

VPM's
DR VN BRIMS, Thane
Programme: PGDM (2018-20) (Marketing)
PGDM Trimester IV Examination September 2019

Subject	Sales Force management		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages		Date	01-10-2019

Note: Q1 is compulsory and solve any FOUR from the remaining SIX questions.

Q1) 20 Marks (Compulsory)

Analyse the following case and answer the question given at the end:

ABC company was a producer of several kinds of industrial equipment listed in Exhibit. It developed in the late 1940s from the efforts of a gifted engineer and inventor, Srirang Pandey, who patented several of his ideas for variations on standard products. He founded and was active in the firm for more than twenty-six years until his death.

Pandey's fatal interest was in the sales activity of his company and he had a strong sense of professionalism that he used in personally selecting people for this sales force. He managed the sales force until it grew to a large size, of which time he secured the services of Hiren Shah as Sales Manager.

Before Shah's arrival and for several years thereafter, Pandey punctually told the salesman the names of the firms he wanted them to call on. His concern for the reputation of his company included product characteristics as promised, delivery on time (critical to customers for these goods) and ethical, highly removed business conduct by the salesman.

However., his concern for reputation was not restricted to these factors only. Pandey also wanted to have those who enjoyed the finest reputations as his customer for example, he told his salesmen never to solicit the orders of a small firm they know by the name of Rohan and Lovely, for he considered the owners advertisement of theirs he once saw in a weekly business newspaper. He also instructed his salesmen not to call on Kapoor Glow Ltd. because it had been turned down for a loan by the bank that Pandey used. This was despite the fact that Kapoor glow Ltd. found credit at another bank.

Not all the instructions were negative, however, Pandey had the salesmen, all of whom were engineers, visit Comden Mills, Stone & Kruger, and south Indian Metals repeatedly even though all three were committed to other sellers and other product designs. He wanted ABC Company to be a name that firms such as these must know and respect. He also several large national companies. Such as Combustion Engineering, Indian Machine and Foundary, Westinghouse and Melpar.

After Pandey's death, Shah continued these policies for the best part of a year. At that point Jevan vats, the new President hired from outside, had a long talk with the sales manager and explained that he thought some changes were desirable. The firm should try to maximise sales and abandon all other 'notions and pretensions', as he termed them. The salesmen should be put on a combination salary plus commission. The two other executives in the company, the finance man and the production man, spoke up with thorough endorsements of such changes. The existing policy was straight salary.

With some misgivings, shah devised a new compensation structure for his four salesmen. Under this plan he estimated that a salesman would earn about 80 percent of his compensation through salary and about 20 per cent through commission. The plan was announced on August 1 and the men were told it would go into effect in 30 days, Sales in Au-

gust slumped to about 17 percent from the same month one year earlier and 14 per cent from the same month two years earlier.

One month after the compensation plan came into force, the sales manager conducted a preliminary inquiry into the results of the new compensation policy. The results appeared to be that the easier to sell items in the product line were moving well, those of average difficulty to sell were moving adequately. and the one item that was rather difficult to sell (the dryer) was moving very poorly. Exhibit 1 given the comparison of September to the last month under the old policy (July) and to September one year before. Shah presented his analysis to vats but cautioned him about premature inferences from these data. The sales manager said that he would repeat his comparison after another month. In the meanwhile, the President told the sales manager to urge the salesmen to solicit orders for dryers.

EXHIBIT 1 : ABC COMPANY SALES BY PRODUCT,
SELECTED MONTHS

Product	September (Rs.)	July (Rs.)	September Last year (Rs.)	September Two Years Before (Rs.)
Dryers	2,10,000	3,45,000	3,50,000	3,22,000
Sprayers	77,000	75,000	80,000	78,000
Planers	41,000	43,000	40,000	39,000
Power Saws	32,000	30,000	30,000	31,000
Drills	42,000	42,000	40,000	39,000
Sanders	95,000	73,000	72,000	70,000
Metal Buffers	75,000	49,000	50,000	48,000

Questions :

1. Do you think, as a promoter, pandey, was right in promoting the kind of sales policies he did? Justify your comment.
2. Evaluate the compensation package in the light in the facts given in the case.

Attempt Any FOUR from the Remaining SIX Questions

Q2) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

a) How would the sales presentations differ in the following cases:

- (a) Selling a Life Insurance Policy.
- (b) Selling Office Computers.

b) "When a customer's objection is based on misinformation, how you will handle the situation?"

c) What should be the contents of "Monthly Sales Report"

Q3) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

A) Explain the negotiations with respect to following:

- 1) Negotiations with Credit Period and delivery schedule
- 2) Negotiations with payment terms and conditions

B) Forecast the demand with

B) simple moving average (N=3) or

C) Weighted moving average (N=3 and Weights are 0.2, 0.3 and 0.5)

Month	Period	Orders (A)
January	1	122
February	2	91
March	3	100
April	4	77
May	5	115
June	6	58
July	7	75
August	8	128
September	9	111
October	10	88
November	11	

Q4) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

a) Suppose you are the sales executive of well known consumer durable company. Your objective is to convince the dealer to clear the huge outstanding since last six months. What will you do?

b) What are the Applications of AIDA Model

c) Mr. Khurana is working on increasing the productivity of his manufacturing unit. He confirmed that he needs to buy new machinery replacing few old ones to do so. He is not technically sound in understanding the technical specifications of new machines. However, because of the past experiences he has trust on few machines and their respective makes. Buying new machinery will also have risk of performance as well as skilled manpower to operate them. You are the sales person of moderately known machine maker (OEM) which has potential to sell the equipment here. Which method will you use for selling? A consultative or adoptive. What will be your approach and strategy to sell the equipments in this case.

Q5) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

a) Suppose you are selling the latest android phone to the retail customer. Which features and benefits you will communicate while selling? Why?

b) Design a sales training program to improve productivity of middle-level sales managers of personal-care products like shampoos, creams and moisturizers etc. company. Describe the key features of the training program devised by you.

c) How service selling is different than physical goods selling? Give the relevant examples.

Q6) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) "Sales is 90% connect with customer and 5% Communication and 5% Convincing" Explain with example.
- b) Explain different types of questions a sales person should ask during selling process. Explain with relevant examples.
- c) What are the qualities of good sales person

Q7) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Design the format of sales quotation
- b) What is the purpose of performance appraisal for sales people? How it is done?
- c) Analyze the changing role of sales executive.