higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

NOVEMBER EXAMINATION

SALES MANAGEMENT N6

14 NOVEMBER 2016

This marking guideline consists of 8 pages.

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SECTION A

QUESTION 1

1.1	1.1.1	A
	1.1.2	B
	1.1.3	C
	1.1.4	A
	1.1.5	A
	1.1.6	B
	1.1.7	B
	1.1.8	D
	1.1.9	C
	1.1.10	D
	1.1.11	C
	1.1.12	D
	1.1.13	C
	1.1.14	A
	1.1.15	A

(15 × 2) (30)

1.2	1.2.1	True
	1.2.2	False
	1.2.3	False
	1.2.4	False
	1.2.5	False
	1.2.6	False
	1.2.7	True
	1.2.8	False
	1.2.9	False
	1.2.10	True

(10 × 2) (20)
[50]

TOTAL SECTION A: 50

QUESTION 2

2.1

- Control

A sales compensation plan should help the sales manager control and direct sales force activities. A well-designed compensation plan makes it easier to exercise supervision and control over selling activities.

- Simplicity

Sales managers prefer a compensation plan that is easy to explain to sales staff and simple to administer. A complicated compensation plan that salespeople find difficult to understand and requires substantial effort can have negative effects.

- 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 justly rewards salespeople for their efforts and offers attractive incentives can motivate salespeople toward superior performance.

- Flexibility

A compensation plan should be flexible to accommodate the rapidly changing needs of a company and its salespeople.

- Motivation

A sound compensation plan should include incentives that can motivate salespeople toward superior performance.

- Maximised sales and profit

Because sales compensation is such a major selling expense, the sales manager should make an effort to stimulate salespeople to maximise sales, but at the same time, sales should be made at the highest possible profit.

NOTE: 1 mark per heading
2 marks per explanation (Any 4 × 3) (12)

2.2

- When strong incentives are needed to increase sales.
- When very few non-selling duties have to be performed.
- When a business is in weak financial position and selling costs must relate directly to sales.
- When a business uses part-time salespeople. (Any appropriate 3 × 2) (6)

2.3 According to:

- Ledger accounts
- Marketing activity categories
- Territories
- Products (Any appropriate 4 × 2) (8)

2.4 2.4.1 Quantitative standards refer to end results such as sales targets achieved or number of units sold. They are specifically expressed in terms of exact quantitative values and easier to evaluate. Qualitative standards are subjective and cannot be measured exactly. The sales manager has to judge the salesperson's performance by evaluating their major job activities in terms of quality. (2 × 1) (2)

2.4.2
- Number of sales calls made
- Number of appointments made
- Number of quotations submitted
- Number of new prospects found
- Attempt to improve time and territory management
- Number of sales demonstrations made
- Number of displays set up (Any 4 × 1) (4)

2.5 2.5.1
- It shortens time between selection and starting of a new job.
- Candidates require less training.
- People with a production or technical background may already have sound knowledge of the company.
- It's the least expensive recruiting method.
- Candidates from other departments have already proven themselves. (Any appropriate 5 × 1) (5)

2.5.2
- Students that studied marketing have the background for a sales career.
- Most candidates are intelligent, communicate well and have already reached a goal by finishing their studies.
- Because they have not worked before they can be taught a company's procedures easily.
- Graduates are usually mature and have been trained to think logically.
- Tertiary training develops psychological qualities such as self-confidence. (Any appropriate 5 × 1) (5)

2.6
- The interviewer follows a combination of structured and unstructured approached.
- Working through the applicant information a set of questions can be drawn.
- These questions are aimed at specific aspects which the interviewer would like the candidate to expand on during the interview.
- Most questions are open-ended which allows the interviewer to probe deeper. (Any appropriate 4 × 2) (8)

[50]

QUESTION 3

3.1 3.1.1 When a sales organisation specialises by function, other employees also come into contact with the firm's clients and different functional managers may give direct orders to sales staff to undertake certain tasks for them.
An example is a McCarthy car dealership where the client's car comes into contact with the cashier to pay a deposit and then the car is checked by a technician before the delivery of the car is made.

NOTE: 3 marks for the explanation
1 mark for an appropriate example (4 × 1) (4)

3.1.2 Essentially a combination of product specialisation and functional specialisation. This structure is especially fitting for large companies with rapidly changing and technologically complex projects for new products.
An example is the Nissan car manufacturing company that develops a car which replaces the utilisation of diesel to electricity and thus a high degree of expertise is required.

NOTE: 4 marks for the explanation
2 mark for an appropriate example (6 × 1) (6)

3.2
- Specialists in certain areas provide customers with expert advice.
- Leads to improved service and greater efficiency.
- Strength of salespeople in sales supporting positions can be better utilised.
- Allocation of resources is clearly defined. (Any 3 × 2) (6)

3.3
- Centres on projects with project teams consisting of employees from different functional areas.
- Projects usually have to do with products and customers' internal systems.
- Every team member still has a functional manager with line authority but reports to a project manager now.
- Duties of project managers and sales managers are usually separated.
- Matrix structures only remain in force while a project is being carried out, thereafter it reverts to the old structures. (Any 2 × 2) (4)

3.4
- Give the salesperson ample notice.
- First evaluate own performance as manager.
- Establish good working relationships with salespeople.
- Ensure that performance appraisal meetings are strictly confidential.
- Develop the skill of listening actively as the salesperson will be doing most of the talking. (Any appropriate 5 × 1) (5)

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3.5
- Assess the performance of salespeople in terms of their job description and previously agreed performance standards.
- Identify strengths and develop these further.
- Recognise weaknesses.
- Teach salespeople the skills and techniques they need to overcome these weaknesses.
- Increase confidence of salespeople by encouraging and motivating them.
- Set a professional example during training.
- Assist salespeople with regard to self-training.
- Evaluate progress and improve performance. (Any 5 × 2) (10)

3.6 Yes
- It provides the sales manager with information about an applicant's educational background, work experience, etc.
- It gives the sales manager an insight into aspects such as the applying and minimum income expected.
- Helps a sales manager prepare for a personal interview with the applicant.
- To save time especially during the initial screening phase.
- To aid the sales manager prior to and during a person's interview with the candidate. (Any 6 × 2) (12)

[50]

QUESTION 4

4.1
4.1.1 Motivational techniques
4.1.2 Recognition and honour awards/Praise and encouragement
4.1.2 Recognition and honour awards
4.1.3 Opportunities for promotion
4.1.4 Sales training programs/Sales meetings
4.1.5 Sales contest

(Any appropriate 5 × 2) (10)

4.2 4.2.1
- Strong motivational power to younger salesperson.
- Work out a detailed plan of action and what is going to happen in terms of their compensation. (Any appropriate 2 × 2) (4)

4.2.2
- They may be more complicated than some other compensation plans.
- The salesperson may, in pursuing additional rewards offered by these plans, neglect his non-selling tasks.
- Has no lasting or trophy valve. (Any 3 × 2) (6)

4.3.1 Properly trained salespeople who are successful in their job usually has high morale. They are motivated, self-confident and have a positive attitude towards the company, customers and life in general. In contrast a poorly trained salesperson that is unable to answer customer's questions or solve their problems usually has a low morale. (Any appropriate 5 × 1) (5)

4.3.2
- An inexperienced salesperson who does not receive proper training is likely to become discouraged, and may soon quit if they are not successful.
- The more successful a salesperson becomes, the less chance there is that they will leave the company.
- This relationship between training, good results and low turnovers is shown as follows:
    - Training = positive attitude = good results = motivated

(Any appropriate 5 × 1) (5)

4.4
- Empathy
- Ego drive
- Enthusiasm
- Ability to communicate effectively
- Adoptability
- Willingness to learn (Any appropriate 4 × 1) (4)

4.5
- People in the company
- Advertisement
- Educational institutions
- Competitors
- Non-completion companies
- Customers or their employees
- Recruitment agencies
- Walk-ins
- Internet (Any appropriate 6 × 1) (6)

4.6
- Enables management to determine what happened and possible reasons for it.
- Helps management discover inherent strengths and weaknesses.
- An important method by which selling weaknesses in selling activities of individual salespeople can be identified.
- Management can identify effective techniques used by successful salespeople and encourage the less successful people to try these techniques.
- The sum total of the sales staff's performance may eventually show management what changes they should make to improve training programmes.
- Individual sales performance is a major aid for management tools regarding sales staff, like promotions.
- Individual sales performance evaluations ensure that a salesperson that really deserves favourable recognition gets it. (Any appropriate 5 × 2) (10)

[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200

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