BINDURA UNIVERSITY OF SCIENCE EDUCATION FACULTY OF COMMERCE DEPARTMENT OF MARKETING

SALES MANAGEMENT

BS228

PROGRAMME: MARKETING

MOV 2000

TIME: 3 HOURS

INSTRUCTIONS TO CANDIDATES

- 1. Answer Question 1 from Section A and any three questions from Section B.
- 2. Credit will be given for use of appropriate examples.
- 3. Start each question on a fresh page.
- 4. No cell phones are allowed in the Examination room.

SECTION A

QUESTION ONE (COMPULSORY)

Better Buy's Sales Process

Although sales may be an art to some, others view it as a process that must be closely followed in order to be successful. A typical sales process, such as the one that the Better Buy sales team relies on, consists of five steps:

Lead Capture: Once sales people have identified prospects, they must qualify them in order to ensure that they are not wasting their time selling to someone that does not have the ability or interest in what is being sold. For Better Buy, the sales managers need to qualify their prospects based on several criteria. Research should indicate that the company would have the financial means to purchase space within one of the commercial office buildings, that the company is currently renting space in or near downtown Harare (or wanted to), and that the company has the financial security needed to maintain ownership of the space. Also, believing that the companies would have a "good possibility" of purchasing is also a plus.

Currently, the sales managers at Better Buy are forecasting their prospects based on a "feeling" that they have about a company and not on a due process of qualification. Also Roger believes that the sales team is not controlling the quality of opportunities that are advancing through the sales funnel and some of these opportunities just waste sales people's valuable time.

Follow up lead: The Better Buy Group does have a website and information pertaining to its commercial buildings, along with contact information for the sales group. It is one of the first

websites to come up when using a search engine to locate "office ownership in downtown Harare". However, very rarely will a company contact the sales team for purchase information. It is almost certain that the sales team will have to make the initial contact with possible customers. Cold calls are usually the first means of contact. Finding out who the sales team should speak with is very important so as not to be passed from person to person within the organization. When a cold call is made, the sales person should attempt to set up an appointment time to formally make a sales pitch. Selling commercial real estate is not the type of deal one can attempt to close over the phone. Something that isn't currently being enforced within the sales team is the issue of priority. If a specific company is an especially promising lead, it has no priority over, nor is treated any differently, than any other leads. This could eventually cause a lead to no longer be interested or feel that they are being neglected. Or worse, a competitor could take their business.

Sales Presentation and Property Tour: The first sales presentation for Better Buy should focus on the benefits of owning versus renting office space, and questions should be asked to make the potential client think about the best fit for their company. Is renting causing the company undue stress, such as wasting money, having to work in a less than ideal office setting, or inconveniencing their customers (parking, location, etc.)? Once these questions have been discussed, the sales person should then pitch an "answer" to the questions: owning office space at one of the premium locations in Harare. Under no circumstances should the sales team leave things up in the air. Leaving decisions unmade during this step can cause undo stress to the sales team and can drag out the process longer than necessary, especially if the company is not really interested in purchasing space. The expectation is that this presentation will result in customers touring the facility.

Send proposal: When discussing the features of a product or service, the sales person must use the opportunity to obtain valuable information to identify what might be blocking the customer from buying, so that a good offer may be written in a proposal. Answers as to why the purchase would be in their best interests are key. During this time, the sales manager must be able to empathize with the situation the company is currently in and listen to the objections of the contact with a sympathetic ear. By building rapport with the client, the sales manager will become more trusted and be viewed as more knowledgeable about the best decision for their company. Holding lengthy conversations about the needs of a specific company can help decide the best proposal to be sent.

Closing the Sale: Customers will often give sales managers cues that they are interested in purchasing. These cues may include questions about pricing, availability, and construction timelines. Sales managers must be patient and answer all questions in detail. Providing customers with as much information as possible will allow them to make an educated decision that will not leave them feeling pressured. Sales managers should try not to leave these conversations open ended. They should focus on getting a commitment before they leave.

Better Buy Group uses the basics of this model along with a few extra steps that are needed in order to complete the necessary legalities involved with selling a piece of property (condominium space). The current specific sales process for Better Buy consists of the 9 steps. Roger wonders how the sales process could be managed more effectively. This difficult task involves the constant loading of new contacts, the qualifying of contacts and their priorities, and troubleshooting any problems as they arise. The sales team has been trying to manage too

much at once. They seem to be in need of additional support staff to assist them with duties, such as call backs and the sending of paperwork and other time-sensitive materials to their clients. In addition to assisting sales managers with these duties, support staff may also have the ability to track and record clients currently in the sales funnel. What type of system can Better Buy use to improve the management of its sales process?

Roger is also concerned about the quality of their current sales process. Better Buy's sales people are mixing their leads and opportunities with no real recognition of which one has priority over another. This has caused problems when time was an issue and the leads with priority could not be easily identified. In addition to priorities, the quality of the opportunities is not being controlled. In other words, companies that are not really interested are being pushed through the sales process – thus distorting sales figures until they are in the negotiating phase of the process. This leads to the question of whether or not the initial lead capture and property tour are a help or a hindrance. Does Better Buy need to change its sales process?

Adapted from: Sirias, D., Krupp, S. & Biskup, M. 2013. Better buy case: Managing a sales process. International Journal of Business and Social Science, 4(15): 1-9.

Questions

- a. "..sales may be an art to some, others view it as a process.." Briefly explain this statement.(10)
- b. Describe the problems with how the current sales process at Better Buy is managed? (15)
- c. State the important elements needed to manage a successful sales process? (5)
- d. Create a new sales process(es) for Better Buy Group. (10) [40 marks]

SECTION B (CHOOSE THREE)

QUESTION TWO

- a. Explain how you would respond to the following sales objection; "Your services cost too much. I can get the 'same' service from someone cheaper." [10 marks]
- b. Justify why it is important to have after sales service. [10 marks] [20 marks]

QUESTION THREE

In order to have order in the sales profession there rules and regulations. Examine the various rules and regulations that govern selling in Zimbabwe. [20 marks]

QUESTION FOUR

With examples, show how the four key sales skills will help a salesperson in performing his/her duties. [20 marks]

QUESTION FIVE

- a. Distinguish between market potential and sales potential. [5 marks]
- b. Explain why sales territory optimization sometimes fail. [15 marks] [20 marks]

QUESTION SIX

As a sales manager, show how you can use the Maslow's hierarchy of needs to motivate your sales employees. [20 marks]