

**UNIVERSITY OF SWAZILAND**  
**DEPARTMENT OF BUSINESS ADMINISTRATION**  
**FINAL EXAMINATION MAY 2005**

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- TITLE OF PAPER** : **SALES FORCE MANAGEMENT**
- DEGREE AND YEAR** : **B. COM IV - MARKETING BA 421**
- TIME ALLOWED** : **THREE (3) HOURS**
- INSTRUCTIONS** :
1. **TOTAL NUMBER OF QUESTIONS ON THIS PAPER 6**
  2. **ANSWER SECTION A WHICH IS COMPULSORY AND ANSWER ANY THREE (3) QUESTIONS FROM SECTION B.**
  3. **THE MARKS AWARDED FOR A QUESTION/PART OF QUESTION ARE INDICATED ALONG SIDE THE QUESTION / PART OF THE QUESTION.**

**NOTE :** **MARKS WILL BE AWARDED FOR GOOD COMMUNICATION IN ENGLISH LANGUAGE AND FOR ORDERLY PRESENTATION OF WORK.**

**SPECIAL REQUIREMENTS:** **NONE**

**THIS PAPER IS NOT TO BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR.**

## SECTION A: (COMPULSORY)

### QUECTION 1: AEROSPACE SYSTEMS

More than 10000 employees of Aerospace Systems had already been terminated as a result of the defence contract cutbacks being experienced by all firms in the defence industry. The company's plight was well reported in the news media.

One of the company's divisions was involved in developing computer network systems. While its work was not being discontinued, it was being reduced to a level that could be sustained by its nondefense business. Consequently, its sales staff of 56 people had been reduced to 35 sales representatives.

Mark Simpson, the divisional vice president, was meeting with Simon West, the sales manager, about future plans for the sales force. Simpson informed West, "You'll have to let 10 more of your sales representatives go on January 1<sup>st</sup>. Give them two weeks notice and the usual package. Try to get rid of the highly paid ones first. Some of your older sales reps are making over E100 000 a year while most of the younger people are making 50 to 60 thousand"

West detested what he was being told. He disagreed with the company policies. His silent response to Simpson's orders were, "Yeah, they are being paid a lot more than the young ones and for a good reason. They make us a lot of money." But Simon West kept his thoughts to himself because he had no place else to work and he enjoyed the E130,000 a year salary plus benefits. He did ask, "Can't we give them more than two weeks notice?"

Simpson stared coldly at West and said, "You know better than that, don't you dare tell anyone about our plans. The minute you tell someone they are history, they quit working for you and start working for themselves. Our obligation is to the company, not its former employees. We are trying to save this company. It's been good to us. A lot of people are depending on us to do what must be done if the company is to survive. Now if you don't want to do the job, just say so and ...."

Simpson did not have a chance to finish his statement before West cut him off, "No no, I will do it. I'll have to work out a lot of details about maintaining the coverage of accounts." He said no more and left Simpson's office.

Upon returning to his office, he was met by Bob Lilly, the company's leading sales representative who also serviced the company's most important commercial account.

After the customary greetings, Bob said, "I just got off the phone with Mike Markings, who is the president of Space tech. He wants me to be his sales manager. The pay is about the same as I am making here and you know that I like it here. I have 20 years of my life invested here so I don't want to leave. However, the grapevine has

been sending out messages that there are going to be some more cutbacks coming up in the sales department. If that's true, me and my big salary could be a tempting target. So if I am going to be history around here, then I'll have to leave now to take the Space tech job. We've been buddies for over 10 years, Simon. Tell me is it time to move on? You owe me that much!"

Simon West knew he had to give Bob Lilly an immediate answer. If he didn't, that itself would be the answer.

**QUESTION**

What should Simon West say to Bob Lilly? (25)

**TOTAL 25 MARKS**

## SECTION B

### INSTRUCTIONS

ANSWER ANY THREE (3) QUESTIONS FROM THIS SECTION

#### QUESTION 2

- a. Discuss three myths about selling. Are they true? (15)
- b. What does the term relationship marketing imply? Why has it become an important concept in sales force management? (10)

**TOTAL 25 MARKS**

#### QUESTION 3

- a. What are the laws affecting sales force management? (15)
- b. Sakhile Dlamini is a sales representative for a pharmaceutical company. She has just learnt that her company has merged with a former competitor and now she will be selling her product as well as the competitor's products. How will this affect Sakhile in her job. (10)

**TOTAL 25 MARKS**

#### QUESTION 4

- a. Mangaliso Mkhathshwa has spent the past thirty minutes attempting to sell a new communication system to a small business. The office manager, Njabulo, says, "I need to think about this. I am not ready to buy right now. I should probably talk to the owner." Mangaliso is now at a crucial point of the sale. What should he do? (15)
- b. What tools does a sales force manager have at his disposal in attempting to select a new sales person? (10)

**TOTAL 25 MARKS**

#### QUESTION 5

- a. What skills does a manager need to possess to become a leader? (15)
- b. What methods are available for determining sales force size? (10)

**TOTAL 25 MARKS**

**QUESTION 6**

- a. How can the sales force be organised? What are the advantages and disadvantages of each type? (15)
- b. Discuss five techniques used for forecasting. (10)

**TOTAL 25 MARKS**