



PAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY

FACULTY OF MANAGEMENT SCIENCES

DEPARTMENT OF MARKETING AND LOGISTICS

QUALIFICATION: BACHELOR OF MARKETING	
QUALIFICATION CODE: 07MARB	LEVEL: 6
COURSE CODE: SOT612S	COURSE NAME: SALES AND OPERATIONS MANAGEMENT
SESSION: NOVEMBER 2019	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100
FIRST OPPORTUNITY EXAMINATION QUESTION PAPER	
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MODERATOR:	MS. E. SEMENTE
INSTRUCTIONS	
1. Answer ALL the questions. 2. Write clearly and neatly. 3. Use the tables provided on [page 9 & 10] to answer Section A, Question One (1) AND Question Two (2) respectively: Detach and insert it into your answer booklet.	

THIS QUESTION PAPER CONSISTS OF 10 PAGES (Including this front page)

SECTION A

[Total 50 Marks]

Question 1

Multiple choice questions

Choose the correct answer and use the table provided on [page 9] by ticking the correct option [X or √] to answer these questions, detach and insert it into your answer booklet. 1.5 marks will be awarded for each correct answer.

[20 x 1.5 = 30 Marks]

1.1 Regarding a strategic sales forecast:

- A. It should be done within the broader context of strategic marketing planning.
- B. It should guide strategic company planning because the sales force generates the company's revenues.
- C. It is not related to strategic business unit (SBU) planning.
- D. It usually follows the implementation activities in the management process.
- E. None of these is correct.

1.2 One key difference between a firm's sales forecast and this firm's sales potential is that:

- A. The sales forecast is usually a larger figure.
- B. The sales potential must be determined first.
- C. The sales potential assumes that a certain strategic plan exists.
- D. The sales forecast is an estimate of sales the firm expects to make under a proposed marketing plan.
- E. The sales potential covers the company's entire market, while the forecast is made for individual market segments.

1.3 With regards to the management process in a sales department:

- A. Operational activities usually precede planning.
- B. Planning tells us what really was done.
- C. Planning and evaluation are interdependent activities.
- D. Evaluation in this year's cycle is not related to any activities in next year's management process.
- E. None of these is correct.

1.4 Among the following, sales performance evaluation is most closely related to:

- A. Sales control.
- B. Staffing the sales force.
- C. Sales operation.
- D. Marketing.
- E. The marketing concept.

1.5 Which of the following is a purpose of performance evaluation?

- A. To determine corrective actions to improve performance.
- B. To provide a basis for rewarding performance.
- C. To help direct the activities of salespeople.
- D. To determine training needs.
- E. All of these.

1.6 The task of appraising the performance of individual salespeople is a basic part of the managerial function of:

- A. Planning.
- B. Evaluation.
- C. Setting goals.
- D. Sales operations.
- E. Staffing.

1.7 Value added components are:

- A. Sales promotion giveaways.
- B. Elements such as service which enhance the product.
- C. Parts or equipment that are added to the product.
- D. Usually include only insurance and delivery.
- E. None of these are value added components.

1.8 As selling has evolved over time, firms have approached it:

- A. as an activity that is less effective than advertising.
- B. as a necessary evil.
- C. as an aptitude that people either are born with or without.
- D. more as science, as opposed to art.
- E. All of these.

1.9 Which is not a situational question?

- A. How often do you change the wire felt in your paper processors?
- B. How do these maintenance problems affect operations?
- C. Who makes purchasing decisions in your company?
- D. How many yards of wire felt do you keep on hand?
- E. All of these (are situational questions).

1.10. Of the four basic sales organization structures, the structure which has been adopted by some of the biggest companies in the world is:

- A. Line organization.
- B. Line and staff organization.
- C. Functional organization.
- D. Horizontal organization.
- E. None of these.

1.11 According to Sales and Operations Management, selection criteria for salespeople are likely to include which of the following.

- A. Great team-player and high computer literacy.
- B. Multi-media skills and highly independent.
- C. Great closer and works well under pressure.
- D. All of these.
- E. None of these.

1.12 A personal interview with a sales representative is a reliable predictor of success in the sales job because:

- A. Interviews are the most widely used selection tool.
- B. The sales job requires skills similar to those which are on display in the interview.
- C. It enables the interviewer to get a "gut" reaction instead of a merely objective evaluation.
- D. The sales manager is known to be a highly effective interviewer and can consistently react so as to affect applicants' responses.
- E. None of these.

1.13 After thorough training needs assessment, you confirm that overcoming objections and closing sales is the "Achilles Heel/problem area" of your team. Before you became the sales manager, you were known as the "king of closers". Note: results are way off and the pressure is on to meet this quarter's sales objectives. Which of the training approaches would work best?

- A. CD-based training featuring closing techniques by sales manager.
- B. External training session with a closing guru scheduled in three months as part of a sales conference.
- C. Sales manager-led closing techniques workshop including role-play segments.
- D. Classroom session led by sales reps featuring review of current techniques.
- E. Individual coaching sessions over the next month led by the sales manager.

1.14 When a customer wants lenient credit terms but our credit department wants to offer short-term credit with very stringent terms, our sales reps are likely to experience:

- A. Role ambiguity.
- B. Job satisfaction.
- C. Improved self-concept.
- D. Role conflict.
- E. None of these.

1.15 Role conflict arises when:

- A. Reps are uncertain of their authority to meet price competition.
- B. Reps are unclear about their organizational relationship with staff executives.
- C. Reps are unsure of how much time and energy to devote to field duties requested by a marketing research manager.
- D. Reps are trying to serve both the company and the customer.
- E. Reps question their power to grant credit.

1.16 Which of the following is one of the primary determinants of whether salespeople will cooperate with team selling efforts.

- A. Non-financial incentives.
- B. Belief in the goal of the team.
- C. Peer expectations.
- D. Financial Incentives.
- E. None of these.

1.17 Which one of the following expenses is least likely to be reimbursed by the company?

- A. Business entertainment above N\$25 a day.
- B. Air coach transportation used to visit a customer.
- C. Lodging costs when away from one's own company.
- D. Office supplies purchased by the salesperson.
- E. Fuel costs for personal use of company car.

1.18 Which of the following is usually excluded from list of legitimate travel and business expenses?

- A. Office supplies purchased by sales rep.
- B. Lodging costs when away on business.
- C. Expenses of family car related to business use of the car.
- D. Business entertainment above N\$25 a day.
- E. None of these is excluded.

1.19 For which of the following groups will management most likely use an activity quota?

- A. Sales representatives working for a wholesale sporting goods firm.
- B. Missionary salespeople working for a pharmaceutical firm calling on doctors
- C. Women's ready-to-wear salesperson calling on department stores.
- D. Sales representatives selling janitorial supplies to industrial users.
- E. Auto insurance salespeople.

1.20 An activity quota will most probably be used when management wants to:

- A. Pay salespeople a straight commission on net sales.
- B. Boost the sales of high margin items.
- C. Enter and develop a new market.
- D. Decrease the time devoted to missionary selling tasks.
- E. Discourage overlapping territories.

Question 2

True or False Questions

Use the table provided on [page 10] by ticking the correct option [X or √] to answer these questions, detach and insert it into your answer booklet. 1 mark will be awarded for each correct answer.

[20 x 1 = 20 Marks]

2.1 Outside sales forces are in business-to-business sales, but not business-to-consumer sales.

2.2 Namibian's attitudes toward health and fitness are a sociocultural factor that can impact a firm's marketing system.

2.3 Analysis of sales leads is the sole responsibility of the Marketing Department.

2.4 In recent years firms have restructured their sales force organizations around their best selling

2.5 Recruiting is difficult because only 1 in 100 candidates qualified.

2.6 In the process of selecting salespeople, the least costly selection tools should be used first.

- 2.7 One of the best ways to identify salesperson critical success factors is to send an observer into the field to see what is going on.
- 2.8 Ideally, a company should develop a separate motivational package for each sales representative.
- 2.9 What motivates a sales representative at one time may not motivate him or her at another time.
- 2.10 The motivational mix underlying the sales representative's behavior is exceedingly complex.
- 2.11 Although designing an effective sales compensation plan is a difficult task, most companies generally are satisfied with their sales compensation plans.
- 2.12 Frequently companies do not change their compensation to match changes in their strategies.
- 2.13 A sales quota may be assigned to a sales rep, and/or to a district/regional office and/or to a distributor/retailer.
- 2.14 A performance goal for a quota could be based on sales volume, gross margin, or number of retail displays.
- 2.15 Three hundred sixty degree feedback involves getting feedback primarily from all of the salesperson's customers.
- 2.16 An evaluation of sales force performance can enable management to discover particularly effective sales techniques and incorporate them into the firm's training program.
- 2.17 A marketing audit is one part of a sales management audit.
- 2.18 A sales volume analysis ordinarily cannot be done without being accompanied by a marketing cost analysis.
- 2.19 The number of secretaries is a basic market factor for desktop computer sales.
- 2.20. A market index is a market factor expressed in a quantitative form relative to some base figure.

SECTION B

[Total 50 Marks]

Question 3

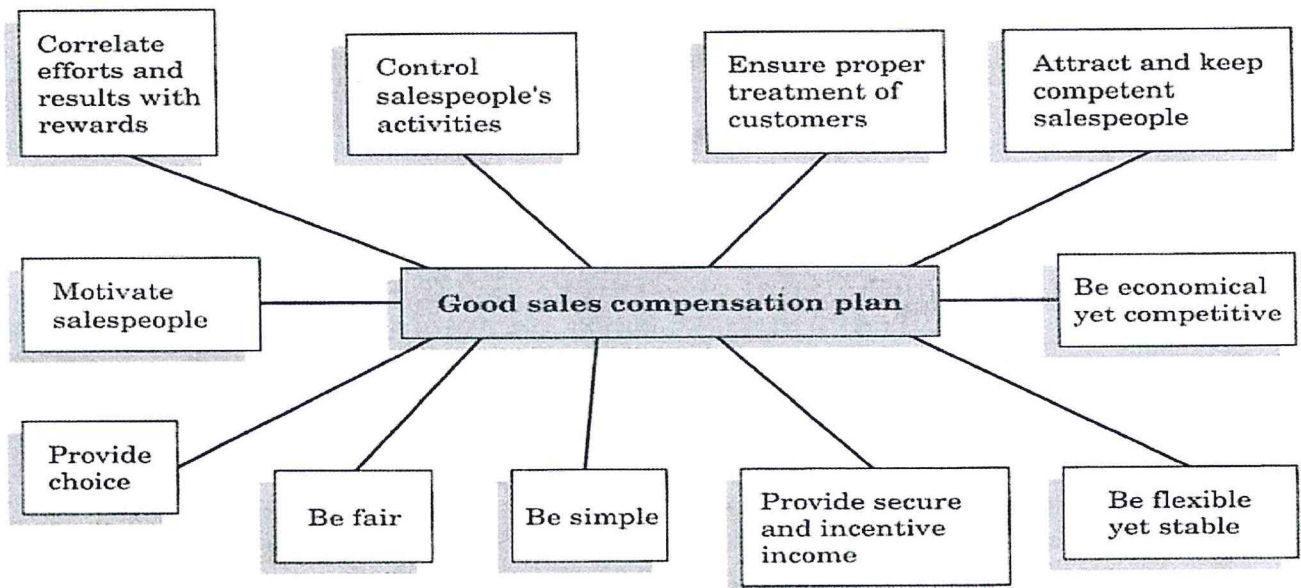


Figure 1

The Objectives of a good Compensation Plan, which are shown in Figure 1, may be viewed from the perspective of the Company/Sales Manager as well as from the perspective of the individual salesperson.

3.1 Discuss any ten (10) Objectives and how each may result in a good Compensation Plan. Provide ten (10) specific Examples to support how it is possible for each Objective. **(20 marks)**

3.2 With regards to Evaluation of Sales Performance, how can a sales manager determine the differences the sales representatives encounter in the levels of competition in different sales territory/s? In your response, discuss five (5) possible factors with five (5) examples of levels of competition.

(10 marks)

Question 4 - Case Study - GEM TOOLS, INC. - Evaluating Sales Leads

(20 marks)

"It's a jungle out there, where only the sharpest operators survive," George likes to tell his troops. As Division Sales Vice President of his company, George is proud of his devoted effort and the reputation he has earned as a "real hands-on guy." He enjoys his regular Friday after-lunch ritual, a , a relaxed time to phone friends to arrange week-end plans as he sifts through the pile of sales lead forms that accumulate during the week from the Marketing Department.

Passing by in the hallway, Janice, the company's new Marketing Communications Director, stops to watch George at work through his open office door. What she sees alarms her immensely!!!

With a wastebasket positioned strategically alongside his desk, George plucks forms from the stack before him. He glances at each thoughtfully for a few seconds and lays some respectfully on another

much smaller pile that he will send to his road warriors in the field. But he flicks most of the forms mockingly into the trash. George is screening advertising inquiries, raw leads from trade publication reader service cards comprehensively passed on by Marketing Communications to the Sales Department.

"Those leads cost us 28 bucks apiece!" Janice protests, striding into George's office like a soldier on a war path! She works hard to run an advertising campaign to excite the marketplace and motivate likely buyers to ask for more information. Brochure requests have skyrocketed. Inquiry counts have soared. It's a numbers game to Janice, and she boasts about her marketing communications program's sizzling scoreboard.

But Janice worries that salespeople, and boss George in particular, view the extra volume as an annoyance, possibly even a threat to their own prospecting processes. Not that anyone has said anything; it's just that tone of voice she hears from salespeople on those rare occasions when she travels to the field.

"How can you tell so quickly who's a good lead and who's not-who's going to buy and who's not?" Janice demands. She wants to add, but doesn't, that the sales department is breaking the rules. Each inquiry should be followed up with a salesperson's phone call, she believes, maybe even a visit. That's the Sales Department's job. Summarily trashing leads without checking them out defeats her program at the start, Janice seethes.

She worries because she doesn't really know what happens to all those names and addresses her department shovels to George's office across the hall. Spending so little time making calls on prospects with salespeople, Janice never sees how most of the inquiries she forwards actually frustrate salespeople, waste their time, and justify their muttering that "the leads are no good." George tries to protect his people with his home-grown lead-qualification system. "It's easy to tell which are which, with my experience," George calmly answers Janice, like a parent educating a child. "Sit here and let me show you how it's done."

George slides a lead from the stack and with a flourish offers it for their mutual inspection. "See, this has no phone number; he's obviously not a serious buyer." George flips the lead card into the wastebasket triumphantly. "Here's another one 600 kilometres away from our nearest office - so we can't follow it up right away. We'll call on them when one of our people gets up there next month," George promises without conviction.

"This one's for a N\$200 motor and we sell N\$200,000 complete distribution power systems (power system including the devices connected to the system like the simultaneous generator, motor, transformer, circuit breaker, conductor, etc.) ," George holds the lead with two fingers at arms' length as if it were disgustingly soiled. "Let this guy call back later if he just wants the motor."

On it goes, George's decision rules enraging Janice. The Marketing Communications Director worries over the fate of the advertising inquiry database she wants to create, so she can earn recognition upstairs for the inquiry count's rapid growth. Janice also knows she will not win points arguing with the Division Sales Vice President, so she remains silent.

Questions:

4.1 Who is right, Janice or George or Neither? And why? **(10 marks)**

4.2 What would you recommend to Janice and to George with regards to making Marketing and Sales work better together? **(10 marks)**

Grand Total 100 marks - THE END

SECTION A: ANSWER SHEET

Question 1 Tick [X or √]

[Total 30 Marks]

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
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Question 2

Tick [X or √]

[Total 20 Marks]

	<u>True</u>	<u>False</u>
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STUDENT NAME & STUDENT NO:
