

Agriculture Business Class

Roland-Story High School

Agricultural Sales Unit



Unit competencies:

1. Explain what selling is.
2. Determine mark-up and breakeven prices.
3. Develop a product summary sheet an item to be sold.
4. Demonstrate selling.
5. Create a business card.
6. Create a product display.
7. Develop sales/marketing advertisements.

Name _____

Agriculture Business Class

Sales Unit

Activity #1 – Commission, Breakeven and Mark-up

Name _____

Purpose:

A sale is the act of selling a product or service in return for money or other compensation. The seller or salesperson – the provider of the goods or services – completes a sale in response to an acquisition or to an appropriation or to a request. Ideally, a seller agrees upon a price at which he willingly parts with ownership of or any claim upon the item. Many salespersons are paid by commission, a salary or a combination of them. In some instances, it is up to the salesperson to determine the sales price or an item or service and in other circumstances, it has been pre-determined what the price or range of prices can be.

Activity:

In this activity, you will be given information from which you will use to determine compensation for sales.

1. As a salesperson for Company XYZ, you will get a commission of 5% on sales. During this month, you sold \$40,000 worth of products. What is your commission?
2. As a salesperson for Company TUV, you will get a commission of 7.5% on sales. During this month, you sold \$60,000 worth of products. What is your commission?
3. In order to know how much an item should be sold for, it is nice to know its 'break-even' price. A break-even price is when the income equals all costs. Company B can make 250 of product ABC for \$25,000 (total fixed and variable costs). What is the break-even price per item?
4. Company B can make 25 of product ABC for \$1,000,000 (total fixed and variable costs). What is the break-even price per item?

5. Mark-up is the difference between the sales price and the cost of production. It is used to create a profit. A company decides it needs a mark-up of 40% on its items (profit margin). If they are making 1000 of Product LM and total fixed and variable costs are \$300,000 and they offer their salesperson a commission of 10%, what should be their sales price?

6. A company decides it needs a mark-up of 25% on its items. If they are making 20 of Product BC and total fixed and variable costs are \$100,000 and they offer their salesperson a commission of 12.5%, what should be their sales price?

Agriculture Business Class

Sales Unit

Activity #2 – Personal Skills of Sales and ice-breakers

Name _____

Purpose:

There are a lot of different ways to approach sales, but they all tend to rely on the same skill set. Note that these are skills, not talents: talents are inborn, but skills are learned. Anyone can learn to be an effective salesperson, and good salespeople can become great ones by developing the following sales skills. (1) Maintaining Self-Confidence, (2) Good listening skills, (3) Persuasiveness, (4) Building Strong Relationships, and (5) Self-Motivating.

Review:

Cindy works for JAS Company as a salesperson. She receives a commission of 10% for all sales. The company recently spent \$420,000 to produce a 20 of a new product (SAI). The firm desires a 20% profit margin. Assuming Cindy will sell all 20 products, what should be the sales price per item?

Activity:

Given the following customer information, develop 'ice breaker' questions you would be able to use. Your product is _____.

Scenario #1: Customer is an area farmer who raises livestock (cattle and swine) and has crops (corn and soybeans).

Scenario #2: Customer owns and operates a farm store that has a variety of products (example would be a smaller scale Theisens).

Agriculture Business Class

Sales Unit

Activity #3 – Different Kinds of Customers – Product Summary Sheet

Name _____

Purpose:

A Product summary sheet is sheet used by the salesperson as a script for a sales call. It will include some of the basic information of the product they are selling.

Directions:

Pick a product that you want to sell to the class. Your assignment is to outline your sales plan. You will sell your product to the class on _____. The sales plan should include the following:

Product Summary Sheet:

- A. Your Name.
- B. Statement of your situation, circumstances, location, etc.
- C. Company you are representing.
- D. Product to be sold.
- E. Features of the product.
- F. Product structure.
- G. Warranty.
- H. Service availability.
- I. Demonstration or function of product (if appropriate).
- J. Competitors (at least 2) and pertinent information.
- K. Price.
- L. Closing statement or method

Factors to be evaluated on the Product Summary are:

Items to be evaluated	Maximum points possible	Points earned
Product features – size, color, capacity, etc	4	
Options available	2	
Cost	2	
Service	2	
Competitor information	2	
Neatness	3	

Agriculture Business Class

Sales Unit

Activity #4 – Advertising and Promotions

Name _____

Purpose:

Advertising in business is a form of marketing communication used to encourage, persuade, or manipulate individuals to purchase a good or service.

Activity: In this activity you will do either scenario 1 or 2 and #3.

- **Scenario #1 or**
 - You are a local livestock producer and for your assignment, you are to create an advertisement that would be used in a local paper to promote your product. You specialize in selling carcasses that are already “broken down”.

- **Scenario #2:**
 - You are a local butcher and your assignment is to promote the meat and products that you are selling as well as promote your butcher shop (pattern this after Story City Lockers). The ad will be run in the local newspaper.
 - Items to use in your Ad:
 - pictures/graphics
 - catchy slogans
 - different colors ??
 - information you want the customer to remember
 - business name, address, and phone number

- **Scenario #3:**
 - Write an advertisement that you could use on the radio that would 30 seconds in length. Include such items as what you are selling, where you are located, and other pertinent information about the product (agriculturally related) you are selling.

Agriculture Business Class

Sales Unit

Activity #5– Business Card

Name _____

Purpose:

A business card is a small card that contains details of the person who gave it to you with their relationship to the business or organization they representing with ideally the organization's logo and the person's contact details. Some companies nowadays use their vision statement or their brand identity statements to make themselves appear unique to their clients and consumers.

Activity:

In this assignment, you will be designing and printing a sheet of business cards that can be used later in this unit when you make your sales presentations.

Procedures for Using Microsoft Word

1. From the **Tools** menu, select **Envelopes and Labels**.
2. If not already selected, click on **Labels** tab and choose **Options**. Then choose **Label Products**. Choose **Avery Standard**.
3. Highlight the Avery product you are using (*Avery 5376 Business Card*) and click **OK**.
4. For single cards or a full sheet with the same information, type in the text, and click **New Document**.
5. Modify as desired – centering, bold, style of print, adding of graphics, etc.
6. Print as usual using the **manual feed** option.

Agriculture Business Class

Sales Unit

Activity #6– Displays/POS

Name _____

Purpose:

A **point-of-sale display** (POS) is a specialized form of sales promotion that is found near, on, or next to a checkout counter and the previous conveyor belt. They are intended to draw the customers' attraction to products, which may be new products, or on special offer, and are also used to promote special events.

Activity:

1. **Team activity**, your team is to develop a POS table-top display over the items you have been given. You will then defend your logic/reasoning's to the class.

2. **Point of sale advertising poster.**
 - a. Use the furnished material(s) to develop a poster to accompany an agricultural sales display.

3. **Print media. Newspaper or magazine**
 - a. Use the furnished material to prepare the “copy” and design the layout of an advertisement scheduled to appear in a designated newspaper or magazine.

4. **Broadcast media. Television or radio**
 - a. Use the “props” provided to prepare the “copy”, and rehearse a 30 second long commercial for a local radio show.

Agriculture Business Class

Sales Unit

Activity #7– Customer Complaints

Name _____

Purpose:

A customer complaint is “an expression of dissatisfaction on a consumer’s behalf to a responsible party”. It can also be described in a positive sense as a report from a consumer providing documentation about a problem with a product or service. Some modern business’s urge customer complaints and treat them ‘as a gift’. Customer complaints are usually informal complaints directly addressed to a company, and most consumers manage to resolve problems with products and services in this way, but it sometimes requires persistence.

Activity:

1. The Consumer Affairs Department at Clayton’s Sauces has received the following letter from a customer and passed it onto you (you are one of the food scientists that work for Clayton’s Sauces). Respond to the consumer’s complaint. Your response should contain the answers presented by the consumer. Be concise and courteous in your response. Your response will be typed and printed and will be evaluated based on the identification of problem, identification of correct solution, completeness and correctness of your response, courteousness, conciseness (limit to 1 page), and appropriate grammar and correct spelling.

Dear Sirs:

I purchase a jar of your ‘Extra Creamy Mayonnaise’ a month ago and when I opened it yesterday found that the mayonnaise looked clumpy and that there was a layer of oil on the surface of the mayonnaise. It appears that the product I purchased does not live up to its name of ‘Extra Creamy Mayonnaise’. I was especially disappointed since I was making my famous potato salad for our family reunion and had to change my plans at the last minute. I have several questions regarding your product.

- 1. What happened to the mayonnaise to cause it to curdle and the oil to separate?*
- 2. Will I get sick from eating the mayonnaise?*
- 3. Is there anything I can do to correct the problem to make the mayonnaise creamy, or should I just throw it out?*
- 4. What will your company do to make sure this does not happen in the future?*

Although my family and I have been loyal customers of Clayton's Sauces, this experience may affect our decision to buy your products in the future.

Thank you.

Elsa Gultzow

Activity 2:

In this activity, you will work with another student to develop a 'skit' in which you will be demonstrate a 'face-to-face' customer complaint (all parties will be civil) and attempt to arrive at a solution that is satisfactory to both parties.

Agriculture Business Class

Sales Unit

Activity #8– Agricultural Sales

Name _____

Directions:

Pick a product that you want to sell to the class. Your assignment is to outline your sales plan. You will sell your product to the class on _____. The sales plan should include the following:

Product Summary Sheet:

- A. Your Name.
- B. Statement of your situation, circumstances, location, etc.
- C. Company you are representing.
- D. Product to be sold.
- E. Features of the product.
- F. Product structure.
- G. Warranty.
- H. Service availability.
- I. Demonstration or function of product (if appropriate).
- J. Competitors (at least 2) and pertinent information.
- K. Price.
- L. Closing statement or method

Evaluation:

Items to be evaluated	Maximum points possible	Points earned
Product features – size, color, capacity, etc	4	
Options available	2	
Cost	2	
Service	2	
Competitor information	2	
Neatness	3	
Presentation – approach		
Opening	2	
Determined customer needs	2	
Eye contact	2	
Demonstration of product		
Organized	2	
Demonstrated features	2	
Buyer participation	2	
Stressed benefits	2	
Closing sale		
Answered questions	2	
Attempted to close sale	2	
Made smooth effective close	2	
Demonstrated confidence	2	
Tact and courtesy	2	
Product was appropriate	2	
Product knowledge		
Specifications	2	
Product safety and operation	2	
Product advantages	2	