

KOLEJ UNIVERSITI TUNKU ABDUL RAHMAN
FACULTY OF ACCOUNTANCY, FINANCE AND BUSINESS

ACADEMIC YEAR 2017/2018

APRIL/MAY EXAMINATION

BBDT3013 SALES MANAGEMENT

MONDAY, 30 APRIL 2018

TIME: 9.00 AM – 12.00 NOON
(3 HOURS)

BACHELOR OF BUSINESS (HONOURS) IN MARKETING

BACHELOR OF ECONOMICS (HONOURS)

BACHELOR OF RETAIL MANAGEMENT (HONOURS)

Instructions to Candidates:

This paper is divided into TWO (2) sections:

SECTION A: Answer **ONE (1)** compulsory case study question. (40 marks)

SECTION B: Answer **THREE (3)** out of four (4) questions. (60 marks)

BBDT3013 SALES MANAGEMENT**SECTION A (40 marks)**

Answer ONE (1) compulsory case study question.

Question 1**Lending an Ear in Securing Sales**

Adapting to market needs has helped SecureMetric Technology Sdn. Bhd. (SMT) grow its business. The company's Chief Executive Officer and co-founder Edward Law, said his strategy of adding value, innovation and providing solutions for clients' needs had helped the digital security service provider grow from being just a trader to having its own technology.

He emphasised the importance of adopting what he termed "consultancy sales" – whereby instead of telling customers about their product and how it could benefit them, his sales team would start by offering a listening ear before opening their mouths. "We must first understand the security challenges of the clients thoroughly, only then will we be able to advise them on the right implementation strategy with the best costing," said Law. Apart from that, they also do customisation to suit their clients' needs.

The company provides security solution packages ranging from software licensing protection, two-factor authentication system, cryptography customisation, digital signature solution to advance multi-factors authentication. Beginning with a staff of only seven in 2007 and headquarters in Technology Park Malaysia, Bukit Jalil in Kuala Lumpur, the company has been rapidly growing its portfolio of local and global clients with more than 700 clients comprising of the government sector, financial institutions, transportation and software companies. Today, SMT achieved a revenue of RM24 million. They hope to have the company public listed in the near future to further accelerate growth.

The typical salesperson of SMT were mostly male (7 out of 10) in their early forties, with technical background in information technology. SMT required salespeople to have a very good knowledge of information technology and fundamentals of relationship selling. The compensation system allowed salespeople to earn a good living, with many earning in excess of RM100,000 per year.

Law had also noticed the typical customer had changed recent years. When SMT started, customers had little education in information technology. Now customers are most often experienced men and women with some training in information technology.

Law said the company believed in investing in its staff by sending them to information technology and security conferences overseas. "We get to meet and exchange ideas with top level executives in the industry, and expand our insights," he said.

SMT also take part in campus career fairs to get the word out among undergraduates on the employment opportunities it provides. Given these requirements, new intakes of sales executives, usually diploma and degree holders, will undergo a three-month training period. During staff interviews, the company will look for basic personality traits such as good listening skills, communication skills, a strong sense of responsibility, creativity, team spirit, and service excellence.

Source: Adapted and modified from Lim, WH 2017, '*Lending an ear in securing sales*', viewed 3 March 2018, <<http://www.thestar.com.my/metro/smebiz/>>.

BBDT3013 SALES MANAGEMENT**Question 1 (Continued)****Required:**

To accelerate growth, SMT also need to consider its sales force strategy. As Sales Director, you are required to:

- (a) Develop the selection criteria for the recruitment of new sales executives. (10 marks)
- (b) Recommend the various training topics for the sales force. (15 marks)
- (c) Design a competitive sales compensation plan. (15 marks)

[Total: 40 marks]

BBDT3013 SALES MANAGEMENT**SECTION B (60 marks)**

Answer **THREE (3)** out of four (4) questions.

Question 2

- (a) Universe Insurance was established in Kuala Lumpur, Malaysia in 1961. Universe sells health, fire, theft, personal injury, and other types of business insurance. Universe's sales operations are divided into twelve sales districts. There are between eight to fifteen sales people per district. A sales manager supervises each district. Mandy is one of the two regional managers and she oversees six sales districts. She reports to the national general sales manager.

Categorise the major types of sales organisation structures. Which sales organisation structure best describes Universe Insurance? (10 marks)

- (b) Discuss the environmental factors that can impact the sales success of a health care company. (10 marks)
[Total: 20 marks]

Question 3

- (a) Assess the pros and cons of a sales career. (12 marks)
- (b) Nakia is the sales director of a company trading in organic rice. The company supplies to organic grocery stores. She intends to outsource the sales force. Analyse the benefits and limitations of outsourcing the sales force. (8 marks)
[Total: 20 marks]

Question 4

- (a) HML Sdn. Bhd. is a major supplier of instant noodle to major hypermarkets and convenience stores in Malaysia. As a sales manager, you are required to assess the various types of forecasting methods commonly used in the industry. (12 marks)
- (b) Plateauing or early disengagement is a phenomenon among salespersons. Propose ways to reduce the plateauing problem among the sales force. (8 marks)
[Total: 20 marks]

Question 5

As the marketing manager of a communication service provider, you are required to design a sales contest for the sales executives to boost the company's sales during the low seasons of the year. Critically discuss the important requirements for designing a successful sales contest.

[Total: 20 marks]