviously saves the employer a lot of money in term of the lower cost of the interview as well as usually taking less time. The company will not have to pay travel expenses and multiple can participate or view the interview at once. However, there are some disadvantages. The videoconferencing interview will not be as natural as an in-person interview. It may tend to make the interviewee nervous, some more than others. Also the interviewees will not be able to see the environment in which they will work. It may also indicate to the job candidates that the company is not interested enough in them to spend the money for an in-person interview. | | |  | | | | | | |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | |  |  |  | | --- | --- | --- | |  | Points Received: | **20 of 20** | |  | Comments: |  | | |  |  |  |  |  | | --- | --- | --- | --- | | |  |  |  | | --- | --- | --- | | 5. | Question : | (TCO C)  What are the challenges to keeping high-performing sales reps intersted in going to professional development programs, especially when they may feel that they "know it all"?  How would you approach such a sales rep to ensure their participation? | | | |  |  |  |  | | --- | --- | --- | --- | |  | Student Answer: |  | Every sales person can benefit from appropriate sales training. Even the most experienced or skilled salesperson can benefit from the refresher course. A top sells person may think that since they are high performing they dont need it. But remember that experienced reps need to know how the training will benefit them before they will embrace them. Top performers in the top 20% of a field sales force can benefit from training, and the return on those dollars may be substantial as these often account for a proportionately higher percent of margin dollars. So if the high performer does not want to be the student, we can have them teach the class. They say you can most often learn more about something by explaining it to someone else. | |  | Instructor Explanation: | Instructor Feedback and Answer  The best way to keep topnotch sales reps interested in training programs is to allow them to participate in the training program at the same time. It is axiomatic in the teaching field that frequently the teacher learns more than the student and such is the case in sales training. By allowing the topnotch sales reps to become panel moderators, discussion leaders, and case writers, they are highly motivated to participate actively and also are forced to appraise their own activities continually.  They will also be exposed to other sales reps experiences, and some of what they learn via sales 'war stories' may help them to become even better. | | |  | | | | | | |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | |  |  |  | | --- | --- | --- | |  | Points Received: | **20 of 20** | |  | Comments: |  | | |  |  |  |  |  | | --- | --- | --- | --- | | |  |  |  | | --- | --- | --- | | 6. | Question : | (TCO C) "I don't have any training program. I just hire salespeople who have already proven successful for other companies and turn them loose. I let the big corporations do all my training for me and then just hire away their best people." This was the attitude expressed by the sales manager of one relatively small office machines agency. Is this a sound policy? What are some of the strengths and weaknesses of this position? | | | |  |  |  |  | | --- | --- | --- | --- | |  | Student Answer: |  | I don't think this is an overall sound policy and here is why. Strengths of this policy is that first cost. There is not cost to traint these sales people and they can get started right way. Also, the sales people have been trained by highly skilled people. The company does not have to put aside time to train these sales people. Weaknesses: Even though the company might have top sales people from other companies, these sales guys might not be familiar with the current product and will not be able to market it well. Also, there might be culture clash. The company may have different beliefs and culture from what the sales people are used to. Also, selling at a big corporate level and selling at a midsize or small company level are different as are the customers. | |  | Instructor Explanation: | Instructor Feedback and Answer  Possibly it is a sound program for him. He may realize that he is incapable of training sales reps and must rely upon others to do this training for him. Possibly he realizes that the situation of his company is such that he simply cannot afford even a modest training program, let alone one which would convert an inexperienced person into a trained sales rep of office machines. Consequently, for many small concerns such a policy may be sound. However, the big weakness of this position is that frequently these firms are unable to attract the really successful sales reps away from the larger companies. Frequently, they can only hire the people who have failed to be successful or are otherwise dissatisfied with their positions. Also, it must be borne in mind that one big weakness of this practice is that selling for a small office machines agency may be somewhat different from selling for a big corporation. Therefore, the people must be furnished with some training which allows them to adjust for these differences. The professor may wish to have the class discuss just what would be the differences in selling for a large corporation as contrasted to selling for a small concern. | | |  | | | | | | |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | |  |  |  | | --- | --- | --- | |  | Points Received: | **18 of 20** | |  | Comments: | Possibly it is a sound program for him. He may realize that he is incapable of training sales reps and must rely upon others to do this training for him. Possibly he realizes that the situation of his company is such that he simply cannot afford even a modest training program, let alone one which would convert an inexperienced person into a trained sales rep of office machines. Consequently, for many small concerns such a policy may be sound. However, the big weakness of this position is that frequently these firms are unable to attract the really successful sales reps away from the larger companies. Frequently, they can only hire the people who have failed to be successful or are otherwise dissatisfied with their positions. Also, it must be borne in mind that one big weakness of this practice is that selling for a small office machines agency may be somewhat different from selling for a big corporation. Therefore, the people must be furnished with some training which allows them to adjust for these differences. The professor may wish to have the class discuss just what would be the differences in selling for a large corporation as contrasted to selling for a small concern. | | |  |  |  |  |  | | --- | --- | --- | --- | | |  |  |  | | --- | --- | --- | | 7. | Question : | (TCO D) a.  Working with customers and those within their own company's organization, describe several "roles" that a sales rep is likely to play. b. List several different role partners with whom sales reps are typically involved. | | | |  |  |  |  | | --- | --- | --- | --- | |  | Student Answer: |  | the rep is trying to serve two masters, the company and the customer. They have to satisfy each person bytheir own standards. Marketing department may ask the sales rep to follow up on the leads generated by the return of the trade publication. The sales rep can be involved with the customer, the company, the manager and other departments which may at times lead to role conflict. P.S. This is an extremely confusing question. | |  | Instructor Explanation: | Instructor Feedback and Answer  a. In connection with their role as a salesman or saleswoman, sales reps also play many other roles. These include the roles of persuaders, service people, information gatherers, expediters, coordinators, problem definers, travelers, display arrangers, and customer-ego builders. (See James A. Belasco, "The Salesman's Role Revisited," Journal of Marketing, April 1966, pp. 6-11.)  b. Salespeople traditionally are involved with many divergent role partners who often make heavy emotional demands on the reps. In their own firms, the reps must deal with immediate supervisors, higher-level executives; people in credit, order fulfillment, and shipping departments; people in advertising and marketing research departments. Then in a customer's firm, our reps may be involved with the purchasing agent, accounting department who handle our invoices, people in receiving departments who first physically handle the shipment of our products, etc. | | |  | | | | | | |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | |  |  |  | | --- | --- | --- | |  | Points Received: | **18 of 20** | |  | Comments: | a. In connection with their role as a salesman or saleswoman, sales reps also play many other roles. These include the roles of persuaders, service people, information gatherers, expediters, coordinators, problem definers, travelers, display arrangers, and customer-ego builders. (See James A. Belasco, "The Salesman's Role Revisited," Journal of Marketing, April 1966, pp. 6-11.) b. Salespeople traditionally are involved with many divergent role partners who often make heavy emotional demands on the reps. In their own firms, the reps must deal with immediate supervisors, higher-level executives; people in credit, order fulfillment, and shipping departments; people in advertising and marketing research departments. Then in a customer's firm, our reps may be involved with the purchasing agent, accounting department who handle our invoices, people in receiving departments who first physically handle the shipment of our products, etc. | | |  |  |  |  |  | | --- | --- | --- | --- | | |  |  |  | | --- | --- | --- | | 8. | Question : | (TCO D) What specific leader behaviors (from the two leadership styles) would you use in the following situations? Why? a. Terry is one of your best sales representatives. She has eight years of experience and has proven her abilities many times. b. Diane graduated with a marketing degree within the past year, but she has limited sales experience. c. John is a veteran employee. In recent months, however, you notice his performance stagnating. | | | |  |  |  |  | | --- | --- | --- | --- | |  | Student Answer: |  | a. Transformational Leadership - by definition Transformational leadership transforms the basic values, beliefs, and attitudes of followers such that they are willing to perform at levels above and beyond expectations. Terry has proven her abilities many times. She is invoking meaningful difference in the company. Thus I would keep motivating her and show her the big picture since she doesnt need too much guidance. b. Transactional Leadership - she is probably task oriented and waits to be told what to do . She does not go above and beyond and is probably not a good leader to follow. She needs to be guided and told what to do until she can take initiative. c. Transactional Leadership - I need to start checking on him each morning and see what their plans are for the day and directly supervising them. I need to give him verbal feedback and let him know how he is doing. | |  | Instructor Explanation: | Instructor Feedback and Answer  a. Terry doesn't need a lot of guidance; and thus, transactional leader behaviors are not necessary. She should be reminded/updated on the company's overall goals, and thus articulating a vision is important. Depending on her personality, she may or may not appreciate individualized support (some reps like the autonomy, and want to be left alone).  b. Diane is in need of a lot of varied attention by her sales manager. Transactional leadership is essential, as she is new and does not understand much about the job. She will also look to others and emulate their behavior; thus, sales managers should take special care to lead by example in this scenario - for whether they like it or not, they are role models. And finally, individualized support is extremely important as new salespeople often become discouraged in the face of a tough, new job.  c. The description of John is of the typical plateaued sales rep. Individualized support is key as John still needs to know that the company cares about him. Further, the sales manager needs to make John excited again about working toward a common goal with his fellow salespeople. Thus, articulating a vision and fostering group goals are also critical. This is an experienced rep who already knows the selling process and the company's rules; thus, transactional leadership is not necessary - other than maybe some subtle praise (feedback) for what he is doing well. | | |  | | | | | | |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | |  |  |  | | --- | --- | --- | |  | Points Received: | **17 of 20** | |  | Comments: | Instructor Feedback and Answer a. Terry doesn't need a lot of guidance; and thus, transactional leader behaviors are not necessary. She should be reminded/updated on the company's overall goals, and thus articulating a vision is important. Depending on her personality, she may or may not appreciate individualized support (some reps like the autonomy, and want to be left alone). b. Diane is in need of a lot of varied attention by her sales manager. Transactional leadership is essential, as she is new and does not understand much about the job. She will also look to others and emulate their behavior; thus, sales managers should take special care to lead by example in this scenario - for whether they like it or not, they are role models. And finally, individualized support is extremely important as new salespeople often become discouraged in the face of a tough, new job. c. The description of John is of the typical plateaued sales rep. Individualized support is key as John still needs to know that the company cares about him. Further, the sales manager needs to make John excited again about working toward a common goal with his fellow salespeople. Thus, articulating a vision and fostering group goals are also critical. This is an experienced rep who already knows the selling process and the company's rules; thus, transactional leadership is not necessary - other than maybe some subtle praise (feedback) for what he is doing well. | | |  |  |  |  |  | | --- | --- | --- | --- | | |  |  |  | | --- | --- | --- | | 9. | Question : | (TCO E) What do you think would be some potential problems in having team members rate each other as part of their performance evaluation? | | | |  |  |  |  | | --- | --- | --- | --- | |  | Student Answer: |  | The first issue is that there is not any clear guideline of how performance is evaluated and the evaluation can be not correct. Also, Its never a good idea to have you're "competitor" evaluate you , because they will simply be bias and grade you poorly. Also, it can create tension between peers if they do not like each other. On the other side, if they are really good friends they can rate each other very high to get their bonuses. Either way the evaluation results will be very bias. Evaluation needs to be always done by either manager or directo where they see things as a third party can can evaluate accordingly. | |  | Instructor Explanation: | Instructor Feedback and Answer  One potential problem is that you may not get a valid measure of the relative contribution of each member. They may be an unwritten agreement to rate each other the same, or sometimes team members will cover for the low performer and not rate them as low as they deserve. Alternatively, one person may rate another person low to make herself/himself look better. Another potential problem is that sometimes people let their feelings toward someone, that is whether or not they like someone as a friend or whether or not they like the individual's style of doing work, affect their judgments concerning the amount and quality of that person's contribution to the team goals. | | |  | | | | | | |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | |  |  |  | | --- | --- | --- | |  | Points Received: | **20 of 20** | |  | Comments: |  | | |  |  |  |  |  | | --- | --- | --- | --- | | |  |  |  | | --- | --- | --- | | 10. | Question : | (TCO E) What factors should management consider when deciding on the method to use for controlling and reimbursing sales reps' expenses? Give some examples of how each factor might influence the decision. | | | |  |  |  |  | | --- | --- | --- | --- | |  | Student Answer: |  | No Net Gain or Loss for Reps: The pan should not be design sot that employees can profit or lose from it. ex. some employees may split the check when but only bring the original check from the restaurant. Equitable Treatment of Reps: Reps should maintain approx the same standard of living on the road as at home. Rep should not live poorly or lavishly when on the road Clarity: clear enough to prevent misunderstanding between management and sales. force. Both manager and salesperson have to be on the same page. If manager says you can only spend 40 dollars on dinner, the sales person knows not to spend more. But if manager says we cover dinner, the sales person can spend 200 dollars on dinner. | |  | Instructor Explanation: | Instructor Feedback and Answer  Some factors with examples of their use are as follows:  a. Type of compensation plan. Reps who are on a straight commission plan often pay their own expenses. Under a straight salary plan, almost invariably the company pays travel and business expenses. b. Nature of territories. A sales rep covering the Chicago metropolitan area usually would be under a different plan from the rep who covers the upper New England states. Also new territory usually requires more expense money per dollar of sales than does an established territory. c. Method of transportation used. Reps traveling in their own cars need a different arrangement than do the reps who travel by air and use taxis in town. d. Caliber of salespeople. An experienced, high-quality rep is more likely to be on unlimited-payment expense plan than is a new recruit. e. Nature of the job and its relation to products and customers. As an example, consider a soap manufacturer who sells to large retail chains. One group of salespeople may sell the product to the home office of the chain and thus deal with high-level executives. These reps probably require the flexibility of an unlimited plan. However, the manufacturer's missionary salespeople who visit individual stores in the chain probably have a routine job with an established route list. Therefore, some form of limited allowance plan is more appropriate. | | |  | | | | | | |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | |  |  |  | | --- | --- | --- | |  | Points Received: | **18 of 20** | |  | Comments: | Instructor Feedback and Answer Some factors with examples of their use are as follows: a. Type of compensation plan. Reps who are on a straight commission plan often pay their own expenses. Under a straight salary plan, almost invariably the company pays travel and business expenses. b. Nature of territories. A sales rep covering the Chicago metropolitan area usually would be under a different plan from the rep who covers the upper New England states. Also new territory usually requires more expense money per dollar of sales than does an established territory. c. Method of transportation used. Reps traveling in their own cars need a different arrangement than do the reps who travel by air and use taxis in town. d. Caliber of salespeople. An experienced, high-quality rep is more likely to be on unlimited-payment expense plan than is a new recruit. e. Nature of the job and its relation to products and customers. As an example, consider a soap manufacturer who sells to large retail chains. One group of salespeople may sell the product to the home office of the chain and thus deal with high-level executives. These reps probably require the flexibility of an unlimited plan. However, the manufacturer's missionary salespeople who visit individual stores in the chain probably have a routine job with an established route list. Therefore, some form of limited allowance plan is more appropriate. | | | |

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| \* Times are displayed in (GMT-07:00) Mountain Time (US & Canada) |

# Final

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| **1.**(TCO A) As a sales rep, you are required to develop an annual sales plan for your territory. Discuss how you would set objectives, strategies, and tactics to develop the plan and what you would include in your plan. (Hint: think in terms of objectives, strategies, and tactics.) (Points : 25)          Objectives: Sales goals by customer, new accounts to go after, gross margin targets, works habits (call rates, follow up calls)  Strategies: How do you plan to accomplish the objectives .(i.e., Will increase gross margin by pushing product line X and Y and by concentrating on certain accounts that are not price sensitive.)  Tactics: The details of how the sales rep wold go about pushing high margin produces and they would identify and develop customers who were not price sensitive. |

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| **2.**(TCO B) What three points interest management most when interviewing an applicant for a sales job? Prepare a series of questions an interviewer might ask with respect to each of these points.  a. How badly does the applicant want or need the job? b. Can the job furnish him with the success he wants or offer him the opportunity to realize his goals in life? c. Will he strive to achieve the level of work his capacity will allow?  (Points : 25)  Situation Based and Behavior Based - Questions that focus on intended or past behaviors in sales situations are based on the premise that what a person says they will do in the future or what they have done in the past is indicative of what he or she will actually do in the future.    Performance Based - Companies ask candidates to do sale exercises.  These exercises are valuable in showing how much time, effort, skill, and creativity the candidates bring to their presentations.  a. What makes you want to work for our company compared to others.?  b. What are some of your professional and academic goals in the next five years?  c. What are some of your strengths and weaknesses? How do you think you can improve some of your weaknesses? |

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| **3.**(TCO C) What kind of training is required for a salesperson who has been promoted to a sales management position? (Points : 25)         The sales training program should be design to develop five competencies which are planning and business organization skills, strategic implementation ability, human resource management, leadership and team building and professional commitment.  To but it in simpler terms, once a sales person becomes a manager, their main goal is no longer to be good at sales. Their main goals is to become a great coach and motivator for their team. Be the leader of the pack. |

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| **4.**(TCO D) a. List several roles that a sales representative plays.  b. List several different role partners with whom sales reps are typically involved.  (Points : 25)  a. In connection with their role as a salesman or saleswoman, sales reps also play many other roles. These include the roles of persuaders, service people, information gatherers, expediters, coordinators, problem definers, travelers, display arrangers, and customer-ego builders. (See James A. Belasco, "The Salesman's Role Revisited," Journal of Marketing, April 1966, pp. 6-11.)  b. Salespeople traditionally are involved with many divergent role partners who often make heavy emotional demands on the reps. In their own firms, the reps must deal with immediate supervisors, higher-level executives; people in credit, order fulfillment, and shipping departments; people in advertising and marketing research departments. Then in a customer's firm, our reps may be involved with the purchasing agent, accounting department who handle our invoices, people in receiving departments who first physically handle the shipment of our products, etc. |

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| **5.**(TCO E) If salespeople's earnings in an organization have no limit, and good sales reps can earn more than some of the company's sales managers, what incentive do these salespeople have to move into management? Why strive for a promotion that means a decrease in income? (Points : 25)  This is a classic example of maslow's hiearchy of needs. Lets face it a top sales person can make as much money as they want. But there is going to be a point in their career where making money is not on top of their priority. They may want to become a coach to grow other sales person. Also, a sales peson's job security is completely based on the numbers they produce. If they fail to produce for a couple of months then they are fired no matter how well they did previously.  Now some of the incentives for a sales person to move to management is first for personal growth. There might be a time in a persons career where they want to teach rather that just do. Also usually a manager position is a bit more stable and not completely based on numbers, but rather than team growth and motivation. |

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| **6.**(TCO F) What factors should management consider when deciding on the method to use for controlling and reimbursing sales reps' expenses? Give some examples of how each factor might influence the decision. (Points : 25)          Here are some factors with examples:  a. Type of compensation plan. Reps who are on a straight commission plan often pay their own expenses. Under a straight salary plan, almost invariably the company pays travel and business expenses.  b. Nature of territories. A sales rep covering the Chicago metropolitan area usually would be under a different plan from the rep who covers the upper New England states. Also new territory usually requires more expense money per dollar of sales than does an established territory.  c. Method of transportation used. Reps traveling in their own cars need a different arrangement than do the reps who travel by air and use taxis in town.  d. Caliber of salespeople. An experienced, high-quality rep is more likely to be on unlimited-payment expense plan than is a new recruit.  e. Nature of the job and its relation to products and customers. As an example, consider a soap manufacturer who sells to large retail chains. One group of salespeople may sell the product to the home office of the chain and thus deal with high-level executives. These reps probably require the flexibility of an unlimited plan. However, the manufacturer's missionary salespeople who visit individual stores in the chain probably have a routine job with an established route list. Therefore, some form of limited allowance plan is more appropriate. |

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| **7.**(TCO G) Explain the concept of a marketing profitability analysis. (Points : 25)          Is a method of profitability control in which a company analyses its marketing profitability. This involves identifying function expenses, assigning functional expenses to marketing entities, and preparing a profit-and-loss account for each marketing entity. The book describes this in an equation which is:  Market Profitability Analysis (MPA) = Sales Volume Analysis(SVA) + Marketing Cost Analysis (MCA)  SVA is the company's records as summarized in the next sales section of its profit-loss statement  MCA is the marketing expenses to determine the profitability of various marketing segments in the organization. |

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| **8.**(TCO G) How can a sales manager determine the level of competition in each sales territory? (Points : 25)   First a rep covering the Los Angeles area would be under a different compensation plan that a rep covering New York area. Also new territory usually requires more expense money per dollar of sales than does an established territory. Methods of transportation. In LA, a rep may need to drive everywhere thus gas money and wear and tear needs to be compensated. But in New york , a rep can take the subway.  Also, scarcity of clients in a sales territory is important. The amount of compensation should not be the same for a very scarse territory compared to a saturated territory.  I believe the two biggest issue are usually geographic limits and modes of transportation with client abundance. |

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| **9.**(TCO H) "Let's face it. The only way we can get an edge is through our aggressive entertainment and gift program. We work hard at making our buyers happy with us. They enjoy doing business with us. Our product is no different than that of 20 other competitors. It sells for the same price and for the same terms. We all give the same service. It really doesn't matter to the buyer which of us gets the order. Do you see any ethical problems involved here? (Points : 25)          Absolutely not. This is a great example of customer service and incentive program. How may companies do we know that offer the exact same price for the same service, but one may throw in a free gift. There are no ethical problems in this example All this company is doing is incentivizing their products. If they still see a profit from this program then why not. Sometimes its hard to reduce the price of the actual product so companies give incentives to attract the customer. |

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| **10.**(TCO H) As a sales manager, if you were asked to recommend someone for a sales management job with another, noncompetitive firm, would you recommend one of the several salespeople working for you who would be excellent for the position if you didn't want to lose them? The other position would be a definite improvement for them; they would never be able to do so well within your own firm. Would you tell them about the opening? Would you recommend them to another firm? (Points : 25)          Yes, I would recommend them for the sales management job with another noncompetitive firm. It's the ethical thing to do. As a sales manager, one must take a long-run point of view. Not only should a sales executive understand that ethical behavior is not only about doing "the right thing" morally speaking, but to look at the long-term repercussions if any. There are six questions a sales executive should ask himself:  1. Is this sound from a long-run point of view?  2. Would I do this to a friend?  3. Would I be willing to have this done to me? (The Golden Rule)  4. Would I want this action publicized in national media?  5. Would I tell others about it?  6. Who is damaged by the action?  In this scenario, my answers would be:  1. Yes, because he would not be able to do so well at my firm, but will definitely do an outstanding job at the other firm. Plus, the other firm is not our competitor so there is no affect towards our company.  2. I would definitely do this to a friend because I'd be helping them out.  3. Of course I would be willing to have this done to me. It's wonderful to be recommended to other companies. It tells me that the person who recommended me actually believes in me.  4. I wouldn't ask for this action to be publicized, but if it were, I wouldn't mind too much. In the end, I'm looking out for what's best for the company as a whole and my sales team.  5. Yes, I would. Why not? I don't see the harm in telling others about what I did.  2:59  6. No one is damaged by this action because this person would not do so well at our company, but would be an asset to the other noncompetitive company. No harm done! |