

**Exploring Experiential Learning: Simulations and Experiential Exercises, Volume 5, 1978**

**SALES AND SALES MANAGEMENT: A CASE/**

**SIMULATION APPROACH**

**BY**

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**INTRODUCTION**

We, as well as the vast majority of other business educators, have used the case approach as a method of instruction, and our experience with it has left us somewhat puzzled. We have observed that when our students are required to analyze short cases they sometimes become frustrated with the lack of information given in the incident. They frequently state, "I don't think we have enough information to solve this case." On the other hand, when they are asked to solve relatively long cases, they sometimes feel rather overwhelmed with the assignment and argue that it takes an excessive amount of time just to read the case and keep track of all the facts.

Some obvious solutions to this dilemma would be to use cases of medium length, or to be more careful in selecting the cases we use, or to capitalize on the lack of information in short cases by challenging the students to identify the assumptions they need to make in order to solve the case. Instead of using any of these alternatives, however, we decided to try a different approach.

We developed, for several marketing courses, an incident book which centers all of its incidents around the employees of a fictitious sales organization. By presenting the company and the people once, and each incident separately, we utilize more efficiently both the student's and instructor's time.

We briefly describe the company's financial condition, buildings, and location. In addition, we provide an organization chart to show the interrelationships among the personnel and an office layout to show where people work in relationship to one another.

Since the book consists of a number of incidents or cases, it could be considered a case book. However, since all of the incidents are built around a single organization, we like to think of it too as a simulation.

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### CASE/SIMULATION OBJECTIVES

Since we believe that the problems faced by a salesperson are quite similar in most situations, our prime objective was to create incidents which would sensitize students to the problems that the personnel in a typical sales organization might face. A second objective was to develop the student's analytical ability to solve sales and sales management problems. Thirdly, we wanted to help the student to learn how to ask the right questions, and, finally, we wanted to provide a focal point for students to share with others the information they have gained through work experience.

### ORGANIZATION OF THE BOOK

For organizational purposes, we divided the book into three parts: (1) Company Description (2) Incidents or cases and, (3) Personnel files. Each of these sections will now be discussed briefly.

#### Company Description

In the first section of the book, we describe the fictitious sales organization around which all of the incidents are built. For lack of a better name, we called our fictitious organization the Midwestern Sales Office, Marafee Products, Inc. It is an office typical of sales offices of many U. S. companies.

#### Incidents

The incidents themselves are divided into four categories:

1. Salesperson-Customer incidents
2. Salesperson-Sales Manager incidents
3. Salesperson-Supporting functions incidents
4. Salesperson-Salesperson incidents.

These categories were selected because we believe they add a structural framework to the sales and sales management subject area. By using this structural framework as a reference point we are able to cover the important aspects of sales and sales management with our students. We also believe that our students can benefit later in their careers, as sales persons or sales managers, by referring to these categories when problems occur.

In order to facilitate the use of the incidents and to reduce the workload of our students, we organized all of the incidents in a similar way. As the example in Exhibit 1 shows, we start each incident by giving its title and showing the "Case Participants." We then state the position in the sales office the student must assume he or she holds when reading and solving the case. After the incident itself, we present "Additional Information" related to the case, followed by three sets of instructions: Problem

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Solving Instructions, Policy Formulation Instructions, and Role Playing Instructions. The purpose of having three different sets is to give us and our colleagues some flexibility in making assignments and using the incidents in class.

Accompanying some of the Incidents are one or more forms which a typical sales office would use. These forms are always tied in to a specific case and are intended to acquaint the students with typical sales forms used in industry.

### Personnel Files

The third section of the book contains Personnel Files covering each of the major employees who work for the fictitious sales office. Each file contains the employee's original application blank, including his or her picture, and their most recent performance appraisal. The purpose of these are to help establish the personalities of the people who are portrayed in the book. Finally, in order to familiarize students with the job duties of the employees of a typical sales office, job descriptions have been included.

### OTHER FEATURES OF THE BOOK

Several other features of the book also should be mentioned. We have purposely not stated anywhere in the book the specific products sold by the fictitious sales office. This feature allows us and our colleagues considerable flexibility in using the text. It is possible for one instructor to specify one product for his or her class and another instructor to specify a different product. Alternately, one instructor can divide the class into two or more groups and ask each group to assume the sales office sells a different product. Comparisons between the answers of the different groups can then be made and discussed. Finally, it is also possible for the instructor not to specify any given product when using the cases.

Another feature of the book is that the incidents range in difficulty from relatively simple and easy to solve to quite complex and difficult to solve. This feature allows us an opportunity to assign cases which match the students' ability.

### USE OF THE CASE/SIMULATION APPROACH IN THE CLASSROOM

We have used the sales book in a Junior course entitled, "Communication Management," a Senior course in "Marketing Channels," and several courses in "Directed Study." We have also had considerable experience with another book which utilizes the same format, i.e., McAfee, R. Bruce and Richard N. Feinberg, Cases in Construction Supervision, (Prentice-Hall, 1977).

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In the Junior course, we have concentrated on the somewhat easier cases and have emphasized the Problem Solving and Role Playing Instructions. In the Senior course we have concentrated on the relatively difficult cases and have emphasized the Problem Solving and Policy Formulation Instructions.

Perhaps our major observation after using the case/simulation approach is that the students feel that the incidents are quite real and “alive.” By describing in the book the characteristics of the sales office and by having Personnel files on the office’s major employees, both the company characteristics and the personalities of the people who work for the office are initially established. Then, as the student proceeds from case to case, the people in the book reappear. The personalities and characteristics are thus continually developed. The result is that eventually the students feel they know the company and its employees quite well. Not only does this help them in answering the instructions or questions at the end of each incident but heightens their interest in reading and solving subsequent cases.

We have also observed that after discussing the cases, the students are much more aware of the typical problems encountered by a sales manager. Many students, although not all, have also learned to be more analytical in answering the case questions. While most of them quickly jump to conclusions when solving the first few cases, they soon realize that first responses are often erroneous and that many alternatives must be considered and evaluated before reaching a final decision. We have noticed, too, that the case discussions sometimes result in students sharing with others information they have gained while working for a company. However, since most of our students have not worked for a sales organization, the amount of information exchanged is not as high as we would like it to be.

### SUMMARY AND CONCLUSIONS

In our presentation we have tried to highlight the major features of, and our experiences with, the case/simulation approach. While our experience with the approach has been quite favorable, we should make it clear that this approach is not without some drawbacks. Obviously, it takes a considerable amount of time to write up a description of a fictitious company and to develop Personnel Files on various employees. In addition, making certain that each employee’s personality is consistent, both from case to case and with the Personnel file information, can be quite time consuming.

It also takes a while to get accustomed to writing and answering generic cases. If your background has included a specialized sales area, such as industrial installation sales, or consumer shopping goods sales, there is a tendency to want to include aspects of these experiences, even though they may be inappropriate. Each case must be reviewed to be sure it is consistent with many products in many industries.

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We have noticed too that students experience frustration in adjusting to these generic cases. They want to know more at times than they really need to know to solve the cases. Usually it takes two or three cases for them to realize that they were looking for a crutch and avoiding facing the real issues.

A further problem we have encountered is that after reading a few cases the students soon realize that each character in the book appears in a number of cases. As a result, some students read ahead to find out what happens. They then become puzzled as to whether they should take into consideration the information they have just uncovered when answering earlier cases. Although we ask them not to, it is very hard for them to ignore what they consider to be important information.

A similar problem we have noticed is that students aren't sure to what extent each case should be considered as an independent entity. For example, if in Case 1, it was decided that a salesperson should be given a new sales territory, should the students assume, in Case 7, that the salesperson has a new territory? Or, if in Case 2, the instructor or student recommended that a salesperson be promoted, is the class to assume in Case 4 that he or she was promoted? Our recommendation to the students is to treat each case separately in this respect.

In conclusion, we believe that although the case/simulation approach has a number of drawbacks, its advantages (i.e., reading economy, increased interest because of recurring characters, and the advantage of both short and long cases without their disadvantages) exceed its disadvantages. Since this approach lends itself to applications in many fields, we hope that others will utilize it in their classes so that we can gain from their experiences.

EXHIBIT I

Case 4: Salesperson Exceeds Authority

Case Participants:

Ethan Edwards, Salesperson  
Emmet English, Office Manager  
Ron McBride, Sales Manager - Area 1

Your Position:

Sales Manager - Area 1 (Ron McBride)

Incident:

“Come on in and have a seat, Ethan,” you say when you see Ethan waiting outside your office door. “I wanted to talk with you to see if we can clear up a problem that Emmet English has just brought to my attention. One of Emmet’s clerks has just received a check from one of your customers, Hargrove Corporation, attached to a photocopy of the last invoice that we sent them. The check is 10% short of the invoice, and your customer has written us a note across the face of the invoice stating, ‘Enclosed please find check for 10% less than your invoice per conversation with Ethan Edwards.’ Could you enlighten me about this, Ethan? Is there some mix-up here, or mistake? What is the situation?”

“Oh, yeah. I’ve been meaning to talk with you about that one, Ron. It was a bad situation, a very competitive situation. Two weeks ago I was out at Hargrove’s talking with Nick, their buyer, and he told me that there were four other companies bidding on that particular order, and he let me know straight out that we weren’t the lowest of the four. He said that if I wanted the business that we were just going to have to reduce the price.”

“Well, okay, Ethan, I can understand that we have to remain competitive, but you do know that we do have a standard price list and standard discount terms and that salespersons really have no authority to alter any of our specific prices. If any prices are going to be offered different from our stated prices, top management has to be brought in on the problem, and they have to make a decision. You know, 10% on this order is a significant amount of money plus the fact that we may be called to task by the competitors of your account who may feel that we’re giving someone an unfair price advantage.”

“I know all that, and I did try to reach you, Ron, but if you recall that particular week you were over assisting one of our trainees on one of his accounts. I also tried to reach Al, but he wasn’t around, and there I was sitting in front of Nick. I knew from the sales memos that the product that he wanted to buy was in stock, and I knew that the product was about to be changed. I had no choice but to make a decision, so I made the one I thought was best for the company.”

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### Additional Information:

1. The warehouse has a substantial inventory of the product desired by Hargrove.
2. Recent sales memos have encouraged the sale of this product to clear stocks in anticipation of its replacement.
3. The new product is due next month.

### Problem Solving Instructions:

1. What is your reply to Ethan? Should you congratulate him for acting as a manager of his territory or warn him that any future losses incurred in this manner would be charged to his commission account? Or, would you select a third alternative? Explain your answer.
2. Should you reprimand Ethan for not speaking to you earlier about this sale? Explain your answer.
3. Should you accept Hargrove's check as full payment? If, yes explain why. If no, explain what action should be taken toward Hargrove and who should take it.
4. If you don't require that Hargrove pay the additional 10%, who should bear the loss?
5. If, in fact, Ethan knew Marafe had planned to change this product, should he have informed Nick of this possibility? Discuss the pros and cons of talking about planned products while the warehouse has present products still on hand.
6. Discuss the legal ramifications of granting a special price to one customer.

### Policy Formulation Instructions:

1. Evaluate the present policy wherein only managers can grant price adjustments to customers. Write a new policy if you feel it is necessary.

### Role Play Instructions:

1. Roles to be Played:  
Ethan Edwards, Salesperson  
Sales Manager - Area 1 (Ron McBride)
2. Setting:  
This role play should take place in the office of the Sales Manager - Area 1.
3. Starting Point:  
Begin the role play immediately after Ethan Edwards says, ". . . I had to make a decision so I made the one I thought was best for the company."