

**FEDERAL STATE BUDGET EDUCATIONAL  
INSTITUTION OF HIGHER EDUCATION  
“LOMONOSOV MOSCOW STATE UNIVERSITY”**

FACULTY OF ECONOMICS

«APPROVED»

Dean of the Faculty of Economics, MSU

professor \_\_\_\_\_ A.A.Auzan

«\_\_» \_\_\_\_\_ 2021

**COURSE SYLLABUS**

**Course title:**

**INTERNATIONAL SALES MANAGEMENT (IN ENGLISH)**

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**Level of higher education:**

MASTER STUDIES

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**Field of study:**

38.04.02. MANAGEMENT

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**Mode of study:**

FULL-TIME

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Course syllabus is considered and approved by  
*the Educational and Methodological Council of the Faculty of Economics*  
(minutes № \_\_\_\_\_, date)

Moscow 2021

The course syllabus is developed in accordance with the self-established MSU educational standard (ES MSU) for implemented main professional educational programs of higher education for Master's degree in the field of study 38.04.02. Management

ES MSU is approved by the decision of MSU Academic Council dated December 28, 2020, minutes №7

Year (years) of enrollment: 2021 and forthcoming

### 1. Place and status of the course in the structure of the Master program

Course status: *elective*

Trimester: 5<sup>th</sup>

### 2. Course Prerequisites

*This discipline is based on the knowledge and skills acquired as a result of studying following courses:*

- Organizational Behavior (in English),
- International Business (in English),
- International Marketing (in English).

### 3. Intended learning outcomes (ILO) of the course associated to the required competencies of the graduates

| Competencies of graduates (codes)   | Indicators of achievement of competencies  | Intended learning outcomes of the course (module) associated to the required competencies of the graduates                       |
|---|--|--|
| PC-9. Capable of finding, systematizing and analyzing information in the field of management consulting | PC-9.I-1. Defines the information base of research in the field of management consulting   | PC-9.I-1.K-1. Knows the information base of research in the field of management consulting                                       |
|   |  | PC-9.I-1.A-1. Able to collect information in the field of management consulting  |
|   | PC-9.I-2. Selects methodology and develops tools for systematization and analysis of information in the field of management consulting | PC-9.I-2.K-1. Knows the methods of systematization and analysis of information in the field of management consulting             |
|   |  | PC-9.I-2.A-1. Able to analyze and systematize collected information in the field of management consulting                        |
| PC-10. Capable of carrying out consulting management projects   | PC-10.I-1. Conducts consulting research  | PC-10.I-1.K-1. Knows main technologies and methods of conducting consulting research   |
|   |  | PC-10.I-1.A-1. Able to correctly select and apply methods and tools for developing solutions to the formulated management issues |
|   | PC-10.I-2. Presents the results of   | PC-10.I-2.A-1. Able to present the results of consulting   |

|  |  |  |
|--|--|--|
|  | the conducted study in the form of recommendations   | research in the form of recommendations  |
| <b>SPC-2.</b> Capable of applying acquired knowledge in practice and using an integrated approach to real business situations in international context | <b>SPC-2.I-1.</b> Conducts an integrated analysis of situations related to the current activities of international companies | <b>SPC-2.I-1.A-1.</b> Able to conduct a comprehensive analysis of the company's activities in the foreign market considering the priorities of the internationalization strategy |
|  |  | <b>SPC-2.I-1.A-2.</b> Able to analyze real business cases and identify strengths and weaknesses of managerial decisions in international companies                               |
|  | <b>SPC-2.I-2.</b> Makes decisions related to international business activities based on an integrated analysis               | <b>SPC-2.I-2.A-1.</b> Able to analyze the market potential when developing an algorithm for entering new foreign markets   |
|  |  | <b>SPC-2.I-2.A-2.</b> Able to predict and manage the risks of business activities in a foreign territory   |

#### 4. Workload of the course by types of activity

The workload of the discipline is 6 ECTS: 216 academic hours, including 108 academic hours of contact work with a professor, 108 academic hours of self-directed studies.

#### 5. Learning format

Full-time, with the use of educational platform On.Econ (use of distant learning technologies is allowed if necessary).

#### 6. Content of the course structured by topics (sections) indicating the number of academic hours allocated to them and types of training

| Title and brief content of sections and topics of the course (module),<br><br>Form of assessment for the course (module) | Total (hours) | Contact work (work in contact with a professor)<br><i>Types of contact work, hours</i> |                     |                          |          | Student self-directed studies<br><i>Types of self-directed studies, hours</i> |                     |               |          |
|--|---------------|--|---------------------|--------------------------|----------|---|---------------------|---------------|----------|
|  |               | Seminars   | Group consultations | Individual consultations | Total    | Practical home tasks  | Written examination | Group project | Total    |
| Topic 1. Selling Induction   | <b>8</b>      | 4  | -                   | -                        | <b>4</b> | 1   | 2                   | 1             | <b>4</b> |

|   |            |           |           |           |            |           |           |           |            |
|---|------------|-----------|-----------|-----------|------------|-----------|-----------|-----------|------------|
| Topic 2. Classification types of potential clients.                         | 12         | 4         | -         | -         | 4          | 2         | 4         | 2         | 8          |
| Topic 3. Business communication skills.                                     | 16         | 4         | 2         | 2         | 8          | 2         | 4         | 2         | 8          |
| Topic 4. Sales negotiation control.   | 12         | 4         | 2         | 2         | 8          | 1         | 2         | 1         | 4          |
| Topic 5. Chronology of a business meeting.                                  | 12         | 4         | 2         | 2         | 8          | 1         | 2         | 1         | 4          |
| Topic 6. Types and forms of commercial proposals to clients.                | 24         | 4         | 2         | 2         | 8          | 6         | 6         | 4         | 16         |
| Topic 7. Overcoming business negotiations obstacles.                        | 8          | 4         | 2         | 2         | 8          | -         | -         | -         | -          |
| Topic 8. Sales management induction   | 8          | 4         | -         | -         | 4          | 1         | 2         | 1         | 4          |
| Topic 9. Sales management model audit.                                      | 24         | 4         | 2         | 2         | 8          | 6         | 6         | 4         | 16         |
| Topic 10. Organization of sales management in practice.                     | 24         | 4         | 2         | 2         | 8          | 6         | 6         | 4         | 16         |
| Topic 11. Strategic problem solving techniques.                             | 24         | 4         | 2         | 2         | 8          | 6         | 6         | 4         | 16         |
| Topic 12. Sales force management. Coaching.                                 | 14         | 4         | 2         | 2         | 8          | 2         | 2         | 2         | 6          |
| Topic 13. Building and maintenance of feedback systems in sales management. | 12         | 4         | 2         | 2         | 8          | 1         | 2         | 1         | 4          |
| Midterm assessment (control):<br>— <i>Final projects presentation</i>       | 18         | 4         | 12        | -         | 16         | -         | -         | 2         | 2          |
| <b>Total</b>  | <b>216</b> | <b>56</b> | <b>22</b> | <b>30</b> | <b>108</b> | <b>35</b> | <b>44</b> | <b>29</b> | <b>108</b> |

### Brief content of the course topics

#### Topic 1. Selling Induction

General principles and professional approach to direct sales, involving business meetings with customers. Commercial representative of the company. Components of effective work of a commercial representative. Role of commercial representatives in the chain "buyer-supplier-commercial representative". The concept of "voluntary consumer decisions".

#### Main literature:

1. Allen P., Wootten G. Selling. 5<sup>th</sup> edition, FT Prentice Hall, Harlow, 2003
2. Cherry P. Questions That Sell: The Powerful Process for Discovering What Your Customer Really Wants. Amacom, 2006
3. Ingram T., LaForge R., Avila R., Schwepker C., Williams M. Professional Selling: A Trust-Based Approach, 4<sup>th</sup> edition, Thomson Higher Education, Mason, 2008.

4. Jobber D., Lancaster G. *Selling & Sales Management*. FT Prentice Hall, Harlow, 2000
5. Rackham N. *The SPIN Selling Fieldbook. Practical Tools, Methods, Exercises, and Resources*. McGraw-Hill, NY, 1996.
6. Rackham N., De Vincentis J. *Rethinking the Sales Force*. McGraw-Hill Education, NY, 1999.
7. Smith C. *The Conversion Code: Capture Internet Leads, Create Quality Appointments, Close More Sales*. John Wiley & Sons, Inc., NY, 2016

## **Topic 2. Classification types of potential clients**

How to differentiate potential clients and identify problems of upcoming business negotiations. Time segmentation of the market. Groups of decision-makers in a company. Open and hidden agenda of business negotiations. Chiltern cube and the effectiveness of negotiations.

### **Main literature:**

1. Futrell Ch. *Sales Management*. 4<sup>th</sup> edition, Dryden Press, 1993.
2. Ingram T., LaForge R., Avila R., Schwepker C., Williams M. *Professional Selling: A Trust-Based Approach*, 4<sup>th</sup> edition, Thomson Higher Education, Mason, 2008.
3. Johnson M.W., Marshall G.W. *Sales Force Management*. 7<sup>th</sup> edition, McGraw-Hill, Boston, 2003
4. Rackham N. *The SPIN Selling Fieldbook. Practical Tools, Methods, Exercises, and Resources*. McGraw-Hill, NY, 1996.
5. Smith C. *The Conversion Code: Capture Internet Leads, Create Quality Appointments, Close More Sales*. John Wiley & Sons, Inc., NY, 2016
6. Spiro R., Stanton W., Rich G. *Management of a Sales Force*. 12<sup>th</sup> edition, McGraw-Hill/Irwin, Boston, 2007

## **Topic 3. Business Communication Skills**

Business communication techniques. Levels of perception. Factors hindering active perception. Speech techniques of communication and efficiency of business conversation. Body language and contact with the interlocutor. The concept of “congruence” between speech and non-verbal communication. Five key settings for successful negotiations. Demonstration of the training video.

### **Main literature:**

1. Cherry P. *Questions That Sell: The Powerful Process for Discovering What Your Customer Really Wants*. Amacom, 2006
2. Duncan T. *High Trust Selling*. Thomas Nelson Publishers, Nashville, 2003
3. Ingram T., LaForge R., Avila R., Schwepker C., Williams M. *Professional Selling: A Trust-Based Approach*, 4<sup>th</sup> edition, Thomson Higher Education, Mason, 2008.
4. Johnson M.W., Marshall G.W. *Sales Force Management*. 7<sup>th</sup> edition, McGraw-Hill, Boston, 2003
5. Spiro R., Stanton W., Rich G. *Management of a Sales Force*. 12<sup>th</sup> edition, McGraw-Hill/Irwin, Boston, 2007

#### **Topic 4. Control over the progress of negotiations**

The main differences in the management of the sales process from the positions of a sales manager and a sales rep. Techniques of increasing personal efficiency of a sales rep. “Sales pipeline” and three rules of effective negotiations with the customer. Establishing trust relationships. The structure of questioning a new potential customer.

##### **Main literature:**

1. Ingram T., LaForge R., Avila R., Schwepker C., Williams M. Professional Selling: A Trust-Based Approach, 4<sup>th</sup> edition, Thomson Higher Education, Mason, 2008.
2. Johnson M.W., Marshall G.W. Sales Force Management. 7<sup>th</sup> edition, McGraw-Hill, Boston, 2003
3. Spiro R., Stanton W., Rich G. Management of a Sales Force. 12<sup>th</sup> edition, McGraw-Hill/Irwin, Boston, 2007

#### **Topic 5. Chronology of business negotiations**

Preparation for and conditions of successful business negotiations. Key requirements at the initial stage of the meeting. Establishment of control. Factors determining the choice of strategies to meet a potential customer. Criteria for choosing a negotiation strategy (business game). Final stage of negotiations. Buying signals illustrating customer’s readiness for the transaction, reaction and stimulation. A series of meetings combined with a common strategic goal. Meeting negotiation rules at the completion stage.

##### **Main literature:**

1. Duncan T. High Trust Selling. Thomas Nelson Publishers, Nashville, 2003
2. Ingram T., LaForge R., Avila R., Schwepker C., Williams M. Professional Selling: A Trust-Based Approach, 4<sup>th</sup> edition, Thomson Higher Education, Mason, 2008.
3. Johnson M.W., Marshall G.W. Sales Force Management. 7<sup>th</sup> edition, McGraw-Hill, Boston, 2003
4. Rackham N., De Vincentis J. Rethinking the Sales Force. McGraw-Hill Education, NY, 1999.
5. Spiro R., Stanton W., Rich G. Management of a Sales Force. 12<sup>th</sup> edition, McGraw-Hill/Irwin, Boston, 2007

#### **Topic 6. Types and forms of commercial proposals to customers**

Types of commercial offers. Requirements for the presentation of proposals in an oral, written, of a demonstration form. The concept of a “matrix” demonstration. Basic requirements for demonstrating the capabilities of the provider. Basic requirements for a written commercial proposal. Notions of "commercialization" and anticipation of the need to complete of the transaction.

##### **Main literature:**

1. Ingram T., LaForge R., Avila R., Schwepker C., Williams M. Professional Selling: A Trust-Based Approach, 4<sup>th</sup> edition, Thomson Higher Education, Mason, 2008.

2. Johnson M.W., Marshall G.W. Sales Force Management. 7<sup>th</sup> edition, McGraw-Hill, Boston, 2003
3. Smith C. The Conversion Code: Capture Internet Leads, Create Quality Appointments, Close More Sales. John Wiley & Sons, Inc., NY, 2016
4. Spiro R., Stanton W., Rich G. Management of a Sales Force. 12<sup>th</sup> edition, McGraw-Hill/Irwin, Boston, 2007

### **Topic 7. Overcoming obstacles in the course of commercial negotiations**

The main types of obstacles, the nature of their occurrence and ways to overcome. The concept of constructive reaction. The seller's vicious circle. Classification of response types. The role of traditional means of communication and the possibility of new tools of interactive communication with clients in ensuring effective negotiations. Demonstration of the training video.

#### **Main literature:**

1. Ingram T., LaForge R., Avila R., Schwegker C., Williams M. Professional Selling: A Trust-Based Approach, 4<sup>th</sup> edition, Thomson Higher Education, Mason, 2008.
2. Johnson M.W., Marshall G.W. Sales Force Management. 7<sup>th</sup> edition, McGraw-Hill, Boston, 2003
3. Rackham N., De Vincentis J. Rethinking the Sales Force. McGraw-Hill Education, NY, 1999.
4. Smith C. The Conversion Code: Capture Internet Leads, Create Quality Appointments, Close More Sales. John Wiley & Sons, Inc., NY, 2016
5. Spiro R., Stanton W., Rich G. Management of a Sales Force. 12<sup>th</sup> edition, McGraw-Hill/Irwin, Boston, 2007

### **Topic 8. Sales management induction**

General principles and professional approach to sales management. Dividing the sales process into intermediate stages in order to control the results of each stage in the seller's work. The "Competency awareness" model. Four key components in the sales manager's work. Sales management model. Information support of conducting sales in the company.

#### **Main literature:**

1. Allen P., Wootten G. Selling. 5<sup>th</sup> edition, FT Prentice Hall, Harlow, 2003
2. Futrell Ch. Sales Management. 4<sup>th</sup> edition, Dryden Press, 1993.
3. Ingram T., LaForge R., Avila R., Schwegker C., Williams M. Professional Selling: A Trust-Based Approach, 4<sup>th</sup> edition, Thomson Higher Education, Mason, 2008.
4. Jobber D., Lancaster G. Selling & Sales Management. FT Prentice Hall, Harlow, 2000
5. Johnson M.W., Marshall G.W. Sales Force Management. 7<sup>th</sup> edition, McGraw-Hill, Boston, 2003
6. Kotler Ph., Keller K. Marketing Management. 14<sup>th</sup> edition. Prentice Hall, 2012. Ch.7, 18, 19
7. Rackham N., De Vincentis J. Rethinking the Sales Force. McGraw-Hill Education, NY, 1999.



8. Spiro R., Stanton W., Rich G. Management of a Sales Force. 12<sup>th</sup> edition, McGraw-Hill/Irwin, Boston, 2007

### **Topic 9. Sales management model audit**

Concept and practical requirements for strategy development. Audit of the current state and wording of a desirable one. Identification of the causes of the unsatisfactory condition and preparation of the strategy implementation plan. The concept of a strategic plan time frame. Assessment of achievable goals. Setting specific relevant tasks to performers. The concept of responsibility and control in sales management.

#### **Main Literature:**

1. Futrell Ch. Sales Management. 4<sup>th</sup> edition, Dryden Press, 1993.
2. Ingram T., LaForge R., Avila R., Schepker C., Williams M. Professional Selling: A Trust-Based Approach, 4<sup>th</sup> edition, Thomson Higher Education, Mason, 2008.
3. Johnson M.W., Marshall G.W. Sales Force Management. 7<sup>th</sup> edition, McGraw-Hill, Boston, 2003
4. Spiro R., Stanton W., Rich G. Management of a Sales Force. 12<sup>th</sup> edition, McGraw-Hill/Irwin, Boston, 2007

### **Topic 10. Organization of the sales process in practice**

Staging of sales management information. Planning of work with territories. Sales window and assessment of the required sales force to cover the territory and fulfil the sales plan. Motivation of sales force. The ratio between fixed and bonus payments for sellers as the result of sales. Performance evaluation of sales reps. The meaning of discount and its impact on the company's total profit.

#### **Main literature:**

1. Ingram T., LaForge R., Avila R., Schepker C., Williams M. Professional Selling: A Trust-Based Approach, 4<sup>th</sup> edition, Thomson Higher Education, Mason, 2008.
2. Johnson M.W., Marshall G.W. Sales Force Management. 7<sup>th</sup> edition, McGraw-Hill, Boston, 2003
3. Spiro R., Stanton W., Rich G. Management of a Sales Force. 12<sup>th</sup> edition, McGraw-Hill/Irwin, Boston, 2007

### **Topic 11. Problem solving**

Typology of collective solution of managerial problems. Methods of strategic approach to solving complex managerial problems. Gathering and systematizing information. Building a "situational picture". Method of nomination and evaluation of solution options. Execution control methods.

#### **Main Literature:**

1. Ingram T., LaForge R., Avila R., Schepker C., Williams M. Professional Selling: A Trust-Based Approach, 4<sup>th</sup> edition, Thomson Higher Education, Mason, 2008.
2. Johnson M.W., Marshall G.W. Sales Force Management. 7<sup>th</sup> edition, McGraw-Hill, Boston, 2003

- Spiro R., Stanton W., Rich G. Management of a Sales Force. 12<sup>th</sup> edition, McGraw-Hill/Irwin, Boston, 2007

**Topic 12. Personnel Management. Sales force coaching**

Classification of the sales force involved in the sales management process. Four stages/modes of training, Kolb cycle. Methods and ways to evaluate the results of training. Relevance of the choice of training options to ensure the effectiveness of sales force management. The concept of "voluntary acceptance" when upgrading the skills of the seller. Criteria for completion of professional development tasks.

**Main Literature:**

- Ingram T., LaForge R., Avila R., Schwepker C., Williams M. Professional Selling: A Trust-Based Approach, 4<sup>th</sup> edition, Thomson Higher Education, Mason, 2008.
- Johnson M.W., Marshall G.W. Sales Force Management. 7<sup>th</sup> edition, McGraw-Hill, Boston, 2003
- Rackham N., De Vincentis J. Rethinking the Sales Force. McGraw-Hill Education, NY, 1999.
- Spiro R., Stanton W., Rich G. Management of a Sales Force. 12<sup>th</sup> edition, McGraw-Hill/Irwin, Boston, 2007

**Topic 13. Feedback Systems**

Concept and role of feedback in sales management. Two levels of backward links. Sales management efficiency. Distribution of functions between employees in the accomplishment of the given task. Criteria for effective feedback.

**Main literature:**

- Ingram T., LaForge R., Avila R., Schwepker C., Williams M. Professional Selling: A Trust-Based Approach, 4<sup>th</sup> edition, Thomson Higher Education, Mason, 2008.
  - Johnson M.W., Marshall G.W. Sales Force Management. 7<sup>th</sup> edition, McGraw-Hill, Boston, 2003
  - Rackham N., De Vincentis J. Rethinking the Sales Force. McGraw-Hill Education, NY, 1999.
- Spiro R., Stanton W., Rich G. Management of a Sales Force. 12<sup>th</sup> edition, McGraw-Hill/Irwin, Boston, 2007.

**7. Assessment tools to assess the course learning outcomes**

**7.1. Sample assessment tools:**

| Learning outcomes of the course  | Types of assessment tools   |
|--|---|
| PC-9.I-1.K-1. Knows the information base of research in the field of management consulting | <ul style="list-style-type: none"> <li>• Written examination</li> <li>• Practical home tasks</li> </ul> |

|  |  |
|--|--|
|  | <ul style="list-style-type: none"> <li>• Participation in discussions, business games</li> <li>• Group project</li> </ul>  |
| <b>PC-9.I-1.A-1.</b> Able to collect information in the field of management consulting   | <ul style="list-style-type: none"> <li>• Practical home tasks</li> <li>• Participation in discussions, business games</li> <li>• Group project</li> </ul>                                |
| <b>PC-9.I-2.K-1.</b> Knows the methods of systematization and analysis of information in the field of management consulting  | <ul style="list-style-type: none"> <li>• Written examination</li> <li>• Practical home tasks</li> <li>• Participation in discussions, business games</li> <li>• Group project</li> </ul> |
| <b>PC-9.I-2.A-1.</b> Able to analyze and systematize collected information in the field of management consulting   | <ul style="list-style-type: none"> <li>• Practical home tasks</li> <li>• Participation in discussions, business games</li> <li>• Group project</li> </ul>                                |
| <b>PC-10.I-1.K-1.</b> Knows main technologies and methods of conducting consulting research  | <ul style="list-style-type: none"> <li>• Written examination</li> <li>• Practical home tasks</li> <li>• Participation in discussions, business games</li> <li>• Group project</li> </ul> |
| <b>PC-10.I-1.A-1.</b> Able to correctly select and apply methods and tools for developing solutions to the formulated management issues  | <ul style="list-style-type: none"> <li>• Practical home tasks</li> <li>• Participation in discussions, business games</li> <li>• Group project</li> </ul>                                |
| <b>PC-10.I-2.A-1.</b> Able to present the results of consulting research in the form of recommendations  | <ul style="list-style-type: none"> <li>• Practical home tasks</li> <li>• Participation in discussions, business games</li> <li>• Group project</li> </ul>                                |
| <b>SPC-2.I-1.A-1.</b> Able to conduct a comprehensive analysis of the company's activities in the foreign market considering the priorities of the internationalization strategy | <ul style="list-style-type: none"> <li>• Practical home tasks</li> <li>• Participation in discussions, business games</li> <li>• Group project</li> </ul>                                |
| <b>SPC-2.I-1.A-2.</b> Able to analyze real business cases and identify strengths and weaknesses of managerial decisions in international companies                               | <ul style="list-style-type: none"> <li>• Practical home tasks</li> <li>• Participation in discussions, business games</li> <li>• Group project</li> </ul>                                |
| <b>SPC-2.I-2.A-1.</b> Able to analyze the market potential when developing an algorithm for entering new foreign markets   | <ul style="list-style-type: none"> <li>• Practical home tasks</li> <li>• Participation in discussions, business games</li> <li>• Group project</li> </ul>                                |

**SPC-2.I-2.A-2.** Able to predict and manage the risks of business activities in a foreign territory

- Practical home tasks
- Participation in discussions, business games
- Group project

### 7.2. Course assessment criteria (scores):

| Types of assessment tools                    | Score      |
|--|------------|
| Practical home tasks                         | 70         |
| Participation in discussions, business games | 70         |
| Written examination                          | 100        |
| Group project                                | 60         |
| <b>Total</b>                                 | <b>300</b> |

### 7.3. Grade for the course is determined based on the following criteria :

| Grade               | Minimum score | Maximum score |
|---------------------|---------------|---------------|
| <i>Excellent</i>    | 255           | 300           |
| <i>Good</i>         | 195           | 254,9         |
| <i>Satisfactory</i> | 120           | 194,9         |
| <i>Failed</i>       | 0,0           | 119,9         |

**Note:** in case a student's score obtained during the trimester is less than 20% of the maximum score of the discipline, the following rule of passing the course should be applied at the midterm assessment (and further re-examination): 'a student can obtain only a satisfactory mark and only in case she/he receives for the midterm assessment, including all the course material, no less than 85% of the score allocated to this assessment'.

### 7.4. Typical tasks and other materials necessary to assess the learning outcomes:

— *Group project 'Modern models and theories of sales and sale management'*

At one of the final classes the students present their work, which is conducted during the whole course. The course of work is regularly supervised by the instructor within the specially selected 12 contact hours. The criterion of evaluation of group work is completeness of conducted analysis, coverage of available materials and attracted sources.

— *Practical home tasks*

- Example of a calculated practical task

Read the information about the results of two employees of the company: Sales rep A receives salary in the amount of \$19150, and the sales rep B – \$23000. Both receive 1% commission of sales volume. Advertising costs make up \$3 for each product; shipping costs- \$2 for each product; cost of handling orders - \$1 for each order; travel expenses- \$0.5 for each visit. Your task is to calculate the specific *Relative* contribution (in %%) of each sales rep into the *Profit* (losses) of the company minus the cost price (as a constant component). Which representative is more “useful” to the company? What will change if sales reps get the right to sell their products with a 5% discount, explaining this by possibility to increase sales? What effect will the company get if the 5% discount really allows both sales representatives to increase their sales by 20% without changing the number of visits and orders? Please, assess the eligibility of sales reps’ requirements for the discount separately for each sales rep.

| Sales rep | Number of visits | Number of orders | Number of products sold | Sales volume (\$) | Cost of sold products (%%) |
|-----------|------------------|------------------|-------------------------|-------------------|----------------------------|
| A         | 200              | 250              | 15000                   | 750000            | 80%                        |
| B         | 330              | 230              | 18000                   | 900000            | 80%                        |

- An example of a case study to be proposed for discussion in an academic group in order to develop analytical competencies and practical decision-making skills

#### Case-study “Gardnov Limited”

Richard Boot was worried. After a month of probation in the position of Sales manager at Gardnov LTD, the company's business was not going as good as he expected. He began to act with great optimism and enthusiasm, relying on his experience and a logical and positive approach to the case. It was they who allowed Richard to become the candidate № 1 for the new post, although he had not previously worked in a company with a similar type of product. His previous experience was associated with products in more "aggressive" areas – plastic windows and house insurance.

Gardnov LTD was established ten years ago as a supplier of gardening tools to retail stores. Gardnov LTD has a large selection of garden tools, including pumps and pond maintenance products, barbecue sets and garden furniture. For all products Gardnov LTD applies the branded garden ornament, developed by the designers of the company, and the most popular products is the line of garden dwarfs, which were portraying famous politicians. The company offered most of the leading branded products produced in the UK, as well as brands of major foreign manufacturers in this area. All the products were included in the company's annual catalogue, which was distributed across the country's garden centers and retail outlets, whether or not they were the company's customers.

Although retail customers could place orders directly from the catalog (and some of them did), about 90% of all sales came from the company's trade representatives, whose number is six (all men), which covered the entire territory of the United Kingdom on a regional basis. Each sales representative was paid a fixed salary, the average annual size of which in 1999 amounted to £21000, with fluctuations from £16500 to £27300. The position of the sales representative in this range depended on his age and the time he worked for the company. Each representative was provided with a middle-class service car, covered fuel costs, and small sums for modest entertainment.

Richard Boot worked in sales for about twenty years and was formerly a regional sales manager in the company of a leading manufacturer of plastic windows and house insurance. Hoping to successfully pass the probation period in Gardnov Ltd. (the sales manager of which retired), Boot decided that the first four weeks he should audit the work of sales representatives, accompanying them when visiting customers and communicating with these

customers. He believed that such an approach would allow him to obtain a reasoned material on the basis of which he would be able to assess the current situation and then propose a strategic sales plan for the future.

What Boot was observing during these four weeks was alarming. The company's sales representatives acted like a in lethargic dream. Richard was inclined to believe that the reason for this was a lack of motivation. Although sales grew by an average of 5% annually over the past ten years, the overall market, as Boot found out from market research, grew at an annual rate of over 10%.

But most of all he was concerned about the following. Each trade representative was allocated a separate region. In each of these regions, Boot's predecessor divided the customers into three categories: A, B and C, according to their purchasing potential. Category A included the main customers to be visited weekly. Category B customers should be visited once every two weeks and C categories once a month. Each sales representative was set targets of finding new leads in the region.

Boot found that in the last two years, in fact, sales representatives were regularly visiting only category A customers, while category B customers were visited about once every six weeks, and category C customers were virtually ignored. In addition, no new customer has appeared in the last four months.

What made things even worse, from many, even the most regularly visited customers, Boot learned that the sales representatives of Gardnov LTD did not reveal any friendliness in communication. They simply acted like passive invoice providers instead of convincing customer to place an order. In addition, a large proportion of customers visited by Boot noted that sales representatives of Gardnov LTD were often unable to answer many questions about the products listed in the catalog. Sales representatives had little concern about customers, and expressed little enthusiasm for the products they were selling. It seemed that their main goal was to minimize the time spent with the customer, even when the visit was generally useful for them.

Boot found out that all six sales representatives were experienced employees and on average worked in the company for about five years, actually from two to twelve years, and this was in an industry where the average employment duration of sales representatives was only three years. He was not sure what was the key to the problem but knew that immediate steps should be made to improve the performance of sales representatives.

However, he was sure that he shouldn't start his career in Gardnov LTD with the conflict with sales representatives. He preferred to increase their motivation, and thus the volume of sales. He hoped that he would be able to gain cooperation and trust from them and wanted also to prove that he could correct the current situation.

*Case questions:*

1. Analyze the situation in detail from the standpoint of Richard Boot:
  - a) What steps would be required by Richard Boot to investigate further the problems he had identified in the first phase and, at the same time, to seek the cooperation of the trade representatives? In your response, please, specify what information Richard Boot is lacking? How do you propose to collect and verify this information?
  - b) What are the disadvantages of the company's remuneration based only on the fixed salary? What recommendation would you give to Boot regarding the development and implementation of a new system of remuneration for sales representatives?
  - c) Describe (draw) a situational picture that would illustrate the existing problems in priority order for the top management of the company.

2. Simulate the "desirable" state that you (along with Richard Boot) should achieve so that the position of the company Sales manager is guaranteed to You (R. Boot). What are the methods of sales management in the current situation you would prefer, as if you are in Richard Bout's place?

Make up an action plan for the coming period, indicating dates and specifying responsibility of the performers.

— *Questions for discussions*

1. History and main stages of development of the concept of sales management. Difference of managing sales in different sectors of economy. B2B versus B2C selling models.
2. What is the essence of managing sales from the sales representative standpoint and that of a sales manager. The concept of a "sales pipeline". Main stages of the sales process.
3. Consumer behavior and sales process. FAB (features, advantages, benefits) theory. Matrix-type demonstration. Correlation of sales and marketing.
4. Commercial negotiations: basic rules of holding control, setting chronological order, and increasing efficiency. Interaction instruments and skills. Basic requirements for preparation of a sales meeting. Open and hidden agendas of negotiations.
5. Commercial proposals: situational requirements, basic rules of creation and narration order, essentials of presenting to customers.
6. Economics of sales efficiency: meaning and effects of discounts, proportion between a fixed salary and a bonus.
7. Modelling a sales process. Main obligations and responsibilities of a commercial director/sales department manager. Sales force and company goals.
8. Planning of sales force. "Sales window" and correlation between performance activity and quality.
9. Personnel coaching. Classification of sales force, strategies of individual approach to upgrading sales force. KPI and other forms of attesting personnel efficiency and motivation.
10. Construction and important elements of feedback systems in sales management. Main managerial ways of influencing subordinates.

— *Written examination*

The test consists of multiple-choice questions. Questions are based on all the material studied by the time of work. For successful writing of the test, students need not only to study the materials of the contact work, but also the recommended literature.

Test question examples:

1. If a customer tells you: "I am not ready to answer you now, leave me your card and I will contact you after a while..." - this could mean that:  
(select the possible continuation (s))
  - He's not interested in the deal and politely trying to get rid of you;
  - He is not authorized to make the decision and should consult with his management;
  - He lacks information, and he wishes to clarify some details;

- You have made him a proposal to purchase a specific product too early;
- You should ethically agree and be patient, because forcefulness is the main enemy of the seller.

2. Rule № 1 in the management of the sales process (from the seller's position) reads: "The sales event should be considered as a series of agreements with the customer about his willingness to voluntarily move to the next step"

- I agree;  Disagree.

(tick the correct answer)

3. What stages of readiness to buy demonstrate that you are talking to a potential client?

(mark what you consider as correct)

- «ready for changes»;
- «decided to act»;
- «estimating buying criteria»;
- «searching the market options»;
- «choosing the supplier»;
- «assessing purchase results»

4. Who of the “decision-making group” could have said the following: «...We can discuss the contract in details only if you offer the equipment with satisfactory characteristics and at reasonable, attractive prices...»?

- DECIDER;
- GATEKEEPER;
- INFLUENCER;
- BUYER;
- USER.

5. A written commercial proposal is:

(mark what you consider correct)

- A form of polite expression of the seller's intentions in writing;
- An integral form of business communication with a large organization with a complex decision-making structure;



- A suitable way out for a busy sales rep who doesn't want or can't set up a personal meeting with management of the organization-buyer;
- One of the forms of seller's suggestion of his decision;
- A form of advertising of company products for top management of buyer.

6. Select the correct calculation of the company's losses from the seller's provision of a 10% discount on the goods, based on the information below, provided that the seller's loss of commission is proportional to the discount provided by them:

|                             |                               |
|-----------------------------|-------------------------------|
| List price of the commodity | 8000                          |
| Costs of production         | 4000                          |
| Overheads                   | 2000                          |
| Seller's commission         | 240 or 3% from the list price |
| Company profit              | 1760 or 22%                   |

14%;

44%;

24%;

11%

### 7.5. Methodological guidelines and assignment requirements:

All assignments must be completed in strict accordance with the requirements set out at the course page at the educational platform On.Econ.

## 8. Resources

### 8.1. List of main and additional literature

#### Main literature:

1. Oleynik A. Handouts of the Multimedia Presentation of the Course.
2. Allen P., Wootten G. Selling. 5<sup>th</sup> edition, FT Prentice Hall, Harlow, 2003
3. Cherry P. Questions That Sell: The Powerful Process for Discovering What Your Customer Really Wants. Amacom, 2006
4. Ingram T., LaForge R., Avila R., Schwepker C., Williams M. Professional Selling: A Trust-Based Approach, 4<sup>th</sup> edition, Thomson Higher Education, Mason, 2008.
5. Jobber D., Lancaster G. Selling & Sales Management. FT Prentice Hall, Harlow, 2000
6. Johnson M.W., Marshall G.W. Sales Force Management. 7<sup>th</sup> edition, McGraw-Hill, Boston, 2003
7. Rackham N., De Vincentis J. Rethinking the Sales Force. McGraw-Hill Education, NY, 1999.
8. Spiro R., Stanton W., Rich G. Management of a Sales Force. 12<sup>th</sup> edition, McGraw-Hill/Irwin, Boston, 2007

**Additional literature (for reports and essays preparation):**

1. Duncan T. High Trust Selling. Thomas Nelson Publishers, Nashville, 2003
2. Futrell Ch. Sales Management. 4<sup>th</sup> edition, Dryden Press, 1993.
3. Kotler Ph., Armstrong G. Principles of Marketing. 17<sup>th</sup> edition. Pearson, 2017. Chapters 6, 7, 20
4. Kotler Ph., Keller K. Marketing Management. 14<sup>th</sup> edition. Prentice Hall, 2012. Chapters 7, 18, 20
5. Rackham N. The SPIN Selling Fieldbook. Practical Tools, Methods, Exercises, and Resources. McGraw-Hill, NY, 1996.
6. Smith C. The Conversion Code: Capture Internet Leads, Create Quality Appointments, Close More Sales. John Wiley & Sons, Inc., NY, 2016

**8.2. List of licensed software**

Package of Software ‘Microsoft Office’.

Rumus Trading Analytical Platform.

**8.3. List of professional databases and information referral systems**

Institutional subscription resources of the Faculty of Economics, MSU.

**8.4. List of Internet resources (if necessary)**

- 1) [www.sellingandpersuasiontechniques.com](http://www.sellingandpersuasiontechniques.com)
- 2) [www.selling-techniques.com](http://www.selling-techniques.com)
- 3) [www.entrepreneur.com/sales](http://www.entrepreneur.com/sales)
- 4) [www.eyesonsales.com](http://www.eyesonsales.com)
- 5) [www.nationalsalesacademy.com.au](http://www.nationalsalesacademy.com.au)

**8.5. Description of material and technical support**

For the appropriate organization of classes, the following equipment is needed:

- ‘ON.ECON’ electronic educational information environment of the Faculty of Economics, Lomonosov Moscow State University;
- multimedia class with a video projector, Internet access

- Institutional subscription resources of the Faculty of Economics, MSU.

**9. Language of instruction:** English

**10. Professor (professors):** PhD in Economics, assoc. prof. Oleynik A.N.

**11. Syllabus authors:** PhD in Economics, assoc. prof. Oleynik A.N.