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Sub: **SALES MANAGEMENT**

Code: **18MBAMM401**

Date: Duration: $\frac{3}{\text{HOURS}}$

Max Marks: 100

Sem: 4

Branch: MBA

OBE

Marks CO RBT

1(a) What is sales management? [03] CO4 L1

Ans. Sales management is a business discipline which is focused on the practical application of sales techniques and the management of a firm's sales operations. It is an important business function as net sales through the sale of products and services and resulting profit drive most commercial business

(b) Explain designing sales quota. [07] CO2 L2

1. Activity Quota

An activity quota requires salespeople — usually **BDRs** or **SDRs** — to complete a set number of activities during a period of time, usually one month or quarter. Activities usually include phone calls, follow-up emails, scheduling meetings, and leading demos.

This type of quota is usually assigned to BDRs or SDRs who are part of a larger selling team and aren't responsible for closing actual business. An activity quota ensures they're contributing to the sales organization and providing valuable help to the reps they support.

Activity Sales Quota Example: Sales rep Jonathan has a quota of 45 phone calls per month, 84 follow-up emails, and 12 demos each month. These activities are **tracked in his CRM** and his sales manager can easily see how he's tracking to meet his quota.

2. Volume Quota

Sales reps with volume-based quotas are goaled on the number of units they sell or the total revenue they generate during a specific time period. They're incentivized to sell as many units as they can.

Volume Sales Quota Example: Jonathan, with JVN Skates, has a quota to sell 75 pairs of skates each month. He must sell at least 75 pairs to meet his quota. He likely receives commission on each pair of skates he sells and receives a bonus when he reaches his quota.

3. Profit Quota

This type of quota is based on the gross profit or margin of a dedicated sales team,

product/service grouping, or salesperson.

If you're held to a gross margin quota, your number would be calculated by subtracting the cost of goods you sell from the overall revenue. A gross profit quota is calculated by subtracting selling expenses and the cost of goods sold from the final revenue number.

Profit Sales Quota Example: Jonathan sells skates to professional skaters. He sells fewer skates at a higher cost than his sales colleague Antoni, who sells a larger volume of cheaper skates to recreational skating rinks. Jonathan and Antoni would both have profit quotas of different amounts.

4. Combination Quota

Some salespeople may have more than one quota. A combination quota might include an activity quota and a profit quota. A combination strategy gives reps a roadmap to success and provides smaller milestones to make their quota more easily attainable.

- (c) Mention Advertisement in intelligence. [10] CO2 L2
Social networking remains the most popular online pastime for adults all over the world, and advertisers have evolved their strategies to target consumers where they spend their time, namely on social networks such as Facebook and Twitter. Paid social advertising functions similarly to paid search, with the notable exception that advertisers, not users, take the initiative – advertisers must “search” for users, rather than the other way around.

One of the greatest strengths of paid social advertising is the granularity with which advertisers can target prospective customers, and this principle underpins many social advertising platforms and products. Advertisers can target users with hundreds of parameters, from demographic data (such as age, gender, income, level of education, and marital status) to browsing preferences and social behavior.

- 2(a) What is objection handling? [03] CO3 L1
Ans. Businesses must overcome several obstacles before successfully selling a product or service to a customer. The most basic obstacles include defining the product or service, making the customer aware of it, and making it easily available.

- (b) Describe compensation plan for a sales employee. [07] CO3 L2
1. Straight Salary Plan

A salary is a direct monetary reward paid for performing certain duties over a period of time.

The amount of payment is related to the unit of time rather than to the work accomplished.

A salary is a fixed element in a payment plan. That is, in each pay period, the same amount of money is paid to a salesman regardless of the person's sales, missionary efforts, or other measures of productivity.

This plan may be of three types:

1. Fixed Salary Plan

Here, the salesmen receive a fixed amount at regular intervals. It is a total amount.

2. Salary and Increments Plan

Under this plan, a salary grade is given at the time of appointment. *For example*, a salesman may be appointed on a grade of \$500-\$300-\$2000.

3. Salary and Allowance Plan

Under this plan, in addition to a fixed monthly salary, a salesman will be paid some other allowances like traveling, meals or medical allowance for his expenses incurred by him.

- (c) Classify types of sales. [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 makes sales quota important? [03] CO4 L1
- Ans. 1.Expectations and Needs.
2.Financial Incentives.
3.Non-Financial Incentives.
- (b) Illustrate sales training programme. [07] CO4 L2
- Ans. *Sales training* involves the personal development of skills and techniques related to creating and exploring new sales opportunities, as well as closing sales for an organization.

Market Overview

An overview of the global market for sales training is published in our annual report, "[The State of the Sales Training Market](#)."

Top 20 Sales Training Companies

Each year, TrainingIndustry.com evaluates the global market for training providers and identifies the Top 20 companies in [sales training](#). Here are links to TrainingIndustry.com's lists of the Top Sales Training Companies for the past two years: [2020](#) and [2019](#).

Sales Training Content

Sales training programs often include topics related to client relationship management, better understanding customers' needs, enhancing communication with clients, providing effective feedback to clients, and improving cl

- (c) How do you conduct a sales training performance appraisal?
Ans. 1. Reward and recognition

[10] CO4 L2

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.

4 a.. What if sales motivation does not happen? What is the importance and process of motivation?

Sales is one of the toughest jobs out there simply because of the number of rejections involved to reach a sales target. You have to go against your better nature to make a sale.

B. Compare online and offline sales.

Brick and Mortar Stores(Offline Business):

A brick and mortar store/offline business is a business outlet with one physical location or more.

For example, the shops you’ll find in your local shopping center are known as brick and mortar shops or offline businesses.

Therefore at present many customers still prefer a brick and mortar store. They can go and physically view the product before purchasing it, as well as ask physical rather than virtual shop assistants for advice.

eCommerce(Online Business):

eCommerce is the purchase and sale of goods and services, or the transfer of funds or data, via an electronic network, mainly the Internet. In certain cases, the words e-commerce and e-business are used interchangeably.

The widespread use of e-commerce sites such as Amazon and eBay has led to substantial growth in online shopping over the last decade. Hence eCommerce accounted for 5.1% of overall retail revenues in 2007; e-commerce accounted for 16.0% in 2019

c. Explain advantage and disadvantage of sales job

Excitement
Lots of opportunities
Experience for Lifetime

Work pressure

High expectations

5. a. Explain the role of a sales manager.

Sales management is a business discipline which is focused on the practical application of sales techniques and the management of a firm's sales operations. It is an important business function as net sales through the sale of products and services and resulting profit drive most commercial business

b. Explain growth of internet trade in India.

Indians for long have considered investing in equity a risky bet and many of our forefathers stayed away from it. The leaning was always towards savings options like bank deposits and small savings instruments, which offered good, stable and low-risk returns. But, as interest rates fall and with the advent of technology, investing in stock markets has taken off in India, and it's the younger investors, including millennials, who are driving the big shift.

According to recent data from the Bombay Stock Exchange, it crossed 7 crore registered users based on unique client code this month. The jump in the registered users to 7 crore from 6 crore has happened in just 139 days, compared with the 241, 652 and 939 days that were taken for the previous milestones of 6 crore, 5 crore and 4 crore users.

The National Stock Exchange data also points to significant jump in retail investor interest in equities, which it says was also aided by the market rally.

Nearly 14.3 million new investors were added by the two depositories NSDL and CDSL combined in the year ended March 2021, a 1.9 times year-on-year jump. The share of individual investors in the cash market turnover, too, has risen to 45 per cent in 2020-21 from 39 per cent, a year ago, according to NSE data.

c. Explain the terms: Attention, interest, derive and action.

Advertising is any paid form of communication from an identified sponsor or source that draws attention to ideas, goods, services or the sponsor itself. Most advertising is directed toward groups rather than individuals, and advertising is usually delivered through media such as television, radio, newspapers and, increasingly, the Internet. Ads are often measured in *impressions* (the number of times a consumer is exposed to an advertisement).

Print media are also in decline, with fewer people subscribing to newspapers and other print media and more people favoring digital sources for news and entertainment. Newspaper advertising revenue has declined steadily since 2000.^[1] Advertising revenue in television is also soft, and it is split across a growing number of broadcast and cable networks. Clearly companies need to move beyond traditional advertising channels to reach consumers. Digital media outlets have happily stepped in to fill this gap. Despite this changing landscape, for many companies advertising remains at the forefront of how they deliver the proper message to customers and prospective customers.

6a. What is selling on the internet.

Advertising is a very old form of promotion with roots that go back even to ancient times. In recent decades, the practices of advertising have changed enormously as new technology and media have allowed consumers to bypass traditional advertising venues. From the invention of the remote control, which allows people to ignore advertising on TV without leaving the couch, to recording devices that let people watch TV programs but skip the ads, conventional advertising is on the wane. Across the board, television viewership has fragmented, and ratings have fallen.

b. Develop a time management schedule for a sales executive.

Time management is the process of planning and exercising conscious control of time spent on specific activities, especially to increase effectiveness, efficiency, and productivity. It involves a juggling act of various demands upon a person relating to work, social life, family, hobbies, personal.

c. Institutional changes and its challenges:

The goal of any company in the world is to sell as much of their product or service as possible. It is the job of a Corporate Sales Manager to ensure that the company maintains a number of sales that is necessary to survive and making a profit. Corporate Sales Managers establish goals regarding sales based on real data. They are also in charge of overseeing all sales activities and establishing strategies that will help the company meet those goals.

Once the plan has been established, it is also the responsibility of the Corporate Sales Manager to analyze if it's working by evaluating results. If the results are not as expected they need to take a step back and change the strategy and repeat the process until they find the best way to bring revenue to their company.

Corporate Sales Managers may be employed in a wide variety of settings and locations, the most common being businesses, manufacturing companies, and other forms of industries specialized in the selling products, goods, or services.



Primary Responsibilities

Here's a non-exhaustive list of common tasks Corporate Sales Managers are required to complete.

- › Overseeing and coordinating all activities and operations of the sales department:
 - coordinating the activities of a sales team in order to build a healthy and profitable relation with buyers and other associates;
 - assigning members of the team to the company's accounts;
 - devising new and original strategies and techniques necessary for achieving the sales targets;
 - setting weekly, quarterly, monthly, and annual sales targets for the Sales Executives and other Sales Representatives, making sure these targets are realistic and achievable;
 - defining and implementing sales policies and procedures;
 - approving all sales plans and budgets.
- › Researching and identifying sales opportunities, generating leads, and targeting potential clients:
 - Looking for and establishing contact with prospective customers and clients for their company; and
 - acting as a company representative in trade shows and other related events.
- › Developing, maintaining, and improving relationships with key accounts to maintain a high level of service and client loyalty.
- › Meeting with other company Managers to ensure that business objectives are being properly executed and are on schedule.
- › Liaising with the Marketing department in order to create a more thorough and effective sales campaign and strategy:
 - Putting together a team formed by a Project Manager, Product Designers, technical

- experts, and other professionals to help develop a marketing plan that would benefit both the client and the company; and
 - carrying out brand promotion.
- Overseeing the recruitment and training processes of new staff members:
 - Monitoring the performance of teams and sales goals;
 - reading and evaluating the staff's sales reports; and
 - ensuring that each team member meets individual goals, as well as the overall sales goal of the company.
- Keeping up-to-date on current market changes and trends to be able to come up with new and original sales strategies:
 - Staying updated in the latest trends in sales by regularly reading specialized literature and attending workshops and seminars; and
 - keeping track of the competition and all new trends and products in the market.

Daily Tasks

Planning and organizing Sales staff daily work schedule.

Focusing sales efforts by studying existing and potential needs of clients.

Developing, maintaining, and improving relationships with key accounts.

Writing and submitting daily sales reports.

Setting sales targets for Sales Executives and Representatives.

Keeping up-to-date on current market changes and trends.

7. a. What is sales territories?

Running an effective sales division requires organization. Let your reps operate completely independently, and you've all but guaranteed chaos. Multiple reps pitching the same prospect, high-potential clients being ignored — and those are just two disastrous scenarios; there are plenty of others. To ensure efficiency and set your team up for success, get strategic about managing sales territories. Here are the four best ways to divide sales territories and why making a plan matters.

b. explain follow up action.

9 ways to radically improve your follow up results

1. Use a follow up schedule
2. Use different contact formats
3. Time your follow up for maximum impact
4. Leverage email templates
5. Track ACTUAL contact attempts
6. Always get agreement on next steps
7. Use content to expand the range of potential touch points
8. Track email opens and click throughs
9. Use call down lists

c. selling strategies of your choice of the companies.

Everyone is familiar with the idea of tracking their close rate, but what about your contact rate

and meeting rates?

- **Contact Rate** - % of leads you're able to get in touch with
- **Meeting Scheduled Rate** - % of leads you schedule meetings with
- **Meeting Completed Rate** - % of meetings that actually happen

Here's why this matters.

Most companies are only focused on closing hot leads.

At first glance this seems to make sense. Focus on your best opportunities, right?

The problem with this approach is that it leaves a lot of good leads, that just need more time and nurturing, to wither on the vine.

The Impact of Making Another Call

People don't always pick up on the first try and sometimes it takes multiple calls to make contact.

I've heard every reason under the sun for not making another call including, *"If they were really interested they would have answered the first time or called me back."*

The question is, are you a salesperson or an order taker?

Order takers send documents, accept contracts and don't concern themselves with anything upstream from those tasks. Sales people work to make contact, then deal with objections, and finally match problems with solutions to help prospect discover value in their service.

Some agents may genuinely feel that repeated follow up attempts will only annoy the prospect, but we find this rarely to be the case as long as no more than 6 calls attempts are made over a period of several weeks. *Very few companies meet or exceed this threshold.*

8. Case Study.

a. There are a seemingly infinite number of reasons why your sales team is struggling to reach the success that both you and they want. Not only is this frustrating to Sales Managers because they need their team to reach sales goals, but it can result in high employee turnover. Further, this has the potential to cost your company a great deal of money.

In fact, some estimate that **losing an employee and hiring someone else to fill the position can cost your company 200% of the employee's annual pay.**

We are guessing your company would like to do without those costs. And that is where you come in. Ensuring that you are a **good Sales Manager** will help you avoid the problems associated with an underperforming sales team.

However, there is more to leading your team to success than you may think. While you need to meet your quotas and always adhere to company policies, there is a great deal more that happens behind the scenes. This includes inspiring your team, motivating them, leading them to better sales performance and guiding them to success in their careers.

b. 1. One-on-One Coaching

We understand: Sales Managers are busy.

This makes it tough to stay on top of everything on your to-do list, and most often, one-on-one

coaching falls through the cracks.

But, in order to help your sales team reach peak performance, that needs to change. **Regular coaching** is integral to your team becoming more productive, more confident and more skilled at sales.

In fact, companies who provide solid coaching to their team see a 16.7% growth in their annual revenue.

If your sales team is properly coached through a variety of customer interactions, they will be better prepared to handle difficult situations. And this means they will be able to close more deals.

In addition, one-on-one coaching allows your reps to feeling more confident in their approach to sales since they will have input from an expert (you).

Your best salespeople will appreciate any help you can offer, as long as you are still allowing them certain freedoms and flexibility.

And, if worse comes to worst and you are hard-pressed to find time to work one-on-one with each of your salespeople, at the very least provide regular input.

2. Encourage Continued Learning

Starting your salespeople off on the right foot with comprehensive sales training ensures you avoid many common problems that plague the sales industry.

However, a study by Harvard Business Review found that **87% of what people learn in a live training is forgotten in a mere 30 days.**

So get your effective training in place, and watch your middle performers become top performers that can generate more revenue for your company.

