

Exam

Name\_\_\_\_\_

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 1) Due to the changes in the customer marketplace and the competitive environment, there is a shift for salespeople from selling to: 1) \_\_\_\_\_
- A) buying                      B) serving                      C) renting                      D) marketing                      E) bartering

Answer: B

Explanation:    A)  
                         B)  
                         C)  
                         D)  
                         E)

- 2) The internet has greatly increased customer power by allowing customers to increase their \_\_\_\_\_ base. 2) \_\_\_\_\_
- A) sales contact  
B) competitor  
C) comparison  
D) supplier  
E) knowledge

Answer: E

Explanation:    A)  
                         B)  
                         C)  
                         D)  
                         E)

- 3) The study of sales management must consider the three major changes occurring in the competitive environment; they are: 3) \_\_\_\_\_
- A) globalization of competition; shorter product and service lifecycles; competitor alliances  
B) globalization of customers; longer product and service lifecycles; customer alliances  
C) globalization of customers; shorter product and service lifecycles; competitor alliances  
D) globalization of customers; longer product and service lifecycles; competitor alliances  
E) globalization of competition; shorter product and service lifecycles; customer alliances

Answer: A

Explanation:    A)  
                         B)  
                         C)  
                         D)  
                         E)

4) The activity that a sales manager will not typically do as part of his/her job is:

4) \_\_\_\_\_

- A) meet with the company's information officer
- B) prepare a sales force budget for the next year
- C) meet with the production manager to discuss production issues
- D) develop a marketing plan for the introduction of a new product
- E) approve an advertisement to hire a new salesperson

Answer: D

Explanation: A)  
B)  
C)  
D)  
E)

5) Lisa has been the best salesperson at MacBro Technologies. She has recently been offered a promotion to sales manager; she is reluctant to accept this position because of:

5) \_\_\_\_\_

- A) the impact it will have on other co-workers
- B) management's belief that she will be able to function as an effective sales manager with little or no support
- C) management's tendency to leave the old position vacant for two to three months
- D) family obligations
- E) her gender

Answer: B

Explanation: A)  
B)  
C)  
D)  
E)

6) Janita is a new sales manager; as such, when it is time to review and evaluate sales performance, she must be reminded to review and evaluate at two levels. These two levels are \_\_\_\_\_ and \_\_\_\_\_.

6) \_\_\_\_\_

- A) strategic level; tactical level
- B) strategic level; operational level
- C) overall salesforce level; individual salesperson level
- D) operational level; individual salesperson level
- E) overall salesforce level; implementation level

Answer: C

Explanation: A)  
B)  
C)  
D)  
E)

7) The set of three interrelated sets or processes that a sales manager performs are...developing the strategic sales program, implementing the strategic sales program and: 7) \_\_\_\_\_

- A) recruiting and selecting salespeople
- B) enhancing customer interactions
- C) reviewing and evaluating sales performance
- D) organizing the selling function
- E) reviewing ethical and legal responsibilities

Answer: C

Explanation: A)  
B)  
C)  
D)  
E)

8) Since product and service lifecycles are becoming shorter, the salesforce is extremely important when the product or service is \_\_\_\_\_ in its life cycle. 8) \_\_\_\_\_

- A) early or late
- B) declining
- C) being just introduced
- D) maturing
- E) growing

Answer: A

Explanation: A)  
B)  
C)  
D)  
E)

9) \_\_\_\_\_ has been described as Canada's competitive advantage in the international marketplace. 9) \_\_\_\_\_

- A) A powerful dollar
- B) A small population
- C) Bilingualism
- D) Multiculturalism
- E) Vast natural resources

Answer: D

Explanation: A)  
B)  
C)  
D)  
E)

10) There are two major trends that are affecting the sales organizational hierarchy; these two trends are \_\_\_\_\_ and \_\_\_\_\_. 10) \_\_\_\_\_

- A) restructuring and downsizing; inflating job titles in sales positions
- B) decrease in the number of senior sales managers; increase in the number of middle managers
- C) increase in company size; increase in salesforce size
- D) increase in the number of senior sales managers; decrease in the number of middle managers
- E) decrease in company size; increase in salesforce size

Answer: A

Explanation: A)  
B)  
C)  
D)  
E)

11) Canadian companies look to countries such as China and India to capture growth opportunities because these two countries are predicted to become the world's: 11) \_\_\_\_\_

- A) third and fourth largest economies
- B) toughest competitors
- C) second and third largest economies
- D) first and second largest economies
- E) first and third largest economies

Answer: C

Explanation: A)  
B)  
C)  
D)  
E)

12) The five changes that are occurring in selling and sales management today are...changes in the relationship between sales and marketing; changes in the selling process; changes in sales management activities; changes in sales performance and: 12) \_\_\_\_\_

- A) changes in the basic steps of selling
- B) changes in business language
- C) changes in business dresscode
- D) changes in vendor kickbacks
- E) changes in sales force structure

Answer: E

Explanation: A)  
B)  
C)  
D)  
E)

13) The knowledge, skills, aptitudes and other personal characteristics required to achieve superior sales management performance are called: 13) \_\_\_\_\_

- A) job specifications
- B) hygiene factors
- C) personal motivators
- D) competencies
- E) skill sets

Answer: D

Explanation: A)  
B)  
C)  
D)  
E)

14) When developing a strategic sales program, a sales manager must first: 14) \_\_\_\_\_

- A) decide how to manage accounts
- B) decide how to organize the overall production function within the company
- C) decide how to organize the overall selling function within the company
- D) estimate market potential and forecast sales
- E) decide how to manage customer interactions

Answer: C

Explanation: A)  
B)  
C)  
D)  
E)

15) In relation to a sales organizational hierarchy, first line management consists of a territory manager and a(n): 15) \_\_\_\_\_

- A) district sales manager
- B) account manager
- C) regional sales manager
- D) vice president of sales and marketing
- E) national sales manager

Answer: A

Explanation: A)  
B)  
C)  
D)  
E)

16) In order from bottom to top, the sales organizational hierarchy levels are:

16) \_\_\_\_\_

- A) implementation level, operational level, tactical level, strategic level
- B) implementation level, tactical level, operational level, strategic level
- C) tactical level, operational level, implementation level, strategic level
- D) strategic level, tactical level, operational level, implementation level
- E) operational level, tactical level, implementation level, strategic level

Answer: A

Explanation: A)  
B)  
C)  
D)  
E)

17) The most important competency that a sales manager must possess is:

17) \_\_\_\_\_

- A) managing diversity
- B) leading and coaching
- C) technology
- D) communication
- E) strategic planning and implementation

Answer: E

Explanation: A)  
B)  
C)  
D)  
E)

18) The four major shifts in the customer marketplace that have important implications for sales management are:

18) \_\_\_\_\_

- A) decreasing customer expectations; decreasing supplier bases; decreasing customer power; focusing on price
- B) rising customer expectations; decreasing supplier bases; increasing customer power; focusing on value
- C) rising customer expectations; increasing supplier bases; increasing customer power; focusing on value
- D) decreasing customer expectations; decreasing supplier bases; decreasing customer power; focusing on value
- E) rising customer expectations; increasing supplier bases; increasing customer power; focusing on price

Answer: B

Explanation: A)  
B)  
C)  
D)  
E)

- 19) Personal selling involves person-to-person communication with prospects or customers with the intention of: 19) \_\_\_\_\_
- A) building satisfying relationships
  - B) making a one time sale
  - C) reaching a sales quota
  - D) finding new product ideas
  - E) closing the deal
- Answer: A
- Explanation: A)  
B)  
C)  
D)  
E)
- 20) Competing companies that are looking to increase their power will often: 20) \_\_\_\_\_
- A) cut prices
  - B) offer volume discounts
  - C) co-produce
  - D) co-brand
  - E) offer bribes
- Answer: D
- Explanation: A)  
B)  
C)  
D)  
E)
- 21) Ben is mentally reviewing his sales performance evaluation; he is shocked because his sales manager focussed on Ben's \_\_\_\_\_ results as opposed to his sales results. 21) \_\_\_\_\_
- A) number of complaints
  - B) profit
  - C) number of new contacts
  - D) number of callbacks
  - E) selling effort
- Answer: B
- Explanation: A)  
B)  
C)  
D)  
E)

22) Jason has held a non-managerial position within Alpha Animal Pharmaceuticals for the past four years. He began his career as an order desk salesperson and has been promoted to other various non-managerial positions. Jason's next position will be a first line management position at the operational level; Jason will be a: 22) \_\_\_\_\_

- A) director of global accounts
- B) district sales manager
- C) business development advisor
- D) key account manager
- E) senior sales representative

Answer: B

Explanation: A)  
B)  
C)  
D)  
E)

23) Samantha was surprised to learn that managing diversity within her sales force included managing variances in gender, race, culture, religion, sexual orientation, ethnicity and: 23) \_\_\_\_\_

- A) salary
- B) age
- C) office layout
- D) dress code
- E) work week hours

Answer: B

Explanation: A)  
B)  
C)  
D)  
E)

24) The sales manager is the ideal person within an organization to understand the industry because he can: 24) \_\_\_\_\_

- A) visit customers off site
- B) manage business while on the road
- C) get out of the office more often
- D) manage contact with suppliers, competitors, channel members and customers
- E) telecommute

Answer: D

Explanation: A)  
B)  
C)  
D)  
E)



- 25) A superior organization will recognize that sales managers and sales people require \_\_\_\_\_ 25) \_\_\_\_\_  
competencies.  
A) four                      B) twelve                      C) different                      D) no specific                      E) similar

Answer: C

Explanation: A)  
B)  
C)  
D)  
E)

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

- 26) What is SFA (Sales Force Automation)? Does it represent a source of competitive advantage for businesses today? 26) \_\_\_\_\_

Answer: SFA is a technology solution that helps to improve sales force efficiency. It includes a variety of information and communication technologies such as communicating with customers via e-mail, managing account activity with customer contact software, filing reports and entering orders electronically, developing and delivering sales presentations and demonstrations to prospects and customers to address sales force efficiency. Today, SFA is a necessity to remain competitive rather than a competitive advantage.

Explanation:

27) Sales managers today are "planners and doers". Explain what is meant by this statement and provide a couple of examples of activities that a sales manager might do in a typical month.

27) \_\_\_\_\_

Answer: Sales managers are involved with both strategic and tactical issues and are frequently required to switch from one to the other.

The following is a list of ten examples provided on Page 6 of the text...

- a) Approve an advertisement to hire a new salesperson, interview one or several candidates for the position and make a selection decision from among the applicants.
- b) Attend a meeting with senior management to discuss changes in the marketplace, how these changes will affect sales strategy and the resources the sales force will need to implement the sales strategy for the coming year.
- c) Review sales performance for the previous period to identify where there are major variances from what was projected and then decide what action to take with respect to the variances.
- d) Make sales calls to specific accounts for which they are responsible or with salespeople to train or coach them or they might attend a trade show to monitor competitors or meet important prospects.
- e) Prepare a sales force budget for the next year, determine what the company needs to spend on its sales force to achieve its goals and allocate the budget to individual salespeople.
- f) Meet with the production manager to discuss production issues that might impact sales for the coming period and what actions the sales force might take as a result of changes in production levels.
- g) Hold a meeting with the sales force to discuss what is happening with key accounts and important changes that may affect them in the coming weeks or months.
- h) Attend a company meeting and present awards and recognition to members of the sales force who have met their performance goals.
- i) Meet with the company's information officer to discuss information needs for the sales force.
- j) Meet with the marketing manager to discuss how proposed changes in the company's marketing strategy will affect sales and changes that salespeople will need to make to communicate the new marketing strategy to the marketplace.

Explanation:

28) Why is it essential that sales managers today have the competency of strategic planning and implementation?

28) \_\_\_\_\_

Answer: To effectively manage their sales force, sales managers must understand the organization's internal factors (overall mission, vision, strategy and goals) and external factors (competitors, suppliers, channel members and customers). By having this knowledge, the sales manager can become action oriented and make decisions on account selection, retention and growth strategies. Overall, by mastering the competency of strategic planning and implementation, the sales manager is better equipped to make sound business decisions.

Explanation:

- 29) Explain the difference between first line managers and middle managers. 29) \_\_\_\_\_
- Answer: First line managers operate at the operational level; middle managers operate at the tactical level. First line managers have a short-term perspective and are focused on implementing company sales policies and procedures; middle managers have a mid-term perspective and have increased responsibility because they manage larger groups of people.
- First line managers are territory and district sales managers and are responsible for non-managerial staff; middle managers are regional and national sales managers and are responsible for communicating policies and procedures from top management to lower management.
- Explanation:
- 30) Identify and briefly describe three of the five changes that are occurring in selling and sales management today. 30) \_\_\_\_\_
- Answer: a) Changes in the relationship between sales and marketing...the two departments are now cooperating.  
b) Changes in sales force structure...sales force structure and customer contact.  
c) Changes in the selling process where the emphasis is now on relationships.  
d) Changes in sales management activities in how accounts are managed which has an impact on the aptitudes and skills required.  
e) Changes in sales performance evaluation from focusing on sales to focusing on profit.
- Explanation:
- 31) Explain how CRM (Customer Relationship Management) applications enable effective customer relationship management. 31) \_\_\_\_\_
- Answer: The goal of CRM systems is to ensure that the customer's experience with the organization is seamless and consistent. What this means is that every customer contact point will be managed by a CRM system effectively and efficiently; the information provided to the customer (whether through product literature, website visits, service calls) is both valued and consistent.
- Explanation:
- 32) Sales managers can build trust and gain respect by leading and coaching. Explain. 32) \_\_\_\_\_
- Answer: A sales manager who wishes to gain trust and respect must be visible, accessible and able and willing to communicate. Sales managers need to let their sales people know that they are important as individuals and as a group. Research shows that the best sales managers listen and provide constructive feedback when sales people have problems; they also recognize the accomplishment of their sales people. Today, truly effective sales managers are excellent coaches who can teach and mentor their sales people.
- Explanation:
- 33) The development of the strategic sales program involves five broad activities; what are they? 33) \_\_\_\_\_
- Answer: a) Planning strategy for marketing and sales  
b) Organizing the selling function  
c) Estimating potential and forecasting sales  
d) Developing and growing account relationships  
e) Enhancing customers interactions
- Explanation:

34) Explain what is meant by competitor alliances. Why are sales managers concerned about these alliances? 34) \_\_\_\_\_

Answer: A competitor alliance occurs when competitors work together to increase their market power. Alliances can take the form of co-branding. Often, customer testimonials are also used to gain credibility in the marketplace. Sales managers are concerned about these alliances and need to monitor them in order to gauge their impact on the marketplace.

Explanation:

35) Explain how the increase in customer power has an impact on sales management. 35) \_\_\_\_\_

Answer: An increase in power means customers are able to influence the actions of their suppliers. Nowadays, many retailers are larger than the manufacturers that sell to them and these retailers demand lower prices and other concessions. In the case where customers buy from wholesalers, there is pressure to offer lower prices, wider assortments and better service. Lastly, consumer and organizational buyers have greater knowledge due to the information available on the internet; as a result, they sometimes know more about the company's product and the competitor's product than the salesperson knows.

Explanation:

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

36) The culture of an organization has no impact on the successful application of customer relationship management solutions. 36) \_\_\_\_\_

Answer: True ☒ False

Explanation:

37) A salesperson must find ways to increase value for customers because in today's marketplace, price is less important than value. 37) \_\_\_\_\_

Answer: ☒ True False

Explanation:

38) Sales force automation provides information and communication technologies that address issues such as communicating with customers via e-mail. 38) \_\_\_\_\_

Answer: ☒ True False

Explanation:

39) Competitors use co-branding as a method to form alliances. 39) \_\_\_\_\_

Answer: ☒ True False

Explanation:

40) Sales managers who gain the trust and respect of their salespeople are typically those who participate in field sales calls with their salespeople. 40) \_\_\_\_\_

Answer: ☒ True False

Explanation:

41) A sales manager is only concerned with the strategic issues of an organization? 41) \_\_\_\_\_

Answer: True ☒ False

Explanation:

- 42) The Canadian Professional Sales Association grants the designation of Certified Sales Professional to successful sales people. 42) \_\_\_\_\_  
Answer: ☒ True      False  
Explanation:
- 43) The identification of stakeholders early in the decision making process is essential since these stakeholders can contribute important information about the situation and their buy-in is critical. 43) \_\_\_\_\_  
Answer: ☒ True      False  
Explanation:
- 44) There are good decision makers and there are poor decision makers, the difference being that the good decision makers follow a process. 44) \_\_\_\_\_  
Answer: ☒ True      False  
Explanation:
- 45) Today's sales manager is a 'leader, coach, mentor, facilitator, goal setter, motivator, number cruncher and communicator.' 45) \_\_\_\_\_  
Answer: ☒ True      False  
Explanation:
- 46) Canadian companies that compete only in the domestic market do not need to be concerned about the impact that the globalization of competition has on their sales. 46) \_\_\_\_\_  
Answer:    True      ☒ False  
Explanation:
- 47) Nearly 10 percent of the Canadian labour force is employed in sales occupations. 47) \_\_\_\_\_  
Answer: ☒ True      False  
Explanation:
- 48) The ability of a sales manager to manage in an increasingly diverse environment has zero impact on an organization's sales success. 48) \_\_\_\_\_  
Answer:    True      ☒ False  
Explanation:
- 49) Electronic data interchange technology in the manufacturing industry is utilized to tie customers' computers to the sales organization's computer. 49) \_\_\_\_\_  
Answer: ☒ True      False  
Explanation:
- 50) As a student, you will benefit more from the study of sales management and personal selling than any other aspect of business. 50) \_\_\_\_\_  
Answer: ☒ True      False  
Explanation:
- 51) Because there is great interdependency between strategies at different levels of an organization, sales managers need to understand both the internal and external environment. 51) \_\_\_\_\_  
Answer: ☒ True      False  
Explanation:

- 52) Changes in both the customer marketplace and the competitive environment have resulted in changes in how accounts are managed. 52) \_\_\_\_\_  
 Answer: ☒ True ☐ False  
 Explanation:
- 53) Territory and district managers are typically described as first line managers. 53) \_\_\_\_\_  
 Answer: ☒ True ☐ False  
 Explanation:
- 54) The sales force is known as the "revenue generator" for most businesses. 54) \_\_\_\_\_  
 Answer: ☒ True ☐ False  
 Explanation:
- 55) Typically, individuals who excel as a salesperson will also excel as a sales manager. 55) \_\_\_\_\_  
 Answer: ☐ True ☒ False  
 Explanation:
- 56) Because customer and organizational buyers' expectations for quality, service and overall value are continually increasing, they can be considered infinitely elastic. 56) \_\_\_\_\_  
 Answer: ☒ True ☐ False  
 Explanation:
- 57) The inflating of job titles in sales positions can be partially explained by the increased education and skill levels of sales people today. 57) \_\_\_\_\_  
 Answer: ☒ True ☐ False  
 Explanation:
- 58) A company's salesforce is of critical importance in both the early and late stages of the product life cycle. 58) \_\_\_\_\_  
 Answer: ☒ True ☐ False  
 Explanation:
- 59) The competencies or skills needed to be an effective sales manager are the same as those required to be an effective sales person. 59) \_\_\_\_\_  
 Answer: ☐ True ☒ False  
 Explanation:
- 60) Today, the internet is recognized as being an important sales tool as well as a replacement for salespeople. 60) \_\_\_\_\_  
 Answer: ☐ True ☒ False  
 Explanation:

**MATCHING.** Choose the item in column 2 that best matches each item in column 1.

Match the following:

- |                                                                |                  |           |
|----------------------------------------------------------------|------------------|-----------|
| 61) Competitors utilize this strategy to increase market power | A) globalization | 61) _____ |
| Answer: B                                                      | B) co-branding   |           |

62) Costs that represent a company's single largest operating expense Answer: A	A) selling	62) _____
63) Previous position held prior to becoming a sales manager Answer: H	B) middle manager	
64) Personal selling involves this type of communication Answer: D	C) compensating salespeople	63) _____
65) Type of manager that has a short term perspective Answer: M	D) person to person	
66) The result from these changes is a stronger relationship between buyers and sellers Answer: K	E) management style	64) _____
67) Sales managers need these to achieve superior performance Answer: J	F) university student	
68) The focus of customer relationship management technology Answer: N	G) organizational hierarchy	65) _____
69) Impacted by the trend to restructure and downsize Answer: G	H) non-managerial sales position	
70) One of the two external changes impacting sales managers Answer: R	I) sales management activities	66) _____
71) Variances that need to be managed in domestic and international markets Answer: S	J) competencies	
72) Part of the development of the strategic sales program Answer: T	K) selling processes	67) _____
	L) sales rep attitudes	
	M) first line manager	68) _____
	N) customer	
	O) production	69) _____
	P) job titles	
	Q) daily	70) _____
	R) customer marketplace	
	S) diversity issues	71) _____
	T) organizing the selling function	
	U) ethics	72) _____
	V) seller	

- |                                                                                                     |                                              |           |
|-----------------------------------------------------------------------------------------------------|----------------------------------------------|-----------|
| 73) Shorter product and service lifecycles have increased this need<br>Answer: B                    | A) cheaper prices<br>B) product innovation   | 73) _____ |
| 74) Sales management is defined as the management of the company's<br>Answer: D                     | C) coaching<br>D) personal selling function. | 74) _____ |
| 75) The process of providing constructive feedback and encouragement by sales managers<br>Answer: C | E) product portfolio<br>F) directing         | 75) _____ |

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 76) All of the activities that a sales manager might perform can be summarized as "managing the company's strategic sales program". Explain what is meant by that statement.

Answer: To effectively manage the company's strategic sales program, a sales manager must engage in three interrelated activities; these activities are the development and implementation of the strategic sales program and the review and evaluation of sales performance.

In the development of the strategic sales program, the sales manager must do the following...

- a) plan strategy for marketing and sales
- b) organize the selling function
- c) estimate potential and forecast sales
- d) develop and grow account relationships
- e) enhance customer interactions

In the implementation of the strategic sales program, the sales manager must do the following...

- a) recruit and select salespeople
- b) train salespeople
- c) motivate salespeople
- d) compensate salespeople
- e) lead salespeople
- f) adhere to ethical and legal responsibilities

Through the review and evaluation of sales performance at both the overall salesforce level and the individual level, the sales manager is able to take into consideration any changes that have/will impact the company's strategic sales program.



77) To be an effective sales manager, there are four required competencies. What are they? Why are they important for sales managers to possess?

Answer: The four required competencies are strategic planning and implementation, leading and coaching, technology and managing diversity. Mastering these competencies allows sales managers to manage and lead a salesforce for superior performance.

The competency of strategic planning and implementation is the most important competency that a sales manager must possess; he/she must understand the strategic plans at all levels of the organization in order to take action at the sales force level. Furthermore, the action taken at the sales force level impacts all levels of the organization in achieving performance objectives.

The leading and coaching competency is essential for a sales manager to possess as salespeople essentially like to work for those managers that they trust and respect. To properly lead, a sales manager must be visible, accessible and willing to communicate. To properly coach, sales managers must be able to teach and mentor their salespeople; this requires them to manage by leaving their office and participating in field sales calls with their salespeople.

The mastery of the competency of technology means that the sales manager knows how to implement technology solutions such as Sales Force Automation and Customer Relationship Management in order to improve sales force efficiency and effectiveness.

The ability to manage diversity pertains to diversity with respect to the salesforce and the companies that with which they attempt to do business. Diversity pertains to the increasing variance with respect to gender, ethnicity, culture, race, age, disability, sexual orientation and religious affiliation. Overall, with respect to managing diversity, the sales manager must consider his/her own views on diversity in order to effectively manage in an increasingly diverse society.

78) Identify and describe the changes in selling and sales management that have occurred due to the changing customer marketplace and competitive environment.

Answer: The changing customer marketplace and competitive environment have impacted selling and sales management resulting in five different changes that today's sales manager must consider when managing his/her salesforce. These five changes are as follows...

- a) Changes in the relationship between sales and marketing....both large and small companies are recognizing the importance of these departments and salespeople co-operating in order to effectively implement strategic sales and marketing plans.
- b) Changes in sales force structure...sales forces are evolving from a geographical sales force structure to a sales force organized by products sold, markets served or functions performed; as well, sales forces are utilizing new types of customer contact such as telemarketing, selling teams, strategic/national account salespeople, the internet, independent sales agents, new channel partners etc. which impacts the job of a sales manager...they now have to manage the entire sales mix not just the salespeople
- c) Changes in the selling process...the selling process has evolved to being focused on building relationships which requires consultative selling early in the process and relationship enhancement in the later stages
- d) Changes in sales management activities...sales managers are still responsible for recruitment, selection, training, motivating, compensating and leading salespeople but the skills and aptitudes required by salespeople have changed...this results in a change in how sales managers manage
- e) Changes in sales performance evaluation...the shift in sales performance evaluation is from sales to profits...the company is looking to maximize productivity or to get the most from their sales people

## Answer Key

Testname: C1

- 1) B
- 2) E
- 3) A
- 4) D
- 5) B
- 6) C
- 7) C
- 8) A
- 9) D
- 10) A
- 11) C
- 12) E
- 13) D
- 14) C
- 15) A
- 16) A
- 17) E
- 18) B
- 19) A
- 20) D
- 21) B
- 22) B
- 23) B
- 24) D
- 25) C
- 26) SFA is a technology solution that helps to improve sales force efficiency. It includes a variety of information and communication technologies such as communicating with customers via e-mail, managing account activity with customer contact software, filing reports and entering orders electronically, developing and delivering sales presentations and demonstrations to prospects and customers to address sales force efficiency. Today, SFA is a necessity to remain competitive rather than a competitive advantage.

- 27) Sales managers are involved with both strategic and tactical issues and are frequently required to switch from one to the other.  
The following is a list of ten examples provided on Page 6 of the text...
- a) Approve an advertisement to hire a new salesperson, interview one or several candidates for the position and make a selection decision from among the applicants.
  - b) Attend a meeting with senior management to discuss changes in the marketplace, how these changes will affect sales strategy and the resources the sales force will need to implement the sales strategy for the coming year.
  - c) Review sales performance for the previous period to identify where there are major variances from what was projected and then decide what action to take with respect to the variances.
  - d) Make sales calls to specific accounts for which they are responsible or with salespeople to train or coach them or they might attend a trade show to monitor competitors or meet important prospects.
  - e) Prepare a sales force budget for the next year, determine what the company needs to spend on its sales force to achieve its goals and allocate the budget to individual salespeople.
  - f) Meet with the production manager to discuss production issues that might impact sales for the coming period and what actions the sales force might take as a result of changes in production levels.
  - g) Hold a meeting with the sales force to discuss what is happening with key accounts and important changes that may affect them in the coming weeks or months.
  - h) Attend a company meeting and present awards and recognition to members of the sales force who have met their performance goals.
  - i) Meet with the company's information officer to discuss information needs for the sales force.
  - j) Meet with the marketing manager to discuss how proposed changes in the company's marketing strategy will affect sales and changes that salespeople will need to make to communicate the new marketing strategy to the marketplace.
- 28) To effectively manage their sales force, sales managers must understand the organization's internal factors (overall mission, vision, strategy and goals) and external factors (competitors, suppliers, channel members and customers). By having this knowledge, the sales manager can become action oriented and make decisions on account selection, retention and growth strategies. Overall, by mastering the competency of strategic planning and implementation, the sales manager is better equipped to make sound business decisions.
- 29) First line managers operate at the operational level; middle managers operate at the tactical level. First line managers have a short-term perspective and are focused on implementing company sales policies and procedures; middle managers have a mid-term perspective and have increased responsibility because they manage larger groups of people.  
First line managers are territory and district sales managers and are responsible for non-managerial staff; middle managers are regional and national sales managers and are responsible for communicating policies and procedures from top management to lower management.
- 30) a) Changes in the relationship between sales and marketing...the two departments are now cooperating.  
b) Changes in sales force structure...sales force structure and customer contact.  
c) Changes in the selling process where the emphasis is now on relationships.  
d) Changes in sales management activities in how accounts are managed which has an impact on the aptitudes and skills required.  
e) Changes in sales performance evaluation from focusing on sales to focusing on profit.
- 31) The goal of CRM systems is to ensure that the customer's experience with the organization is seamless and consistent. What this means is that every customer contact point will be managed by a CRM system effectively and efficiently; the information provided to the customer (whether through product literature, website visits, service calls) is both valued and consistent.
- 32) A sales manager who wishes to gain trust and respect must be visible, accessible and able and willing to communicate. Sales managers need to let their sales people know that they are important as individuals and as a group. Research shows that the best sales managers listen and provide constructive feedback when sales people have problems; they also recognize the accomplishment of their sales people. Today, truly effective sales managers are excellent coaches who can teach and mentor their sales people.

## Answer Key

Testname: C1

- 33) a) Planning strategy for marketing and sales
  - b) Organizing the selling function
  - c) Estimating potential and forecasting sales
  - d) Developing and growing account relationships
  - e) Enhancing customers interactions
- 34) A competitor alliance occurs when competitors work together to increase their market power. Alliances can take the form of co-branding. Often, customer testimonials are also used to gain credibility in the marketplace. Sales managers are concerned about these alliances and need to monitor them in order to gauge their impact on the marketplace.
- 35) An increase in power means customers are able to influence the actions of their suppliers. Nowadays, many retailers are larger than the manufacturers that sell to them and these retailers demand lower prices and other concessions. In the case where customers buy from wholesalers, there is pressure to offer lower prices, wider assortments and better service. Lastly, consumer and organizational buyers have greater knowledge due to the information available on the internet; as a result, they sometimes know more about the company's product and the competitor's product than the salesperson knows.
- 36) FALSE
- 37) TRUE
- 38) TRUE
- 39) TRUE
- 40) TRUE
- 41) FALSE
- 42) TRUE
- 43) TRUE
- 44) TRUE
- 45) TRUE
- 46) FALSE
- 47) TRUE
- 48) FALSE
- 49) TRUE
- 50) TRUE
- 51) TRUE
- 52) TRUE
- 53) TRUE
- 54) TRUE
- 55) FALSE
- 56) TRUE
- 57) TRUE
- 58) TRUE
- 59) FALSE
- 60) FALSE
- 61) B
- 62) A
- 63) H
- 64) D
- 65) M
- 66) K
- 67) J
- 68) N
- 69) G
- 70) R
- 71) S

## Answer Key

Testname: C1

72) T

73) B

74) D

75) C

76) To effectively manage the company's strategic sales program, a sales manager must engage in three interrelated activities; these activities are the development and implementation of the strategic sales program and the review and evaluation of sales performance.

In the development of the strategic sales program, the sales manager must do the following...

- a) plan strategy for marketing and sales
- b) organize the selling function
- c) estimate potential and forecast sales
- d) develop and grow account relationships
- e) enhance customer interactions

In the implementation of the strategic sales program, the sales manager must do the following...

- a) recruit and select salespeople
- b) train salespeople
- c) motivate salespeople
- d) compensate salespeople
- e) lead salespeople
- f) adhere to ethical and legal responsibilities

Through the review and evaluation of sales performance at both the overall salesforce level and the individual level, the sales manager is able to take into consideration any changes that have/will impact the company's strategic sales program.

77) The four required competencies are strategic planning and implementation, leading and coaching, technology and managing diversity. Mastering these competencies allows sales managers to manage and lead a salesforce for superior performance.

The competency of strategic planning and implementation is the most important competency that a sales manager must possess; he/she must understand the strategic plans at all levels of the organization in order to take action at the sales force level. Furthermore, the action taken at the sales force level impacts all levels of the organization in achieving performance objectives.

The leading and coaching competency is essential for a sales manager to possess as salespeople essentially like to work for those managers that they trust and respect. To properly lead, a sales manager must be visible, accessible and willing to communicate. To properly coach, sales managers must be able to teach and mentor their salespeople; this requires them to manage by leaving their office and participating in field sales calls with their salespeople.

The mastery of the competency of technology means that the sales manager knows how to implement technology solutions such as Sales Force Automation and Customer Relationship Management in order to improve sales force efficiency and effectiveness.

The ability to manage diversity pertains to diversity with respect to the salesforce and the companies that with which they attempt to do business. Diversity pertains to the increasing variance with respect to gender, ethnicity, culture, race, age, disability, sexual orientation and religious affiliation. Overall, with respect to managing diversity, the sales manager must consider his/her own views on diversity in order to effectively manage in an increasingly diverse society.

Answer Key

Testname: C1

- 78) The changing customer marketplace and competitive environment have impacted selling and sales management resulting in five different changes that today's sales manager must consider when managing his/her salesforce. These five changes are as follows...
- a) Changes in the relationship between sales and marketing....both large and small companies are recognizing the importance of these departments and salespeople co-operating in order to effectively implement strategic sales and marketing plans.
  - b) Changes in sales force structure...sales forces are evolving from a geographical sales force structure to a sales force organized by products sold, markets served or functions performed; as well, sales forces are utilizing new types of customer contact such as telemarketing, selling teams, strategic/national account salespeople, the internet, independent sales agents, new channel partners etc. which impacts the job of a sales manager...they now have to manage the entire sales mix not just the salespeople
  - c) Changes in the selling process...the selling process has evolved to being focused on building relationships which requires consultative selling early in the process and relationship enhancement in the later stages
  - d) Changes in sales management activities...sales managers are still responsible for recruitment, selection, training, motivating, compensating and leading salespeople but the skills and aptitudes required by salespeople have changed...this results in a change in how sales managers manage
  - e) Changes in sales performance evaluation...the shift in sales performance evaluation is from sales to profits...the company is looking to maximize productivity or to get the most from their sales people