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Sub: **SALES MANAGEMENT**

Code: **18MBAMM401**

Date: **08-06-2021**

Duration: 90 mins

Max Marks: 50

Sem: 4

Branch: MBA

OBE

Marks CO RBT

Part A -Answer Any Two Full Questions (20*02=40 Marks)

- 1(a) What is sales motivation? [03] CO4 L1
 Ans. Motivation in the sales function refers to the amount of effort a salesperson is willing to expend in the selling job. While some salespersons are self-motivated, there are others who need to be motivated to perform.
- (b) Explain the selling styles. [07] CO2 L2
 Ans. Transactional selling. Transactional selling is a simple, short-term sales strategy that focuses on making quick sales. ...
 Solution selling.
 Consultative selling.
 Provocative selling.
 Collaborative selling.
- (c) How does a salesperson handle customer objection? [10] CO2 L2
 Ans. Tactic #1: Gratitude.
 Tactic #2: Empathize.
 Tactic #3: Let the Discovery Begin.
 Tactic #4: Ask, Probe, Confirm.
 Tactic #5: Show Them The Value.
 Tactic #6: Back It Up With Proof & Customer References.
- 2(a) What is Sales territory? [03] CO3 L1
 Ans. A sales territory is the customer group or geographical area for which an individual salesperson or a sales team holds responsibility. Territories can be defined on the basis of geography, sales potential, history, or a combination of factors
- (b) Explain the planning and management of the sales territory. [07] CO3 L2
 Ans. 1. Define your larger sales goals. Before you have a plan, you need a goal (or goals).
 2. Define your market.
 3. Assess prospect and account quality.
 4. Start mapping out the strengths and weaknesses of your reps. ...
 5. Assign leads.
 6. Look for ways to improve your plan.
- (c) Analyze methods of setting sales quota. [10] CO3 L4
 Ans. 1. Top Management Downward method
 In this method, the management and executives, with their experience and judgement, estimate the total sales for the next year. Sales executives having

enough experience in the sales are given the responsibility of setting such sales quotas. This method is sometimes called guess work quota method because it is estimated on the basis of executives' guess work.

2. Territorial Estimate Upward method

This method is known as grassroots approach. In this method, the salesmen are asked to make estimation of sales of their territories for the coming years. The branch managers make adjustments in the salesman's estimates. The district and divisional sales managers make further adjustments of salesman's estimates with the cooperation of sales force. Finally, all such sales estimates are grouped and the sales estimate of the entire sales field is prepared.

3. Combination of Top Management-Downward and Territorial Estimate-Upward method

In this method, the above two methods of estimating sales quotas are combined. At the headquarters, the management by their past experience and judgement estimate the sales quota. At the grassroots level, the salesmen are asked to make their own estimates. Next, an overall estimate for the entire sales operations of the company is prepared based upon both the estimates. Then the estimate is divided into territories, products and salesmen.

4. Past Performance Method

Under this method, sales estimates are made keeping in view the past sales performance and the total sales estimate for the future is made by increasing the sales by a certain percentage. The increase is also made keeping in view of the competition, advertisement, economic condition, price of the product, etc. Then this total estimate is divided into sales quotas for each division, district, branch and individual salesman.

- 3(a) What are the three purposes of salesforce motivation? [03] CO4 L1
Ans. 1.Expectations and Needs.
2.Financial Incentives.
3.Non-Financial Incentives.

- (b) Explain one theory of salesforce motivation. [07] CO4 L2
Ans. Maslow's hierarchy of needs is a motivational theory in psychology comprising a five-tier model of human needs, often depicted as hierarchical levels within a pyramid.

From the bottom of the hierarchy upwards, the needs are: physiological (food and clothing), safety (job security), love and belonging needs (friendship), esteem, and self-actualization.

Needs lower down in the hierarchy must be satisfied before individuals can attend to needs higher up.

Maslow's Hierarchy of Needs Five Stage Pyramid

- (c) Describe the factors affecting motivation. [10] CO4 L2
Ans. 1. Reward and recognition

Reward and recognition come hand in hand. Recognition for good work has a limited shelf life; praise begins to lose its impact if not accompanied by reward. Exceptional work deserves reward and while recognition is sufficient in certain cases, employees begin to lose motivation if they are not rewarded for extra effort.

There are many ways to reward employees. Rewards can vary in both cost and impact and it is best to offer a portfolio of rewards, examples include once in a lifetime trips and experiences, vouchers or something as simple as an extra day off. The aim of rewarding and recognising employees is to encourage and motivate them to exceed within their roles and promote positive behaviours.

2. Development

Development is very important for motivating employees; studies have shown that 20% of employees prefer career development opportunities and training to monetary reward. Development makes an employee self-dependent and allows them to contribute more effectively in the workplace, it also helps employees to enhance their input to your business.

When an organisation invests in their employees, it breeds loyalty, retention and motivation. A study in the Harvard Business Review found that employees are appreciate and value when managers take a genuine interest in their development; it demonstrates to the employee that the organisation believes in them and wants them to progress within the company. Development inspires employees to work harder so as not to let down the company that has invested in them.

3. Leadership

A study by Gallup found that, only 2 in 10 employees strongly agree that their performance is managed in a way that motivates them to do outstanding work – this clearly displays how much a good leader motivates employees. A good leader has the knowledge of what truly inspires loyal and motivated humans to perform at a high level. It is important that a good leader has reasonable expectations, gives credit where credit is due and appreciates their staff.

4. Work life balance

Providing a good work life balance nurtures employees. Motivated employees are less likely to take sick days, leave the organisation and will be more prepared to work longer hours. Equally these same employees are more likely to ‘burn out’ and will feel less motivated if there is not a healthy work life balance. Whilst motivated employees will go above and beyond for the company, wanting to do their best, if exhaustion strikes they may start to lose the passion for their job. As an organisation, it is important to ensure that employees are working reasonable hours and are combining work with activities that promote health and wellbeing.

5. Work environment

Motivated employees thrive in a positive work environment. This refers to the physical and non-physical environment – the physical environment is the office space and surrounding areas. Employees work better in open spaces that stimulate the senses, look at Google, they are known for their extraordinary office spaces that focus on employee wellbeing – with green spaces, quiet areas, beach volleyball, to name but a few! Google spare no expense on the employee environment believing that the space you work in greatly affects employee motivation. Google’s philosophy is that “life at Google is not all work”, therefore they promote casual collusion between employees, demonstrating how collaboration promotes creativity, drives production and increases motivation.

Part B - Compulsory (01*10=10marks)

4. This case is about a mid-sized company DrugPharmz which was in the process [5+5] CO4 L4 of re-launching its operations in West Bengal. The newly appointed regional manager, Barun was struggling with the high attrition rate in his region. During these tough times, Barun recruited Rohit as an area manager for Siliguri. There was a marked difference between the management style of Barun and Rohit. Barun soon realized that even though they did not see eye to eye on various issues, Rohit was effective in holding his team together and also delivered good results. Unfortunately, Rohit met with an accident and the company insisted that he resign as he was not entitled to long leave during the probation period. Rohit felt that Barun too failed to support him and puts in his papers.

Soon Barun found himself in a difficult situation as more than half of Rohit's team resigned from the company. He was also unable to get suitable replacements. Barun was forced to go back to Rohit, but Rohit was no longer interested in rejoining the company. This case deals with the issue of people management in a sales team. It highlights the importance of attracting and retention of talent. The case also covers the conflict that may arise due to a difference in working styles and expectations between the boss and subordinates.

Questions:

- a. Analyze the importance of HR (people skills) in attracting, retaining, and motivating employees in this company.

Ans. HR professionals are liaisons between employees, department heads and CEOs. They manage tasks that need to be completed by different people and departments. Here are some organizational skills HR professionals cultivate:

Time management. Drawing up employment contracts and managing payroll and insurance plans are time-sensitive tasks. HR teams are responsible for meeting deadlines and complying with relevant regulations.

Records management. HR teams manage information and documents, like employment agreements in physical and digital formats. In large teams, HR professionals are usually responsible for storing and retrieving employee data from effective filing systems (e.g. HRIS.)

Calendar management. In-between meetings with colleagues and executives, HR professionals have to squeeze in other important tasks, like setting up employee training and development and organizing company events. Good calendar management skills help busy HR teams stay productive.

- b. . Consider any of the theories such as, employee motivation theory (McGregor's Theory X, Theory Y, etc.) that you feel perfect to be applied in this case and explain the justification of the same.

Ans. Understanding Theory X and Theory Y

Theory X and Theory Y were first explained by McGregor in his book, "The Human Side of Enterprise," and they refer to two styles of management – authoritarian (Theory X) and participative (Theory Y).

If you believe that your team members dislike their work and have little motivation, then, according to McGregor, you'll likely use an authoritarian style of management. This approach is very "hands-on" and usually involves micromanaging people's work to ensure that it gets done properly. McGregor called this Theory X.

On the other hand, if you believe that your people take pride in their work and see it as a challenge, then you'll more likely adopt a participative management style. Managers who use this approach trust their people to take ownership of their work and do it effectively by themselves. McGregor called this Theory Y.

The approach that you take will have a significant impact on your ability to motivate your team members. So, it's important to understand how your perceptions of what motivates them can shape your management style.

We'll now take a more in-depth look at the two different theories, and discover how and when they can be useful in the workplace.

Theory X

Theory X managers tend to take a pessimistic view of their people, and assume that they are naturally unmotivated and dislike work. As a result, they think that team members need to be prompted, rewarded or punished constantly to make sure that they complete their tasks.

Work in organizations that are managed like this can be repetitive, and people are often motivated with a "carrot and stick" approach. Performance appraisals and remuneration are usually based on tangible results, such as sales figures or product output, and are used to control staff and "keep tabs" on them.

This style of management assumes that workers:

Dislike their work.

Avoid responsibility and need constant direction.

Have to be controlled, forced and threatened to deliver work.

Need to be supervised at every step.

Have no incentive to work or ambition, and therefore need to be enticed by rewards to achieve goals.

Course Outcomes		PO1	PO2	PO3	PO4	PO5
CO1	Understand the apply the selling techniques in an organisation.					
CO2	Develop a plan for organising, staffing & training sales force.	1b,1c				

CO3	Organise sales territories to maximize selling effectiveness.	2a,2b,2c				
CO4	Evaluate sales management strategies.	1a,3a,3b.3c,4				

Cognitive level	KEYWORDS
L1	list, define, tell, describe, recite, recall, identify, show, label, tabulate, quote, name, who, when, where, etc.
L2	describe, explain, paraphrase, restate, associate, contrast, summarize, differentiate interpret, discuss
L3	calculate, predict, apply, solve, illustrate, use, demonstrate, determine, model, experiment, show, examine, modify
L4	classify, outline, break down, categorize, analyze, diagram, illustrate, infer, select
L5	grade, test, measure, defend, recommend, convince, select, judge, support, conclude, argue, justify, compare, summarize, evaluate
L6	design, formulate, build, invent, create, compose, generate, derive, modify, develop, integrate

PO1–Theoretical Knowledge; PO2–Effective Communication Skills; PO3–Leadership Qualities; PO4 –Sustained Research Orientation; PO5 –Self-Sustaining Entrepreneurship

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