Sales Management  MAR-322-TE

This TECEP® covers the role and responsibilities of modern sales managers in domestic and global markets, including high-level functions like Internet selling, inventory management, logistics, and strategic marketing systems based on sophisticated decision support systems. Also covered are basic SM functions that support, create, and derive from these systems, including sales force, recruitment, selection, training, deployment, compensation, and motivation. (3 s.h.)

- Test format: 40 multiple choice questions (1 point each); 6 essays (10 points each)
- Passing score: 60% (60/100 points). Your grade will be reported as CR (credit) or NC (no credit).
- Time limit: 3 hours

Topics on the test and their approximate distribution

1. Sales management; personal selling; customer relations (20%)
2. Decision support; strategic planning; forecasting (15%)
3. Sales force organization; recruitment training; territory design; deployment (15%)
4. Motivation; assessment; development and leadership (15%)
5. Channel strategy; competitive analysis (15%)
6. Internet selling; integrated marketing communications; relationship marketing (20%)

Outcomes assessed on the test

- Differentiate between the skills required for selling and those required for sales management
- Formulate the characteristics of a successful salesperson
- Compare the processes and elements involved in relationship selling
- Formulate the characteristics of an effective sales presentation
- Analyze the processes of negotiation, closing methods, and time and territory management

Study materials

The texts below will help you prepare, but if you use other study materials compare them to the topic outline, to make sure everything is covered. The links to the open (free) online educational resources below were live when this test description was posted. Email otdr@tesc.edu if you find a broken link.

The test focuses on the elements of an effective sales force as a central element of a firm's overall marketing effort. In addition, it assesses knowledge of the relationship between marketing and sales, formation and structure of the sales force, customer relationship management and the use of technology in sales effectiveness. Issues in sales force recruitment, selection, training and motivation will be addressed. Test content is primarily drawn from the two texts below and you should concentrate your reading on the following sections of each:
Ingram:
Overview, Understanding Buyers, Communication Skills, Expanding Customer Relationships, Adding Value

Tanner:

Texts:

Open educational online resources:
Boundless Marketing https://www.boundless.com/marketing/textbooks/boundless-marketing-textbook/

Sample questions

Multiple choice

1. To determine which customer accounts to call on, a firm needs to evaluate
   a. territory allocation
   b. commission schedules
   c. geographic proximity to other accounts
   d. reference checks

2. To maximize the performance of their field sales forces, companies should
   a. review staff expense accounts
   b. retrain staff in sales techniques
   c. develop a strong marketing plan
   d. develop a strong advertising plan

3. Which of the following is an advantage of using a commission form of sales compensation?
   a. The salesperson will be highly motivated.
   b. The salesperson will regularly collect sales data.
   c. Accounts will be serviced on a regular basis.
   d. Accounts will be more productive.

4. Qualifying a prospect is
   a. identical with checking references for an applicant
   b. determining which applicant to hire
   c. conducting an exit interview
   d. determining if a prospect is interested in a product
5. Projection on the basis of past records is a method of
   a. value analysis
   b. sales forecasting
   c. standard appraisal
   d. sales MBO

6. Matching the capabilities of the sales recruit to the needs of the organization is known as
   a. congruence
   b. realism
   c. selection
   d. socialization

7. Which of the following personal selling approaches is designed to help customers reach strategic goals through use of products, services, and sales organization expertise?
   a. Problem solving
   b. Consultative
   c. Need satisfaction
   d. Mental states

8. Which of the following areas of training for sales managers is most frequently neglected?
   a. Forecasting and budgeting techniques
   b. Accounting principles
   c. Marketing principles
   d. Management principles

9. Sales performance evaluations are necessary to
   a. ensure management meets its goals
   b. supplement and enhance training
   c. provide feedback to salespeople
   d. keep salespeople on their toes

Essay

10. Discuss two key benefits a company gains by using a manufacturer’s representatives rather than its own sales force.

   Essays will be graded on the following basis:
   Response includes all key information (5 points)
   Response is supported with appropriate examples/evidence/discussion (4 points)
   Response is clearly expressed and logically organized (1 point)
10. Companies must often consider a choice between developing and maintaining an in-house sales force and hiring outside experts, such as manufacturer's representatives. The choice for hiring representatives is strong for two major reasons: cost and planning.

Hiring outside reps provides cost savings since expenses such as recruiting, training, and career development are not incurred. In addition, salary is usually on a commission basis so employees will be both motivated and productive. A second cost benefit is the ability to enter a sales territory immediately. Since the rep is already trained and familiar with the industry and presumably has industry contacts, he or she will be able to “hit the ground running” and work from a book of business or a list of established accounts. Because many accounts prefer to buy from an individual they know, this can also allow for a previously unknown company to introduce its lines and image to new customers in an expedient manner.

The use of outside sales reps also allows for a more stable planning environment for a firm. As mentioned, costs are reduced and the salesperson is able to communicate information on account activity as well as potential, based on their experience. This information is helpful in analyzing industry trends. In addition, since outside hires have provided their employment background to the firm, future sales earnings will be that much easier to develop and project and make internal, tactical planning easier in terms of workload balance. The agent’s experience and self-interest in improving sales to increase their compensation is also a key strategic asset.

While some sales managers prefer to hire and develop from within their organizations, the use of outside reps can often provide critical cost savings and planning support. It is for these key reasons that the use of outside sales reps should be considered.