higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

NOVEMBER EXAMINATION

SALES MANAGEMENT N6

11 NOVEMBER 2013

This marking guideline consists of 9 pages.

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SECTION A

QUESTION 1

1.1 True

1.2 True

1.3 True

1.4 True

1.5 False

1.6 False

1.7 False

1.8 True

1.9 True

1.10 False

(10 × 2) **[20]**

QUESTION 2

2.1 K

2.2 B

2.3 A

2.4 E

2.5 C

2.6 G

2.7 F

2.8 H

2.9 J

2.10 D

2.11 I

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2.12 N

2.13 M

2.14 L

2.15 O

(15 × 2) **[30]**

TOTAL SECTION A: 50

SECTION B

QUESTION 3

3.1 *Matrix specialisation*

- Matrix organisational structure is a combination of product specialisation and functional specialisation
- This structure is adaptable by companies with technologically complex projects

Customer specialisation

- Is appropriate when customer needs and products purchased differ greatly from one industry to another and customer groups are large enough to justify special attention

Specialisation by function

- When a sales organisation specialist by function, other employees also come into contact with the firm clients, while other functional managers may give direct orders to the sales staff to undertake certain tasks for them. The sales team can depend on other department functions to assist them directly or indirectly with their sales activities

Geographic specialisation

- A company sales force is given the responsibility to sell its product lines to all persons in a specific territory
- Is appropriate when the company customers are widely dispersed and customers in similar industries tends to be located near each other
-

Specialisation by product

- A product service orientated sales organisation is appropriate when the company frequently introduces new products and when its product lines become very large, complex and diversified, demanding individualised product knowledge and client attention

2 marks explanation
1 mark example
2 marks heading

(5 × 4) (20)

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3.2 3.2.1 Output standards

- Unit sales achieved
- Number of orders taken
- Increase in market share
- Increase in number of active accounts
- Increase in size of orders
- Improved ratio
- Number of new accounts open (3)

3.2.2 Input standards

- Number of sales calls made
- Number of appointment made
- Number of quotations submitted
- Number of new prospects found
- Number of display setup
- Number of sales demonstrations given
- Attempt to improve time and territory management

(Any 3 × 1) (3)

3.3 Motivation of sales force

General motivators

- Effective upward and downward communication between sales managers and sales staff
- Management attitude towards them/seen as honest people
- Knowing that management have clear understanding of their job

More specific motivators

- Financial as well as non-financial rewards to motivate sales force, for example cash prizes additional commission
- Non-financial rewards for example weekends away

1 mark per fact
Any relevant answer (4 × 2) (8)

3.4 Fringe benefits

- Pension scheme
- Medical aid
- Company car
- Housing subsidy
- Group life insurance
- Bursary for further study
- Recreational facilities
- Club membership

Any relevant answer (5 × 1) (5)

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3.5 Decentralised training

- Training is more informal.
- Trainees are motivated by knowledge and success stories of senior sales people
- Trainees have the opportunity to discuss their problems with the sales managers
- Sales managers who are responsible for training gain the respect of their sales people
- Costs are much lower in terms of travelling and accommodation
- Sales managers and sales people remain in the field and are therefore productive
- Training that is done over a period of time is more effective
- Sales managers can evaluate sales people during training

Any relevant answer (4 × 2) (8)

3.6 Company's point of view

Flexibility:-compensation plan should be flexible to accommodate rapidly changing needs

Maximum sales and profit:- sales managers should make an effort to maximize sales but at the same time sales should be made at highest possible profit

Control: sales compensation plan should help a sales manager to control and direct sales operations/activities

Simplicity:- sales managers prefer compensation plans that are easy to explain to sales staff and simple to administer

A complicated plan that salespeople find it difficult to understand

Competitiveness:- a well designed compensation plan should compare favourably with what is offered by opposition companies in the same industry

A well balanced plan which is competitive in the sense that it just rewards salespeople for their efforts and which offered attractive incentives

Motivation:- a sound compensation plan should include incentives that can motivate salespeople towards superior performance

1 mark heading
2 marks explanation (Any 3 × 3) (9)

3.7 Application form

- Provides sales manager with information about applicants
- Gives sales managers insight into aspects such as applicants career goals, present job, reasons for applying
- Helps sales manager to prepare for personal interview with the applicant (2)

[50]

QUESTION 4

4.1 Importance of fringe benefits

- Attract good sales people from other companies but will also keep their own staff for longer periods
- A good fringe benefit package provides a sales person with personal security and job satisfaction
- Creates a sense of loyalty towards the company

(3 × 2) (6)

4.2 Appropriate situations for straight salary

- Long negotiating periods
- Sales people in training
- Aggressive advertising and promotions
- Performing non-selling duties
- Team selling
- New product launched or new market entered
- In highly seasonal industries
- In routine selling

(Any 2 × 2) (4)

4.3 Methods to analyse marketing costs

- According to ledger accounts
- According to activity classification
- According to territories
- According to products

(Any 4 × 2) (8)

4.4 Factors influencing span of control

- Level of knowledge and experience of the sales people
- Ability of the sales manager to manage large number of sales people effectively
- The nature of work being performed by each individual
- The available time to manage and supervise a sales force

(Any 4 × 2) (8)

4.5 Importance of product knowledge

- Sales person should know how the product has been developed
- Sales people should be aware of the features, advantages and benefits of the product
- Sales people need to be able to explain to customers the different uses of the product and how to use them
- Its essential for the sales person to have basic knowledge about competitors product and the advantages of one's own product
- A higher level of product knowledge built confidence when selling products
- Easier to communicate the benefits of products to customers
- The more advanced complex products are, the more time should be spent on getting to know them

(Any 5 × 2) (10)

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4.6 Disadvantages of centralised training

- Its more costly for sales people travel from regions to central venue
- Training by outside experts may not always apply to real life situations
- There is limited amount of time available for training
- Sales managers and sales people are taken out of the field of training as a result
- They are unproductive in terms of sales
- Married people may find it difficult to be away from home for long periods.

(Any 1 × 5) (5)

4.7 4.7.1 The competitor's sale force

- Know industry well
- Are familiar with the type of product being sold
- Are experienced and have already proven themselves in selling for other companies
- Could bring accounts and customer with them
- May already know your company's product and would therefore require minimum training

(Any 3 × 1)

4.7.2 The customer himself/herself

- Good recruitment source
- Have potential to become successful sales people
- May know of other firms who would like to make a change
- May have employees in their own firms who have reached potential and they would like to be recommended

(Any 3 × 1)

4.7.3 Within the company

- Shortens time between selection and starting new job
- People from other departments have already proven their ability and loyalty towards the company
- People with technical background may already have sound knowledge of the company's products

(3 × 3) (9)

[50]

QUESTION 5

5.1 Purpose of a feedback meeting

- Purpose is to promote a change in the sales person, either in terms of the sales performance or in attitude and behaviour that affects performance
- The process of how to effect change should be discussed openly so when the sales person leaves the feedback meeting will know is
- what is already been achieved
- his or her own strengths and areas of development
- What objectives for next appraisal meeting are
- Action to be taken by the salesperson to develop additional skills

(Any 5 × 2) (10)

5.2 5.2.1 The low morale among sales representatives

- A properly trained salesperson has higher morale
- He is motivated and self-confident and has a positive attitude towards the company, customers and life in general
- Poorly trained salesperson is unable to answer questions from customers to solve problems thus further demotivating the salesperson.
- Such salespersons often experiences frustration and disappointment and enjoy little job satisfaction

(Any 4 × 2) (8)

5.2.2 The high turnover of sales staff

- An inexperienced sales person who does not receive proper training is likely to become discouraged and may soon quit.
- A well trained salesperson is prepared for the realities of a sales career and is determined to achieve success
- Positive attitudes usually lead to good sales results.
- Salespersons are motivated to improve at all times.

(Any 4 × 2) (8)

5.3 5.3.1 Non-monetary incentives

- Merchandise
- Travel awards
- Share options
- Certificates awarded as

(Any 4 × 2) (8)

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5.3.2 Goals of incentives

- Increase total sales volume
- Obtain new accounts
- Find more dealers
- Introduce new product lines
- Promote selected items
- Large scale seasonal promotion
- Move slow moving items
- Increase sales during quite period

(Any 2 × 2) (4)

5.4 Advantages of the Matrix organisational structure

- Is an effective type of structure in today's rapidly changing market environment
- It is flexible structure that can respond quickly to changes in a company's marketing strategy
- It encourage co-operation between departments
- It develops the skills of employees who serve as members of project teams
- It is a means of successfully accomplishing difficult projects
- It encourages teamwork, giving members the opportunity to contribute individually

(Any 5 × 2) (10)

5.5 Reasons for reference check

- To verify information supplied in the application form, especially with regard to academic qualifications and previous job history
- To obtain additional information about the candidate that could help the sales manager to form a more realistic perception

Any relevant answer (1 × 2) (2)
[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200

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