

UNIVERSITY OF SWAZILAND
DEPARTMENT OF BUSINESS ADMINISTRATION
FIRST SEMESTER EXAMINATION 2013

TITLE OF COURSE: SALES MANAGEMENT I (BA 417)
DEGREE AND YEAR: IDE BACHELOR OF COMMERCE YEAR 5
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: A SALES REP OBJECTS TO HARASSMENT

Tebe Nkambule, Magnificent Plastic Company sales rep for the Manzini Region had called her boss Wandy Lukhele requesting an urgent meeting. Tebe was having problems at Gauteng Pharmaceutical (GP), one of Magnificent’s largest customers. Although she had been named Magnificent Plastic Company top sales person last year, Tebe’s current troubles did not come as a total surprise to Wandy. As he prepared for the meeting, Wandy reviewed the account history of GP.

As a long time producer of generic drugs, GP represented the type of customer Magnificent Plastic Company craved. It was only four years ago, however, that Magnificent Plastic Company sales rep Thandy Dlamini had been able to convince Hlomy Dlamini, GP’s president, of the value of doing business with Magnificent Plastic Company. Within one month of replacing Zibue Mabuza as a sales rep on the account, Thandy delivered the largest order in Magnificent Plastic Company history. For the next year and a half, Magnificent Plastic Company business with GP grew tremendously.

After breaking all company sales records, however, Thandy abruptly resigned from Magnificent Plastic Company. Citing “personal and family matters,” she left to take a job in banking. Although Wandy sensed something more was involved, he quickly replaced Thandy with one of Magnificent Plastic Company’s brightest stars, James Simelane.

James had graduated with honours from the University of Swaziland before joining Swaziland Paper Company. James was bright, articulate and personable so he quickly became the firm’s leading sales representative. When he decided to switch industries, he had joined Magnificent Plastic Company with flawless credentials. He seemed the ideal choice to replace Thandy. Six months later, however, James felt something was terribly wrong at the GP account. Although he had increased sales throughout the territory, GP had stopped placing any significant orders with Magnificent Plastic Company.

Hlomy seemed apathetic towards the new sales rep. For the next three months, James solicited the advice of Wandy on how to deal with Hlomy and the erosion of one of Magnificent Plastic Company’s biggest accounts. When all attempts failed, James finally approached a GP purchasing manager who told him, “Hlomy likes lady reps. I guess he feels more comfortable buying from a woman.”

It was then that Wandy, under pressure from top management to save the GP account, decided to have Tebe switch territories with James. James adapted well to his new territory while Tebe began to make significant progress in her territory, particularly at GP, where she brought in five large orders within three months. But that was over a year ago and now Wandy Lukhele had to deal with a troubled Tebe Nkambule.

“Hlomy keeps on making passes at me and yesterday asked me to join him for the weekend at his luxurious beach house. He is a 48 year old rich and powerful bachelor who expects all the women he meets to fall madly in love with him. I have been totally professional with him since the day I joined the account but I cannot take anymore of his antics. I am asking you to either tell him to cool it with the harassment or I am not calling on GP,” Tebe said.

QUESTION

Given that Hlomy Dlamini has no superior at GP and makes all the large buying decisions, what should Wandy Lukhele do in response to Tebe’s request?

TOTAL: 25 MARKS

SECTION B

INSTRUCTIONS

ANSWER ANY THREE (3) QUESTIONS FROM THIS SECTION

QUESTION 2

- a. Discuss the five major issues that a sales manager should consider in designing the sales force training program. (15)
- b. Discuss the stages of the motivation process using an example to illustrate how a sales person is motivated at each stage. (10)

TOTAL: 25 MARKS

QUESTION 3

- a. The Netcom Corporation produces and sells computers. Its highly diversified customers are found in the consumer, government and education institutional areas. The firm's marketing department is currently specialized along functions but management is considering adopting another specialization format in order to remedy a sales decline which they feel is partly attributable to its specialization approach. Briefly evaluate geographic, product or customer specialization formats as a possible remedy for the firm's situation. (15)

There are three methods that a sales manager can use to determine the number of sales people to hire. Discuss these methods highlighting the best method and one major reason for your choice. (10)

TOTAL: 25 MARKS

QUESTION 4

- a. Define a sales expense account. Discuss the methods that can be used to maintain the sales expense account of an organization. (15)
- b. Discuss the two types of compensation that a sales manager can utilize in compensating the sales representatives. (10)

TOTAL: 25 MARKS

QUESTION 5

- a. Discuss the five tools that a sales manager can use to select a new sales representative for his organization. (15)
- b. Outline the issues that a sales manager has to cover in socializing the company sales force. (10)

TOTAL: 25 MARKS