



Answer the following questions. Please type out your answers.

Chapter 5:

1. Pat Sellme is a sales representative with XYZ Widgets & Repair Corporation. Pat has been with the company for seven years and is responsible for the Northwest territory, with 100 current customers and \$1,200,000 per year in sales, yielding \$520,000 in gross profit. At a recent trade show, Pat received 10 leads. These are shown in the chart below, with the potential profit to be gained from each account and the time required for Pat to secure each one as a new customer within the next month.
 - (a) Calculate the R.O.T.I. Pat can expect from each of the leads received at the show.
 - (b) Assume that the minimum R.O.T.I. Pat accepts from new accounts is 575. Which accounts will Pat avoid pursuing?
 - (c) Assume there are only 7.5 hours a week available over the next four weeks to pursue these prospective accounts. Which leads should Pat pursue and why?
 - (d) Discuss your views on the following statement Pat made to a colleague during the recent National Sales Conference: "As a sales rep, sometimes you can't go after every lead that comes your way-even if you're pretty sure you can make the sale. Sometimes it's just not worth it, and you have to walk away."

XYZ Widgets & Repair Corporation			
Territory: Northwest			
Representative: Pat Sellme			
Leads From North American Widget Show (NAWS)			
Company Name	Potential Profit	Hours Req.	
ABC Machinery	\$4,000	7.50	
Bob's Tooling	\$6,000	5.75	
Blue Construction	\$10,000	15.00	
ACME Corp.	\$5,500	7.25	
NorthAm Corp.	\$4,200	7.50	
BMI Inc.	\$7,500	8.75	
Orange Ltd.	\$3,000	5.00	
Canada Tar Ltd.	\$8,400	16.75	
Otnorot Equip.	\$15,000	6.25	
Macrohard Ind.	\$2,600	2.00	

2. Make an extensive list of the ways in which you, as a sales- person, can improve profitability within a sales territory.