

**Third Semester M.B.A., (Distance Mode) Degree Examination
June 2009**

MBA DP 306 MM : SALES AND DISTRIBUTION MANAGEMENT

Time : 3 Hours

Max. Marks : 75

SECTION - A

Answer the following. Each sub-question carries TWO marks.

(2x5=10)

1. a) What is Sales Management according to AMA?
- b) What is Job Description?
- c) What is Expense quota?
- d) What is Place utility?
- e) What is Ownership flow?

SECTION - B

Answer any FIVE of the following. Each question carries SIX marks.

(5x6=30)

2. As a co-ordinator what are the responsibilities of a Sales Executive /Manager?
3. Explain 'Buying Formula' theory of selling.
4. Why do sales people require motivational help from Management?
5. Write a note on psychological testing.
6. What are the activities a distribution channel performs?
7. Write a note on information systems and channel management.

SECTION - C

Answer the following questions. Q. NO. 8 & 9 carry 10 marks. Q. NO. 10 carries 15 marks.

8. a) Examine the different channel flows.
OR
- b) Write a note on Logistic Planning.
9. a) Hiring best people is critical to an organisations competitiveness. How can the hiring process contribute to attaining this goal of the organisation.
OR
- b) What is Compensation ? How should a Manager treat compensation as a tool for motivating sales people?

10. Read the following case, analyze and answer the questions that follows:

Background

Plastico, Inc., located in New York, is a manufacturer of plastic components. The company is noted for producing high-quality products. Its sales-force calls on large accounts, such as refrigerator manufacturers who might need large quantities of custom-made products, such as door liners. Recent increases in new-home sales over the past several years have fueled refrigerator sales and, subsequently, sales at Plastico. Moreover, federal regulations requiring that dishwasher liners be made of plastic, rather than porcelain, have enhanced Plastico's sales.

Current Situation

Sharon Stone had recently been assigned to the central Michigan territory. Although this was her first sales job, she felt confident and was eager to begin. She had taken a sales course in college and had just completed the company's training program. The company stressed the use of an organized sales presentation in which the salesperson organizes the key points into a planned sequence that allows for adaptive behaviour by the salesperson as the presentation progresses. She was familiar with this approach because she had studied it in her college sales course.

Sharon's first call was on a small refrigerator manufacturer in Ann Arbor. She had called the day before to set up an appointment with materials purchasing manager David Kline at 9.00 a.m. On the morning of her meeting, Sharon was running behind schedule because of an alarm clock malfunction. As a result, she ended up in traffic she did not anticipate and did not arrive for her appointment until 9.10 A.M. When she informed the receptionist she had an appointment with David Kline, she was told he was in another meeting. He did agree, however, to see Sharon when his meeting was finished, which would be about 9.45 A.M. Sharon was upset Kline would not wait 10 minutes for her and let the receptionist know it.

At 9.50 A.M. Sharon was introducing herself to Kline. She noticed his office was filled with University of Michigan memorabilia. She remembered from her training that the first thing to do was build rapport with the prospect. Thus she asked Kline if he went to the University of Michigan. This got the ball rolling quickly. Kline had graduated from Michigan and was a big fan of the basketball and football teams. He was more than happy to talk about them. Sharon was excited; she knew this would help her build rapport. After about 25 minutes of football and basketball chitchat, Sharon figured it was time to get down to business.

After finally getting Kline off the subject of sports, Sharon began to discuss the benefits of her product. She figured if she did not control the conversation Kline would revert to

discussing sports. She went on and on about the material compounds comprising Plastico plastics, as well as the processes used to develop plastic liners. She explained the customizing process, the product's durability, Plastico's ability to provide door liners in any color, and her company's return and credit policies. After nearly 25 minutes, she finally asked Kline if he had any questions.

Kline asked her if she had any product samples with her. Sharon had to apologize—in all the confusion this morning she ran off and left the samples at home. Then Kline asked her about the company's turnaround time from order to delivery. Knowing quick turnaround was important to Kline, and feeling this prospect may be slipping away, she told him it was about four weeks, although she knew it was really closer to five. Moreover, she thought, if Kline ordered from them and it took a little longer, she could always blame it on production. When the issue of price emerged, Sharon was not able to clearly justify in Kline's mind why Plastico was slightly higher than the competition. She thought that she had clearly explained the benefits of the product and that it should be obvious that Plastico is a better choice.

Finally, Kline told Sharon he would have to excuse himself. He had a meeting to attend on the other side of town. He thanked her for coming by and told her he would consider her offer. Sharon thanked Kline for his time and departed. As she reflected on her first call she wondered where she went wrong. She thought she would jot down some notes about her call to discuss with her sales manager later.

Questions:

1. What problems do you see with Sharon's first sales call?
2. If you were Sharon's sales manager, what would you recommend she do to improve her chances of succeeding?

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