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Vpliv vrhnjega managementa na vodenje prodaje
Impact of senior executives on sales management

Doktorska disertacija

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ABSTRACT – Impact of senior executives on sales management

Once a company has a clear marketing strategy, implementing it would seem to be a fairly quick process. But most executives underrate the difficulty that is involved in implementing a marketing strategy and in consequence, managing salespeople who are responsible for transforming strategic plans into material results. A good place to start is with fundamental standpoints of senior executives about the nature of a company's customers and the type of sale they require.

Today's customers affect changes in purchasing concepts as they are willing to undertake a significant effort to get better value. As markets commoditize, and the amount of value that resides in the product or service steadily erodes, sales force behavior begins to play more significant role. But the problem is that traditional sales forces turned out to be costly or moved towards customization and failed to upgrade its skills.

Over the past two decades the development of strong and enduring relationships with key customers has become accepted as the foundation for a competitive advantage in many business to business companies. This fact implies that senior executives should redefine sales force behavior in order to ensure that the right people possess the necessary competencies and authority to execute the appropriate sales strategy.

Literature, experience and research studies conducted within different industries and in scores of organizations, all increasingly point to a direct relationship between a company's sales success and its commitment to manage their salespeople. Yet trends in actual management practice are moving away from these very principles in a direction exactly opposite to what this growing body of evidence prescribes. Thus, it can be observed that companies often experience gaps between the desired and the actual sales force behavior. This implies that the most important task of senior executives is not only to make strategic decisions but to build management control systems that help produce a more reliable transformation of the desired salespeople's behavior into an actual one.

This critical state of affais turned out to be an interesting challenge for me and led me to engage in the present research work, which shows how new developments in strategic sales management are taking shape. Based on rigorous first-hand research, I examine the challanges senior executives are facing when transforming the sales force so that it can better adapt to the new competitive environment.

I have undertaken an extensive literature review to underpin this research topic and have focused on the following fileds of work: the new paradigm of relationship marketing, the phenomenon of customer value creation, the alignment of sales efforts with marketing function, and the management control that is exerted upon sales and marketing employees in order to enable effective implementation of marketing strategy. The study of literature includes also a relationship between sales and marketing functions as both of them serve the same purpose – generating the sales results.

I realized there is still a gap in the research about how to implement a customer-oriented philosophy within a company and translate it into the salespeople's behaviors. The practice of consultative (relationship) selling in contrast to transactional (traditional) selling has been identified with interdependence between the sellers and the buyers, the sharing of critical information that is based on trust between the two parties, and the longevity of the

relationship that enables both parties to enjoy financial rewards from coordinated strategic investments. This implies that the required sales skills to accomplish such a relationship differ significantly from those being recognized as sufficient in transactional sales.

The most important and frequently used management policies that help managers support the desired sales force behavior are related to monitoring, directing, evaluating, and compensating the salespeople. Combined, these policies form a sales force control system (SFCS), which is effective to the extent to which its principal components are consistent with one another. None of the single policies can work alone but each is an essential tool for a successful sales force change effort.

After a theoretical rationale has been explained, the research problem is outlined and the research model is presented in the thesis. I aim to enrich the current knowledge about the rather limited amount of research directed at examining the impact senior executives have on sales management by exploring the contents and the consistency of sales force control systems. Accordingly, I develop research questions and describe the research methods employed in the empirical part of the study. The data are collected with a help of structured and semi-structured questionnaires, in-depth interviews and focus groups. A great part of the data is analyzed with a qualitative categorical approach and refined with a quantitative analytical approach at the end.

The present research is built on the foundation provided by Anderson and Oliver (1987) who characterized the sales force control systems mainly along the dimension of input-based (or activity or behavior) control versus output-based (or outcome or result) control. Although this distinction has been widely accepted, it provides limited explanation of what induces a firm to select one (or several) specific control tool rather than another. I recognized a need for development of a new conceptual framework (1) that integrates the existing streams of control systems in a more coherent and well defined manner, (2) that characterizes SFCSs more precisely than by its outcome-behavior dimension, (3) that recognizes SFCS as an influence process in which the senior executives' impact on sales management is clearly exposed, and (4) that tries to explain the reasons for the inconsistencies within the sales force control systems.

This study proposes to integrate two disconnected literatures, customer value creation in the selling–buying process and SFCS, into a unified framework. Although, by keeping the old rationale, the sales force control system is thus characterized along a new dimension of consultative -versus- transactional behavior based control. The replacement of the dimension offers new insights to sales research. This contributes to a better understanding about how SFCSs that meet the objectives of senior executives in terms of relational versus transactional salespeople's performances should be established.

This integration is achieved with the help of a theoretical model, which suggests that the impact of senior executives on sales management is formed via the interplay of six notable processes that occur more or less in a sequential, stage-like order. These are: articulating the desired sales force behavior, creating sales force competences, defining a sales performance evaluation, designing sales force compensation, determining the amount of needed supervision and aligning sales efforts with other functions.

My findings show that managers, although they accept the consultative selling idea, in practice do not enable their sales and marketing employees to fully and effectively perform in a desired way. This can be gathered from the inconsistent use of management policies that have been radically analyzed in this study, by taking into account the statements of both, the senior executives and the managers, as well as the perceptions of the sales and marketing employees. My results offer clear and compelling evidence of inconsistencies within the control systems and imply that the gap between the desired and the actual sales force behavior increases, as effective implementation of marketing strategy in companies decreases.

This study sheds light upon the reasons that cause inconsistencies in SFCSs in relation to consultative sales force behavior as desired by their executives. The main reason for the inconsistent use of SFCSs and a major obstacle for more effective implementation of marketing strategy stems from an underestimation of the complexities related to the management of today's sales forces by senior executives themselves. In summary, this concerns the following reasons: the lack of a uniform view on sales management among executives in the same company, an insufficient understanding of customer value segmentation and customer value requirements, an incremental and self-sufficient approach in attempts to improve SFCSs, an overemphasis on short term results, the insignificant attention devoted to the development of sales and marketing employees on all organizational levels, structural and organizational problems, lack of integration between sales and marketing function and unwillingnesss to change.

I conclude my research by suggesting theoretical and managerial contributions. The main contribution is the theory that emerged from the study and illustrates the impact of senior executives on sales management by showing the interplay of six essential processes. Although it supports prior studies from the field of sales management, this study offers a more accurate picture of how senior executives affect the desired sales force attitudes and behavior, thus representing an important extension of the knowledge pertaining to the possible effects of SFCS. By demonstrating the reasons for the inconsistencies, I offer clear managerial implications so that actions that might lead to improvements in salesperson performance can be taken.

This research study has some limitations; the main one concerns the small sample of researched companies, which may hinder the development of generalizations in the interpretative process. However, it generated a new theoretical model that can guide future research towards investigating the impact of senior executives on sales management, based on bigger number of companies. In this way the theory that emerges in my study can be tested and translated into a more explicit one. Also, I believe that integration of SFCS and value creation concept will become an area of increasing research interest over the next few years.

Key words: senior executives, desired sales force behavior, sales force control systems, sales management, implementation of marketing strategy.

POVZETEK – Vpliv vrhnjega managementa na vodenje prodaje

Potem ko si podjetje zastavi jasno marketinško strategijo, se process njene implemenatcije zdi na prvi pogled precej hiter in preprost. Vrhnji managerji namreč pogosto podcenjujejo težavnost, povezano z implementacijo in upravljanjem prodajnih kadrov, ki so odgovorni za transformacijo strateških načrtov v otipljive materialne rezultate. Zato je dobro, da najprej presodijo naravo kupcev, s katerimi podjetje sodeluje ali želi sodelovati, in ocenijo, s katerim prodajnim pristopom jih lahko prodajni kadri najbolj učinkovito nagovorijo.

Današnji kupci hitro spreminjajo svoje nakupne odločitve, predvsem pa so pripravljeni bolj natančno preučiti, kje in kako si lahko zagotovijo večjo vrednost v nakupovalnem procesu. Medtem ko večina izdelkov, pa tudi storitev izgublja vrednost in se spreminja v blago, postaja kakovost prodajnih kadrov podjetja vse bolj pomembna. Pri tem nastane problem, saj so prodajni kadri, ki prodajajo na tradicionalni način, za podjetja predragi, če pa imajo možnost prodajati na svetovalni način, kar je bolj dobičkonosno, pa žal nimajo zadosti razvitih veščin.

V zadnji dveh desetletjih je postal razvoj trdnih in trajnih odnosov s ključnimi kupci temelj konkurenčne prednosti v mnogih "business to business" podjetjih. S takšno vizijo si podjetje pomaga pri dnevnih odločitvah in vpliva na kolektivno oblikovanje prodajnih kadrov, kot jih zahtevajo nove razmere. Iz tega sledi, da morajo vrhnji managerji videti vedenje prodajnih kadrov v povsem novi luči, radikalno drugačni, kot je bilo običajno v preteklih letih. Zagotoviti morajo, da so pravi ljudje na pravem mestu in da obvladajo potrebne veščine, s katerimi bodo imeli možnost uresničiti zahtevne marketinške strategije.

Literatura, izkušnje in raziskave, ki so bile izpeljane v različnih panogah in vzorcih v posameznih podjetjih, kažejo na pozitivno povezavo med prodajnim uspehom podjetja in zavzetostjo vrhnjih managerjev za vodenje prodajnih kadrov. Vendarle pa se trendi v praksi od tega odmikajo in gredo v smer, ki je ravno nasprotna od predlaganih ugotovitev. To neskladje se zgodi zato, ker se vrhnji managerji premalo posvečajo kontrolnim sistemom, s pomočjo katerih bi bolj zanesljivo omogočili transformacijo vedenja prodajnih kadrov v skladu s potrebami kupcev in strateških ciljev podjetja. Zatorej ni čudno, da v podjetjih pogosto opazimo razkorak med želenim in dejanskim vedenjem prodajnih kadrov. Iz tega sledi, da najpomembnejša naloga vrhnjih managerjev ni le oblikovanje tržnih strategij, temveč tudi skrb za delovanje kontrolnih sistemov.

To kritično stanje me je spodbudilo, da pristopim k raziskavi in pokažem, kako se oblikujejo novi pristopi v strateškem vodenju prodaje. S pomočjo natančne raziskave sem preučila izzive, s katerimi se srečujejo vrhnji managerji, ko poskušajo vedenje prodajnih kadrov spremeniti tako, da bo bolj skladno z novim konkurenčnim okoljem. Najprej sem opravila obširen pregled literature, ki je pomembna za predmet mojega raziskovanja in temelji na paradigmi odnosov v trženju in ustvarjanju vrednosti za kupca v prodajnem procesu. Bistveni del literature se nanaša na kontrolo, ki jo managerji izvajajo z namenom, da bi dosegli želeno vedenje zaposlenih v prodaji in marketingu ter tako omogočili učinkovito implementacijo marketinške strategije. Vključuje pa tudi odnos prodajne funkcije z marketinško, saj obe služita istemu cilju – generiranju prodajnih rezultatov.

Ugotovila sem, da obstaja malo raziskav o tem, kako implementirati h kupcu usmerjeno filozofijo v podjetju in omogočiti, da se v skladu z njo vedejo tudi prodajni kadri. Pri tem je pomembno razumeti, da svetovalni način prodaje, za razliko od transakcijskega, istovetimo z medsebojno povezanostjo prodajalcev in kupcev, ki si izmenjujejo pomembne informacije na

osnovi zaupanja in dolgotrajnih odnosov, pri čemer imata finančne koristi na podlagi usklajenih strateških vlaganj obe strani. Iz tega izhaja, da so potrebne prodajne veščine za doseganje takšnega odnosa bistveno drugačne kakor pa tiste, ki so prepoznane kot zadovoljive za transakcijski način prodaje.

Najpomembnejše politike upravljanja, ki managerjem pomagajo podpirati uresničevanje želenega vedenja prodajalcev, se nanašajo na: nadzorovanje, usmerjanje, vrednotenje in nagrajevanje prodajnih kadrov. Skupaj, oblikujejo te politike kontrolni sistem prodajnih kadrov, ki je učinkovit toliko, kolikor so njegove komponente konsistentne ena z drugo. Nobena od politik ne more učinkovito delovati samostojno, vendar pa je vsaka pomembno orodje za uspešno doseganje sprememb v vedenju prodajnih kadrov.

Po tem ko sem utemeljila teoretično ozadje svoje disertacije, predstavljam bolj natančno raziskovalni problem in model načrtovanega raziskovanja. Prizadevam si za obogatitev obstoječega znanja, ki temelji na omejeni količini raziskav, usmerjenih v raziskovanje vpliva vrhnjih managerjev na vodenje prodaje. V skladu s tem sem razvila raziskovalna vprašanja in opisala raziskovalne metode, ki sem jih uporabila v empiričnem delu študije. Za zbiranje podatkov uporabljam strukturiran in pol - strukturiran vprašalnik, poglobljeni intervju in fokusno skupino. Veliko večino zbranih podatkov razčlenim s pomočjo kvalitativne kategorične analize, le v manjši meri uporabim tudi kvantitativni pristop.

Zasnova raziskave temelji na opredelitvi kontrolnih sistemov Andersonove in Oliverja (2007). Avtorja zasnujeta sistem vzdolž dimenzije, ki na eno stran postavlja politike, usmerjene h kontroli vedenja, na drugo stran pa politike, usmerjene h kontroli rezultatov. Čeprav je bilo to razlikovanje široko sprejeto med teoretiki in raziskovalci, pa ponuja omejeno razlago o tem, zakaj izberejo podjetja prav določeno vrsto kontrolnih orodij. Zaradi naštetega prepoznavam potrebo po razvoju novega konceptualnega okvirja, ki bo (1) integriral obstoječe usmeritve kontrolnih sistemov na bolj razumljiv način, (2) opredelil kontrolne sisteme bolj precizno, kot jih opredeljuje dimenzija kontrole "vedenja" in "rezultatov", (3) jemal kontrolni sistem kot proces vplivanja in (4) poskušal pojasniti razloge za nekonsistentno rabo kontrolnih sistemov.

Prvi korak se zato nanaša na povezovanje dveh ločenih konceptov, ustvarjanja vrednosti za kupce in kontrolnih sistemov, v enoten okvir. Čeprav kontrolni sistem ohranja svojo logično zasnovo, pa ga lahko na ta način opredelimo vzdolž nove dimenzije, ki na eno stran postavlja politike, usmerjene h kontroli svetovalnega, na drugo stran pa usmerjene h kontroli transakcijskega vedenja prodajnih kadrov. Nadomestitev dimenzije ponuja dodatne možnosti raziskovanja in boljšega razumevanja tega, kako oblikovati kontrolne sisteme, ki bodo vrhnjim managerjem v pomoč pri spodbujanju želenega prodajnega vedenja.

Skladno s tem razmišljanjem sem integracijo izpeljala z uvedbo novega teoretičnega modela, ki napeljuje na to, da se vpliv vrhnjih managerjev na vodenje prodaje oblikuje preko medsebojnega delovanja šestih procesov, ki si sledijo v bolj ali manj logičnem zaporedju. Ti procesi so: artikuliranje želenega vedenja, kreiranje kompetenc prodajnih kadrov, definiranje ocenjevanja dela prodajnih kadrov, oblikovanje nagrajevanja prodajnih kadrov, določanje potrebnega nadzora nad delom prodajnih kadrov in povezovanje prodajnih prizadevanj z ostalimi funkcijami v podjetju.

Moje ugotovitve kažejo na to, da managerji sicer artikulirajo idejo o potrebi po svetovalnem prodajnem pristopu, v praksi pa svojim prodajnim in marketinškim kadrom ne omogočajo, da ga tudi dosledno in učinkovito izvajajo. To je moč razumeti iz nekonsistentne rabe politik upravljanja, ki sem jih temeljito analizirala tako, da sem upoštevala izjave vrhnjih managerjev, pa tudi prodajnih in marketinških kadrov. Rezultati ponujajo jasne in neizpodbitne dokaze o nekonsistentnosti kontrolnih sistemov, kar povečuje razkorak med želenim in dejanskim vedenjem v podjetjih, medtem ko se učinkovitost implementiranja tržne strategije zmanjšuje.

Rezultati raziskave osvetljujejo razloge za ugotovljeno nekonsistentnost v povezavi z želenim svetovalnim vedenjem prodajnih kadrov. Glavni razlog za nekonsistentno rabo kontrolnih sistemov in glavno oviro za bolj učinkovito izvajanje tržne strategije je moč pripisati vrhnjemu managementu samemu, ki podcenjuje kompleksnost upravljanja prodajnih kadrov. Razlogi v strnjeni obliki so: pomanjkanje enotnega pogleda vrhnjih managerjev znotraj posameznega podjetja na vodenje prodaje; pomanjkljivo razumevanje vrednostne segmentacije kupcev in njihovih zahtev po vrednosti; postopno in samozadostno pristopanje k uvajanju izboljšav na področju kontrolnih sistemov; prevelik poudarek na doseganju kratkoročnih rezultatov; premajhna pozornost, posvečena razvoju prodajnih in marketinških kadrov na vseh organizacijskih ravneh; strukturni in organizacijski problemi in premajhna povezanost prodajne in marketiške funkcije.

Svojo študijo zaključujem z diskusijo in s predlogom svojega prispevka k teoriji in praksi. Glavni prispevek vidim v teoriji, ki je nastala v empiričnem delu te študije in ilustrira vpliv vrhnjega managementa na vodenje prodaje s prikazom medsebojnega delovanja šestih pomembnih procesov. Čeprav moja študija podpira ugotovitve prejšnjih raziskav, pa ponuja bolj natančno sliko o tem, kako lahko vrhnji managerji vplivajo na želeno vedenje prodajnih kadrov, kar predstavlja pomembno razširitev znanja o možnih učinkih kontrolnih sistemov. Prepoznavanje razlogov za nekonsistentno rabo kontrolnih sistemov ponuja jasne napotke managerjem za izboljšavo vedenja prodajnih kadrov.

Študija ima nekaj omejitev, med katerimi je glavna ta, da se nanaša na majhen vzorec podjetij, ki so sodelovala v raziskavi. To lahko predstavlja oviro pri posploševanju v procesu interpretacije rezultatov. Kljub temu pa teoretični model, ki sem ga razvila v tej študiji, omogoča izvajanje nadaljnjih raziskav na večjem številu podjetij. Na ta način je moč testirati nastalo teorijo in jo pripeljati do tega, da bo postala bolj eksplicitna.

Ključne besede: vrhnji menedžment, želeno vedenje prodajnih kadrov, kontrolni sistem prodajnih kadrov, vodenje prodaje, implementacija marketinške strategije.

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1 INTRODUCTION

It has become increasingly clear over the past decade or so, that salesmanship has been changing, especially when one business sells industrial or consumer goods and services to another. Consequently, the salesperson is being called on to perform in a different way (Shapiro and Posner 2006). Business-to-business firms are moving from a goods-dominant logic toward a service-dominant logic (Vargo and Lusch 2004), applying business models that build on the value creation, and transitioning from selling products toward selling solutions, or systems selling (Rackham and De Vincentis 2002).

As a result of the overall changes in business models, the role, function, and process of sales has changed from an operational, product-based, and transactional role toward a more strategic, customer-focused and relational process of solution sales. It has become an integrated part of long-term customer management and a strategically focused part of business strategy. This suggests a need to change the unit of analysis from the activities and attributes of the salesperson toward strategic and managerial practices (Storbacka et al. 2011). One of the most critical practices is certainly the way how a company manages and leads its salespeople. But even if managing people lies in the manager's perspective there is a disturbing disconnect detected in organizational management (Pfeffer 1998). The preliminary chapter of the thesis brings forth the background of strategic sales issues to be considered if companies are to succeed in today's market place. Also, it explains the main goals of the thesis, outlines the sequences of thesis chapters, and presents the résumé of main conclusions of the thesis.

1.1 Strategic considerations

The most important factor that separates successful companies from less successful ones is not only their ability to formulate superior strategies but - their state of readiness to effectively implement them. Sales people work in the boundary between a company and its customers and have therefore direct impact on the implementation phase (Steenburgh 2006).

Many companies have already experienced gigantic shifts because their selling abilities no longer correspond to the dramatically changed world of buying (Rackham and De Vincentis 2002). The combination of the power of buyers, different customer needs and wide-open competition has had a profound impact on the sales function. Sales job requirements have been altered to such an important degree that endeavors to secure traditional incremental changes and tactical fine-tuning undeniably fail. The formation of the selling function has therefore become a strategic corporate task (Shapiro et al. 1994).

The degree to which companies will succeed or fail depends on whether their sales forces will know how to effectively manage the large accounts for profit and efficiently serve the small accounts at minimum cost, (Shapiro et al.1994), and above all on whether their sales forces will understand who their customers are, what kind of value do they expect and how this value can be created (Rackham and De Vincentis 2002). While most business functions have been already realigned and restructured in order to create value for customers, the sales function has proved to be resistant to a value driven process approach (Hammer 1984).

As customers today are much better informed, the traditional view of the sales force which was communicating value of the company offering, has become obsolete. Instead, customers increasingly place value on how the product is sold to them, how convenient is it to acquire, how it can be customized to their specific needs and what support accompanies it. But all too often, many sales forces, and particularly large ones at well-established companies are managed by short-term oriented and narrow-perspective executives (Shapiro et al. 1994).

The sales function can create value for customers, either by providing new customer benefits (not existing in product yet) or by reducing the cost of acquisition. In the first case the company needs a highly skilled sales force with both, relationship and problem-solving capabilities, as well as the ability to identify and deal with the profitable customer. This leads to an increased selling cost but can be simultaneously justified in the form of higher prices and create strong competitive advantage. In the second case, where the objective is to lower the cost of acquisition, the easiest way to efficiently execute the transaction is to move to a lower cost channel (Rackham and De Vincentis 2002).

Implementing the changes in sales organization rests on the active involvement and leadership of the entire top management, not just the sales management function. But most executives grossly underestimate the difficulty that is involved in introducing the required change initiatives in a sales organization especially changes associated with the consultative selling mode. As a general rule, efficiency can be built more quickly than effectiveness. It’s a faster job to improve efficiency by stripping costs out of transactional sale than it is to build the levels of skill and effectiveness needed for a consultative sale. Traditional actions are generally too small to bring about meaningful and needed improvements and to adapt to the new business environment (Rackham and De Vincentis 2002).

Therefore, one of the most common mistakes in efforts to improve sales performance is to focus exclusively on salespeople. Their immediate supervisors, sales managers and even senior executives, are even more critical for creating durable performance change. One of their crucial roles is to tie the sales function objectives to individual performance plans and help their people understand the overall strategic direction and how to align with it. They are the ones who have to put into place structures that support the vision of customer value that the company seeks to create and to ensure that this vision is reflected in the whole business chain, including other functions as well (Porter 1985, Vandermerwe 1993, Anderson et al. 1997; Rackham and De Vincentis 2002).

The manner in which a company manages its sales force has an immediate and direct impact upon the successful implementation of its marketing strategy. Since it is a revenue-generating arm of the company, sales force performance deserves special attention. This is even more critical in those circumstances in which it has become clear that the traditional view of sales management has to be changed.

But no single lever is powerful enough to transform sales performance on its own. Performance is built by aligning every aspect of the selling effort, ranging from the strategic all the way down to the last worker in the company, to support the capability a company wants to achieve with combining recruitment, training, supervision, motivation, control and reward system (Anderson and Oliver 1987; Anderson and Onyemah 2006). While not highly visible when functioning correctly, these policies become very visible and distracting when not operating effectively (Pons 2001).

The extent to which sales managers monitor, direct, evaluate, and reward sales activities is defined as sales management control (Anderson and Oliver 1987). Anderson and Oliver (1987) conceptualize sales management control as a continuum with two extremes: outcome- and behavior-based control. Outcome control encourages and rewards salesperson results such as sales volume and profitability; behavior control encourages salesperson input to the selling process, such as sales call planning and customer relationship building.

The consistency between sales management policies and the business objectives of the company must be constantly fine-tuned. Most marketing implementation problems that companies encounter stem from discrepancies between the desired and actual behavior of sales personnel. The task of aligning the latter with former should be a constant concern of senior management in order to preserve the required harmony in approaching the customers (Pons 2001).

Alas most managers are trained to plan rather than to execute. Instead to understand the critical factors needed to align people to execute the strategy, they believe that execution is primarily the job of employees lower down the organization. This mentality has to be overcome and managers have to take an active role in ensuring that the right people are in the right places and possess the requisite competencies and decision-making authority to execute the strategy. This is even more important for those employees who work in the front- line of the company, like sales, delivery, service, reception and alike.

They are often the only face customers see or see first and have therefore immense impact on creating customer loyalty which in most of the companies decreases rapidly. Senior executives have to ensure that the voice of the customers dictates the actions of the employees. But first senior executives alone have to learn how to see through the eyes of their customers (Carlzon 1987). How a company is performing from its customers' perspective has indeed become a priority for top management. Today's leaders needs to ensure that everyone at all levels, divisions and locations in company understands the strategy and is inspired to act on it (Kaplan and Norton 1996).

1.2 Purpose of the thesis

Considering the strategic background presented in the previous section, the purpose of this thesis is to investigate the impact of senior executives on sales management, particularly in perspective of relationship selling, being one of the most desired sales approach for companies worldwide in the last some years.

It has it's origin in relationship marketing that according to several leading scholars represents a paradigm shift in marketing orientation (Grönroos 1996a, 1996b, Kotler 1991, Sheth and Parvatiyar 1995, Webster 1992). This emphasis on relationships, as opposed to transaction-based exchanges, is very likely to redefine the domain of marketing and lead to a new general theory of marketing (Sheth et al.1988), as its fundamental axioms explain marketing practice better than other theories (Harker and Egan 2006).

Over the past two decades the development of strong and enduring relationships with key customers has become accepted as a foundation for competitive advantage. Relationship selling is based on interdependence between sellers and buyers, sharing of critical information that is based on trust between the two parties, and longevity of the relationship that enables both parties to enjoy financial rewards from coordinated strategic investments (Shapiro 1988; Ganesan 1994; Morgan and Hunt 1994; Rackham and De Vincentis 2002). This relationship gives the seller greater insight into the buyer's latent needs, enabling the seller to develop new offerings before the competition or to augment commodity-like products with high value-added services (Levitt 1980).

However, relationship selling is an intensive and expensive activity. At the opposite end of the continuum of selling strategies is transaction selling, a discrete activity with the transaction being the near-term outcome of the selling effort. Transaction selling is most appropriate for fairly simple products that require little service or sales support (Shapiro, 1988; Rackham 1988, Slater and Olson 2000; Rackham and De Vincentis 2002). Thus, transaction selling tends to be more efficient for standardized products while relationship selling is more effective for complex products, products that have a degree of risk associated with them or for larger sales that represent strategic importance for buyers.

For more than a decade, managers have tried to move their sales force towards relationship, or as Rackham and De Vincentis (2002) name it, consultative or solution selling. Not only does a consultative approach afford a competitive advantage, but it also makes a more honorable seller. The salesperson become a problem solver and builds a better relationship with the customer. But organizations find consultative selling a major challenge. The accepted dogma is: don’t push product on the customer, address their business problem and show value. Frequently, however, sellers have to deal with customers who need to be in control, want to define what they need and seek the best price. And when all else fails the seller falls into old habits and ends up offering a substantial discount to win the deal.

A mistake made by management is to see consultative selling just as a technique. Effective solution selling requires a culture change, from top to bottom engagement and an organization wide commitment. Otherwise, the organization doesn't speak a common language, and gives out different messages. It is therefore a top management task to establish and employ management policies that will help salespeople building up the required competencies and will motivate them to behave in a desired way. Such policies combined together form a sales force control system and have been extensively addressed in academic literature (Anderson and Oliver 1987; Cravens et al. 1993; Baldauf et al. 2001a, 2001b, 2005; Bello and Gilliland 1997; Challagalla and Shervani 1996; Darmon 1998, Krafft 1999, Oliver and Anderson 1994, 1995; Rouziés and Macquin 2002; Anderson and Onyemah 2006; Darmon and Martin 2011).

To date, however, no theoretical or empirical attempt has been made to integrate the two important streams of research in a sales management context: customer value creation in the selling-buying process and sales force control systems consisted of well designed management policies. The present research study aims to attempt such integration by conceptualizing (1) consultative sales force behavior as desired by the researched companies and (2) a set of management policies combined in an effective sales force control system senior executives use as a tool to control desired sales force behavior.

Consistent with this reasoning the first goal of the research is to analyze existing sales force control systems through conversations with senior executives and middle managers in sales and marketing departments but above all to capture salespeople's perceptions of the control system elements they experience. Empirical tests of control system theories often measure the system's elements as perceived by the individual salesperson (Cravens et al. 1993; Oliver and Anderson 1994) because the best informants regarding implemented sales force control systems are salespeople (Jaworski and MacInnis 1989). The second goal of the research is connected to an important issue when analyzing sales force control systems which is a question concerning the consistency of the control tools selected by senior executives and those used by intermediate supervisors. The third goal of the study relates to investigation of the reasons that cause inconsistent use of sales management policies within a control system - because understanding them helps guiding improvements of strategy implementation. With regard to the fact that this study can be understood as an extension (but not a replication) of the research study of Anderson and Onyemah (2006) it is of my interest to find out a common pattern of inconsistency in the researched companies and compare it with their findings.

I first outline the theoretical rationale of my study presenting the key literature that my research topic touches directly or indirectly. In the empirical part I present the research problem and the model and then set up the research questions to be answered in the study. After, I describe the research methods employed and present the results of my multi-method approach. Finally, the discussion from the theoretical and managerial perspectives is extended with clear implications for senior executives about the improvements that should be taken. The final section closes the study with a review of my main contributions, the limitations of the study and the directions for further research.

The picture that emerges from my findings tends to confirm the inconsistent use of sales force control systems, just the same as it was established in research studies based on relating research concepts (Anderson and Onyemah 2006, Guenzi et al. 2011). Researched companies rely intensively on their salespeople, who constitute a unique class of boundary spanning employees, to bridge the space between companies and their customers. However, while senior executives are more or less convinced of offering an effective support to their salespeople, salespeople reveal that signals coming down from their superiors are actually pretty much inconsistent.

Even though it is a sales management's responsibility for what happens when a company meets their potential and current customers, competency creation systems in research companies are rather weak and do not support development of desired sales force behavior. The same is true with performance evaluation founded on metrics inconsistent with the desired behavior and with compensation system that doesn't direct salespeople towards achievement of strategic objectives. The research also reveals that creating customer value in relationship selling requires management engagement and active cooperation with the sales force of a level significantly in excess of what senior executives are ready to admit or are even capable to understand. The latter seems to be the main reason for inconsistent use of sales force control systems and major obstacle for more effective implementation of marketing strategies.

2 LITERATURE REVIEW

No field of work is more essential to understanding the notion of effective implementation of marketing strategy than sales management. In the recent years, the study of sales management has become a flourishing domain among marketing theorists and researchers. The origin of these studies goes back to the comprehension of marketing mix paradigm, equalized with transactional marketing, and being shifted into relationship marketing paradigm in the middle of nineties. In the latter context there is a strong argument considered for re-examining the role of customer value creation and aligning sales efforts with other functions. Related to my research topic a significant emphasis is put on the literature about management systems that help achieving control over the salespeople's performance. However, at this point it should be highlighted that sales management literature consists of collection of many prescriptions based on "practical wisdom" and only to some extent it is supported by empirical research.

2.1 FROM TRANSACTIONAL TO RELATIONSHIP MARKETING

Within the physical and social sciences, it is common for one paradigm, a dominant paradigm to be prevalent. The dominant marketing paradigm of the twentieth century, the accepted model of how marketing worked and should be practiced, was what has come to be called transactional marketing (Grönroos 1996; Aijo 1996; Gummesson 1987; Berry 1983; Jackson 1985; Payne 1995). A paradigm, it is suggested, remains dominant until it is successfully challenged by a competing paradigm that can better explain scientific or social phenomena. Kuhn called this process of change a paradigm shift in 1962 and suggested that it was evidence of evolution within a discipline (Harker and Egan 2006). Relationship marketing, a term alluded to by Thomas (1976), but first explicitly used by Berry (1983): see Kotler 1992; Grönroos 1990, 1991; Hunt and Morgan 1995; Berry 1995; Sheth and Parvatyar 1995; Thurnbull and Wilson 1989) challenged the primacy of transactional marketing as a theory and practice.

2.1.1 The dominance of marketing mix paradigm

In a seminal work, McCarthy presented the marketing mix management approach in the year 1960, reconstracting Borden's original 12 variables from 1954 (Harker and Egan 2006) into the now familiar "4Ps" framework (product, price, placement and promotion). Although probably the best known model in marketing its theoretical foundations have been severely questioned (Waterschoot and Van Den Bulte 1992; Gummesson 1987; Sheth at al.1988; Webster 1992; Duncan and Moriatry 1998).

In the time (and place) of high consumer trust, effective mass marketing, growing prosperity, homogenous demand, poorly developed distribution channels and dominant manufacturers (Harker and Egan 2006) the transactional or marketing mix paradigm appeared to be working very effectively indeed. In time it became the basis of "modern" transactional marketing (Takala and Uisitalo 1996; Kotler 1992; Aijo 1996). The simplicity and communicability of the marketing mix paradigm, in combination with its apparent success, combined to turn marketing into "a highly effective impact machine" (Grönroos 1990, 16). As marketing education spread around the globe from its American birthplace, transactional marketing rapidly became the overwhelmingly dominant marketing paradigm. The dominance of the marketing mix has been such that other marketing theories were effectively stillborn (Harker and Egan 2006).

The theory and practice of transactional marketing assumed that consumers were available in great numbers and behaved passively. But the characteristics of consumers also changed. Standardization had been the key to mass production, but mass markets had begun to fragment. Customers became more sophisticated and demanding, requiring products and services tailored to their specific needs (Bennet 1996; Christopher et al. 1991; Farrance 1993). What the transactional marketing paradigm had become in practice was not a customer-oriented approach to business but a product-oriented philosophy (Grönroos 1994b; Gummesson 1997).

Many weaknesses of the transactional paradigm were initially hidden, but revealed as the environment in which firms operated evolved beyond recognition (Turnbull and Wilson 1989; Blattberg and Deighton 1991; Aijo 1996). In the USA, intra-market competition intensified considerably as the number of firms – both local and foreign – increased (Jackson 1985; Gummesson 1987). This spread to most developed consumer goods markets changing them from a state of growth to one of maturity. Firms had to compete for a static number of customers within markets that were becoming increasingly saturated with products (Berry 1983; Morgan and Hunt 1994) a development which has been termed hyper-competition (Ohmae 1990; Kotler 1991). This exposed transactional marketing as a theory developed out of growth, not stagnation (Grönroos 1991) or super-competitiveness, and that it was proving unsuitable in many, but perhaps not all, circumstances (Harker and Egan 2006).

2.1.2 Main criticism of transactional marketing

The transactional marketing paradigm, as discussed, had its origins within a unique and highly specific environment, that of the North American consumer goods market in 1950s. These origins limited the value of transactional marketing as a universal theory of marketing (Mattsson 1997), albeit in very different ways.

The "4 Ps model" slowly became criticized as a list of decision making variables on several fronts. Among others, it was accused to portray the marketer as the active party in pursuit of a passive customer within a simple market framework – in reality, the situation was far more complex. But the fault lies not with McCarthy, but with marketing academia as a whole (Harker and Egan 2006). Almost from the moment of its ascendancy in the mid nineteen-sixties, questions began to arise about the validity of marketing mix management as a general theory of marketing (Waterschoot and Van Den Bulte 1992; Gummesson 1987). Principally these questions originated from those operating with business and socio-political environments very different from that of the United States, for example Europe and from marketers working within the industrial (B2B) and service sectors (Elg and Johansson 1996).

Rather than start again by challenging the conceptual basis of transactional marketing, the quickest and most convenient "solutions" to the problem was to expand on the same approach – abstracting the market relationship into a list of decision making variables. An unintentional legacy of McCarthy's 4 Ps model was that most of these lists used words beginning with the same letter which became more extreme in the late nineteen-seventies (Harker and Egan 2006). Some managed the minimal level of revolution to add terms that didn't start with P (Kotler 1991). These new lists were an admission that the marketing mix management and transactional marketing paradigm were failing to satisfy modern marketing conditions. It became apparent that these lists did not represent a solution to the inadequacies of the 4Ps model, given the fundamental deficiency in the format of the marketing mix model (Harker and Egan 2006).

Even more criticism of transactional marketing was directed at its practice. The most typical organizational structure, and one commonly found within the context of end-user orientated firms (Christy et al. 1996) is to have within the organization a sub-unit (i.e. marketing department) separate from the rest of the firm, with responsibility for "marketing" – market analysis, advertising, sales promotion, pricing, distribution and product packaging (Grönroos 1994a). Marketing was treated as a specialist management function, rather than a general management issue.

2.1.3 Emerging of the relationship marketing paradigm

Transactional marketing maintains the assumption of its microeconomic origins in that the marketing mix is used to help a company "optimise" its profit function (Waterschoot and Van Den Bulte 1992; Grönroos 1991). It is because of this that firms considered that marketing objectives were met at the point of customer attraction – i.e. moment of exchange. There was a growing recognition that, in marketing a service, the objectives should not only be to attract, but to then keep and maintain the customer – to develop a long-term relationship with them (Bitner et al. 1994; Cravens and Piercy 1994; Grönroos 1991; Gummesson 1987).

When selling a physical product, the costs of production are offset by the revenue of the purchase. With a service, the majority of costs are often incurred whilst "setting-up" the service (Berry and Parasuraman 1991; Booms and Bitner 1981), for example; accountancy and banking. The implication of this is that a longer-term strategy, in conjunction with placing significant emphasis on customer retention will yield dividends (Berry 1995; Parasuraman et al. 1991; Grönroos 1990) and indeed, empirical evidence (e.g. Reichheld 1996 in Harker and Egan 2006) supports this.

This is not the only view in the literature. Among others (Christy et al. 1996) further interesting interpretation of the association between the transactional and relational marketing is given by Palmer (1994, 573): "Successful marketing should focus attention not just on how to gain new customers, but how to develop loyalty from those that an organization has previously and expensively gained. It is about seeing a relationship from the customers' perspective and understanding just what they seek in a relationship".

It was during this period of marketing uncertainty that relationship marketing first began to be discussed. Amongst many other things, it has also been called "customer-focused management" (Gumesson 1994) or "relationship management (Payne 1995). Berry (1983) who first started to explicitly use the term relationship marketing used it as part of a critique of service marketing literature, arguing that researchers and businessmen have concentrated far too much on attracting consumers to products and services than retaining them. He advocated a switch from a transactionary approach, where marketing effort was focused on customer attraction, to a relational approach, where the attraction of new customers should be viewed only as an intermediate step in marketing process, while the primary objective was retaining customers.

Berry (1983, 25) defined relationship marketing as "attracting, maintaining, and – in multi-service organizations – enhancing customer relationship". Simultaneously, working within the arena of B2B marketing, Grönroos (1996c) advanced a similar definition. This parallel development within separate areas of research is far from coincidental (Takala and Uisitalo 1996). As with the transactional marketing literature, each of these streams of research emanates from within a specific business environment (Aijo 1996). The results of different studies, when assessed as a body of work, highlight several commonalities in the exchange behavior between firms that contradict business philosophy derived from the transactional marketing paradigm (Elg and Johansson 1996).

Relationship marketing should permeate all parts of an organization to achieve a dialogue between buyers and suppliers in business-to-business markets (Bruhn 2003). This should lead to satisfaction of needs and long-term exchanges between suppliers and buyers. Morgan and Hunt (1994) have developed the view that relationship marketing represents a significant refinement of marketing theory and practice. In line with them, Gordon (in Harker and Egan 2006) has suggested that marketing mix approach is too limited to provide a usable framework for assessing and developing buyer-supplier relationships in many industries and should be replaced by the relationship marketing alternative model where the focus is on relationships and interaction over time, rather than markets and products.

Business to business partners are characterized as active and mutually dependent, with the buyer and seller both able to initiate an exchange. Interaction between the organizations is not the sole purview of a marketing department but instead occurs between the equivalent departments in each firm – “interfunctionally”. In practice, it was recognized that the marketing emphasis had switched from optimizing the marketing mix to the management of the firm’s relationships. Many of the economic and social characteristics of Scandinavian countries (where much of the empirical work was conducted) helped to highlight the differences between consumer markets and business to business (Harker and Egan 2006).

The body of relationship marketing knowledge was growing. Since Berry (1983) other authors had presented alternative definitions of relationship marketing within the services marketing literature. The core of these ideas is the interpersonal interaction between buyer and seller interaction. Clearly, a relationship between two parties is something that grows in strength through repeated exchanges over a period of time, it is not instantaneously generated (Harker and Egan 2006).

2.1.4 Relationship marketing as a strategic choice

The term “relationship marketing” as used in the marketing literature, may refer to a marketing tactic aiming to attract and retain customers, or to a new paradigm; but to a majority of marketing scholars and practitioners it means a strategic choice (Li and Nicholls 2000).

A simplistic view of the (non) association between transactional and relational was quickly superseded by more pragmatic and developed thoughts (Brodie et al.1997; Aijo 1996). Grönroos (1994a) suggested that the true decision facing firms was not transactional or relationship marketing, but rather where on a “marketing strategy continuum” the company should place itself. In between the extremes of absolute transactional marketing or relationship marketing, Grönroos saw a multiplicity of options combining elements of both systems (Harker and Egan 2006). This idea has great appeal, especially because in some cases, a firm could be justified in maintaining a purely transactional approach.

Observation of real world practice also suggests a hybrid managerial approach. Such a supposition goes against the common view that marketing theory only has room for one paradigm and that this paradigm should be either transactional (TM) or relationship marketing (RM). This TM-RM continuum forms the basis of a simple model in which Grönroos attempts to place various categories of goods /services at the appropriate place on the continuum. Starting at the TM end of the continuum, the category he considers most appropriate for a completely transactional approach is consumer packaged goods, followed in order by consumer durables, industrial products, and at the RM end of the spectrum, he places services. As the service element of a firm's product-service bundle increases in importance, so does the opportunity to utilise relationship marketing techniques (Harker and Egan 2006).

The general conviction prevails that a firm has to employ "a dual strategy" for different segments of customers (Berry 1995). Often this approach arises from conviction that all partners and customers are not ready for close relationships and therefore continue to prefer alienated, antagonistic relationship with the firms (Kotler 1986; Webster 1992; Berry 1995; Sheth and Parvatiyar 1995, Jančič and Žabkar 2002).

Through the lens of social exchange theory Jančič and Žabkar (2002) presented four types of exchange modes relevant to marketing discipline: power relations, intrusive selling, conventional (transactional) marketing exchange and marketing relationship. Similarly, Day (in Harker and Egan 2006) discriminates between three types of exchanges: transactional (anonymous encounters), value adding (tailored encounters for achieving customer retention) and collaborative (close encounters and the two way collaboration). The collaborative exchanges that Day sees mostly in the business-to-business markets are characterized by joint problem solving.

Relationship marketing research and practice operate according to the paradigm that firms should invest in relationship marketing to build better relationships, which will generate improved financial performance. However, findings that relationship marketing efforts vary in their effectiveness across customers and may even be detrimental to performance challenge this belief (Palmatier et al. 2006).

The belief that relationship marketing investments build stronger, more trusting customer relationships (Morgan and Hunt 1994) and improve financial performance (De Wulf, Oderkerken – Schröder, and Iacobucci 2001) has led to massive spending on relationship marketing programs yet practitioners that strive to shift customers to purportedly more desirable relational interactions often wind up disappointed in the returns. Ineffective relationship marketing is troublesome, in that the seller incurs additional expenses with nothing to show in return. More devastating however is the possibility that relationship marketing could be counterproductive and actually generate negative customer reactions (Colgate and Danaher 2000).

Customers might react negatively to a seller's use of relationship marketing when the customer is negatively affected by that relationship marketing. That is, some customers do not seek nor do they desire deeper relational exchanges, and for them the costs associated with building and maintaining a relationship exceed the perceived benefits (Palmatier et al. 2006). Authors propose that a customer's relationship orientation or desire for relational governance dictates his or her evaluation of both the benefits and the costs of a relational exchange and thus the ultimate effectiveness of a seller's relationship marketing. In this sense relationship orientation is not individual personality trait, but is instead evaluation of relational value in a given exchange context.

If managers can identify the factors that affect a customer's relationship orientation, they might target their relationship marketing efforts in a manner superior to current practices, which allocate relationship marketing spending on the basis of sales potential (Narus and Anderson 1995; Rust and Verhoef 2005). These issues address one of the Marketing Science Institute's highest research priorities (MSI 2004, p.10): "segmenting and managing by type of relationship desired by customer or firm" (Harker and Egan 2006). Palmatier et al. (2006) posit that relationship marketing generates the highest returns when the salesperson's relationship-building efforts match the buyer's relational governance needs. Misalignment imposes costs on the buyer and has therefore a negative impact on seller outcomes. Their model thus explains, at least in part, why and how relationship marketing can have a negative impact when directed towards transaction-oriented buyers.

Several trends make it even more critical for sellers to understand a customer's relationship orientation. Cost-reducing and productivity-enhancing efforts have minimized customers' time to meet with sellers; simultaneously, more sellers are implementing relationship-building strategies. Thus, customers are less likely to accept unwanted or time-wasting relationship marketing efforts. Managers can increase returns on their investments by implememting relationship marketing in a more strategically targeted manner at the individual customer Moreover, they might be well advised to expand data collection efforts to include a customer's assessment of exchange in efficiency and relationship orientation, which would lead to greater understanding of how the seller's relationship – building efforts influence the customer's benefit and cost. This knowledge would enable managers to calibrate the most effective level of relationship marketing, better allocate their scarce relationship marketing resources, and increase the probability of deploying such resources to customers for whom they will be most effective (Bruhn 2003).

Even advocates of relationship marketing realize that "transactional marketing is still relevant and its role in the field should neither be ignored nor underestimated" (Li and Nicholls 2000). Empirical findings (Brodie et al. 1997) suggest that transactional marketing may be still valid as a marketing approach, even though it may no longer be appropriate as a marketing paradigm. It follows that marketing scholars may need to adopt a position that can accommodate both the relationship marketing and the traditional marketing approaches. Both approaches, as strategic choices, can be appropriate under certain conditions.

2.2 CREATING VALUE IN CUSTOMER-SUPPLIER INTERACTIONS

The concept of value and more specifically, customer value is of increasing interest to both academics and practitioners on one hand and on the other to consumers and marketers (Patterson and Spreng 1997). To date the core focus of literature has been on the nature of value from the perspective of the organization and its customers – the customers-supplier relationship (Payne and Holt 2001). Creating customer value is increasingly seen as a new source of competitive advantage (Woodruff 1997).

Yet, despite attention being focused on this concept, there is still remarkably little agreement in the literature on what constitutes "customer value" and how it is related to relationship marketing, being one of the key developments of modern marketing science (Henning-Thurau 2000). Most studies have mainly focused on transaction or exchange and have not sufficiently taken account of value creation and delivery through ongoing relationships that extend beyond individual transactions (Peter and Olsen 1993; Zeithaml 1988 in Payne and Holt 2001, 163). A review of the literature reveals, for the term "customer value" being used in a variety of contexts and approached from many different perspectives. The aim of this section is to demonstrate early concepts of customer value, represented in great deal by Kotler, Levitt and Porter, and more recent studies, including the noteworthy one of Rackham and De Vincentis (2002) that put out sales force on the first place in value creation process.

2.2.1 Early developments in value research

The pioneering work done by Kotler (1972) and Kotler and Levy (1969) on broadening the concept of marketing, regarded the process of exchange as an essential part of marketing activity: “The core concept of marketing is the transaction. A transaction is the exchange of *values* between two parties. The things-of-value need not be limited to goods, services, and money; they include other resources such as time, energy, and feelings” (Kotler 1972). Later Bagozzi (1975) focused on the importance of the exchange process in greater detail. However, while the exchange theory of marketing provides good normative rules for exchange relationships, it does not yet explain why and how value is created (Sheth et al. 1988).

Another concept, the augmented product concept, derives from early work by Levitt (1969), who points out that competition is not between what companies produce in their factories but between »what they add to their factory output in the form of packaging, services, advertising, customer advice, financing, delivery arrangements, warehousing, and other things that people value«. This concept is formalized in Levitt's (1980) later work which outlines the “generic”, “expected”, “augmented” and “potential” product model. Shortly afterwards, Levitt (1981) distinguishes in greater detail between the marketing “intangible products” and “product intangibles”.

In this work, he points out that from the buyer's perspective the product is “a promise, a cluster of value expectations of which its intangible parts are as integral as its tangible parts”. Here the concept of value for the customer is very much viewed as an inherent part of the product or service. Levitt's model is particularly useful as it allows reconciling the marketer's traditional view of the product, seen in the terms of various inputs and processes needed to produce it, and the consumer's view of the offer, as being a set of solutions and supporting benefits (Christopher et al. 1991).

Levitt's fundamental work has been drawn on by many writers. The research on the augmented product concept has had a significant impact on the thinking of both marketing academics and practitioners. Its special contribution lies in a recognition that additional elements, beyond that of the product itself, have a profound impact on the value that be added for customers. Its limitation is there is no measurement system associated with identifying which elements of the augmented product are likely to have an identifiable impact on the customer (Payne and Holt 2001).

Apart that value also has roots in psychology and social psychology, the extensive strategy and organizational behavior literature also focuses on many aspects relating to value. Much of this derives from the work of Porter (1985) and his colleagues. Porter's work (1985) on the value chain has its origins in the “business system” developed by McKinsey&Co, and described by Buaron (1981) and Gluck (1980) in Payne and Holt 2011). Other related conceptual approaches include the customer activity cycle, the value delivery system, the value system perspective, the relationship management chain and the value constellation.

With the introduction of Porter's (1985) work came the idea of creation of competitive advantage through the management of the internal activities of the organization that together formed the organization's value chain. Porter states that his value chain is advancement on the business system concept because it addresses activities and sub-activities rather than functions, and shows how these activities are related.

In 1985, McKinsey&Co outlined their development of a value delivery system or value delivery sequence (Bower and Garda 1985). This approach, which is often referred to as the »value proposition«, emphasizes that companies need to shift from a traditional view of seeing their business as a set of functional activities to an externally-oriented view concerned with seeing the business as a form of value delivery (Bower and Garda 1985). The value delivery sequence argues that focusing on the traditional physical process sequence of »make the product and sell the product« is sub-optimal. The value delivery sequence, in contrast to the value chain, depicts the business as viewed from the customer's perspective rather than a set of internally-oriented functions.

Porter's seminal work has been influential for many researchers. The customer 's value chain, for example, is further developed by Vandermerwe (1993) who represents the customer's process as a cycle; the customer's activity cycle, by Jüttner and Wehrli (1994), then by Piercy (1998) who identifies how a number of organizational processes lead to customer value, by Clark et al. (1996) and by Stabell and Fjeldstad (1998). In opposition to Porter's value chain ideas, Norman and Ramirez (1993, 1994) show how the focus of strategic analysis should not be the company or the industry but the value-creating system itself, within which economic actors (suppliers, business partners, allies and customers) work together to co-produce value.

This stream of literature commences with a somewhat mechanistic and process-oriented approach to value, while later work described above integrates more behavioral elements. From an empirical research perspective, a major limitation has been the failure of studies to address the linkages between the company value chain and the customer value chain (Payne and Holt 2001). Although highlighted by Porter as important (1985), little subsequent empirical research has focused on this issue. However, this complex and rich stream of research has provided a basis for a number of key ideas that are evident in the later work on customer value.

2.2.2 Perspectives of value creation studies at a later period

An extensive review of the literature shows the concept of value has its roots in many disciplines including psychology, social psychology, economics, management and marketing. This review also confirms how many of the concepts overlap to some degree with a blurring of distinctions across different forms of value (Payne and Holt 2001). However, in spite of continued and increasing interest from researchers and practitioners in this area, the growing body of knowledge on customer value has been fragmented, with different points of view, as follows, and no widely-accepted way of pulling the views together (Woodruff 1997). The variety of most interesting value concepts that have been pushed forward in last two decades are described bellow:

- **Customer's value to the firm**

Grönroos (2000) pointed out that value has been traditionally used in the marketing literature to address “the value of customers for a firm”; and only to some extent the “value to the customers”. This stream of research differs from other aspects of customer value in that it concerns the value of the customer to the firm, i.e. it is an output of, rather than an input to, value creation. As such, it focuses not on the creation of value for the customer but on the value outcome that can be derived from providing and delivering superior customer value. A key concept that forms part of this perspective is that of customer lifetime value (CLV).

Research on customer retention represents a significant part of the perspective (Payne and Holt 2001). This body of research on the customer's value to the firm is important for three reasons. First, different customer segments have different potential profitability, second, by keeping a higher proportion of the most valuable customers for longer, profitability can be dramatically increased, and third, this work emphasizes the linkages between internal service climate and its impact upon employee satisfaction and customer retention (Reichheld 1996; Schlesinger and Heskett 1991; Schneider 1973; Schneider, Parkington and Buxton in Payne and Holt 2001, 164, 168).

- **Customer value as a competitive advantage**

However, of particular interest for this thesis are customer-oriented approaches to value which are closely linked to the role of value in creating competitive advantage. Special attention is therefore given to the literature that link customer value and organizational profitability, performance and competitive advantage, and argues that a company's success depends on the extent to which it delivers to the customer what is of value to them. Essential to this process is creating a market-driven culture which reinforces the core capabilities that continuously create superior customer value (Slater and Narver 1994).

The need for a strategic approach has been emphasized already by Normann and Ramirez (1993) who point out the importance of value creation as part of the strategic process. Recent work in the strategy area has focused on understanding the creation and capture of value (e.g. Bowman and Ambrosini 1998), while Naumann (1995) stresses that product quality alone is not enough to guarantee survival. He states that the key success factor for a company is the ability to deliver better customer value than the competition.

Grönroos' (1990) perspective on perceived service quality being a combination of technical quality, functional quality and image is important in this context because it illustrates the fundamental aspects of service quality. The research on creating and delivering customer value helps us to understand the critical role of developing a customer focus and market orientation and how a market-driven strategy helps develop the capabilities that create superior customer value (Payne and Holt 2001).

In the organizational behavior literature, work has focused on creation of value through the deployment of organizational resources which can be used to create competitive advantage. These may represent a core competence of the organization (Prahalad and Hamel 1990). However, as Bowman and Ambrosini (1998) point out it is the artful deployment of competences, not the competences *per se* that are important.

- **Customer value and shareholder value**

Later work on customer value has become also a dominant area of interest among practitioners and academics in connection with shareholder value. Many organizations now consider the creation of shareholder value as their principal focus. However, more recently organizations have to consider the role of both shareholder value and customer value where they have some form of share-ownership structure. Some researchers argue that customer value drives shareholder value (e.g. Corpulsky 1991, Laitamäki and Kordupleski 1997; Leemon1995; Slywotzky 1996; Sliwotzky and Linthicum in Payne and Holt 2001, 169). However, Cleland and Bruno (1996) point out that customer value is a necessary but not sufficient condition for shareholder value.

More recently Doyle (2000) has emphasized that shareholder value maximization requires a focus on delivering customer value through marketing. The customer value and shareholder value stream of research is important because it introduces a further stakeholder, the shareholder, into the consideration of value which needs to be considered together (Payne and Holt 2001). It is possible that if too much emphasis is placed on either of them this could have an adverse long-term impact.

- **Customer value as a relationship value**

Recent development (Payne and Holt 2001) in value research considers customer value from the perspective of relationship marketing, or relationship value. Wilson and Jantrania (1993, 1994) were first researchers to explicitly describe the dimensions of »relationship value«. They make the fundamental point that any relationship creates some value to both partners and how this value is shared is likely to be a major issue in the life of the relationship.

The relationship itself can also have a major impact on the total value received by the customer (Ravald and Grönroos 1996). These authors emphasize that in a relational context value for the customer is not embedded in a transactional exchange of a product for money. Instead customer perceived value is created and delivered over time as the relationship develops (Grönroos 1997). They suggest that the relationship itself might have a major effect on the total value perceived. In a close relationship the customer probably shifts the focus from evaluating separate offerings to evaluating the relationship as a whole«.

Gummesson (1999) has argued that the creation of mutual value will become the core focus of both customers and suppliers and other stakeholders in the relationship so that value is jointly created between all the parties involved in a relationship. This finding leads to the next concept of value as follows.

- **Co-creation perspective on customer value**

According to Payne and Frow (2005) the value creation process transforms the outputs of the strategy development process into programs that both extract and deliver value. According to them the three key elements of value creation process are (1) determining what value the company can provide to its customers; (2) determining what value the company can receives from its customers; and (3) by successfully managing this value exchange, which involves a process of co-creation or coproduction, maximizing the life time value of desirable customer segments.

The value that customer receives from the organization draws on the concept of the benefits that enhance the customer offer (Levitt 1969; Lovelock 1995). However there is now a logic, which has evolved from earlier thinking in business-to-business and services marketing, that views the customer as a co-creator and co-producer (Bendapudi and Leone 2003; Prahalad and Ramaswamy 2004; Vargo and Lusch 2004). These benefits can be integrated in the form of a value proposition (Lanning and Michaels 1988; Lanning and Phillips 1991) that explains the relationship among the performance of the product, the fulfillment of the customer's needs, and the total cost to the customer over the customer relationship life cycle (Lanning and Michaels 1988). Lanning's (1998) later work on value proposition reflects the co-creation perspective.

To determine whether the value proposition is likely to result in a superior customer experience, a company should undertake a value assessment to quantify the relative importance that customers place on the various attributes of a product. From this perspective, customer value is the outcome of the coproduction of value, the deployment of improved acquisition and retention strategies, and utilization of effective channel management (Payne and Fraw 2005)

Today many companies enter the market and interact with customers through a hybrid channel model (Friedman and Furey 1999; Moriarty and Moran 1990) that involves multiple channels, such as field sales forces, Internet, direct mail, business partners, telephone. Managing integrated channels relies on the ability to uphold the same high standards accross multiple, different channels that defines a concept of “perfect customer experience”.

2.2.3 Sales force behavior as a driver of customer value

Rackham and de Vincentis (1998), representatives of new thinking of customer value, have noted that some industrial buyers are solely interested in price and convenience and do not see any potential added value in maintaining relationships with suppliers. In dealing with these buyers, a sales organization is often limited to what many call »transactional selling«, namely a dominant focus on providing commodities at the lowest possible price. At the opposite end of the sales spectrum is the relationship selling, seen as a strategic and sustained effort by the sales force to maintain and strengthen deep ongoing relationships with buyers (e.g. Beverland 2001; Crosby et al. 1990; Jolson 1997; Weitz and Bradford 1999; Wilson 2000).

The conventional life cycle approach would suggest that in mature industries, high levels of productivity pressure and standardization on products and services would lead to a transactional selling environment where large customers can exert significant cost pressure on suppliers. Yet a number of studies have indicated that a relationship selling strategy can be greatly beneficial in dealing with buyers in mature market. Narayandas and Rangan (2004) argue that boundary personel such as salespeople are able to create interpersonal trust, rather than having to rely to a greater extent on explicit contracts, to manage relationships in mature commodity markets. They suggest that an emphasis on relationship development may also mitigate against the power differential between large customers and smaller suppliers.

In an age when customers not only demand more value than ever before but are also increasingly clear about the kind of value they are looking for, value alignment with customer is essential (Rackham and De Vincentis (2002). There are dramatic changes in their value expectations and understanding them is the first step to rethinking what it takes to build an effective value-creating sales force.

With better informed consumers, manufacturers can no longer rely on soft differentiators such as image or nonspecific claims of better quality. “Instead, successful players will focus on developing measurable hard differentiators that provide objective advantages over competing products” are convinced Rackham and De Vincentis (2002). Except for customers who buy in transactional way, the product is no longer the most important element in value creation. “Customers fundamentally want “value” and the way buyers are perceiving value today is indeed shifting and evolving” affirm Rackham and De Vincentis (2002). They take harder and harder look at their spending, more willing to undertake significant effort and different options to get better value. This happens regardless of economic class at the customer level and company size, industry, or financial condition at the business level.

To meet a variety of customers’ demands a different amount of sales investment in terms of time, effort and cost is required, as well as different sales strategies and fundamentally different set of selling skills. According to Rackham and De Vincentis (2002), there are basically two distinct ways for a sales function to create value: by creating new customer benefits or by reducing cost to customers.

In the first case a sales force can create new customer benefits by giving them more technical support, by improving their problem-solving capabilities, or by allowing them to spend more time working on issues that are valuable to customers or their needs. These ways of increasing customer benefits inevitably require more investments in sales force, which leads to an increase in selling cost. Sales force that adds real value can justify higher prices and can also create strong competitive advantage. But in the second case, where the objective is to create value by reducing cost to customer, the easiest way to do so is to find cheaper ways to sell.

“Having a sales force that is perceived as adding value to the product or service that a company delivers is a very strong source of competitive advantage and one that is not easy to duplicate” says Pons (2001) and continue: “The first prerequisite in achieving this position is a very thorough and detailed understanding of the sales task and a segmentation of sales force that mirrors in a realistic way the types of customers a company is dealing with".

Different customers demand different approaches to value creation. To avoid value misalignment, Rackham and De Vincentis (2002) suggest to segment customers in value terms as follows:

- Intrinsic value customers - the value for them is intrinsic to the product itself. They focus largely or exclusively on the cost elements of value. They see product or service as a commodity that is readily substitutable by competitive offerings. The greatest value for them comes from a "transactional selling" strategy that involves low selling cost and easy acquisition. There are no additional benefits that the seller can bring to the customer. Face to face presence is not likely to have an advantage. To maintain it, companies can move at lower cost to nontraditional salespeople like retirees or part-timers. Otherwise it is better to move to a cheaper channel delivery options. One cost-effective method is also to embed knowledge in systems rather than in people by putting product knowledge in electronic format.

- Extrinsic value customers are interested in solutions and applications. They put a premium on advice and help, willing to spend time with salespeople to create customized solutions. They build relationship that goes beyond the immediate transaction and appreciate investment of more selling time to ensure a potential supplier has a thorough understanding of their business needs and issues. For them a real value can clearly be created in "consultative selling" by trained, equipped and properly compensated sales force. Also the presence of the supervisor in the account at crucial stages of the selling cycle is an essential ingredient for competitive success.

- Strategic value customers create extraordinary value for a few large customers and involve relationships that are economically practical only between large suppliers and their large customers. They are prepared to make radical changes in their own organization and its strategies to get the best from their relationship with chosen supplier. The new value is created in "enterprise selling" between equals on both sides working cross-functionally. No single sales person or team can set up or maintain an enterprise relationship.

Using the above described segmentation of customers and accompanying strategies may be useful to understand the required behavior and skills of salespeople needed to apply in each selling mode. A mismatch of resources could cause waste in cases where the seller overinvests and risk in cases where the seller invests insufficiently (Rackham and De Vincentis 2002). Corporations try to build generalized selection profiles of the ideal salesperson on the assumption that there are a successful set of competencies, personality dimensions and skills that span the entire spectrum of selling situations.

There may be a theoretical ability to add value across the whole buying process, but in practice value exists only to the extent that customers perceive and want it. A typical buying process that both business-to-business and large consumer acquisitions go through and sales force can add value is (Rackham and De Vincentis, 2002):

- Recognition of needs: sales force can help customers recognize and define problems and needs in a new or different way showing them solutions.
- Evaluation of options: salespeople can show superior solutions, new and better options and approaches that customers may not have understood or considered; they create value here in a number of ways, they might customize the product or service so that it more closely fits the customer's decision criteria, or introducing new criteria into the decision that will let the customer make a more informed choice.
- Resolution of concerns: In this phase salesperson can help customers and counseling them how to overcome and remove obstacles to acquisition.
- Purchase: sales force can add value by making purchase painless, convenient and hassle-free; playing a valuable "customer advocate" negotiating with their own company, and also developing innovative payment options to better meet their financial needs.
- Implementation: sales forces show customers how to install and use product, by providing training, implementation advice and support.

There is no hierarchy among selling modes. The most important difference between selling modes is the level and nature of investment required to create customer value. In transactional sales the investment is aimed at lowering cost or facilitating acquisition. Consultative sales require and can afford a higher level of investment, increasing customer benefits and providing the opportunity for higher margins. The enterprise sale is all about leveraging the full assets of the company to create value and investments go beyond the sales force.

One of the most frequent strategic mistakes made by sales force is the attempt to move from one mode to another. Moving up the value ladder seems a smart strategy, argue Rackham and DeVincentis (2002), but it can lead to value destruction. Some suppliers wanted to escape from the tyranny of the transactional sale but their added value efforts have most of the times either been cosmetic or quickly commoditized by their competitors. Consultative selling is a way to avoid price cuts but only if it creates real value customers are willing to pay.

2.2.4 Customer-oriented selling versus selling orientation

Analogically to Rackham and De Vincentis (2002) but earlier, Saxe and Weitz (1982) defined customer-oriented selling as the implementation of the marketing concept at the level of the individual salesperson. Saxe and Weitz's (1982) article was rated as one of the top ten articles in the sales literature of the twentieth century (Leigh et.al 2001). Simultaneously, customer-oriented selling (COS) as opposed to "traditional" selling orientation (SO) has been identified as a key variable in an era of relationship or consultative selling in which salespeople are expected to contribute to a company's competitive advantage by building and nurturing value-adding relationships with customers (e.g., De Vincentis and Rackham 1998; Jaramillo et al.2007; Guenzi et. al 2011).

The evidence that a long-term strategic orientation is negatively related to selling orientation is an important message for companies willing to build long-lasting relationships with their customers because, as pointed out by Harris, Mowen, and Brown, "the use of selling-oriented tactics runs counter to long-term sales success" (2005, 22). In fact, selling orientation focuses on activities that may result in sales in the short term at the expense of customer satisfaction, because selling-oriented salespeople typically have a short-term time horizon, use manipulative tactics to close sales, and focus on short-term goals, perhaps at the expense of the customer's true needs (Saxe and Weitz 1982).

According to Guenzi at al. (2011) some organizational factors (i.e., customer oriented culture, long-term strategic orientation, and the use of a direct sales force) can be used not only to stimulate customer-oriented selling, but also to discourage selling orientation. Their findings suggest that the use of a direct sales force diminishes salespeople's selling orientation. This is an interesting finding because it is in sharp contrast with the conceptual arguments proposed by some scholars (e.g., Anderson and Onyemah 2006) who argued that commission-paid agents such as independent sales reps may be more customer oriented than employee salespeople. According to these studies, the direct sales force can afford to be poorly customer oriented because their compensation is mainly salary based and such a fixed remuneration is not affected by customer satisfaction and the subsequent level of sales.

As a consequence, members of a direct sales force may not be motivated to engage in the extra efforts that are required by being customer oriented. On the contrary, commission paid agents might be more willing to be customer oriented because having a satisfied customer base is the best way to achieve a constant, high level of sales volumes that turns into high commissions. Findings of Guenzi et al. (2011) suggest that the adoption of a direct sales force and the use of an independent, outsourced sales force can have a different ability to stimulate specific behaviors that can create superior customer value.

Guenzi's et al. (2011) results of regression analysis demonstrate that salespeople's customer-oriented selling is positively related to an important organizational outcome (superior customer value creation) and, at the same time, their findings show that selling orientation is not negatively related to superior customer value creation, which suggests that the widespread bad reputation of selling orientation may not be justified. In fact, their findings are consistent with the majority of previous studies that failed to demonstrate that selling orientation has negative effects on selected outcome variables; for example, Boles et al. (2001) reported that selling orientation was unrelated to job performance and concluded that it may be that customers expect salespeople to engage in selling-oriented behaviors to some degree.

Analogously, Wachner, Plouffe, and Grégoire (2009) found that both customer-oriented selling and selling orientation have a positive impact on performance (although they expected selling orientation to be negatively related to performance). Taken together, these results seemingly suggest that selling orientation might not necessarily be detrimental to organizational performance, at least in the short run. Just as it was explained by Rackham and De Vincentis (2002) in previous section, Guenzi et al. (2011) empirically demonstrate that salespeople can have different approaches with different customers (managing a portfolio of customer relationships in which some customers deserve customer-oriented selling, whereas other customers require a selling-oriented approach) or even different approaches with the same customers depending on situational characteristics (changing the approach to a customer across different stages of the life cycle of the relationship with that specific account).

Dependent on the selling approach (Guenzi et al. 2011) or selling mode (Rackham and De Vincentis 2002) most desired for sales force by their managers, it is important how sales efforts are aligned with other business functions of the company. This issue is discussed in the next section with the main emphasis put on the relationship between marketing and sales.

2.3 ALIGNING SALES EFFORTS WITH OTHER BUSINESS FUNCTIONS

The responsibility sale has, since it is revenue-generating arm of the company, needs to be fully understood and respected by senior executives. It is their job to make sure that effective organization structure is shaped and alignment between the sales team and rest of the company is created. Sales touches more departments within the organization and has more tactical impact on these departments than any other department, since sales puts strategic demands on all departments and makes tactical request throughout the organization (Miller 2001). Among these interactions there is particularly important how sales and marketing functions cooperate together as they both pursue the same aim. In this chapter the emphasis is put on this coordination and on creation of value added business chain by keeping distinction between transactional and consultative selling modes.

2.3.1 New organization structures to focus on value creation strategies

There's no doubt that the wrong organization structure can make the best strategy unworkable (Rackham and De Vincentis 2002). Sales forces in the new era can no longer exist in isolation and they must be an integral part of the company's value creation and value delivery chain. The new customers care crucially about value and they define value in very different way. Consequently, the business systems and organization structures of the companies must be designed to deliver the kind of value that customers demand (Porter 1985; Bower and Garda 1985; Vandermerwe 1993; Clark et al. 1996; Piercy 1998; Rackham and De Vincentis 2002). Rackham and De Vincentis (2002) claim, that the business chain has to start with the value needs and expectations of the customer and works backward to align the elements of the business system to create value for that customer set. From there, work backward through the business chain of order fulfillment through manufacturing and, finally, look at the R&D. The first element in the business chain that most customers meet, happen to be the sales force and how it is aligned and linked to other functions in the business system is of great importance. Basically the task is to match the structure to the target segment's value requirements, considering both the structure of the sales organization and the alignment of, and linkages to, the other functions in the business chain.

According to Rackham and De Vincentis (2002), the emphasis in the transactional sale, is on efficiency and execution – stripping out all unnecessary cost and making the acqusition process as fast, convenient, and hassle free as possible. If a direct sales force is involved at all, it will likely be structured primarily along a geographical axis, which generally turns out to be the most cost-efficient alternative. Accordingly, one salesperson will be responsible for all products and accounts.

A consultative sale, in contrast to a transactional sale, must shift more attention to effectiveness. The distinction between efficiency and effectiveness is an important one that may not be readily clear in the context of sales force. Put simply, efficiency is about covering as many customers as cost efficiently is possible while effectiveness in contrast, is whether the seller can create enough customer value to win the business. The direct sales force in this sale will often be organized around products and/or customers or industries.

Most major companies need to cover both types of customers to achieve their financial goals are convinced Rackham and De Vincentis (2002). The principles are the same but the application of those principles becomes more complex. The best path is to structure the organization with separate and distinct approaches for each customer type, sharing elements where that make sense, without compromising the ability to serve distinctly different value creation needs. Working backward from the market, the other elements of the business system need to be aligned to be able to deliver against the distinctive needs of each segment. Dual business system should be run as efficiently as possible, but the system for transactional customers must be driven by cost and convenience considerations, while that for consultative customers should build in more flexibility and capability to adapt to specific customer requirements.

Structural changes are essential step in executing the value creation vision, as structural issues affect the whole corporation and not just the sales function. One of the biggest dangers when changing sales force is to design sales force structure in isolation from the total business system. Done well, structural change can play a very important role in signaling the new direction and/or strategy and in facilitating the capability building and new metrics that will also be required to effect change.

Many customers don't want or need expensive face-to-face interaction. In fact, a shift to telesales may actually increase satisfaction and renewal rates for certain customers. The primary task for any sales organization is to maximize the amount of time reps spend selling while ensuring that they sell the right products to the right customers. That's even more important during difficult economic times, when customers resist committing themselves and sales reps must pursue renewals and new business aggressively.

2.3.2 The nature of interactions between marketing and sales departments

This research study focuses primarily on inter-functional interactions between marketing and sales, since they are the two organizational units that are in charge of managing market related activities (Dewsnap and Jobber 2000; Homburg and Jensen 2007; Homburg et al. 2008).

A problem often faced by firms is the lack of communication between marketing and sales personnel. Strategies developed by the marketing department are not implemented properly by the sales force managers, resulting in unstructured sales programs and poor performance. In order to remedy this situation, management must define a role for the salesforce, which involves clearly indicating: (1) the emphasis strategy places on the salesforce, (2) the targets for personal selling, and (3) the nature of the selling effort. The sales manager must then translate this role into specific activities to act as a guide to the day-to-day operation of the field sales force. Appropriate sales management policies should be developed to guide decisions on sales force organization, recruiting and selection, training, remuneration, performance evaluation, and supervision. Sales and marketing managers must work together, and sales force policies should reflect the marketing strategy that they are designed to implement (Kashani 1987).

Interaction is typically considered a key sub-dimension within the broader concept of interfunctional integration (Kahn and Mentzer 1998). Interaction involves communication processes, exchange of expertise, and information sharing. As such, interaction mechanisms can be defined as process aimed at facilitating cross-functional interaction, information flow, and the generation of mutual understanding between members of the organization (Dewsnap and Jobber 2000). Research evidence suggests poor alignment between functions, which leads to inconsistencies between marketing strategies, sales management processes, and sales force activities (Cross et al. 2001; Kotler et al. 2006; Viswanathan and Olson 1992).

Indeed, Strahle et al. (1996) demonstrated that, in most instances, the activities performed at the sales department do not reflect the strategy at the strategic business unit level. Evans and Schlacter (1985) found that the sales force was not integrated in marketing planning processes, and Coletti and Chonko (1997) showed that changes in marketing strategies do not drive toward consistent modifications of sales strategies and tactics.

Dewsnap and Jobber (2002) advocate that when members of the two functions meet regularly, exchange information, and develop a mutual understanding the chance to achieve the objectives set for market-related decisions is increased. Likewise, Guenzi and Troilo (2006) showed that increased interaction and collaboration between marketing and sales fosters the development of marketing capabilities, such as market sensing, market learning, and customer relating. Therefore, the existence of good interaction mechanisms between marketing and sales departments will increase formal and informal communication processes and information flows (Dewsnap and Jobber 2000; Kahn and Mentzer 1998).

When sales and marketing work together, companies see substantial improvement on important performance metrics: sales cycles are shorter, market-entry costs go down, and the cost of sales is lower. That’s what happened, when IBM integrated its sales and marketing groups to create a new function called “channel enablement”. Before the integration, explain IBM executives, the functions operated independent of one another (Kotler et al. 2006).

Marketing, if it is doing its job well, helps salespeople manage the tension created by their boundary spanning role. While other departments within an organization sometimes view sales and marketing as interchangeable, considerable infighting can exist between these two groups. Differences in orientation play a big role in creating this tension (Steenburgh 2006).

2.3.3 Different types of relationship between sales and marketing functions

Traditionally, claims Shapiro et al. (1994), the salespeople dealt with accounts and the marketing people worried about the other elements of the marketing mix such as the product, branding, advertising, and pricing. Distribution was generally split – the marketing people did the strategic, cerebral, policy level work, and the sales force executed in the field. Marketing organizations are typically designed to manage the product life cycle while sales organizations, on the other hand, are designed to satisfy customers' immediate needs (Steenburgh 2006). But those days of separation are gone (Shapiro et al. 1994; Kotler et al 2006).

> *"At the top of the pyramid, marketing and sales must make joint decisions about product, price, brand, and all kind of support. When heavyweight distributors demand private label merchandise, both organizations need to be involved. Pricing, product customization, and service customization cannot be entrusted to either group alone. The impact on economics, the whole account base, and corporate strategy require an integrated approach" (Shapiro et al.1994, 12).*

More recent studies (Piercy and Lane 2003; Piercy 2006) regarding the changing role of sales and marketing functions emphasize the importance of an effective and harmonious marketing-sales interface. In addition, marketing strategy empirical research has highlighted how a smoothly functioning sales-marketing interface can facilitate strategic activities such as timely dissemination of market information (Kohli and Jaworski 1990), co-ordination of marekting activities, market responsiveness, delivery, and the creation, (Cespedes 1992; Day 1994; Smith et al. 2006), and communication of superior customer value (Guenzi and Troilo 2007).

There is a constant debate among scholars regarding whether the two functions need to be separate or integrated; and how they should be organized to gain high efficiency. Some scholars have already suggested that marketing and sales may not always exist as separate functions and that the interface structure and the roles and responsibilities of sales and marketing functions may depend on firm's size, industry characteristics, products and customers, growth rate and organizational structure (Kotler et al. 2006; Biemans et al. 2010; Biemans and Makovec Brenčič 2007; Homburg et al. 2008). Firms may therefore exhibit different marketing-sales configurations, which, in turn, may give rise to varied sales-marketing interface dynamics. These various configurations may offer relative advantages and disadvantages to firms and may differentially affect firm's strategic outcomes such as its marketing proficiency, value delivery, firm responsiveness, and marketing consistency (Biemans and Makovec Brenčič 2007).

Curious about kind of disconnect between sales and marketing Kotler et al. (2006) conducted a study to identify best practices that could help enhance the joint performance and overall contributions of these two functions. The sales and marketing departments in the companies they studied exhibit four types of relationships: undefined, defined, aligned and integrated. The relationships changes as the marketing and sales functions in the company mature - the groups move from being unaligned (and often conflicted) to being fully integrated (and ussually conflict-free). The main rationale for integrating sales and marketing is that the two functions have a common goal: the generation of profitable and increasing revenue. It's logical to put both functions under one C-level executive. Kotler et al. (2006) show good examples by exposing companies that have already integrated the functions: General Electric, Campbell's Soup, Coca-Cola, FedEx, Kellogg, Sears, Roebuck, and United Airlines. Integrated relationship was explained by Kotler et al (2006, 72) as follows:

> *"When sales and marketing are fully integrated, boundaries become blurred. Both groups redesign the relationship to share structures, systems, and rewards. Marketing, and to lesser degree sales, begins to focus on strategic, forward-thinking types of task (market sensing, for instance) and sometimes splits into upstream and downstream groups. Marketers are deeply embedded in the management of key accounts. The two groups develop and implement shared metrics, while budgeting becomes more flexible and less contentious"*.

According to Kotler et al. (2006), great part of the organizations will function well when sales and marketing are aligned. This is especially true if the sales cycle is relatively short, the sales process is fairly straightforward, and the company doesn't have a strong culture of shared responsibility. Stronger alignment between the two functions is needed if the market is becoming commoditized and traditional sales force become costly, or even more if the market is moving towards customization and sales force will need to upgrade its skills.

In complicated or quickly changing situations, there are good reasons to move functions into an integrated relationship. This means integrating such straightforward activities as planning, target setting, customer assessment, and value-proposition development as well processes, metrics and reward systems. Organizations need to develop shared databases, as well as mechanisms for continuous improvement. Hardest of all is changing the culture to support integration (Kotler et al. 2006). Researchers have seen only a few cases where the two functions are fully integrated.

Empirical research within sales-marketing interface is scarce and scholars have recently called for more work in this area (Kotler et al. 2006; Rouziés et al. 2005). Biemans et al. (2010) subsequently conducted a multi-national, multi-firm qualitative study in USA, the Netherlands and Slovenia. To gather wide range of experiences and perspectives, they used theoretical samplig technique and conducted semi-structured in-depth interviews with 101 managers from various industries. Their data show that not all firms have separate formal marketing and sales functions. Depending on previously mentioned different characteristics firms organize their sales and marketing functions differently. Their analysis identified four sales-marketing interface configurations which show varying degrees of associations between these two functions and also speak about their limitations and optimality. Their findings show how important it is to organize the interface that suits one's firm and industry characteristics.

Understanding the nature of different configurations may help managers to assess where their extant marketing-sales interface is placed on the configuration continuum and identify whether there is potential benefit to change the configuration based on the firm's overall strategy and resources (Kotler et al. 2006; Biemans et al. 2010).

2.3.4 Linking inter-functional coordination with customer-oriented selling

For Narver and Slater (1990) inter-functional coordination is a key component of a firm's market orientation. The key goal of market orientation (hence, of its implementation at the sales force level, that is customer-oriented selling) is to increase customer satisfaction especially by creating superior value for the customers (Homburg and Pflesser 2000; Narver and Slater 1990; Slater and Narver 1995). Similarly, in Jaworski and Kohli's (1993) conceptualization of market orientation, the notions of intelligence dissemination and organization-wide responsiveness clearly emphasize the importance of cross-functional processes, especially in terms of information sharing. Therefore, for market orientation to be successfully implemented in the field through salespeople's customer-oriented selling (COS), the interface between the sales department and other functional units is important. In contrast "traditional" selling orientation (SO) does not require such a strong interfunctional coordination between sales and other business units. This is analogous to what Rackham and De Vincentis (2002) claim about the design of a business system that has to be structured in accordance with value expectations of selected customer segment.

Customer-oriented selling is widely recognized as an important class of relational selling behaviors (Flaherty et al.1999; Keillor et al. 2000; Martin and Bush 2003; Schultz and Good 2000; Williams 1998) and plays a key role in implementing a company's market orientation (Langerak 2001; Menguc 1996; Singuaw et al. 1994). But as recently pointed out by Carr and Burnthorne Lopez (2007), there is still a gap in the research about how to implement a market orientation. Similarly, Kennedy et al. claimed that researchers should "expand the understanding of how the marketing concept comes alive in organizations" (2002, 159). This is particularly relevant to salespeople, since they are boundary spanners who often represent the only interface between the buyer and the seller and are expected to reflect the firm's values and to implement the firm's market-oriented strategy (Jones et al. 2003).

Relationship marketing theory suggests that a firm with a long-term strategic orientation is strongly dependent on the ability of its salespeople to create long-lasting relationships with customers (Palmatier et al. 2006). However, the sales unit is often focused primarily on tactical, short-term objectives and activities (Cross et al. 2001; Homburg and Jensen 2007) and refers to the short run in goal setting, resource allocation, and performance evaluation (Strahle et al.1996). Therefore, salespeople usually need to be stimulated to adopt customer-oriented selling, which typically implies taking a long term perspective in customer management. Saxe and Weitz clearly stated that "highly customer oriented salespeople engage in behaviors aimed at increasing long-term customer satisfaction" (1982, 344).

Guenzi et al. (2011) argue that good interaction mechanisms between marketing and sales departments will increase the possibility and willingness of salespeople to engage in customer-oriented selling since they will posses more information of better quality that can be used to develop customized solutions. Consistent with this argument Bigné, Küster, and Torán (2003) found that working in collaboration with other workers in the company and sharing information about customers and competitors with these workers are critical aspects of a market-oriented sales force.

Finally, Carr and Burnthorne Lopez (2007) found that intelligence dissemination positively affects a company's responsiveness, which in turn has a positive effect on customer-oriented selling. However, they warn there is not much known about how a market-oriented philosophy is implemented within a firm and translated into employees' behaviors. The practice of customer-oriented selling in contrast to "traditional" selling orientation has been identified with creation of long-lasting relationship with customers. This implies that the required sales skills to accomplish such a relationship are similar to those of consultative sale. The next chapter focuses on various management policies that help managers supporting desired salespeople behavior.

2.4 ACHIEVING STRATEGIC CONTROL OVER SALES FORCE PERFORMANCE

Once a company has detected the nature of their customers and the type of sale they require, such a vision serves as a a guidance system that helps company making daily decisions and collectively shape what the sales force will become. According to several authors, it has to be beared in mind that sales people will modify their behavior according to management policies such as training, coaching, supervision, evaluation and compensation. Combined together these management policies form an effective management tool which helps managers to exert control over desired sales force behavior. In this chapter the nature of management control systems are presented in general and for sales forces in particular. Also principal managament policies as constituents of sales force control systems are presented in more detail.

2.4.1 General views on management control systems

"Management control systems are formal, information - based routines that managers use to maintain or alter patterns in organizational activities" (Simons 1995, 5).

"By focusing systematically on certain types of information, and ignoring other information, all managers send strong signals to their employees about their preferences and values and the types of opportunities that they want people to focus on. A manager's behavior in studying and processing information becomes a powerful indicator of what is important and what will be rewarded" (Simons 2000, 70.)

Since management control systems help keeping things on track (Merchant 1985), control systems should help managers govern the implementation process (Simons 1995). Indeed, high-level control system variables have been specified in many conceptual change models (e.g. Tichy 1983; Burke and Litwin 1992). Moreover poor control systems utilization has been cited as deterrent to effective change achievement (Kotter and Schlesinger 1979; Charan and Colvin 1999).

Central to most management control systems is setting behavioral or output standards and employing mechanisms to ensure that these standards are achieved (Merchant 1985). Most of these mechanisms are diagnostic in nature; meaning that they require assessment of how well performance is achieving objectives and analysis of where problems may exist (Otley and Berry 1980). Corrective action flowing from diagnosis is aimed at revising behavior, goals, or both in order to sufficiently reduce a perceived performance gap. Many information systems can be employed in a diagnostic control capacity, including profit plans, budgets, project management systems, human resource processes, and systems that measure strategic performance (Simons 2000). For managers to gain control over any of processes, inputs or outputs, they need to have a standard or benchmark as a point of reference against which to compare actual performance.

> *"Diagnostic control systems are the essential management tools for transforming intended strategies into realized strategies; they focus attention on goal achievement for the business and for each individual within the business. Diagnostic control systems relate to strategy as a plan and allow managers to measure outcomes and compare results with preset plans and performance goals. Without diagnostic control systems, managers would not be able to tell if intended strategies were being achieved" (Simons 2000, 303).*

During several years of investigation some authors have argued that formal control systems are vital to effective implementation, particularly when the change is strategic in nature (e.g., Kotter and Schlessinger 1979; Simons 1995) while some others argued the reactive nature of many control systems reduces managers' ability to anticipate future challenges and opportunities that often arise during the implementation process (Schreyogg and Steinmann 1987; Preble 1992). Also difficulties with goal identification and measurement (Nadler and Tushman 1989) and the intrusive nature of many monitoring-based control systems (Amsler et al. 2001) suggest an insignificant or perhaps negative role for management control systems in the implementation process. Although the relevance of management control systems to successful change achievement has been conceptually acknowledged, empirical matters, such as measuring the contribution of control systems to effective change implementation, lack practical investigation according to Ford and Greer (2005). They maintain that research has produced little compelling evidence to rectify these competing perspectives. However, the benefits of management control systems that have been suggested by different noted authors in different time periods imply that above mentioned disadvantages in implementing planned change should be outweighed.

Planned change refers to premeditated, agent-facilitated intervention intended to modify organizational functioning towards a more favorable outcome (Lippit et al. 1958). It reflects the teleological category of change theory that views organizational change as being achieved primarily through the adaptive behavior of individuals in light of internally set goals (Van den Ven and Poole 1995). But the goals between the individuals and the organization often diverge when new initiative is introduced, causing many to reduce the impact of the change (Piderit 2000). Management control systems help mitigate this resistance by encouraging goal congruence throughout organization (Anthony 1965). Goal congruence is achieved through the establishment of performance objectives at the individual and organizational level and subsequent tracking of performance versus those goals.

As managers seek to close the performance gaps signaled by the control system, organizational and individual goals align, serving to link various levels of the organization and to reduce resistance to change (Likert 1961). Moreover, the adaptive, incremental nature of teleological change (Van den Ven and Poole 1995) implies that organizational processes and performance standards will require significant and perhaps frequent modification during the change's implementation. These midstream modifications are a high probability event, since organizational changes are rarely implemented as originally intended (Mintzberg and Waters 1985).

Ford and Greer (2005) Tracking of performance occurs as part of management control system activity and permits managers to take the pulse of an implementation effort and diagnose the extent to which actual outcomes are consistent with the goals of the change initiative. A significant performance gap signals the need for corrective action and prompts managers to subsequently modify organizational process, goals, or both. Without a systematic tracking mechanism, managers may not sense that a change initiative is off course and in need of revision, which may result in unsatisfactory implementation.

Identifying performance measures that reflect successful implementation change achievement should be essential to the efficacy of control systems in the context of managing change (Simons 1995). However, managers often initiate change without a clear notion of what the final results will be or how to measure them Evidence suggests that many change initiatives remain open years after their initiation and intended closure (Nadler and Tushman 1989). While lack of closure might partly reflect a trend towards initiating large-scale changes that require long time periods to implement (Nadler and Tushman 1989), it may also imply that many organizations lack the governance skills and structure necessary to bring effective closure to their change initiatives. Management control systems have often been proposed as mechanisms to facilitating such closure (e.g. Anthony 1965; Simons 1995).

2.4.2 Sales force control systems (SFCSs)

A sales force control system is a set of procedures used by organizations for monitoring, supervising, directing, and evaluating salespeople to influence their attitudes, behaviors, and performance (Onyemah and Anderson 2009).

Sales force control has been the subject of an important stream of research initiated by Anderson and Oliver (1987) and continued by Oliver and Anderson (1994, 1995). In these studies sales force control systems (SFCS) have been characterized as ranging from outcome based to behavior based, just as management control systems in general are often conceptualized as linked to either behavior or output control (Fama 1980). Many subsequent reserach studies have used the original and Anderson and Oliver's conceptualization of an SFCS (e.g., Baldauf et al. 2001a, 2001b, 2005; Bello and Gilliland 1997; Challagalla and Shervani 1996; Cravens et al. 1993; Krafft 1999; Rouziés and Macquin 2002).

Alternatively, SFCSs have also been characterized by their formal (i.e., written, management-initiated) versus informal (i.e., unwritten, typically worker initiated) orientations (Jaworski 1988). These control mechanisms influence the probability that employees behave in ways expected by management.

Typically sales force management controls are classified into systems that focus on managing behavior (behavior control (BC)) or on rewarding output (outcome control (OC)) (Baldauf et al. 2005). BC systems are firm-based control mechanisms, and OC systems are market-based control mechanisms. The two approaches are polar opposites and tend to be represented as two ends of a continuum. They rely on different pressures: BC relies on the visible hand of the organization or sales manager, and OC relies on the invisible hand of the market (Wiliamson 1996).

Under an outcome-based control, an SFCS »approximates a market contracting agreement wherein salespeople are left alone to achieve results in their own way using their own strategies« (Oliver and Anderson 1994, 54). It monitors final outputs (e.g. sales or profits) and requires minimal salesperson supervision and simple performance measures. Outcome-based control has been qualified as liberal management whereby salespeople are independent entrepreneurs, responsible for their own activities and performance. In contrast, behavior-based controls imply »active managers, backed by a significant management information-gathering staff, which vigorously monitor and direct the operations of the sales force« (e.g., call schedules and sales presentation quality) (Oliver and Anderson 1994, 54). Behavior-based SFCSs monitor intermediate states in the selling process and require subjective evaluation of salespersons' performance. Outcome-based systems work best when: sales are competitive, there are many ways to close a deal, customer needs information, and trust the salesperson. Behavior-based systems work best when: non-sales priorities matter, the company needs to protect its brand, sales people lack experience (Anderson and Onyemah 2006).

In many cases, SFCSs have been assumed to be positioned somewhere on a continuum ranging from purely outcome based to purely performance based (Anderson and Oliver 1987; Oliver and Anderson 1995) or with other words BC and OC systems often do not exist in their pure forms. There is clear evidence that most organizations use hybrid forms of sales force control that includes outcome- and behavior-based elements simultaneously (i.e.

combinations of elements to achieve a compromise position along OC-BC continuum) (Jaworski 1988; Oliver and Anderson 1995; Rouziés and Macquin 2002). However, the hybrid approach increases the likelihood of having elements that are inconsistent with each other. In the research of Onyemah and Anderson (2009), the constitutive elements of a control system are said to be inconsistent with each other when they do not reflect the same degree of outcome or behavior control philosophy.

Consequently, the elements do not depict perfect co-alignment. Onyemah and Anderson (2009) argue that this inconsistency has an adverse effect on salesperson performance. Anderson and Onyemah (2006) identified eight basic elements that define most control systems (whether they be BC, OC, or hybrid): (1) the focus of performance criteria, (2) the number of performance criteria, (3) the degree of management intervention, (4) the frequency of contacts with management, (5) the intensity of monitoring, (6) the amount of coaching offered, (7) the transparency of evaluation criteria, and (8) the compensation scheme. The execution of each of these elements manifests an underlying control philosophy (i.e., BC, OC, or hybrid system).

These elements combine to affect the way salespeople perform their jobs. In much the same way that a company's human resource practices must be internally consistent to achieve synergy, efficiency, and better performance (Baird and Meshoulam 1988; Baron and Kreps 1999; Delery and Doty 1996), sales force control elements should be internally consistent to guarantee superior performance. For example, a firm that bases its performance appraisal on conforming to company goals should minimize pay differentials and deemphasize incentive compensation (i.e., a BC system). On the other hand, a firm that bases its performance appraisal on measurable outputs should emphasize incentive compensation (i.e., an OC system). In each of these archetypical firms, the pair of control system elements (i.e., focus of performance criteria and compensation) are consistent with each other.

In the same vein, Anderson and Onyemah (2006) argue that for control systems to be effective, the constitutive elements must convey the same degree of outcome or behavior control. In other words, the degree of emphasis on outcome or behavior philosophy should be the same across the elements. This view is consistent with an implicit assumption in the sales force control system literature: constitutive elements align to convey, in a coherent manner, companies' sales management philosophies. But whether these elements in everyday practice convey the same philosophy has yet to be empirically investigated despite the prevalence of hybrid control systems (Baldauf et al. 2005; Oliver and Anderson 1995).

”Pure OC and BC systems are rare extremes and finding appropriate combinations of elements (to form hybrid systems) may be more beneficial and important than trying to place a particular sales force control strategy into a pure OC or pure BC category (Baldauf et al. 2005; Oliver and Anderson 1995). Most companies function somewhere between the extreme points of the OC–BC continuum, seeking a balance between the control of inputs and the control of outputs (Oliver and Anderson 1995). This quest for balance, when done in a piecemeal fashion, may lead to control inconsistencies. Thus, the ability to maintain consistency (i.e., the same degree of outcome or behavior philosophy across the control elements) is critical, warn Anderson and Onyemah (2006). In their research, one of rarest investigation in this field, in which they analyzed 50 companies in 38 different countries, three common types of sales force control inconsistencies were identified. Each type of inconsistency appears to emphasize a particular type of incompatibility among the sales force control elements. Anderson and Onyemah (2006) describe three archetypical patterns of control system inconsistencies: “ever-present manager,” “sublime neglect”, and “black hole”.

The “ever-present manager” pattern is exemplified by a company that generally uses an OC system but nonetheless has interventionist managers (BC philosophy) who insist on frequent contact with salespeople and monitor their activities intensively. Often such managers do not coach the staff as much as a genuine BC system calls for. A “sublime neglect” pattern is characterized by a BC system that does not provide salespeople with the coaching they need. Salespeople are often not aware of how they “should behave” and yet are not given the freedom to find their own methods. A “black hole” pattern arises in a fundamentally OC system with opaque evaluation methods. Salespeople feel that their organization is focused exclusively on results but are unclear as to how those results translate into individual performance evaluation and compensation.

The three “zigzag patterns” depict inconsistencies in the perceived elements (i.e., the lack of co-alignment of the perceived elements) and the two vertical straight lines represent hybrid systems whose elements are perfectly consistent with each other (i.e., perfect co-alignment). Inconsistencies can occur at any point on the OC–BC continuum and that different salespeople “at the same point” on the continuum may face different inconsistencies, and hence, different zigzag patterns. The more a vertical line can be used to connect the perceived elements the better will be the performance of salespeople. This is because the elements are able to reinforce each other if they represent the same level of outcome or behavior control philosophy (Onyemah and Anderson 2009).

When control systems are composed of consistent elements, frictions between salespeople and sales managers are also minimized (Anderson and Onyemah 2006). Inconsistent elements are more likely to generate distractions because the constitutive elements project "different" control themes or philosophies. The inconsistencies among the perceived elements of a control system undermine the ability of the elements to reinforce each other. They deprive the control system of synergy and render it inefficient (Anderson and Onyemah 2006; Baird and Meshoulam 1988). Therefore, the totality of these inconsistencies should undermine salesperson performance.

SFCSs have been mainly characterized along one single dimension: input- (or activity or behavior) controls versus output-based (or outcome or result) controls (Anderson and Oliver 1987; Baldauf et al. 2001a, 2001b; Challagalla and Shervani 1996, 1997; Cravens et al. 1993; Krafft 1999; Oliver and Anderson 1994, 1995). Darmon and Martin (2011) suggest, SFCS could be more broadly defined as an influence process that management uses in order to induce salespeople to work toward the achievement of the firm's short and / or long-run objectives, requiring different tools or actions over time This definition underlines that management always defines its objectives at least partly as salespeople's outcome performance.

Most SFCS studies have considered control systems as homogeneous entities. In fact, SFCS are made up of several subsystems (Darmon 1998). Although complementary, each subsystem plays a specific part. It is not unusual for a firm to set sales and profit objectives for each product line to be sold in each salesperson's territory as well as market share, market penetration, prospecting, or customer satisfaction objectives. This may explain why, in practice, one can observe, for instance, the use of more extensive sets of control tools (sometimes from different approaches) in the same sales force.

The whole SFCS is affected by many salesperson or sales force characteristics and organizational and environmental variables. In order to influence salespeople's activities and outcomes from those activities, managers must understand and recognize that salespeople, as boundary spanners, typically act as relatively independent agents. Salespeople pursue their own goals, which are self-serving and sometimes divergent from those of the firm. The art of sales force management is to influence salespeople's objectives and activities in the right direction. The next chapter focuses on some most common management policies that help managers supporting desired salespeople behavior.

2.4.3 Principal components of sales force control systems (SFCSs)

As a matter of fact, no single lever is powerful enough to transform sales performance on its own. Performance is built by aligning every aspect of selling effort, ranging from the strategic all the way down to the last worker in the company to support the capability a company wants to achieve. Improvements are closely connected to different innovative policies and systems anticipated by adequate sales force recruitment (Rackham and De Vincentis 2002; Steenburgh 2006; Anderson and Onyemah 2006; Weitz and Bradford 1999; Shapiro et al. 1994).

Crosby et al. (1990) suggest that salespeople, especially those involved in industries characterized by complex products, often perform the role of a relationship manager. According to Pettijohn et al. (1995), this role requires a transition of the sales-force's task from selling to advising, from talking to listening, and from pushing to helping. According to Pettijohn (1995) and Pelham (2002) these changes require significant re-orientation of sales management program toward sales force consulting.

Developing and reinforcing the capabilities of the sales force for adequate sales process requires actions along different management policies aligned to support the shift to desired behavior of the salespersons by senior executives. Most important and frequently used management policies that could be nominated for principal components of SFCS are discussed more in detail bellow. These are: training, coaching, performance evaluation, compensation and supervision.

2.4.3.1 Sales force training

From the theoretical perspective of organizational behavior training is considered as an essential component of high performance work systems because these systems rely on front-line employee skill and initiative to identify and resolve problems, to initiate changes in work methods, and to take resposibility for quality. All of this requires a skilled and motivated work force that has the knowledge and capability to perform the requisite task (Pfeffer 1999).

Training in general is considered as one of the soft approaches of human resource management with dual aims of improved competitive advantage and individual development. By saying that, it needs to be taken into account that two of the most widely adopted models of human resource management are the hard and soft versions. These are based on opposing views of human nature and managerial control strategies. Truss et al. (1997) reappraise soft and hard model of human resource management, concluding that despite the rhetoric of human resource management is "soft", the reality is "hard", with the interest of the organization prevailing over those of individual.

Selection policies draw the required profile of the sales personnel and set the type of legal relationship the company is willing to establish with them in the light of the sales task that must be carried out. Recruiting the right people is essential preliminary condition to build an effective sales organization. The best salespeople can be productive year after year and enable a company to achieve consistent growth while filling positions with wrong salespeople not only hurts short-run productivity but it also results in higher turnover and training costs (Shapiro et al. 1994; Miller 2011; Rackham and De Vincentis 2002; Steenburgh 2006). According to Shapiro et al. (1994) recruitment is just the first critical step in creation of sales people competencies and need to be followed by other two steps - training and coaching.

Upgrading the sales force through recruiting new and more competent people is an irresistible fantasy for those companies who have suffered from the problems of an underperforming sales force. It's unlikely that company could hire enough new talent fast enough and even if it could it usually takes some time before new people are up to speed (Rackham and De Vincentis 2002). Besides, very few companies can afford to the disruption of the revenues or customers. It is also true that new salespeople quickly adopt the strategies, tactics, techniques, and working habits of the existing sales force. The best option therefore is to work largely with the people a company has and try to effect change over time. It's also cheaper and more reliable to develop stars than to buy them (Shapiro et al. 1994; Miller 2001; Rackham and De Vincentis 2002).

Shapiro et al. (1994) point out that beyond understanding customers, products, services, and company itself, a salesperson must have a combination of selling skills, negotiation skills, and business management skills. The latter are needed for major account managers who need to understand the financial impact of various outcomes of negotiations on their own company and their customers. According to Miller (2001) company investing in training has to cover five competencies: product knowledge, selling skills, communication skills, presentation skills and personal growth. If company is going to market with a sales staff poorly trained in the sales competencies, the results are predictable.

Past research in sales training has been generally devoted to investigating, understanding and discovering ways to increase the effectiveness of training for salespeople (Dubinsky 1981, 1996; Honeycutt, Harris, and Castleberry 1987; Chonko et al. 1992; Puri 1993; Honeycutt et al. 1994). Studies have consistently stressed that training is a fundamental requirement for success in personal selling (Dubinsky 1996).

Dubinsky and Ingram (1982) for example, presented 84 selling techniques that provided useful checklist sales executives could utilize in planning sales training programs as well different sales methods that should be taught in a sales training program. The Spearman rank order correlation tests in their research showed that the two groups judged the importance of a particular selling technique to be significantly different statistically for more than one quarter of the techniques (22 of 84). This research can be taken as the initial one in indicating the need of sales training content to be diversified for different type of sales.

In 1988 Rackham claims that almost all existing research on selling used models and methods that were developed in low-value segment or sold in one-call sale. In 1920 Strong carried out pioneering studies of small sales that introduced such new ideas to selling as benefits, closing techniques, objection-handling methods, and open and closed questions. For more than 60 years, these same concepts have been copied, adapted, and refined with the assumption that they should apply to all sales. But many of the things that help companies in smaller sales will hurt success as the sale grows larger.

A finding that major sales demand a new and different set of selling skills results from the largest research project ever undertaken in the selling-skills area (Rackham 1988) in which more than 35.000 sales calls over a period of 12 years were analyzed. The method used in this research was direct observation of sales field behavior and give rise to subsequent implicit theory. In this study taken by Huthwaite, Inc.[1] researchers have worked with top salespeople from more than 20 of the world's leading sales organizations. From watching them in actions during major sales, they have been able to find out what makes them so successful.

Similarly, Shapiro et al. (1994, 14) confirm that there have been significant changes in the last years that have affected the sales function and the needed competencies of salespeople: "In the new world of sales, we need carefully chosen, well trained salespeople, particularly to handle major accounts, or where necessary, a large variety of products, services, accounts, and selling activities. One can not afford, and one does not need, outstanding sales talent for simple tasks with little variety. But for complex and multivaried tasks, a company needs absolutely outstanding people".

Sales managers are aware of their sales force's shortcomings and this information is valuable when training plans are made. But too often training programs are developed in a "vacuum" without input from sales managers and sales trainees (Dubinsky and Staples 1982). In 1994 Honeycutt et al. discovered that sales managers and sales trainers do not cooperate closely in assessing salespeople's needs, setting objectives, designing, and evaluating the sales training activities. One year later (1995) Honeycutt et al. carried out an investigation on how academic research in sales training is relevant for the companies. Several differences in attitudes and practices identified in this study partially explained the gap that may exist between the research interests of academics and usefulness of that research to practitioners. Given the findings of this study it may be necessary for educators to assume a more active role in communicating their research to managers and for senior executives to be mindful of research findings related to sales management.

Rackham and de Vincentis (2002) found out that transactional customers do not welcome help, advice, or problem solving from salespeople. Because sellers add very little value, the primary value creation strategy in transactional sale is to reduce cost and pass savings directly to customer in form of very substantial price reductions. Except in zones of indifference, face-to-face presence is not likely to have an advantage. But improving capability in consultative sales requires just the reverse of the actions needed to build transactional capability. Selling is

[1] Huthwaite Inc. is a leading sales consulting, training, and research firm. His founder and CEO is Neil Rackham

more strategic and it requires more intensive supervision, real problem solving and resource management skills. Finally, to improve capability in enterprise selling means capability of the overall enterprise by looking long and hard at how well cross-functional teams are working and not just the capacity of sales force alone.

On the basis of enormously extensive research Rackham (1988) set up an effective training method for learning consultative selling skills, called SPIN Selling. It incorporates a sales methodology helping companies develop profitable relationships with buyers in difficult markets. SPIN Selling is an acronym for a questioning model that helps sellers uncover and develop the needs of their customers. Four types of questions – situation, problem, implication and need-payoff – form a powerful questioning sequence that successful people use during the all-important investigating stage of the sales call to help in the needs development process. Situation questions are about facts and background information; problem questions are about problems, difficulties or dissatisfaction; implication questions are about the effects or consequences of problems and need-payoff questions are about the value and usefulness of a solution. The purpose of questions in the complex sale is to uncover "implied needs" (statements by the customers of problems, difficulties, and dissastisfactions) and to develop them into "explicit needs" (specific customer statements of wants or desires).

While training is an investment in the organization's staff, in the current business milieu it virtually begs for some sort of return on investment calculation (Pfeffer 1999). A study Huthwaite, Inc.[1] conducted for Xerox years ago found that within one month of leaving the training program, salespeople had lost 87 percent of the new skills they had learned during the training period. That is 87 cents in dollar evaporated – and it happened in a company widely acknowledged as having some of the best sales training in the world. With that kind of a loss rate, it's no wonder that training or retraining alone will have little or no lasting impact on sales performance. Once salespeople learn effective, client-centered sales strategies, it is critical that new skills are embedded in their daily work practices. To achieve this, these new work practices must be measured, coached and consistently reinforced (Rackham 1988). The new world of selling demands intensive coaching because centralized training that increases comparability across salespeople, products, and accounts is not enough Shapiro et al. (1994).

In companies with outcome-based systems that reward achievement of results, incoming salespeople need to be highly autonomous, they receive little training and established salespeople receive little coaching. Salespeople are expected to learn how to improve their skills on their own. In behavior-based systems where the emphasis is put on sales force behavior, salespeople receive extensive coaching even after they have been with the company for a long time. They learn the company approach to serving customers, and they are expected to follow it (Anderson and Onyemah 2006; Steenburgh 2006).

- **Sales managers training**

It is doubtful, claim Anderson et al. (1997) that sales forces can perform at optimal levels while their sales managers are learning on the job through trial-and-error. However, there is some evidence that progressive companies are beginning to recognize that a major problem in the performance of their sales forces is the quality of sales management (Kelley 1992). Many firms indeed have understood that enhancing a sales manager's knowledge through training can be a source of a firm's competitive advantage (Davenport and Prusak 1998).

Recent trends in the personal selling environment, such as advances in technology, customer relationship management, and globalization, have placed a premium on training programs designed to develop knowledgeable and effective sales managers (Deeter‑Schmelz et al. 2002; Jones et al. 2005; Magrath 1997; Marshall and Michaels 2001). It seems reasonable to expect that sales managers who are responsible for organizing, developing, and controlling the sales force might similarly benefit from training to help them manage their salespeople more effectively and efficiently.

Despite its strategic importance, the topic of sales management training remains one of the most neglected areas in the personal selling and sales management literature, especially from the theoretical or empirical perspective. There have been only four sales management training studies reported in the literature over the past 40 years (Adams 1965; Coppett and Staples 1980; Shepherd and Ridnour 1995; Anderson et al. 1997). Findings from these studies reveal that most sales managers receive little or no formal training for their sales management roles, and that the training provided often has glaring weaknesses. Czinkota et al. (1997, 494) have written: "In many respects sales team management has been a neglected element of management training, yet the sales manager's responsibility—managing the entire interface with the customer—is probably the most critical of all in terms of ultimate success for the organization." No wonder that salespeople often have difficulty making a successful transition from salesperson to sales manager (Kelley 1992; Anderson et al. 1992).

The relative absence of attention to sales manager training practices is surprising because training is considered one of the most pervasive methods for not only enhancing individual productivity but also communicating organizational goals to new personnel (Arthur et al. 2003). Given the considerable amount of resources allocated to sales training (Wilson et al. 2002), it is important to understand how those resources are being used. Anderson et al. (1997) provided an important contribution in terms of the content and delivery methods of sales management training. However, there have been significant economic, cultural, technological, and demographic changes that might have influenced sales management training methods since that time.

Lack of profit responsibility and accountability indicates that most sales managers are not being viewed as important members of marketing management and may not have access to important financial information that could help them do their jobs more effectively and efficiently. Unless there is a change of attitude at the top regarding access to vital financial information, companies will not make needed progress toward integrating headquarters marketing and field sales activities (Anderson et al. 1992).

2.4.3.2 Sales coaching

The broader field of coaching includes distinct types of coaching: executive coaching, career counseling, public speaking, health and nutrition, sales coaching and others. Reliable information about coaching is scarce, mainly because major companies did not use coaching much before 1980s. The quality of existing research is extremely poor. Although capable scholars are now crowding into the field, years may pass before they can map out authoritative guides for coaching (Stratford 2004). Meanwhile companies that use coachers to help their employees become more effective must chart their own courses.

An analogy is often drawn between the competitive worlds of sports and business sales. Just as an athlete must compete against opposing players to win games, salespeople compete against other companies' salespeople to win accounts. Further, like the athletic coach, the sales manager plays a critical role in developing the skills of his or her sales team. The extent to which athletic success stems from natural ability is unquestioned, while sales management textbooks report the idea of the natural born salesperson as a myth (Stanton et al. 1995).

Practitioners widely recognize sales coaching as one of the most competitive skills any organization can have (Corcoran et al. 1995; Richardson 1996). This notion that a sales coaching is important is not new. One of the earlier articles dealing with it was a study by Dubinsky and Barry (1982) followed at a later stage by Evans and Grant (1992) and Ingram et al. (1991) who considered coaching as a complex process that can make a difference in the representative's performance. It occurs when the manager observes the sales representative engaged in some aspect of selling to an existing, or potential client. In conjunction with these observations, the manager must design and evaluate individual development programs, which hypothetically will lead to performance progression

Despite many dramatic changes in the marketplace over the last years sales management apparently have not changed their belief that coaching is a critically important management tool. The sales coaching has been cited for more than 20 years (ABI Inform Global electronic database in Rich 1998) by sales professionals as a critically important means used by sales managers to enhance the performance of their salespeople. But sales management research, on the other hand, has largely ignored the term coaching. Although ABI/Inform database contains practically all marketing/sales-related academic journals, not one of the 137 articles found in the database search was research that rigorously defined and measured coaching, and examined the construct with respect to other variables in the accepted model of sales management performance (Rich 1998). Only five of them tended to be exploratory studies that surveyed practitioners about the general nature of their jobs.

After reviewing the relevant popular business press articles and books in order to more fully understand and develop the definition of sales coaching as perceived by practitioners, Rich (1998) has identified three core concepts that are typically discussed as critical factors of successful sales coaching: supervisory feedback, role modeling and salesperson trust in manager. Professional writing indicates that practitioners typically discuss sales coaching as a multidimensional activity consisting of these three constructs. Earlier academic research has dealt with these issues only to the extent that it has examined specific supervisory behaviors and characteristics that are included in the domain of coaching.

For example, positive supervisory feedback is a commonly studied academic construct (e.g., Becherer et al.1982; DeCarlo and Leigh 1996; Jaworski and Kohli 1991; Kohli 1985; Teas and Horrell 1981; Teas et al.1979; Rich 1998) that is also typically discussed as an integral part of coaching (Corcoran et al. 1995; Richardson 1996). Authors have found supervisory feedback to be an important variable that significantly influences salespeople's role clarity, job satisfaction, motivation, and performance. Shapiro et al. (1994) explain that the vast majority of salespeople reach their full potential through effective training and supervision activities that involve continual guidance and feedback by sales manager. Coaching enhances and complements centralized training. It ensures that the skills learned in the classroom are applied in the field. It also enables the salesperson to develop more subtle skills that can only be developed through experience. Most people will require two or more weeks of training per year, and significantly more for coaching.

Corcoran et al. (1995, 18) defined coaching as "a sequence of conversations and activities that provides ongoing feedback and encouragement to a salesperson or sales team member with the goal of improving that person's performance". The goal of sales coaching is to inform the employee there is a situation that needs correcting and then give the employee an opportunity to improve (Miller 2001). According to the practitioner literature, feedback often takes place in the field (i.e., as the coach accompanies a rep on a sales call) and thus is directed at salespeople's behavior, especially behavior associated with their selling technique. Reinforcing such behavior, as opposed to results, is likely to grow even more important with the trend toward relationship selling and customer retention (Rich 1998).

Feedback is not however the only part of sales coaching. The successful sales coach is also a role model who proactively sets a positive example through his or her own behavior. Role modeling is one particular leader behavior that is identified by transformational leadership theory (House 1977; Bass 1985) and that is especially relevant to sales coaching. In theories of transformational and charismatic leadership, role modeling is discussed as behavior on the part of the leader (or sales manager) perceived by the follower (or salesperson) to be an appropriate example to follow that is consistent with both the values the sales manager espouses and the goals of the organization (Conger and Kanungo 1987; Kouzes and Posner 1987; Rich 1997).

Successful coaching occurs in an environment of trust and respect between the sales manager and salespeople. Only when salespeople trust and respect their sales manager will they be willing to listen and respond to the manager's directives. “A person's openness to coaching is usually proportionate to his or her level of trust” (Richardson 1996, 35). This suggests that sales managers earn the trust and respect of their salespeople in a variety of ways. First, a climate of trust is created when a manager is honest and reliable and shows genuine concern about the needs of the salespeople through listening and maintaining open, two-way channels of communication (Rich 1998). And second, the manager must have a fairly good understanding of the customer’s business and the players involved, exhibit competence on the job, and should also have past sales experience to help develop the abilities of his or her salespeople. Through effective sales coaching, however, the sales manager empowers and instills confidence in each individual salesperson, and thus stimulates that individual's internal drive or motivation to improve continuously (Rackham and De Vincentis (2002). At the same time, coaching creates a climate of trust and a sense of teamwork among all members of the sales team, which encourages salespeople to work together toward goals that benefit the whole organization (Rich 1998).

These three constructs were examined in detail, using established academic theory and empirical past sales management research to better understand how and why sales coaching is so important. The study of Rich (1998), apart providing actionable managerial implications, provides support for the importance of sales coaching in two ways. First, it establishes that for long time, sales practitioners have believed that coaching is a management activity that is critical in enabling salespeople to reach their full potential. Second, a review of sales practitioner literature provides a definition of sales coaching that identifies above mentioned constructs as three components that are part of the broad domain of coaching.

Even though sales management academic research has largely ignored the term coaching, practitioners are in widespread agreement that sales coaching can be a critically important means of helping salespeople reach ever-higher levels of performance. This is especially important in today's competitive, fast-paced marketplace, in which sales organizations cannot afford to have salespeople that are unable to adapt to new situations and thus fall short of their full potential. After all, ineffective salespeople directly lead to low customer satisfaction, poor customer retention rates, and ultimately a downward spiral in the revenue stream of the organization (Rich 1998). Rackham and De Vincentis (2002) divide coaching in two distinct types:

- skill coaching for improving face-to-face skills and behaviors of salespeople on fairly regular basis (not less than once every 2-3 weeks). To coach a skill, supervisor must travel with their salespeople, watch how they sell, and give them helpful feedback even though it's a time consuming process.
- strategy coaching, where the purpose is to improve salespeople's ability to plan calls and create account strategies can be done in the office, making much more economical use of sales manager time

Both types of coaching are essential for improving consultative sales performance. One is not substitute for other. By examining coaching in Xerox and IBM, Rackham and De Vincentis (2002) found out that in the early selling cycle coaching speeds sales and direct sales force in the right direction. Skills acquired through the training alone will evaporate fast without constant reinforcement and practice. With the training a company can help creating skills of the sales force while with coaching it can maintain and refine acquired skills. Coaching has more impact on development of skills and competence of the sales force than any other single policy. But it's expensive and doesn't come easily even in the companies where they have coaching culture and reward system that gives supervisors incentive to coach (Rackham and De Vincentis 2002). Rackham and De Vincentis (2002, 272) answer why it is more important to have intensive supervision in consultative selling:

> *"There are several reasons for that. One thing, selling is more strategic and requires real problem solving and resource management skills. An experienced supervisor can ensure that such scarce resources as technical and customer support are available and deployed when they are most needed. The supervisor is also likely to have a direct selling role. Most consultative sales, based as they are on advice and customized solutions, require authority beyond an individual salesperson to configure and deliver the promised end product. The presence of the supervisor in the account at crucial stages of the selling cycle is an essential ingredient of competitive success. But, most important of all, the supervisor is the coach who, more than any other single influence, develops the skills and competence of the sales force."*

2.4.3.3 Sales force performance evaluation

Performance evaluation is the process by which a sales manager monitors and appraises the performance of the sales force. The higher performer receives recognition through increased compensation or reward (Jolson 1975). Measuring and managing performance is an important aspect of every manager's job. In fact, how performance is managed in a firm is likely to have a significant impact on the organization's success or failure. Evaluation and control of the sales organization is essential in order to ensure that performance of salespeople contributes to overall corporate efficiency and profitability. The ideal purpose of the performance evaluation is to uncover the areas where corrective measures will serve to improve the salesperson's future results. In the long-run, there is nothing cheaper and more practical than a good performance evaluation system (Muczyk and Gable 1987).

The “instrumentality” theory of motivation (Ford et al.1985, 139-230) and “path-goal” theory of leadership (House 1971) instruct us that organizations must create and maintain two strong connections in order to have motivated employees. First, salespeople must see the connection between effort and performance. Second, salespeople must perceive a direct relationship between performance and the rewards that they value. That is what managing workers in an instrumental culture is all about (Muczyk and Gable 1987). But Ford et al. (1985) carried out an extensive research of sales performance methods and find out that every performance appraisal method developed to that time contains enough serious deficiencies to prevent it from effectively attaining all of the major objectives of performance appraisals, in addition to being legally defensible and acceptable to subordinates. Moreover, no evaluation method has proved clearly superior for all sales jobs.

Almost at the same time Jackson et al. (1983) performed a study of current practices in sales performance evaluation by examining 213 sales managers from manufacturers of industrial and consumer goods, thus representing a wide spectrum of business. In general, the overall results of the study suggest that sales force performance evaluation takes place in an unsystematic and often arbitrary manner. More to the point, sales managers may be missing an opportunity to better define sales jobs, set standards, and monitor performance. The data in this study indicate that sales force evaluation procedures utilized in practice differ somewhat from those espoused in the sales management literature. The discrepancy may be caused by the fact that procedures advocated in the literature are difficult to operationalize. The lack of emphasis on quantitative measure and reward of the sales person on the basis of effort and performance may involve more than sales managers feel qualified to handle (Jackson et al. 1983, 9). Whatever the explanation, concluded Jackson et al., the results suggest that a more systematic evaluation process may improve the validity of sales force evaluation.

Salesperson performance continues to represent an important research topic within marketing literature. Given increasing competitive pressure, increasing pressures to control costs, and the rising costs of sales, more effective measuring and managing sales performance has become critical. But despite all the research on the issue, questions still remain with respect to performance: what should be measured and how should it be measured. Recently, Merchant (2010) investigated the state of current knowledge about performance-dependent incentive programs. In defiance of the importance of performance measurement, he finds out that the empirical literature on performance evaluation is surprisingly small and not at all completed. He actually discloses that practice is far ahead of theory and makes an inference that considerably more research is needed in this area of study. He feels sure that "we need better descriptions of practice and better theories" (2010, 8).

In order to develop generalizations and to answer the question of what makes a good performance evaluation system various authors have proposed suggestions that they believe will help to create and strengthen desired behavior of salespeople. Published research has focused on both understanding the determinants of salesperson performance (Churchill et al. 1985) as well as examining the role of performance in the evaluation of salespeople (Jackson et al. 1995). Determinants of performance have focused primarily on factors related to individual characteristics of salespeople, and have included personality traits (Keck et al. 1995), aptitudes (Bagozzi 1978; Weitz et al. 1986) and the effects of role perceptions, motivation, and satisfaction on salesperson performance (Walker et al. 1977). There has also been research which has incorporated the impact of environmental factors on salesperson performance (Ryans and Weinberg 1987).

In sum, the evaluation of salesperson performance has been approached from at least three perspectives (Boles et al 1995). One perspective is to focus only on output measures of performance, regardless of input factors (Anderson and Oliver 1987). For example, salespeople could be evaluated only on sales volume or quota attainment. A second approach is to temper the evaluation of performance with a subjective assessment of potentially mitigating factors, such as perceived territory difficulty or salesperson effort (Jackson et al. 1983). A third approach is to evaluate the salesperson's actual performance against expected performance, based on the level of various input factors believed to influence performance (Beswick and Cravens 1977).

In reviewing literature of sales force performance evaluation it has been noticed that Jackson et al. (1983) made an exhaustive study of the subject which seems to enjoy some reputation even thirty years later. Their performance evaluation procedure has four steps and starts with reflection about use of the right performance base. A number of bases could be used to evaluate a salesperson's performance. Performance bases may include consideration of both quantitative and qualitative variables. Quantitative variables include both output or results factors and input or efforts factors. Their virtue is that they can be objectively measured to give an indication of level of performance (Robertson and Bellenger 1980; Jackson et al. 1983). Output factors include variables such as sales volume, number of accounts, profit, and number of orders taken. Input factors on the other hand are reflected in variables such as number of sales calls, selling expenses, and various ancillary activities required of the salesperson such as required reports turned in, number of customer complaints received etc.

Performance bases should be derived from and closely related to the salesperson's job description. Where effort is closely related to results, output factors may be more appropriately utilized in performance evaluation. Where the relationship between effort and results does not exist, input factors may be more appropriate (Jackson et al. 1983). Another set of variables that can be utilized to evaluate performance are qualitative in nature. Qualitative bases are subjectively assessed by sales managers and include such characteristics as attitude, product knowledge, appearance, planning ability etc. Since qualitative factors cannot easily be related to performance, these factors should be used as supplementary evidence in salesperson evaluation (Jackson et al. 1983).

Performance appraisal systems utilizing only output factors may be misleading has already warned Kearney (1976). These systems ignore environmental factors over which the salesperson has little control yet which may influence results. Factors such as the economy and variations in product quality may determine effectiveness as much as individual salesperson effort. Thus appraisal systems that are used to dispense rewards or to suggest improvements in individual behavior also include input factors over which an individual has control and which an individual can change.

The second step in the performance evaluation procedure (Jackson at al 1983) is to set performance standards or objectives. This determines the level of performance desired for each of the bases used to evaluate performance. Performance standards should be specific and measurable in order to determine whether stated objectives are actually being achieved (Jackson and Aldag 1974). This would seem to speak for quantitative bases for evaluating performance rather than qualitative bases which are harder to specify or measure. Nevertheless, Jolson (1977) asserts that a certain amount of informal, subjective appraisal is both inevitable and desirable. Participation by the salesperson in setting performance levels is welcome as it tends to generate more commitment and to increase motivation, thus ensuring that work activities lead to stated objectives (Jackson and Aldag 1974, Jackson et al.1983).

The third step in the evaluation procedure is to monitor actual performance through monitoring accounting records, order forms, invoices, expense or call reports, informal feedback from other salespersons or customers; and through direct observation of the salesperson by the sales manager (Jackson et al. 1983). Data from each salesperson should be gathered and merged into important information patterns (Shapiro et al. 1994). The final step in performance evaluation is to compare actual performance to the benchmark standards or objectives established in the second step. Such performance review is designed to correct deviations between actual and desired results and to communicate desired behavior.

According to Shapiro et al. (1994), the measurement system provides information on sales performance relevant to the nature of the task and information about competitive and customer activity. Rather than going through a detailed description of what might be included in the measurement system, Shapiro emphasizes that salespeople will focus their efforts on those things that are being measured. Second, the measurement system is often the clearest statement of the sales task. While many sales managers thought it was the pay that drove the performance, Shapiro et al. (1994) asserts that the information value of the pay plan in many situations had more impact than the motivational value of the money provided. Third, the measurement system must tie to the key variables central to corporate strategy, for example profitability, not just revenue. This is critical, especially when one considers that 15% to as high as 60% of accounts can be unprofitable. Without such data, strategic sales management is impossible. However sales managers and sales people have traditionally been evaluated on sales volume or sales-based ratios, e.g., sales growth, sales to quota, sales versus budget, sales versus last year, or market share (Dubinsky and Barry 1982; Jackson et al. 1982). It is important to look penetration by product/service, by account and by site. Often, sales people know more about what is going on competitively than do high level headquarters marketing executives (Shapiro et al. 1994).

A good measurement system looks both inside and outside the firm. The external view should have at least three components (Shapiro et al. 1994). One is strong relationship to the account planning necessary for major accounts, second is account potential and the third addresses the competition. Account planning is the part of the measurement system enabling the salespeople and their managers to learn what the accounts need and to develop a detailed program to meet those needs. Each plan must focus on the reason for relationship with the account

Developing accurate evaluations of the performance of salespeople is an unresolved problem for both sales researchers and organizations (Churchill et al.1985). Though authorities in the field generally agree that salespeople should only be evaluated against factors they can control, this concept is often violated in practice. For example, descriptive studies of sales management practice consistently report the use of total sales volume (and other measures of results that salespeople cannot totally control) to assess the performance of salespeople (Dubinsky and Barry 1982; Jackson et al. 1982; Jackson et al. 1983). Salespeople are often responsible for relationship maintenance, product mix management, and pricing. The old compensation schemes that looked only at sales revenue are disasters when the other issues are rising (Shapiro 1994).

Evaluating the performance of salespeople is more important today than ever before because of substantial changes in technology, team selling, services selling, and perspectives on evaluations. The bases on which salespeople are evaluated reflect the important elements of their jobs, measure how they are doing, and perhaps provide an indication of the future direction of the firm. During the past two decades, Jackson et al. (1983) and Jackson et al. (1995) conducted empirical examinations of the bases managers use to evaluate salespeople. Yet in recent years, the field of selling and sales management has changed dramatically (Jones et al. 2005). Three of these changes include greater emphasis on customer satisfaction (Sharma 1997), increased utilization of team selling (Jones et al. 2005), and a move toward a service economy (Bitner and Brown 2008). The existing literature on performance has suggested that two new categories of bases are relevant to sales managers—team selling (Jones et al. 2005) and customers'evaluations of salespeople (Lambert et al. 1997). Yet little empirical work showing the extent to which managers used associated bases has been conducted.

From the control perspective, few sales organizations are likely to operate a sales force control system that is completely behavior or outcome based. However, most sales organizations emphasize one or the other. Within this context, if a sales force control system is more behavior based, the more field sales managers monitor and direct the activities of salespeople, use subjective and complex measures of salesperson behaviors to evaluate performance, and consequently compensate salespeople with higher proportions of fixed compensation. Performance criteria are focused on the way how results are achieved. When a sales force control system is more outcome-based, the less field sales managers monitor and direct the activities of salespeople, use objective measures of outcomes (or outputs) to evaluate performance, and compensate salespeople with higher proportions of incentive compensation (Anderson and Oliver 1987).

In outcome-based systems, managers pay particular attention to bottom line results and evaluate salespeople's performance on only a few observable metrics. Evaluation criteria are transparent, and results are well-known throughout the entire organization. Performance is determined by customer behavior. In behavior-based systems, managers use a larger number of criteria to evaluate salespeople's performance. Standards are opaque and managers may not be certain how to apply them. Performance is determined by who salespeople are and how they behave (Anderson and Onyemah 2006; Steenburgh 2006).

2.4.3.4 Sales force compensation

If we want to understand why people do what they do, we need to look no further than the three following factors: praise, reward and recognition, and learn-and-grow challenges (Miller 2001). While sincere praise is an inexpensive but powerful motivator, rewards are planned device managers used to tell the sales team formally that they are doing something right. Rewards should be measurable and based on having accomplished something that managers wanted sales force to do. The idea of rewards can be a costly investment if not done right. Staying focused on what the praise or reward is trying to accomplish and to motivate salespeople to dedicate a greater effort to achieving the objectives of the organisation is manager's primary responsibility. Leverage is accomplished not by size of the reward, but by attention the sales manager puts on the reward program (Miller 2001; Churchill et al. 1979, 1985).

Many firms fundamentally depend on the motivation of their employees to sell their products, and have developed a range of compensation plans to guarantee such motivations. The design of the compensation plan is an important element to be taken into account within the marketing area of the firm. These plans should be stimulating, flexible, easy to understand and administer, fair, competitive and guarantee the security of the employee. According to the literature, the employee compensation plan (Sharma and Sarel 1995, Barkema and Gomez-Mejia 1998) has the following main functions: (1) to remunerate the employee for his work (compensation), (2) to channel his efforts towards a variety of activities in accordance with the objectives and priorities of the firm (management and control), and (3) to induce him to dedicate the greatest possible effort to his task (motivation).

When determining the financial compensation of its employees, the firm must consider the proper composition of the plan (Churchill et al. 1985). There could be a fixed part, or basic salary, and a variable part, made-up of commissions and bonuses and also some additional components such as social benefits or expense allowances (Kotler 1994). The fixed part, or basic salary, is a fixed payment made to the employees at pre-determined intervals and which is guaranteed independently of the result obtained during the period immediately prior to it (John et al. 1987). This component makes the employee who occupies a specific job feel that he is incorporated into the firm and it tries to satisfy his need to maintain a stable income. Its amount is usually a function of worker's experience and ability, together with the time during which he has carried out the task. On the other hand, commissions represent an incentive to stimulate performance and are defined as a variable payment based on short-term results, generally with reference to achieved sales or profits (Basu et al. 1985; John et al. 1987).

One aspect that should be highlighted at this point is that sales management literature consists of prescriptions and suggestions that are contradictory (John and Weitz 1989). For example, the recommended use of more salary in complex selling situations may be based on both an interest in instilling long-term orientation and the difficulty of assessing the performance of salespeople in such sales situations. However, complex selling situations are also situations in which personal selling effort is thought to have a major impact on the sales outcome, suggesting a reduced emphasis on salary. John and Weitz (1989) realized that the theory is not developed in sufficient detail to integrate these constructs with the contradicted definition provided in literature. They conducted an empirical investigation of factors related to use of salary versus incentive compensation by surveying compensation practices in 166 firms. This was a tentative first step in examining some of these relationships. Later they became aware of additional research needed to develop a framework that link two functions of compensation plan – control and motivation. They realized opposite to sales management literature (see Saxe and Weitz 1982) that neither theoretical framework considered the impact that an emphasis on salary versus incentive compensation may have on salesperson-customer relationship.

The literature on compensation reflect many perspectives—principally, organization theory and behavior, international management, industrial organization psychology, sociology, economics (including principal–agent theory), labor economics, law, and strategy (Werner and Ward 2004). But B2B sales jobs are curiously absent from the management research on compensation, both empirically and conceptually. A large body of research yields insight into compensation in general, but it is difficult to apply these studies to B2B field sales (Gomez-Mejia and Balkin 1992) and many selling situations, in particular because the field sales job is becoming more complex and longer in its time orientation (Jones et al. 2005). Research specific to sales roles has not kept pace with management's need to understand the level and structure of sales compensation.

Face-to-face selling on the customer's premises (field selling) is particularly important in the B2B sector, in which skilled salespeople work to solve customer problems to create a sale and then work within their own firms to ensure that obligations to the customer are honored. In B2B, salespeople are often the principal means of promotion and of gaining market feedback and, as such, can strongly influence profitability and should be paid accordingly (Rouziés et al 2009). Two key issues in B2B sales force management are (1) how much a given sales job should be compensated (pay level) and (2) how much of the compensation should be fixed versus variable (pay structure) or with other words how much of that pay should a salesperson earn (the question of pay level), and how much of that pay should be guaranteed (salary) rather than contingent on achievement (Rouziés et al. 2009).

Salespeople know their territories, customers, and competitors much better than management does. Salespeople are autonomous; they are out in the field, away from direct observation and contact. These factors suggest that the monitoring and assessment of performance is difficult and complicate sales manager's efforts to calibrate appropriate salary level.

Some practitioners believe that an even more important issue is the level and structure of pay for the managers who supervise salespeople. Research on compensation of sales managers is almost nonexistent. Elling et al. (2002) assert that a poor manager can ruin several salespeople and seriously reduce the achievements of each one, while an excellent manager can develop several great salespeople, each of whom consistently generates high returns. However, salespeople generate visible outcomes for which they can be held (at least somewhat) accountable. Thus, variable (incentive) pay can be used as substitute for salary and is more justifiable than in almost any other occupational setting (Gomez-Mejia and Balkin 1992). These insights from management theory suggest that managers have a difficult time settling on the proper amount to pay and in what form.

Key analytic contributions, based on agency theoretic models, have been made by Basu et al. (1985), Lal and Srinivasan (1993), and Joseph and Thevaranjan (1998). Empirical tests of agency-theoretic predictions have been presented by John and Weitz (1989), Coughlan and Narasimhan (1992), Joseph and Kalwani (1998), and Misra et al. (2005). The agency-theoretic approach is based on the ideas that the firm (called a "principal") hires sales personnel (called "agents") to generate sales, that sales are positively influenced by the amount of sales effort exerted, and that sales personnel are risk averse while the firm is risk neutral. In this environment, the optimal compensation plan (both in total low pay and in the mix of salary versus variable pay) must simultaneously induce strong sales effort and also offer the sales employee a risk-adjusted expected income level.

Traditionally, firms have compensated their sales representatives using an individual performance model (Basu et al. 1985; Rao 1990). In these models, agency-theoretic approaches have been widely used to develop sales force compensation plans (Basu et al. 1985; Lal and Staelin 1986). These traditional models usually assume that effort put forth by the salesperson is uni-dimensional—that is, they often oversimplify the sales scenario. For example, it is assumed that a car salesperson simply has to perform one critical task, such as negotiating a price with a potential customer, which leads to the customer purchasing the car (Erevelles et al. 2004). Other models (Lal and Srinivasan 1993; Zhang and Mahajan 1995) have extended this single-effort scenario to multiple products.

In reality, however, this is not a typical reflection of the tasks performed by a salesperson. Sales situations often involve different efforts in pursuit of long-term objectives point out Erevelles et al. (2004) giving an example of a car salesperson. For instance, he has to learn about the features of the car he or she is planning to sell, has to know about other comparable cars, has to present relevant information in an articulate way to the customer, has to invest time to build a relationship with the customer, and has to project the values and image of the dealership, among other activities. In addition, individual salespeople may reflect varying levels of efficiency for each type of effort. For example, if one of the dimensions of effort is making contact with customers through sales calls, then the efficiency associated with the effort is the number of sales calls made per period of time. It would be preferable, therefore, from both a theoretical and managerial viewpoint, for compensation models to reflect both multiple dimensions of effort and salesperson efficiency. A company must also consider whether its objectives are more efficiently achieved by creating a “one size fits all” simple compensation plan for the entire sales force or by tailoring compensation plans to meet the abilities, efforts, and requirements of individual sales agents.

Of the various decisions made by sales managers, merit pay-raise decisions (i.e., decisions about incremental pay awarded to employees on the basis of their performance) are arguably one of the most important. Merit pay raises are instrumental in directing salespeople’s behaviors toward organizational goals and in facilitating retention of high-performing salespeople (Bartol 1999; Lawler 1990). Studies consistently show that salespeople value pay raises more than any other performance reward, including promotion opportunities, fringe benefits, and recognition awards (Chonko et al. 1992; Churchill et al. 1979; Cron et al. 1988; Ford et al. 1985; Ingram and Bellenger 1983; Money and Graham 1999). Compensation is the ultimate measure. In the final analysis, salespeople will fight over compensation issues almost above anything else. Not just for pay or money reasons, but because compensation is the true measure of their success. To them it's the final score that tells them how well they are doing across industry boundaries (Miller 2001).

Despite the recognition of pay valence for employees in general and salespeople in particular, dissatisfaction with pay and compensation plans remains prominent in employee surveys (Denton 1991). When pay expectations are not met, employees may believe that the organization has violated its obligations and disregarded its commitments (Lester et al. 2002). However, this does not mean that salespeople expect to receive the highest monetary reward; but a fair level of reward relative to their performance (Livingstone et al.1995). Thus, if every salesperson received the same reward regardless of performance, it not only would raise issues of inequity and distress but also would likely undermine salespeople's motivation to raise their effort (Denton 1991). Ramaswami and Singh (2003) examine how perceptions of fair pay decisions not only strengthen salespeople's long-term relationship and attachment to their organization but also encourage reciprocity with functional behaviors, including less opportunism and greater job performance, which enables enhanced organizational effectiveness. Behavioral researchers examined the motivational power of different forms of monetary rewards to a salesperson. If a salesperson does not perceive that his effort has a predictable effect on sales performance, or if he does not perceive a concrete relationship between his sales performance and rewards or if he simply does not value the types of reward offered to him, the motivational impact of the reward system is vitiated (Ford et al. 1981).

Companies don't fail because they didn't use the latest clever compensation system (Rackham and De Vincentis 2002), but virtually no one succeeds without the right set of metrics According to them right metrics or measures depends on type of sales. Metrics, and the reward systems linked to them, provide an essential change lever for creating improved performance whether transactional or consultative sale. The main reason for difficulty in developing a true consultative orientation is that most sales performance metrics are derived from transactional concepts of selling. The companies decide to take consultative approach but they still track the number of calls made per day, a counterproductive measure if the idea was to encourage salespeople to invest much more time in understanding their customers and to develop a close relationship with them.

Simultaneously, Pelham (2002) denominates consultative selling and related salespeople behavior as a consulting oriented sales force. A consulting oriented compensation plan should include commissions bonuses based on reasonably controllable results within the time frame of the compensation period. These results should include increasing sales from current customers, positive feedback tied to customer satisfaction, and enhanced customer retention in order to be consistent with the objectives of a relationship marketing strategy and the content of consulting oriented training and evaluation programs. The inclusion of the customer satisfaction component found a positive relationship between customer satisfaction measures and future performance (customer retention and revenue growth). The critical nature of customer retention is often not reflected in sales programs. Seeking long-term growth but rewarding short-term performance is counterproductive in situations where a relationship orientation is more appropriate.

2.4.3.5 Sales force supervision

Salespeople are important sources of revenues as well as costs for organizations. Key concerns of sales managers therefore include salespeople's performance and job satisfaction, as well as the factors that affect those outcomes. A number of studies address these concerns from a variety of perspectives (Churchill et al. 1985; Cron and Slocum 1986; Teas and McElroy 1986; Weitz et al.1986). The studies conducted of those years suggest that salespeople's performance and job satisfaction are related directly or indirectly to three classes of variables: (1) salespeople's characteristics and role perceptions (Cron et al. 1988; Ingram and Bellenger 1983) (2) task characteristics (Becherer et al. 1982; Tyagi 1985), and (3) supervisory behaviors (Kohli 1985; Teas and Horrell 1981; Walker et al. 1977).

One of the most common mistakes in efforts to improve sales performance is to focus exclusively on salespeople. In the experience of Rackham and De Vincentis (2002), sales supervisors are even more critical for creating durable performance change. Proficient sales supervision can do wonders to improve the skills, strategies, and competencies of average salespeople. Supervisor is primary performance coach, effective supervisors ensure alignment of the many factors that influence salespeople’s performance. It is they who can best link strategy and planning tools with selling and execution skills. They are the ones who tie sales function objectives to individual performance plans and help their people understand the overall strategic direction and how to align with it.

The pivotal role of sales managers' behaviors and activities in the way salespeople feel, behave and perform has been established in the seminal work of Walker et al. (1977). In apparent recognition of this, sales scholars have devoted considerable attention to unveil the dimensions of sales managers' behaviors that contribute most in motivating salesperson's job performance. Their research has addressed several aspects of supervisory behavior, such as closeness of supervision, performance feedback, consideration, encouraging salespeople's participation in decision making, initiation of structure, and punitive behaviors, among others.

Unfortunately, this research stream has failed to produce meaningful results, in that these supervisory behaviors do not explain much of key salesperson outcomes, such as performance. Typically, when the organization wants to gear up the sales force for more profitable business, it meets with resistance to change. Coletti and Chonko (1997) point out that the reasons for this resistance to change usually are obvious: tradition, half-baked sales strategy, lack of goals, and inadequate sales support. It takes a strong leader to break from the old ways and organize for profitable selling. A set of organizational procedures aimed at supervising and directing subordinates can help managers in doing so (Cravens et al. 1993).

During the last two decades, two rather distinct lines of theory and research have attracted research attention with the promise to improve our ability to understand sales management effectiveness. The first line of research focuses on the identification and examination of those leader behaviors, which have been labeled as transformational and which are believed to energize subordinates to perform beyond the minimum levels specified by the organization. Importantly, the transformational leadership paradigm is generally accepted to continue to play a critical role for future sales force and organizational success (Ingram et al. 2005).

Almost concurrent with the emergence of the transformational approach to leadership, although not related to it, has been an increased interest in sales force control systems (which are regarded as a primary mechanism for enhancing sales force performance (Anderson and Oliver1987; Cravens et al. 1993). A thorough inspection of the literature reveals a tendency among sales scholars to study both lines of research. This recognition, however, comes with the realization that researchers have tended to study these two concepts in isolation, without paying attention to either their relationship or their relative importance for key salesperson outcomes (Panagopoulos and Dimitriadis 2009). Importantly, there have been several calls for a theoretical integration of transformational leadership behaviors and control systems both in the organizational (Pawar and Eastman 1997; Yukl and Lepsinger 2005) and the sales management literatures (Ingram et al. 2005).

Two schools of thought have addressed the question of how much latitude the field sales manager should allow his or her subordinates. A study of DelVecchio (1996) tests proposals from these two approaches. The industrial sales manager is faced with a unique set of challenges (DelVecchio 1996). Determining the appropriate level of supervision for a sales force has long vexed practitioners and researchers alike. Too much supervision may restrict the salesperson's ability to respond and adapt to the customer's needs. Too little supervision may deprive the salesperson of support. Recent research in this area suggests the level of supervision should be consistent with other sales force control components. Leadership researchers, on the other hand, claim managers are influenced by more interpersonal issues. The relationship between the salesperson and manager evolves and influences the manager. For example, a sales manager will exert lower levels of control over more competent subordinates, meaning that the degree of supervision will depend on the quality of the subordinate-superior working relationship. Study of DelVecchio (1996) compares these two approaches; control system and leadership. In so doing, it addresses the question "Is managerial control of the sales force determined by control system variables, or by subordinate-level dyadic variables?"

According to the control-system conceptualization, offered by Anderson and Oliver (1987), the extent of sales manager supervision is dependent upon the compensation method. A sales force paid on a straight commission basis is responsible for results (i.e., generating income). Under this system, outcomes are rewarded directly by the financial incentives. The risks of engaging in successful or unsuccessful behaviors are shifted to the commissioned salesperson. It would be unnecessary and inefficient for the sales manager to spend extensive time monitoring the behaviors of the salesperson.

A sales force paid on a straight salary, however, would need a higher degree of managerial control. The extent of supervision is higher since the sales manager must monitor, evaluate and reward the behaviors of the salaried sales staff. These two systems, one focused on outcomes and one focused on behavior, represent two anchor points on a continuum. According to this control-system viewpoint, the degree of managerial supervision should be related to the proportion of compensation based on commissions.

While this approach is logical and compelling, some studies show this type of consistency is illusive. Cravens et al. (1993) found the extent of supervision is not integrated with the compensation method. Oliver and Anderson (1994), drawing conclusions from similar findings, states that managerial control behaviors may "vary from individual to individual" or from "decision to decision." The conclusion of both studies is that there is no discernible pattern while evidence from leadership research suggests a pattern does exist.

Leadership research efforts have investigated sources of variability in leader behavior. One leadership approach that has emerged adopts a dyadic perspective and is based on social exchange theory. This leadership theory is called Leader-Member Exchange (LMX) and contends the subordinate-superior relationship is based on exchange. The supervisor offers positional resources to subordinates who are contributing personal resources (such as competence, experience or loyalty).

The sales manager will develop different relationships with his or her subordinates. It is the quality of these relationships - these vertical (subordinate-superior) dyadic relationships - that will explain the variability in leader behavior. According to LMX, the extent of supervision is one of the positional resources the supervisor offers to the subordinate. The manager offers more latitude to a subordinate who is perceived to be more informative (Kozlowski and Doherty 1989) or more trustworthy (Lagace 1990; Scott 1983). Based on LMX theory, therefore, characteristics of the subordinate (i.e., the salesperson) and the dyad will strongly influence managerial behaviors (such as granting latitude or exerting control).

However, managers must remember that they are responsible for determining work behavior and job performance. Especially difficult employees may be frustrated because they cannot get what they want or need, or they may be unable to reach their goals. But even difficult employees may be able to make a constructive contribution to a company, if they are managed effectively. If an employee is not performing properly, the manager must give or take away something to encourage more appropriate behavior (Matejka et al. 1986)

The effective supervisor considers suggestions, observations, and warnings provided by subordinates but is not influenced or intimidated by this information. One of the guidelines in supervising salespeople is to thrive on personal learning and take pride in integrating the counsel of employees into the framework of supervision and management. Such issues as quality, safety, customer service, and business ethics must be addressed. By asking questions, seeking clarity, being honest, and following through on promises, supervisors will increase employees' self-confidence and productivity (Axline 1990).

The extent of supervision required is concerned with the degree to which salespeople are monitored and directed (Slater and Olson 2000). Low supervision requirements imply that salespeople are knowledgeable and are best able to determine the appropriate activities to achieve the firm's goals and that the importance of retaining an individual account is relatively low. High supervision implies that salespeople require substantial guidance to select activities that will lead to the accomplishment of their goals and that the retention of a specific account is of high importance (Anderson and Oliver, 1987; Oliver and Anderson, 1994).

3 RESEARCH

In theoretical part of the doctoral thesis a series of perspectives about the impact senior executives are required to have on sales management has been observed. Drawing on extensive theoretical background I developed a research construct that was empirically examined with the help of selected research methods and holds promise for improving the ability to understand the influence senior executives exert on sales management.

It is related with the mediating effect sales force control system has on the relationship between the desired and actual sales force behavior. In order to be successful in the complex market environment senior executives are forced to minimize gaps between the desired and actual sales force behavior that more or less regularly occur in the companies world-wide. Undoubtedly, the model of control system that will be applied in a sales organization will set the stage for transforming its salespeople toward desired course of actions.

This study offers important insights in this direction. Within this broad research framework contextual background, research questions, methodology and research results are presented. Also a theory model that emerged in this study is introduced suggesting how the impact of senior executives on sales management is formed.

3.1 CONTEXTUAL BACKGROUND AND RESEARCH QUESTIONS

Salespeople work on the boundary between a company and its customers. To the company, a salesperson is the voice of the customer. While in the eyes of the customer the salesperson plays the role of the physical embodiment of the company.

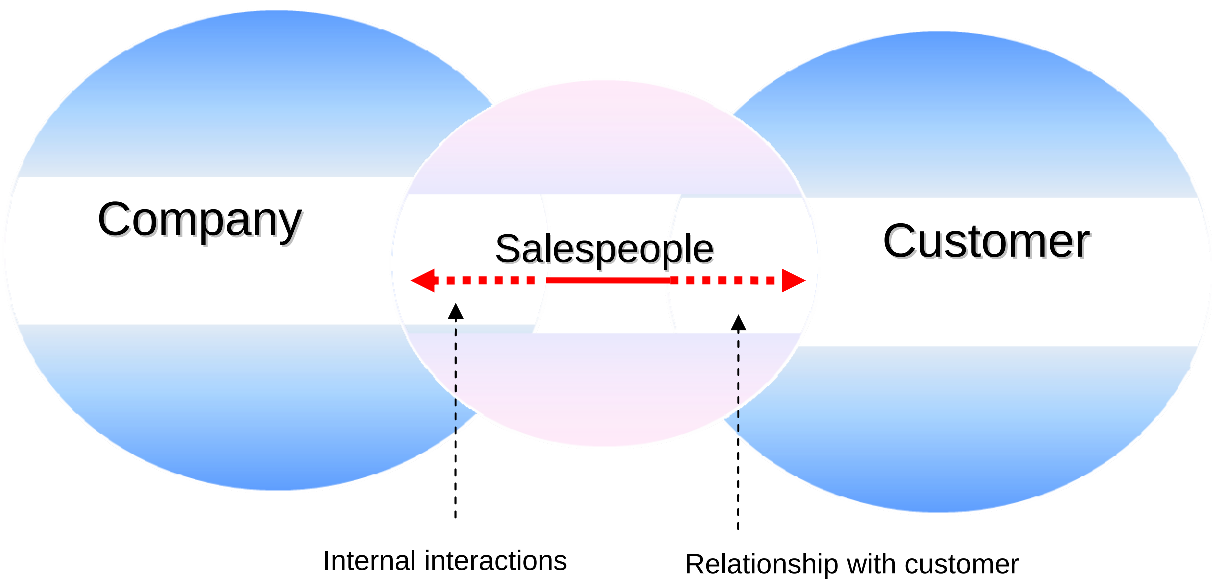
This boundary-spanning role (figure 3.1.) creates a unique tension for salespeople because they are constantly forced to reconcile the competitive interests of both the buying and the selling organizations (Steenburgh 2006). Top management plays a crucial role in detecting these tensions and in understanding challenges that sales people may face when simultaneously interacting with customers on one side and with different functions of the company on the other (Anderson and Onyemah 2006).

3.1.1 Research problem

When reflecting upon customers it is crucial for top management to use a value driven process approach in order to understand how customers perceive a company's value proposition Rackham and De Vincentis 2002; Norman and Ramirez 1993, 1994; Bower and Garda 1985a; Porter 1985). On basis of this understanding top management can gather, which selling mode to apply to create the largest value for customers. There may be only a theoretical ability that sales forces add value across the whole buying process. In practice a value exists only to the extent that customers perceive and want it. Depending on the stage of the buying process in which sales force can create value for customers, there are three different emerging selling modes identified (Rackham and De Vincentis 2002): transactional, consultative and enterprise. In this research I will concentrate on the first two, while the enterprise selling mode, which is used less often, falls outside the scope of this research.

Working backward from the customer value demand and the corresponding selling mode selected, the rest of the organization must be aligned to complete the delivery of the value being promised to the customers (Rackham and De Vincentis 2002).

Figure 3.1: Framework of boundary-spanning role of salespeople



Source: Steenburgh 2006,1

When the customers a company wants to attract are defined, and the way how the value for them can be created is known, top management has to put structures into place to support the value vision. What remains afterwards is to build capabilities and skills of sales forces and align them with other functions of the company (Rackham and De Vincentis 2002). This implies that top managers have to elaborate a specific control system that will help them stimulating sales people to behave in a desired way - with customers and internally with other employees.

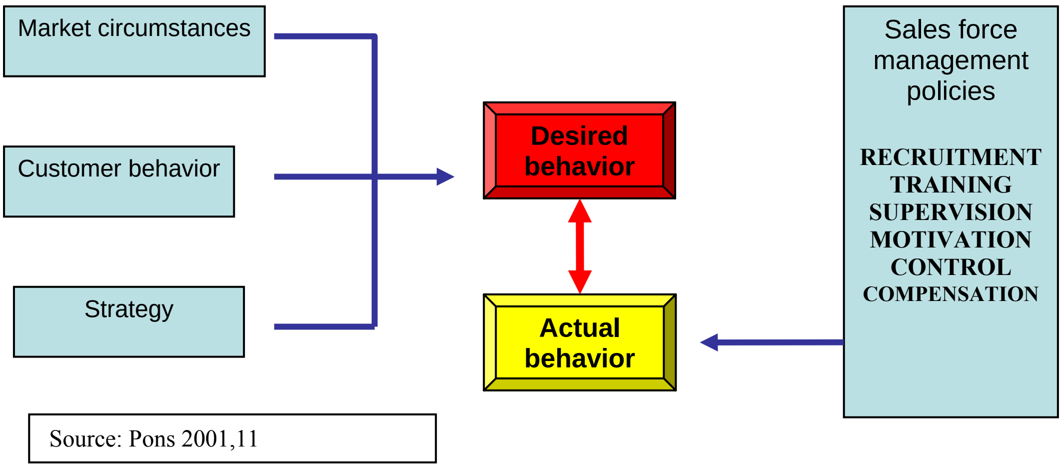
The control system is based upon a mixture of well studied elements of different management policies. If top management uses the system consistently it helps salespeople to deal more easily with the tensions of having served both company and its customers (Anderson and Onyemah 2006). This in turn enables keeping their morale and productivity high. But above all it makes possible for top management to direct behavior of the sales force in the required course. If it fails to do this a gap between the desired and actual behavior occurs, which may adversely affect the implementation of the company's marketing strategy.

These areas where gaps can easily occur provide a platform for my research work. The central idea of the research refers to the question of how to design a control system that will minimize a gap between the desired and actual sales force behavior. The distance between desired and actual behavior is a function of the quality of the control system. The shorter the distance the better the top management has done its job. The system is well established if it gives a consistent support to sales people in their approach to customers but also to their colleagues in the company.

The starting point of my research work derives from Figure 3.2 (Pons 2001) and presents a simple model to evaluate the magnitude of the gaps between desired and actual behavior of salespeople. Most marketing implementation problems that companies encounter stem from discrepancies between the desired or ideal behavior of their salespeople (a function of customer needs and of strategic objectives of the firm) and their actual behavior (which is shaped by the specific policies outlined below). The task of aligning the latter with the former should be a constant concern of senior marketing managers in order to preserve the required harmony in the approach to customers (Pons 2001).

I expanded on Pons' model (Figure 3.2) and developed my own one (Figure 3.3) by specifying desired behavior of salespeople (selling mode and internal interactions), by bringing in a term "control system", a well established managerial tool that links up different sales force management policies, and by delineating some linkages that show more clearly the role of top management in the whole construct.

Figure 3.2: Framework for analyzing the gap between desired and actual behavior



3.1.2 Concept of the research model

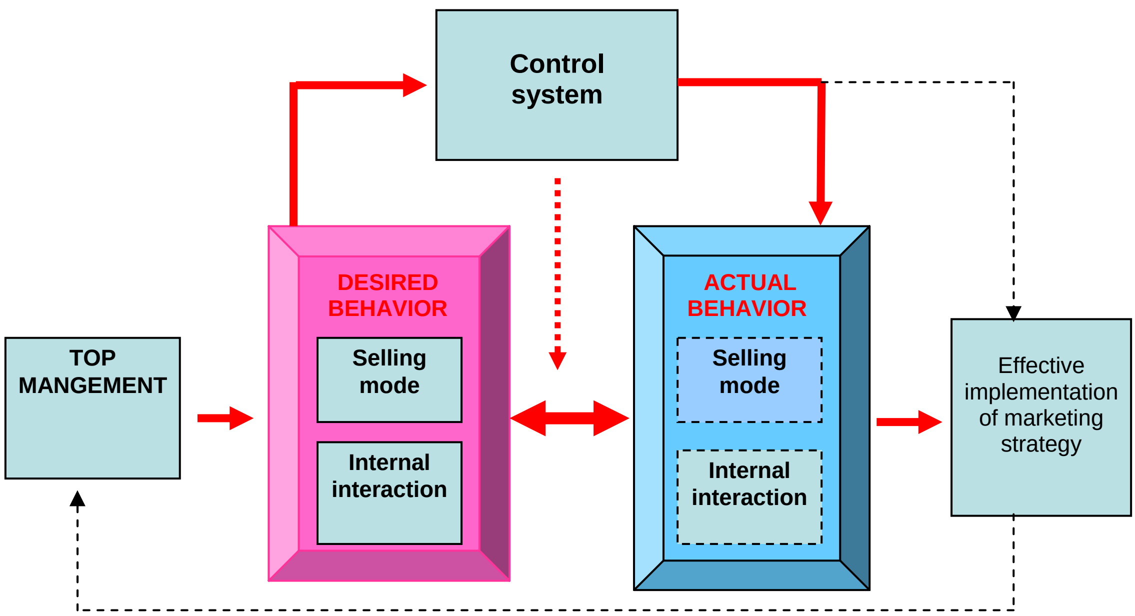
For a better understanding of my research model (Figure 3.4), listed in the next chapter, I developed a concept model (Figure 3.3) that serves as an analytical framework of this study and is based on Pons' model (Figure 3.2)

The concept model (Figure 3.3) suggests that impact of senior executives on sales management is formed via a well established control system that is composed of different sales management policies and affects the relationship between desired sales force behavior expressed by senior executives and sales force actual behavior. Desired sales force behavior is investigated in the light of both selected selling mode and its reflection on salespeople's internal interactions. The immediate responsibility for quality and consistency of the control system and its components rests on top management (Simons 2000).

By articulating desired sales force behavior and employing a well designed control system that is consistent with this behavior, senior executives expose their simultaneous impact on both sales management and effective implementation of marketing strategy. From the empirical perspective, I decided to engage myself in exploring the process involved in forming the impact senior executives have on sales management with a help of grounded approach in the research methods. Thus, I concentrated on a discovery of the potential inconsistencies within the control systems that are proved to cause the gaps between desired and actual sales force behavior. Control systems have a power to minimize or maximize these gaps, depending on how consistent or inconsistent they are with the articulated desired sales force behavior. The more consistent are the control system components with desired behavior and among each other, the less possibility is for the gap and the more probability for effective strategy implementation.

Even tough the impact senior executives have on effective implementation of marketing strategy is a logical component of my concept model (Figure 3.3.), it is not within the scope of my research. However, for a more clear understanding of the concept model, which serves to underpin my research model, I am explaining the components of the concept model on the following page.

Figure 3.3: Model of senior executives' impact on sales management



Explanation of the concept model components

The concept model consists of the following components: impact of top management, desired sales force behavior, actual sales force behavior, sales force control system and effective implementation of marketing strategy. An explanation of each component and the relationship between them are as follows:

- **Top management**

Huge changes in purchasing decisions and sharp competition on the global markets force companies to more thoroughly think about the way how they manage their sales. The changes that need to be carried out are so complex that they require active involvement and leadership of the entire top management, not just the sales management function (Rackham and De Vincentis 2002). In order to have an effective impact on sales management top executives have to recognize strategic challenges on the market and act upon them accordingly. This, at a minimum, forces companies to change their mix of selling capacity and to redesign their sales forces. Without senior executives to strive for the achievements of these objectives, a company can hardly count on its long term business success. As a rule it entails a rethinking of the sales structure, the creation of competences, incentive strategies, the performance measurement and alignment with other functions of the company. All this helps companies to effectively manage their sales forces and as a consequence to successfully implement their marketing strategies in the field.

- **Desired sales force behavior**

Desired sales force behavior, as a top executives' conception, comes out from their perception of the given market circumstances, the customer value demand and strategic challenges of the company. However, corporations spend millions trying to build the ideal profile of salesperson on the assumption that there is a successful set of competencies, personality dimensions and skills that span the entire spectrum of selling situations. But if sales forces want to compete for today's sophisticated customers they have to create value for them. They can create customer value in transactional, consultative and enterprise selling mode, either by providing new customer benefits (not existing in product yet) or by reducing the cost of acquisition (Rackham and De Vincentis 2002).

In transactional selling mode purchasers already have a full understanding of their needs and also know about the products and services they intend to purchase. For them value is intrinsic to the product. They focus exclusively on the cost elements of the value – either in terms of price or ease of acquisition. Sales force can add value by eliminating unnecessary costs and providing a good deal for well informed customers. Commodities or standardized products, for example, generally fit this kind of sale. There are a number of potential suppliers in a transactional sales therefore buyers are very cost-price sensitive.

In consultative selling mode buyers do not enter the buying process knowing enough to make a sound buying decision. This selling mode allows sales force to add unique customer value in distinct areas: help customers understand their problems, show customers new or better solutions to their problems and act as their advocates within the supplier organization. Some situations are innately consultative because the product or service choice is unique, innovative or too complex. Consultative selling works best, when one or more of these fundamental conditions are present: the product/service can be differentiated from competing alternatives, can be adapted or customized to the needs of the customers, has benefits that justify the relatively high cost of consultative selling.

In contrast to previous two modes, enterprise selling mode requires that strategic interest of customer and supplier are aligned and that there is opportunity for significant value creation. It starts at the top management level and works cross-functionally all the way down on both sides of the organization. Enterprise selling mode is appropriate for very large sales, and even then, because of high cost and risk involved, in only a limited set of circumstances. This is why I will omit it from my research.

The internal interactions sales people have with other functions in the company need to be in tune with those being applied with customers. In accordance with the sales force input, the rest of the company helps adding needed customer value. If salespeople are expected to approach customers in the transactional selling mode it's usually because a company produces standard products or services. In this case order fulfillment, delivery and service functions are lean, and designed to make the customer's acquisition process fast and convenient. Major part of the sales force effort is focused on cost reduction and this has to be detectable in all sales interactions within the company.

When salespeople are expected to perform in a consultative way it is mostly because a company offers differentiated, innovative, complex or customized products or services. Different functions are involved in delivering a customized product or unique solution to a customer with flexible lead times, different delivery options and special service support. The contribution of the sales force lies in its capacity to link all supplier resources to the specific customer needs they have uncovered, by interacting with all necessary parts of the company. In this manner they act as a customer's advocate inside their own company, ensuring timely allocation of resources to deliver customized or unique solutions that meet customer's needs.

At the time when loyalty continues to decline several companies clearly recognize that their sales forces can contribute to the relevance of the brand to customers. In that case top management considers salespeople as a powerful and protecting source of brand equity (Chernatony 2001; Rackham and De Vincentis 2002, Anderson and Onyemah 2006). This seems to be more possible in a consultative sale where salespeople can create substantial customer benefits during the sales process. Their behavior when interacting with customers is therefore crucial and worth of special attention and supervision. But as a branding policy is usually in the hands of marketing department this is among others a good reason for top management to move sales and marketing into an integrated relationship.

- **Actual sales force behavior**

Unlike the desired behavior of salespeople that is supposed to be in the minds of company's management, the actual sales force behavior is the real behavior, translated, if possibly, from managers' conception into the field where the work of sales force actaually takes place. It could be divided into two different spheres of activities. The first one takes place on the field where salespeople are in contact with customers while the second one relates to sales interactions within the company. Actual behavior shows whether a company makes an effort to think about customers needs and is ready to design solutions for them or just wants to close the deal as soon as possible. In the first case service component is the most important attribute of the sales while in the second volume sold is all that matters.

Ease of acquisition and cost reduction is the main value-added lever sales force has on its disposal in transactional sales. Customers don't receive any particular attention from the sales force neither they get any remarkable service from other functions of the company. In this case marketing can help customers understand their needs by alerting them through advertising to the fact that opportunity exists or that solutions are available to their problems. Transactional environment often permits companies to deploy outsourced sales forces or to use cheaper and easier ways to get orders, avoiding personal visits.

When the prevailing selling mode of the company is a consultative one each customer contact generates added value for customers. In this case the list of specific tasks expected from a salesperson refers to problem-solving and solution-oriented situations. As a rule, in such environment other functions of the company are called for cooperation by the sales force. For example product management and technical support can show customers new or better solutions to their problems, while customer training or education can often help eliminating them. After all, if company is to provide a customized solution to a customer, sales force is expected to develop a productive relationship with other business functions in the company like research and development, design, customer service and marketing. Sales force that is perceived as adding value to the product or service that a company delivers may have very strong impact on its brand image. In this case cooperation between sales and marketing is even more important.

- **Sales force control system (SFCS)**

As observed by Simons (2000) without diagnostic control systems, managers would not be able to tell if intended strategies were being achieved. Namely, diagnostic control systems are the essential management tools that relate to strategy as a plan. Some intended strategies, however, may go unrealized; goals may be set inappropriately or circumstances may change, making goal achievement either impossible or less desirable. Also unanticipated roadblocks could be encountered and control systems are needed to monitor all these situations.

According to Anderson and Onyemah (2006), in most cases the effectiveness of any sales force is a product of consistent use of management policies, whose aim is to translate the desired sales force behavior into an actual one. Some of the most frequent policies are training, coaching, monitoring, evaluation and compensation. Top management must put into place such policies that support a vision of customer value that a company seeks to create (Rackham and De Vincentis 2002). At the same time it has to ensure that this vision is reflected in the whole business chain. This means that selected selling mode, the desired behavior, the structure of the sales organization and alignment of other functions have to be matched to the customers' value requirements.

To be up to all these demands, top managers must create a holistic control system that will help them supervising such a complex situation. The control system is the most important lever top executives have in exercising the influence upon the sales management of the company. In order to form such a control system, some crucial elements of different management policies should be categorized into specific components.

These components reflect the key questions senior management needs to ask about the way it conducts its sales business (Anderson and Onyemah, 2006). How management answers can help determine whether it employs an outcome control system or a behavior control system. The first one stimulates and controls results (sales, margins, contribution to profit, sales of new products, etc) while the other one is focused on the sales force behavior itself (knowledge, skills, competences, aptitude). In the latter managers play much bigger role in the salespeople's daily lives and salespeople pay close attention to their requirements.

The control system signals, in a continuous and more or less automatic way, what management expects from its sales team. It conveys to salespeople which trade-offs the company would prefer them to make as they interact with the customers and with different functions of the company. The system also affects the way sales reps perceive business challenges and what kind of indicators they focus on.

- **Effective implementation of marketing strategy**

Many marketing strategies are not implemented effectively because top executives do not engage themselves properly in the execution phase of the business. As Kaplan and Norton (1996) already recognized, the main reason for failure of the strategy implementation lies in the lack of alignment between the strategic directions of the company and employee behavior. Extension of this problem can be proved by the research conducted by Forbes Magazine in the 2005. CEOs from Fortune 500 companies were asked how well they planned strategically in the past year. 82 % of them responded positively. Then a question about successful implementation of their plans followed and only 14 % of them answered positively.

The biggest challenge for top management in the future remains the manner in which they will mobilize and manage their employees, especially those who have customer contact and are responsible for turning the marketing strategy into tangible results. As explained earlier, the connection between top management and effective strategy implementation has not been the aim of this research. Instead I focus on the impact of top executives by assessing the sales management policies they have employed, as this in itself is a crucial indicator of their impact.

- **Relationship between the model components**

Top management can positively affect sales management and implementation of marketing strategy as a consequence if senior executives recognize which sales force behavior will allow the company to best realize its marketing objectives. In accordance with the new paradigm shift companies are seeking to create value for customers either by approaching them in a transactional or in a consultative way. One or the other mode entails top management to shape desired sales force behavior and support it with a proper sales structure, effective and consistent management policies united in a sales force control system and to align sales force efforts with other functions of the company.

To ensure the effective execution of the desired behavior senior executives must set up a control system based on consistent management policies. In transactional circumstances an effective control system would rather stimulate sales force to close the sale as soon as possible while in conditions where consultative selling mode is desired it would stimulate salespeople to show their relationship and problem-solving capabilities. The orientation of the control system should depend, equally like the selection of appropriate selling mode, upon the environment in which company operates, on the nature of the customers it serves and on strategic objectives it pursues. It is important that system components are constantly fine-tuned one with another and aligned with strategic directions of the company. Strategy suffers and execution fails when top management doesn't help salespeople to perform in accordance with their requests.

3.1.3 Research questions

As a consequence of inconsistent use of sales management policies - or with other words - of inconsistent control philosophies applied by senior executives, gap between desired and actual sales force behavior can occur. This finding has been clearly stated, in one or the other way, by several different authors over the last 25 years (Anderson and Oliver 1987; Simons 2000; Pons 2001; Anderson and Onyemah 2006; Steenburgh 2006, Guenzi et al. 2011). This implies that as management moves from one side to another on the control continuum, the thoughts, feelings and motivation of salespeople also change. Within this research study I try to examine how consistent are control systems with the desired sales force behavior articulated by senior executives in the researched companies. But above all I take aim at bringing forth the reasons for potential control inconsistencies. For that purpose I developed the following research questions, starting with the over all and the principal one:

Research question 1:
What are the reasons for inconsistencies found with the control systems?

Some empirical research studies have demonstrated the impact of sales force control on sales performance with a focus on outcome-versus behavior-based orientation (Darmon and Martin 2011). Accordingly, a series of propositions on the likely reliance on behavior- or outcome-based control systems have found some general empirical support. But at the same time, most sales force control researchers recognize, (Jaworski 1988; Oliver and Anderson 1995; Rouziés and Macquin 2002; Darmon and Martin 2011) that majority of firms use hybrid forms of sales force control, more often than not in an inconsistent manner. As the outcome-or behavior-based control distinction provides limited explanation of what induces a firm to select one specific control tool over another (Darmon and Martin 2011), this research tries to exceed this limit. First by integrating the sales force control system into a new theoretical model which offers better understanding of why one control philosophy is more suitable than the other one, and second it tries to answer why inconsistencies within this emergent model happen.

Research question 2:
Which sales management policy seems to be the most and the least consistent with desired sales force behavior?

Often sales force control systems do not exist in their pure forms. Most companies use hybrid systems of sales force control which include outcome- and behavior based elements simultaneously (Oliver and Andeson 1995; Rouziés and Macquin 2002). But the hybrid approach increases the likelihood of having elements that are inconsistent with each other and this is when they don't reflect the same degree of outcome or behavior control philosophy (Onyemah and Anderson 2009). Consequently, the elements do not depict the perfect coalignment which has an adverse effect on salesperson performance. The aim of this study is to detect which management policy in the researched companies is the most and the least consistent with desired sales force behavior, thus explaining which one has a detrimental effect on salespeople's behavior and which one favorably affects it.

Research question 3:
Which inconsistencies senior executives are aware of and ready to declare?

When the influence intent is to increase the quality level of transaction-oriented activities, managers may rely on tools such as monitoring the final output, using simple performance measures and offering little support in sense of supervision, training and coaching. When the influence intent is to increase the quality level of customer relationships, managers may rely on tools such as salespeople's formal training or skill development programs, frequent contacts with salespeople, heavy interventions in the selling process and well considered evaluation and reward systems. The ability to maintain consistency of influence intent with desired sales force behavior lies entirely in hands of senior executives. The more they are aware of inconsistencies within the control system the more likely they are going to save the situation promptly and less damage will be inflicted on company's performance.

Research question 4:
Which inconsistencies are perceived by salespeople and marketing employees but ignored by senior executives at the same time?

Decisions in the field of sales management are particularly delicate and must be made bearing in mind that sales people will modify their behavior according to these policies (Pons 2001). It is not enough to possess a"suitable" sales force control phylosophy. Care must be taken to ensure that during implementation, control system elements have internal consistency so that they reinforce each other to form a coherent ensemble that creates an enabling work environment for salespeople. The goal here is to capture salespeople's perceptions of the control system inconsistencies they experience, particularly those that have been overlooked by senior executives and run a risk to be fallen into a complete oblivion. They generate distractions and undermine salesperson performance, deprive the control system of synergy and render it inefficient (Anderson and Onyemah 2006, Baird and Meshoulan 1988).

Research question 5:
What is the most common pattern of inconsistency found in the examined companies?

A review of the sales force control literature has identified common paterns of control inconsistencies (Anderson and Onyemah 2006). Each type of inconsistency appears to emphasize a particular type of incompatibility among the sales force control elements. Anderson and Onyemah (2006) describe three archetypical patterns of control system inconsistencies: "ever-present manager", "sublime neglect", and "black hole". The characteristics of each pattern have been already explained in the theoretical chapter. It is of great interest of this sudy to find the common pattern of inconsistency in the companies being researched and compare it with Anderson and Onyemah's ones. This comparability allows us to make inferences from the obtained results on a more general level.

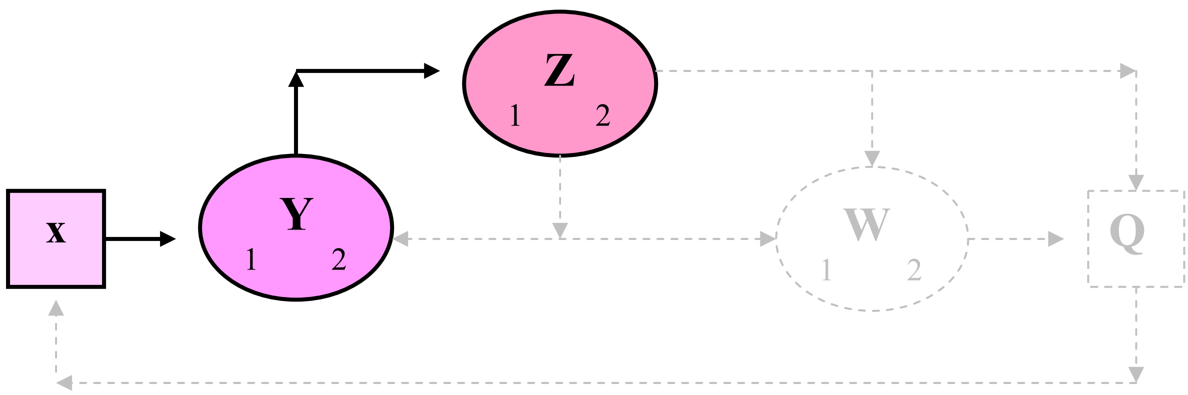
3.1.4 Research model

In order to fulfill my research objectives and furnish relevant answers to the research questions I wish to elaborate my research model (Fugure 3.4) presented in the next section. By comparing my concept model (Figure 3.3.) and my research model (Figure 3.4) we see that the research model does not address the "actual sales force behavior" (w) and "effective implementation of marketing strategy" (q), which are part of the concept model only to provide a conceptual whole of a given real life situation (hence the dashed, grey lines in Figure 3.4).

In creating a sound research model my task was to identify those factors that have a significant effect on the dependent construct and to express these effects as "influence functions" (Hutcheson and Mountinho 1998). In this research study I view control systems (z) as the tools senior executives use to control the desired sales force behavior (y) articulated previously by senior executives (x) in accordance with strategic directions of the company.

Assuming that these variables interrelate as indicated in both the concept model and the research model itself, my explorative aim is to investigate empirical linkages between the desired sales force behavior and consistent use of the control system components employed in the researched companies.

Figure 3.4: Research model of senior executives' impact on sales management



Explanation of variables that are part of the research model:

X = senior executives
Y = desired sales force behavior (y1=transactional, y2= consultative)
Z = sales force control system (z1= controls y1; z2 = controls y2)

Explication of variables that are not part of the research model:

W = actual sales force behavior (w1= transactional, w2 = consultative)
Q = effective implementation of marketing strategy

In order to investigate the impact senior executives have on effective implementation of marketing strategy, the business results of the relevant companies would need to be analyzed over several years. Since most corporations view such data as sensitive or even confidential I decided not to investigate the relationship between the variables (x) and (q). Instead, I focus on the impact senior executives (x) have on sales management as well as the relationship between the sales force behavior desired by senior executives (y) and the control systems (z). This was an obvious choice, as my analysis of control system quality and its consistency with the desired sales force behavior clearly shows by itself alone how effective the implementation of the given marketing strategy is.

Consequently, I decided not to analyze the actual sales force behavior (w) at all. However, this was not only because of the above mentioned reasons, but also because the inclusion of the comparison between the desired (y) and actual sales force behavior (w) would have greatly exceeded the resources available to me. For such a comparison would have entailed, in addition to the questionnaires, in-depth interviews and focus groups as the main research methods of this study, the introduction of a supplementary research method in the form of sales field visits. Having performed sales field visits numerous times as part of several consulting projects I am sorely aware how time consuming they are. It was thus a well balanced choice I made when I decided against expending a great deal of time and resources to gain a possibly somewhat more complete picture by not including an analysis of the actual sales force behavior. Nevertheless, I do believe that an analysis of the actual sales force behavior warrants further research, and I recommend it as a preferential variable to some future researcher.

Operational variables

In order to answer my research questions essential variables of the research model are operationalized as follows:

- Variable X = senior executives

  Today's crucial changes of companies' sales functions are so complex that they require - unlike those in the past – the active involvement and leadership of senior executives and not just the sales managers. The role of senior executives in sales management has become so important that it needs to be particularly emphasized in the research model. The variable X represents the CEOs and VPs Sales and Marketing of the researched companies and the way they shape their conception of desired sales force behavior in relation to the salespeople's interactions with customers and other employees within the company, as well as how they design and employ the SFCS in order to enhance desired sales force behavior. Their views which depend on how they recognize the strategic challenges and perceive customer value expectations need to be reconciled among senior executives of the same company if they are to play a role in guiding the behavior of sales and marketing people. Thus, variable X places stress upon senior executives as the crucial protagonists in sales management change initiatives.

- Variable Y = desired sales force behavior
  - y_1 = transactional selling mode
  - y_2 = consultative selling mode

In order to compete for today's sophisticated customers sales forces are required to create value for them. This value can be created in a transactional or a consultative way, either by reducing the cost of acquisition or by providing new customer benefits. This view is based on the theoretical concept of Rackham and De Vincentis (2002) and operationalized by means of the articulation by senior executives of the desired sales force behavior. The relational – transactional selling dichotomy is typically portrayed as a simple dyad. Indicator y_1 is determined by the senior executives' articulation of sales force activities that eliminate unnecessary costs in the selling process, strive to close the sale as soon as possible, and provide a good deal for well informed customers. Indicator y_2 is determined by senior executives' articulation of specific sales tasks relating to problem-solving and solution-oriented activities. In order to see how the required orientation of the selling mode is understood by those who are to implement it, converstion with sales and marketing people are carried out.

- Z = sales force control system
  - z_1= outcome based control system / system that controls transactional behavior
  - z_2 = behavior based control system /system that controls consultative behavior

In most cases the effectiveness of any sales force is the result of the consistent application of the control system, which consists of different management policies, whose aim is to help translate the desired sales force behavior into an actual one. Variable Z represents a control system based on a well thought out theoretical construct of Anderson and Oliver (1987), however, partly adapted to the customer value concept of Rackham and De Vincentis (2002). Variable Z is operationalized by the answers furnished by senior executives about how they manage their sales forces and by the perceptions held by the sales and marketing people about sales force management. The indicator Z_1 helps determine whether a company employs an outcome control system, thus stimulating transactional behavior, while indicator Z_2 determines a behavior control system, stimulating consultative sales force behavior. A possible outcome on the continuum could be also a combination between the two control philosophies, indicating a hybrid nature of the control system.

3.2 METHODOLOGY

This chapter presents the research sample and screening procedure, the research methods employed, the way how data are collected and processed and short background of the researched companies.

3.2.1 Research sample and screening procedure

Theoretically, the most important and defining difference between the transactional and consultative selling mode lies in the area of value. Consultative salespeople create value during the sales process; transactional salespeople don't. While it's difficult to find companies with exclusively one selling mode, almost every company is facing transactional pressure for part of their product line or customer base (Rackham and De Vincentis 2002). In practice the majority of the biggest Slovenian companies, use both selling modes but claim that the consultative mode is far more important for their long-term sales success. Therefore my research intention is to examine these companies whose top management strives to have a predominantly consultative sales force. To manage it requires far more care and attention by senior executives than what is necessary for a transactional salesforce.

My starting-point in determining the research sample relates to the largest Slovenian companies in terms of two simultaneous criteria: "sales revenues" and "number of employees" according to the register of the Slovenian Chamber of Commerce (2009). These criteria were chosen with the intention to capture companies that operate in global markets and pay full attention to sales force management and effective implementation of marketing strategy. Also, the size of the companies makes one assume that both functions, marketing and sales, are likely to be fully operative. Companies whose main activity is retailing were omitted because the sales approach required to serve consumers at the point of sale differs significantly from the one needed for the interaction between the sales force and the customer in the field.

I selected 30 manufacturing or service companies and asked their CEOs to participate in the screening process. 12 CEOs were willing to participate and I established a dialogue with them on the basis of a semi-structured questionnaire, which is explained in greater detail in the next section. The goal of the screening procedure was to enssure a proper identification of research cases prior to formal data collection. This means that at this point my aim was not to investigate the desired sales force behavior but simply to identify the companies in which management policies are inconsistent one with another. This was the case for the majority of the 12 companies. I explored the desired sales force behavior itself together with the quality of control systems in a later stage of the research with a help of in-depth interviews and focus groups.

The numbers presented in Table 3.1 represent the answers of individual CEO on the continuum of Lickert scale between 1 and 7 for each structured question (detailed questions could be seen in Appendix A). These questions epitomize the main management policies and their orientation on the “outcome - behavior control continuum”. If the selected number extends somewhere between 5 and 7, the probability that the company appplies a management policy which controls the behavior of salespeople (consultative approach), is big. If it extends between 1 and 3, the probability for an outcome control (transactional approach) is more likely. By choosing the number 4 a CEO indicates that the management policy is defined in between the two desired options or stuck somewhere in the middle.

Table 3.1: Screening procedure results

Structured questions	Appraisal of senior executives on Lickert scale from 1 to 7											
	LM	HELIOS	ADRIA	PETROL	DOMEL	MK	DNEVNIK	ŽITO	TMC	IBM	S&T	AVT
1. Focus of performance criteria	5	3	7	6	5	3	4	3	4	4	4	6
2. Number of performance criteria	4	3	4	2	3	2	3	4	2	6	7	6
3. Transparency of evaluation criteria	3	2	5	1	3	2	2	2	6	2	2	3
4. Degree of management intervention	7	4	5	6	5	4	4	6	6	5	6	6
5. Frequency of contact	5	3	6	6	3	6	5	6	4	6	4	7
6. Degree of management monitoring	5	3	6	4	5	6	5	4	4	3	7	6
7. Course of training	3	1	5	2	2	6	4	4	6	6	7	7
8. Amount of coaching offered	5	1	2	5	5	4	2	6	6	5	7	6
9. Compensation scheme	5	3	6	5	2	6	6	4	4	3	6	6
10. Shared compensation	3	5	6	5	2	6	3	5	4	5	6	5
11. Inter-functional coordination	4	5	7	6	6	4	7	3	6	7	6	6
12. Source of brand equity	6	6	6	7	6	7	7	7	7	7	7	7

Legend of companies:

LM – Ljubljanske mlekarne /diary ; HELIOS – Helios / chemical; ADRIA – Adria Mobil /automotive ; PETROL – Petrol / oil; DOMEL – Domel / electric; MK – Mladinska knjiga /publishing; DNEVNIK – Časopis Dnevnik /press; ŽITO – Žito / bakery; SHB – Sava hoteli Bled / tourism ;IBM – IBM / IT solutions; S&T – S&T / IT solutions ;AVTAvtenta / IT solutions

From the obtained screening data the most frequent answers were grouped and as a result a common pattern of inconsistency was detected. The most common answers on the continuum are presented in the Table 3.2. Each column tells us how many answers were collected for a given structured question on the spread between 1 and 7. The most common answers are colored in black. The tentative results indicate that performance evaluation items (reflected in the first three questions) are the most inconsistent with other sales management approaches. This mismatch means that managers pay a lot of attention to behavior control (consultative selling) but at the same time send strong signals that they evaluate salespeople's quick achievement of sales results (transactional selling).

Table 3.2: Common pattern of inconsistency in control systems

Structured questions	Appraisal on Lickert scale from 1 to 7						
	1	2	3	4	5	6	7
1. Focus of performance criteria	0	0	3	4	2	2	1
2. Number of performance criteria	0	3	3	3	0	2	1
3. Transparency of evaluation criteria	1	6	3	0	1	1	0
4. Degree of management intervention	0	0	0	3	3	5	1
5. Frequency of contact	0	0	2	2	2	5	1
6. Degree of management monitoring	0	0	2	3	3	3	1
7. Course of training	1	2	1	2	1	3	2
8. Amount of coaching offered	1	2	0	1	4	3	1
9. Compensation scheme	0	1	2	2	2	5	0
10. Shared compensation	0	1	2	1	5	3	0
11. Inter-functional coordination	0	0	1	2	1	5	3
12. Source of brand equity	0	0	0	0	0	4	8

All 12 CEOs were invited to participate in further investigation and to benefit from the research findings. The consent to cooperate was hardly found. Only three of the twelve CEOs from very different manufacturing industries were willing to participate in further investigation: Adria Mobil (automobile industry), Helios (chemical industry) and Ljubljanske mlekarne (dairy industry).

3.2.2 Research methods

In order to answer my research questions I decided to use a multiple – method approach. The most significant part of my research study rests on qualitative analysis and only its minor part is a subject of quantitative approach. Data are collected with the help of semi-structured questionnaire, in-depth interviews, focus groups and structured questionnaire. Samples of both questionnaires and protocol for in-depth interviews and focus groups are presented in detail in Appendix (A, B, and C). Most of the data gathered are treated on the basis of categorical analysis. The data that were collected with the structured questionnaire were processed with the help of SPSS program.

- **Semi-structured questionnaire**

The semi-structured questionnaire has been developed on the model of Anderson and Onyemah (2006) and expanded by myself. The policies and practices that managers employ to adjust sales force behavior to customer needs make up a sales force control system which can be categorized into several components. Anderson and Onyemah (2006) discussed eight components in their model while I added four additional ones. These components reflect the key questions senior management needs to ask about the way it conducts its sales force behavior. How management answers can help determine whether it employs an outcome control system, a behavior control system, or some combination of the two. The senior managers evaluated each of the 12 statements on a scale from 1 to 7 where 1 means they strongly agree with the first part of the statement and 7 means "strongly agree" with the second part of the statement.

To get a sense how consistent are the sales efforts of the company, Anderson and Onyemah (2006) suggested it is useful to render the system graphically. The answers can be observed as a graphical line plotted where approach to sales force management falls on the "outcome control - behavior control continuum" for each of the system components. If the system is consistent, the points should fall roughly in a straight line. If the system isn't consistent a pronounced zigzag design would be observed.

But system consistency isn't a whole story, emphasize Anderson and Onyemah. The straight line also needs to be in the right place on the outcome control-behavior control continuum. The location will depend on the company's situation – the constraints it faces and the resources, strategy, internal culture, and time-horizon it has. It will also depend on the environment in which a company operates, for example firms need to bow to local cultural and legal norms, disclose Anderson and Onyemah (2006). I maintain that a location of the line on the outcome control - behavior control continuum depends also on the nature of the product company offers, the way customers perceive value proposition of the company and selling approach that is consequently desired by management (transactional or consultative).

After a thorough study of professional literature and Anderson and Onyemah's research I ascertained that outcome control could be actually equated with control of sales force behavior desired for transactional selling approach and behavior control could be equated with control of sales force behavior desired for consultative selling approach. These statements were accepted and approved by Onyemah himself and I was encouraged to continue with my investigation in compliance with the questionnaire that is presented in Appendix, as a supplement A.

- **In - depth interviews**

My goal was to deeply explore the respondents' points of views and feelings about desired sales force behavior and quality of sales management policies. In-depth interviews, as one of the most common qualitative methods yielded needed information. I used them to elicit a vivid picture of the participants' perspective on the research topic. By posing questions to senior executives in a neutral manner I intended to find out the real content of sales management policies in the researched companies. I engaged myself to listen attentively to their responses, and asking follow-up questions and probes based on those responses in order to find out how decisions of senior executives about sales force management possibly influence on salespeople's daily work. Or with other words, do senior executives think that salespeople approach customers in the transactional or the consultative way, are they managed and motivated accordingly and finally, how this behavior reflects in their interactions within the company. In doing so I did not lead participants according to any preconceived notions, nor do I encouraged participants to provide particular answers by expressing approval or disapproval of what they say. Instead I was attentive to the causal explanations participants provide for what they have experienced and believe and by actively probing them about the connections and relationships they see between particular events, phenomena, and beliefs (Rubin&Rubin 1995). The protocol of in-depth interviews can be observed in Appendix within a supplement C.

- **Focus groups**

Conversations with salespeople and marketing employees were carried out in focus groups which are also the most commonly used qualitative research techniques (Lindlof and Taylor 2002). As it's usual, a focus group comprised 3 - 9 people and allowed them to share their views under my guidance. The discussions generally lasted around 2 hours and generated a wide range of views and reactions. The participants felt 'rewarded' for their participation. The protocol of focus groups can be found in Appendix within a supplement C.

- **Structured questionnaire**

Kotler, Rackham and Krishnaswamy (2006) designed an assessment tool that can help organizations gauge the relationship between their sales and marketing departments. Without an objective tool of this kind, they claim, it's very difficult for managers to judge their cultures and their working environments. They interviewed pairs of chief marketing officers and sales vice presidents to capture their perspectives. I found this tool suitable also for my investigation in which I asked directors of sales and marketing departments of the researched companies to evaluate each of the statement on a scale of 1 to 5 where 1 means "strongly disagree" and 5 means "strongly agree". Questionnaire is presented in Appendix as a supplement B. As the authors suggest the numbers were tallied and the scoring key was used to determine the kind of relationship sales and marketing have in the companies. The higher the score, the more integrated the relationship. Or more precisely, 20 to 39 points indicates the relationship is undefined, 40 to 59 points means it is defined, 60 to 79 points shows the relationship is aligned and 80 to 100 points indicates integrated relationship between the functions.

3.2.3 Data collection

In order to answer my research questions three different groups of respondents were formed in each selected company. My purpose was to examine three organizational levels, starting with top management, going down to middle management in marketing and sales and ending up with the lower level of employees in the same two functions. In some companies the selected sample of examined people was enlarged for some other employees depending upon organizational structure, customer segments or other important circumstances. The reason why respondents were addressed personally lies in the complex and relatively new research topic. The respondents were informed about new concepts, paradigms, and vocabulary on the spot and they provided important insights into the situation I examined.

I gathered data from different types of sources: (a) semi-structured questionnaire with senior executives, (b) in-depth individual interviews with senior executives, directors of marketing and sales departments (c) interviews in focus groups with marketing and sales employees, (d) structured questionnaire with responsible managers for marketing and sales (e) archived communications (written and electronic) by companies themselves, (f) press clippings.

Prior to carry out in-depth interviews and focus groups I used some documentary information like annual reports, newspaper clippings and other articles appearing in the mass media and web pages of the companies - but their usefulness was of smaller relevance. The final preparation for data collection was the conduct of a couple of pilot case studies that were not included in the research. The pilot case studies helped me to refine my data collection plans with respect to both the content of the data and the procedures to be followed (Yin 2003).

For the initial step of the research study a semi-structured questionnaire was used with senior executives, first to screen the perception of 12 CEOs about how sales management policies are shaped in their companies and a bit later to test perception of senior executives responsible for marketing and sales in the 3 companies which decided to fully participate in the research. In two cases this was VP Sales and Marketing while in one case three executive managers had to be examined, each covering one business division. The purpose of testing both levels of senior executives was to assess how unified are senior executives in their reflection about sales management policies and whether or not there is already a discrepancy between them in perceiving how sales people are managed (see results in Appendix D and E).

Semi-structured questionnaire was then combined with individual in-depth interviews which are the most powerful source of evidence in my data collection procedure. Managing the interview effectively, involved clearly explaining the purpose and format of the interview to participants. Individual interviews were carried out also with sales and marketing directors while conversation with salespeople and marketing employees were organized in focus groups. Although I was pursuing a consistent line of inquiry, my actual stream of questions in a case study interviews was likely to be fluid rather than rigid (Rubin & Rubin 1995). That means that I combined open-ended with structured questions in the single in-depth interview while my interviews in focus groups remained open-ended in a conversational manner. But in both cases I was following a certain set of case study questions demonstrated in the case study protocol (Appendix C).

In order to examine more in detail how well salespeople interact with their colleagues in marketing I used a verified structured questionnaire applied to middle management in sales and marketing (Appendix B). In Adria Mobil it was completed by six middle managers with individual working contract: marketing and product management director, three area sales managers, sales operation manager and product manager. In Helios a questionnaire was completed by three executive managers and marketing manager who decided to answer two times separately, one time with respect to decorative coatings program (B2C) and the second time with respect to B2B production programs. In Ljubljanske mlekarne the questionnaire was completed by sales director and marketing manager (all results are in Appendix F).

Overall, I conducted 19 in-depth and 9 focus groups, all together 57 respondents. With senior and middle managers I conducted individual in-depth interviews while sales and marketing employees were interviewed in focus groups. Each interview was 90 to 120 minutes in length, digitally recorded, then transcribed and finally translated in English. Table 3.3. displays a detailed list of all interviewees.

3.2.4 Background of the researched companies

- **Adria Mobil (AM)**

Adria Mobil is one of the leading European manufacturers of caravans, mobile houses and motorhomes, making part of Adria group that in addition to the parent company consists of eight subsidiaries, based in Slovenia, Denmark, Switzerland, Spain, UK and Croatia. The vision of the company is a long-term growth and development with the objective of becoming one of the leading manufacturers of leisure time products in Europe. Quality, innovativeness, and experiences are integrated into all Adria Mobil products, which offer endless possibilities for active leisure. Adria Mobil exports over 98 percent of its manufactured products and is a distinctly market-oriented company with its own know-how and rich experiences. A broad spectrum of dwelling modules, rich packages of optional equipment, and adaptation to market needs represent the competitive advantage of the company and the Adria brand name, which is one of the most recognizable and popular in the European caravaning market.

In November 2008 sales and marketing functions were completely reorganized with the help of AT Kearney consultants. They introduced matrix organization, putting three area sales managers on the horizontal line together with marketing and product management director, who is responsible for both marketing and product management departments, while sales operations management took place on the vertical line. The latter is divided into two departments: commercial and invoicing department and after-sales department. Division of the territory by three different regions was well considered according to similarities in market operation, equivalent portion of business in volume and value terms and number of contacts.

Majority of sales business is organized through 8 exclusive distributors/importers, one distributor for each country. Top management perceives the distribution network as one of the key competitive advantage of Adria Mobil. A selected and reliable distributor covers some 50 local dealers on the very fragmented retail market. As an example, Adria Mobil's distributor employs 5 to 6 people and one among them, a field person, visits each customer once a year. In contrast, the competitors, especially local producers, work without distributors but directly with dealers. In East Europe, where distribution function is not developed and retail network is not so complex Adria Mobil sells directly to dealers too. In a bit less remunerative countries like Spain, Great Britain, Denmark and Switzerland where it's also more difficult to find an adequate distributor Adria Mobil opened its own subsidiaries.

Through national distributor Adria Mobil gains the mastery over a single market, i.e. structure and number of dealers, their annual balance sheets and performance data, pricing policy, marketing tools and reasons for eventual business decline. Sales objectives are planned by area sales managers and distributors together, having a growth of a market share on the first place of the list. While distributors represent only Adria Mobil products, dealers are completely autonomous and operate with multi-brand product portfolio. According to the research AT Kearney executed in Italy (2009) the most successful dealers are those who sell 3 to 5 different brands, and not only one brand, as for example the Adria brand. Marketing department offers a complete marketing support to a single distributor, while some few distributors are eager to apply their own creative solutions.

- **Helios Tblus (H)**

Helios Tblus is part of Helios Group, the leading manufacturer of coatings in South Eastern Europe. The mission of Helios Group is to develop customer-tailored solutions and products which enhance appearance and prolong usability. The company's vision is to become one of the ten biggest producers of paints and lacquers in Europe. Company offers products that correspond to international standards, local specifics, and ecological requirements. With constant innovation of product development Helios penetrates more easily to numerous foreign markets.

Among forty companies, ten of them are production plants. Each production company is managed by director who shares responsibility for business results together with an executive manager. Executive managers coordinate production programs among plants as well as sales and marketing activities in daughter trade companies. Some senior managers appear in double roles. R&D advisor to the board is responsible also for development of the whole group, while vice president of the group is simultaneously a director of Helios Tblus. All production companies and most of the trade companies are fully owned by Helios Group.

Helios Tblus which is a production company and also the biggest company of the group, employs 640 employees and produce car refinishing coatings, coatings for wood and metal industry (B2B) and decorative coatings (B2C). Consumer goods programs relate to professional buyers (varnishers, parqueters, painters) and to DIY buyers who buy goods at specialized retailers. Each program represents a separate profit center which has production, R&D and distribution functions. Directors of profit centers cooperate closely with executive managers and share with them responsibility for achievement of business results. Matrix organization of the group is complex and hard to follow.

In general, sales responsibility is in hand of profit centers for particular production programs. In most important markets Helios Group has created its own or joint venture network of distribution companies each covering the whole range of production programs. They sell to other distributors all the way down to joiner’s workshops for example or specialized retailers. In countries like Slovenia, Macedonia and Kazakhstan, where the group doesn’t have their own distributors, products are sold directly to customers. Each profit center has its own and pretty diversified customer base (wood coatings are sold to furniture and building material producers, refinishing coatings are sold to car varnishing services etc.). In former Russian region and CEFTA countries sales are managed (due to some specifics) by foreign trade department which is centralized and is under the authority of mother company just the same as marketing, HR and controlling. These functions report directly to management board of the shareholding company.

- **Ljubljanske mlekarne (LM)**

With almost 700 employees the company Ljubljanske mlekarne is the leading dairy in Slovenia. It is also the largest wholesaler of milk and dairy products in the country. For more than fifty years it has been supplying fresh milk and various dairy products to domestic but also foreign markets. With knowledge, experience and innovativeness milk and other gifts of nature are changed into fresh and delicious products for health and enjoyment for all generations. They maintain the majority market share in the Slovenian market. In three different factories around 50 percent of all collected milk in Slovenia is processed. Vision of the company is to remain the best dairy in Slovenia and to become a recognized producer of dairy and other products also in Europe.

A comprehensive sales program can be divided into three basic groups:

- white program (yogurts, fresh milk, cottage cheese and cheese spreads, long life milk, cream and beverages)
- cheeses (semi-hard, hard and processed cheese, mozzarella)
- ice cream (small, family and food industrial size)

Branding policy is very important for Ljubljanske mlekarne as it is for all consumer goods manufacturers. The most important brand is Alpsko mleko for milk and Ego for yogurts. More brands are well recognized for ice cream (Maxim Premium, Lučka, Planica, Otočec and Piran) and for cheese (Jošt, Laščan and Kranjska gauda).

Sales and marketing organization consists of three departments: sales department, marketing department and sales support department. VP Sales and Marketing is responsible for all of them. Sales department is then composed from three entities. Key Account Management, Export in EU countries and Export in SE European countries. The most revenues of Ljubljanske mlekarne is generated on domestic market where five Key Account Managers are assigned for retail trade (4) and “ho-re-ca” channel (1). They represent important part of the sales force which is directly responsible for company’s sales success. Their main activities relate to negotiation with key accounts on various issues like assortment of the products, shelf position of the products, pricing policy and discounts regulation.

They are supported by 26 sales representatives whose responsibility is a sales field work (11 sales reps for white program, 7 for ice cream and the rest for ho-re-ca). Since recently they are not anymore employed by Ljubljanske mlekarne but act legally as an outsourced sales force. Marketing department is mostly treated as a sales supporting function that takes care about market communications and branding policy. Seven marketing people are responsible for typical marketing activities like advertising, internet activities, product design, exhibitions, consumer researches and trade marketing. In order to accomplish those tasks they often cooperate with advertising and design agencies outside the company. Sales supporting function captures activities like sales planning, sales operations, ordering service and billing.

Table 3.3: Schedule of in-depth interviews and focus groups

	Respondents			
Companies	**Senior management**	**Middle management**	**Sales and marketing people**	**N of people interviewed by type of research method**
ADRIA MOBIL	❑ General Manager ❑ VP Sales and Marketing	❑ Area Sales Managers (3) ❑ Marketing and Product Mng Director ❑ Sales Operations Manager ❑ Product Manager	❑ Commercialists (3) ❑ Marketing employees (4)	❑ 8 individual in-depth interviews ❑ 2 focus groups (7 people)
HELIOS TBLUS	❑ General Manager ❑ Executive Managers (3)	❑ Marketing Director ❑ Sales Directors (2)	❑ Marketing employees (5) ❑ Sales field people (7)	❑ 7 individual in-depth interviews ❑ 4 focus groups (12 people)
LJUBLJANSKE MLEKARNE	❑ General Manager ❑ VP Sales and Marketing	❑ Sales Director ❑ Marketing Director	❑ Key Account Managers (4) ❑ Sales representatives (9) ❑ Marketing employees (6)	❑ 4 individual in-depth interviews ❑ 3 focus groups (19 people)
Total	8 people	11 people	38 people	❑ 57 people

3.3 RESEARCH RESULTS

Great part of the data obtained in this study is analyzed with qualitative categorical approach while only minor part of the data is a subject of quantitative analysis.

3.3.1 Results of qualitative analysis

As senior executives of the researched companies expressed, the desired sales force behavior seems to be consultative rather than transactional. However, early results, obtained with semi-structured questionnaire, show that some policies making up a sales force control systems of these companies are not consistent with such orientation. It is also evident that a view of senior executives within the same company on how they think they manage their salespeople is often not uniform. The views between senior executives are least different in Ljubljanske mlekarne, a bit more different in Adria Mobil while the largest difference is detected in Helios, where opinion was given by CEO and three senior executives. In two companies, the system components most at issue are "amount of coaching offered" and "shared compensation", while in the third company it is a "compensation scheme". The discrepancy between senior executives within each company could be observed in tables and graphs placed in Apendix, as supplements D and E.

However, it is difficult to infer any particular conclusion from this part of the study, so the analysis continues by identifying relevant concepts in the data and grouping them into categories (open coding). For this analytical step, I used in-vivo (Strauss and Corbin 1998) or first-order (Van Maanen 1979) codes (i.e. terms and language adequate at the level of meaning of the interviewees) whenever possible, or a simple descriptive phrase when an in-vivo code was not available. Next, I engaged in axial coding (Strauss and Corbin 1998), wherein I searched for relationships between and among these categories and assembled them into higher-order themes. I made statement of findings only if I corroborated a given finding across multiple interviewees. Representative quotes (table 3.4.) therefore, represent only corroborated findings. By including middle managers and lower levels of employees in sales and marketing organization the differences in perceiving sales management policies within the companies became more obvious. Also, the nature of inconsistencies and the reasons for them start to slowly clear up.

Figure 3.5 illustrates the structure and ordering of the data from specific, first order categories used by interviewees to more general, researcher-induced second-order themes. Because of their direct relevance to control system formation, the second-order themes served as the basis for the subsequent emergent theory of the impact senior executives have on company's sales management. Figure 3.5 is a representation of the core concepts and their relationships that served as the basis for the emergent theoretical framework.

Figure 3.5: Data structure of categorical ordering

FIRST-ORDER CATEGORIES	SECOND-ORDER THEMES
Articulating the most suitable selling mode Delineating expected sales tasks and activities	1. Articulating desired sales force behavior
Estimating the amount of training and coaching offered by senior managers Finding relevance of training and coaching to salespeople's work	2. Creating sales force competencies
Creating performance evaluation policy by senior managers Examining contentment (and effectiveness) of employees being evaluated	3. Defining sales performance evaluation
Describing sales compensation practices established by senior executives Perceiving effectiveness of existed compensation practices by sales and marketing employees	4. Designing sales force compensation
Finding out how senior executives supervise their salespeople Checking helpfulness of received supervision and reliability upon executives	5. Determining the amount of supervision
Estimating the nature of internal interactions under the influence of senior executives Inter-functional cooperation viewed by sales and marketing employees	6. Aligning sales efforts with other functions

Table 3.4 presents representative quotations that substantiate the second-order themes I identified in the research study.

Table 3.4: Representative quotes

Theme 1: Articulating desired sales force behavior	
Articulating the most suitable selling mode	"Despite various transactional pressures around us consultative selling mode seems to be more appropriate for our company". (general manager at AM) "Despite the fact that we act in a consumer goods arena we are obliged to use consultative selling mode. Our products are quite complex - we don't sell a marmalade!" (executive manager at H (B2C). "We enjoy a unique market position because of our effective distribution network. To establish and maintain it we need a consultative behavior."(area sales manager at AM). "Together with instructors we represent a consultative sales force" (salespeople for at H). "Our customers desire consultative selling. We can't simply sell cheap. We need to explain the whole technology and advise customers which product to use" (salespeopeople at H). "We have to perform a broad range of consultative selling activities before we get a customer at all. In case a salesperson has a typical sales profile, cooperation with technical service is indispensable. Otherwise the solutions can't be presented properly to customers." (sales director at H) "Sales force is expected to establish and maintain good relationships with distributors and independent dealers through partnership communications" (general manager at AM).
Delineating expected sales tasks and activities	"In my view the key sales task is to earn confidence from our distributors. Once we gain their trust, it's much easier to discuss about new ideas and develop market together with them" (area sales manager at AM). "Our business is built on mutual trust and almost familiar relationship with distributors." (marketing people at AM) "We can get order only after we have spent a lot of time with our customers and earn their confidence. Strong and trusty relationship developed between us helps us resolving complaints that might spring up from time to time." (salespeople for refinishing coating program at H) "On the basis of technical and professional knowledge sales force is expected to continuously communicate with key accounts" (executive manager for H (B2C) "A good relationship established with the shop managers can even help us to "enlarge" the limited shelf space in the retailers' shops." (sales reps at LM)
Theme 2: Creating sales force competencies	
Estimating the amount of training and coaching offered by senior managers	"Management provides our salespeople with some training but probably it's not enough. We also offer too little coaching." (general manager at AM) "We offer variety of trainings to our sales people with emphasis on strengthening a customer relationship but we don't provide any coaching yet to refine these skills. At the moment coaching is organized only for program managers who are new in our organization structure." (general manager at LM)

Finding relevance of training and coaching to salespeople's work	"We don't take time to offer enough knowledge and skills to our salespeople. We organized some sales training with outside institution otherwise the main focus is put on acquiring technical knowledge of our products within the company." (general manager at H) "I offer frequent and heavy coaching to area sales managers and product managers. My purpose is to change their mentality and put customer relationship on the top of sales tasks." (VP sales and marketing at AM) "In comparison with the company I worked for before we lag very much behind in sales trainings. I really miss them a lot." (area sales manager at AM) "Three times one hour a year is all education we have. I miss seminars about presentation skills, rhetoric, negotiations." (area sales manager at AM) "We get technical knowledge in the company but we have to learn selling and other skills alone in the field." (sales people at H) "At the moment we have possibility to attend a good deal of professional and educational events connected to our field of work." (marketing employees at LM) "We would like to have more marketing knowledge. Then we would be more appreciated by our colleagues in marketing. Now everybody criticize us even though most of the critics are unfounded" (key account managers at LM).
Theme 3: Defining sales performance evaluation	
Creating performance evaluation policy by senior managers	"In the evaluation process I pay quite some attention to the manner how sales results are achieved." (VP sales and marketing at AM) "Management pays a lot of attention to sales results. But we put blame on unfavorable circumstances when results are not satisfactory because we know our salespeople work hard." (general manager at H) "I am not a great believer in evaluation criteria. If salespeople work well, fine, if not they can find another job." (executive manager at H) "I am responsible for employees in three functions: sales, marketing and sales support. Evaluation criteria for them are complex and measure very much the way how results are achieved". (VP sales and marketing at LM)
Examining contentment (and effectiveness) of employees being evaluated	"I am evaluated according to clear objectives and I think I can influence them through my daily work." (area manager at AM) "I am evaluated according to clear objectives but I don't have direct impact on their achievement." (sales operations manager at AM) "We are not evaluated by any criteria. The work has to be done, sales results achieved." (sales director at H) "In my opinion, both sales and marketing people are equally responsible for results but we use totally different evaluation criteria, if any. But on both sides they are not clear enough." (marketing director at H) "This evaluation system is not transparent enough and is a subject of juggling." (sales director at LM) "We are forced to use a completely ineffective evaluation tool. Both evaluation criteria and pay scales are so general that they have no effect on our behavior." (marketing manager at LM) "Senior managers set up official evaluation criteria but they are not aligned properly with our efforts nor with rewards" (marketing people at LM)

Theme 4: Designing sales force compensation	
Describing sales compensation practices established by senior executives	"Sales compensation consists of fixed and variable part and is valid only for six people in sales and marketing sector. Bonus for other employees in the company rests on combination of collective and personal efforts but we would like to improve it" (general manager at AM). "The most important is how much we sell and what added value we achieve. 60 percent of bonus must always consist of these two criteria. If revenues and EBIT are achieved then we can divide, otherwise not" (VP Sales and Marketing at AM). "It would be good to reward people according to their real merit. We tried to introduce a variable compensation system but it didn't work." (general manager at H) "We have just introduced variable compensation for sales representatives. It is a combination of fixed salary well considered and calculated bonus that can amount to 25 percent." (general manager at LM) "I am against variable sales force compensation. Market situation is volatile and salesperson can not change it. If the weather is too cold and coatings are not purchased this is not a fault of our sales force. From the other hand if a salesperson's performance isn't good, I'll make all to help him become better. If he doesn't improve, he should find himself another job." (executive manager at H)
Perceiving effectiveness of current compensation practices by sales and marketing employees	"Variable compensation is very limited. We can give some kind of bonus to our people but it's usually quite an unfair move. Someone gets reward only if it is taken away from the other one." (marketing director at H) "If annual result of the company is good we get a reward as a certain percentage of our salary at the end of the year." (salespeople at H) "Some of us work in the company for more than 20 years. Despite huge sales increases in the past we don't remember to ever get any reward." (salespeople at H) "We think 25 percent of bonus is a fair amount. But it would be also fair to calculate it after the shelves have been checked up, not when sales volume has been achieved." (sales reps at LM) "We make strategic planning and we are responsible for the territory so we have to be rewarded if we achieve the plans!" (area sales managers at AM) "Personal stimulation is negligible and above all we don't know how it is calculated." (commercial people at AM)
Theme 5: Determining the right amount of supervision	
Finding out how senior executives supervise their salespeople	"Management moderately supervises our salespeople but at the same time executive managers work very closely with them on several sales issues" (general manager at H) "I have frequent contacts with my sales people, constantly monitoring them. We discuss each single sales detail together but final decision is almost always mine." (executive manager at H) "With middle managers I meet each week, if necessary even each day, while with other sales people I maintain contact through meetings which take place each quarter of the year."(VP sales and marketing at AM) "I have exhaustive and quite personal contacts with our sales force to the point that I take over the leadership in deciding about most important sales issues". (VP sales and marketing at LM) "We are pretty autonomous at our work. But we can rely on our superior if

Checking helpfulness of received supervision and reliability upon executives	anything goes wrong." (area sales manager at AM) "When I have to make a decision about important sales issue I always talk to executive manager. We decide together and it's a great relief for me."(salesperson at H) "We can always rely on our superior if we have troubles. At times he even takes over the conversation with the retailers, especially when we face troubles in negotiation process." (key account managers at LM)
6. Aligning sales efforts with other functions	
Estimating the nature of internal interactions under the influence of senior executives	"Sales people should be closely connected with program managers who were introduced to provide better coordination between R&D function, production, marketing, and sales. The process doesn't work smoothly yet but we are working hard to improve it." (general manager at LM) "In last ten years I have put all my efforts to develop a team spirit within a profit center while with marketing we have excelent cooperation in the last two years." (executive manager at H B2C) "Different functions are involved in delivering solutions to our customers. Sales force efforts are aligned with other functions. Processes and systems for marketing and sales are integrated since we have new organizational structure." (general manager at AM) "Business functions in our company are closely connected and linked up with information system, especially sales with R&D, product management, and purchasing. Marketing more or less supports product management in terms of adequate product presentation." (VP sales and marketing at AM)
Inter-functional cooperation viewed by sales and marketing people	"Since we thoroughly take care of data base in our information system sales and purchasing functions have restored their relationship. But information I get from sales and product managers are still not satisfactory. The problem must be in a new matrix organization which still doesn't work well." (sales operations manager at AM) "The main problem in our company is matrix organization that has been introduced recently. Program managers are supposed to have a strategic role and cooperate with functional directors but they seem not to have satisfactory strategic background." (sales director at LM) "Our interaction with sales people and program managers is quite bad and we would like to improve it. But without initiative of our senior executives we can not do much about it." (marketing employees at LM) "We are convinced that marketing and sales functions should unite their strategic efforts. Instead some profit centers have undertaken marketing activities in their hands and a lot of improvisation has taken a place. We would like better interactions with profit centers and higher level of organizational culture in the company." (marketing employees at H)

Theme 1: Articulating desired sales force behavior

The first step in identifying impact of senior executives on sales management was the executives' formulation and articulation of the desired sales force behavior. This step was constructed through putting first the following questions to senior executives: "Which selling mode is preferred in your company, transactional or consultative one? What selling mode is more suitable to the nature of company products? and after that followed questions like:

“What do you expect your sales team to do? What objectives do you want them to focus on?” Understanding of executive articulations and expectations were examined lower down the organization with directors and employees in sales and marketing functions. The conversations with them were guided with questions like “Which selling mode is more appropriate for your company? In order to close sales what sales activities are necessary?” To avoid any embarrassment the difference between transactional and consultative behavior was clearly explained to all of them. After the light was thrown on these terms, they were adopted by interviewees and used spontaneously through the rest of the interviews.

Articulating the most suitable selling mode

In the first place senior managers recognize sales force behavior to have an important impact on sales success of the company. As VP Sales and Marketing in Adria Mobil puts it.” For final buyer it’s difficult to distinguish our brand from fifty other brands solely in terms of quality and price. Companies usually don’t understand that the way how sales forces behave actually makes a brand and brings sales results. Such understanding has to become a part of our organizational culture!” Or as general manager and VP Sales and Marketing from Ljubljanske mlekarne almost unanimously explain: “Salespeople are ambassadors of our company. In contact with customers - from purchasing managers all the way down to the head of a single retail shop – they strongly contribute to sales success of the company”.

Further, senior managers were all convinced that nature of their specific products and type of customers they serve require a consultative behavior of their sales forces. The complexity of up-to-date sales tasks in many companies and the general idea about sales function based on consultative selling mode is pretty well illustrated by general manager at Helios: “If today’s sales people were engineers we would have an ideal situation – but they are not and we have to complete our sales force with customer service and instructors who have technical knowledge in order to get customers and satisfy them”. Sales force is supposed to perform consultative approach in their daily activities also according to middle management of the researched companies. This seems to be in force when they deal with either industrial customers (B2B) or with the retailers (B2C). The latter, according to executive manager at Helios, increasingly cut off expenses by eliminating own sales forces and by introducing self-service in their shops. Consequently manufacturer’s salespeople need to visit points-of-sales providing advices to final consumers.

But at the same time when senior managers recognize the need for a consultative approach of their sales force they also express some concerns about whether or not a consultative selling mode is performed consistently and at all levels of the sales structure. Thus a VP Sales and Marketing at Adria Mobil warns: “Unfortunately too many transactions have been still noticed in the relationship between distributors and dealers. In the future we will have to take care about it if we want to be a market winner”. One of the executive managers at Helios complains about salespeople spending too much time with customers on phone instead at point of sales where a consultative seller belongs. The most striking comment in this sense was given by general manager of Ljubljanske mlekarne. This is how she expressed her desires and doubts: “When selling our products I expect sales force to be enthusiastic and to have ears for customers - always and everywhere. I would like them to use a consultative selling mode but I am afraid they use a transactional one”. Simultaneously a sales director of the same company calls attention to the fact that its sales force simply can’t apply consultative selling mode because of having unequal status in confronts of the retailers. “They put pressure on us for higher and higher discounts and rebates. They are voracious. If we don’t agree with them they threaten us with a supplier change” he throws light upon the situation.

Delineating expected sales tasks and activities

In the companies being researched, there are several sales activities found in common. Sales forces (at different organizational levels) are expected to establish and maintain trustworthy relationship with customers, inspiring their confidence and taking care of partnership communications. This statement was, in one way or the other, shared by all interviewees across the companies. It goes hand in hand with what is described by Rackham and De Vincentis (2002): “Trust in consultative sales shifts from product to the people who sell and deliver it. Unlike the transactional sale, consultative customers don’t easily separate the product from the person selling it. So mistrust of the seller usually translates into mistrust of the total offering”.

There have been some other common sales activities found in cross company analysis like for instance activity of advising the customers, either industrial or smaller trade customers or even final consumers in retail shops. Then, being described as a consequence of discovering customer needs, customization of products or services in both industrial and consumer goods companies has been indicated. Itemized activities are typical, rather of a consultative than generic selling, and imply also strong internal interactions within and between the functions.

If a "presentation of products" was still a commonly expected activity found across the companies, it has to be recognized that companies dealing with industrial customers are more likely to refine their offerings by presenting specific technical solutions while solutions presented to trade customers are pointed at special support services.

A quick insight into individual company explains how main sales activities flow and describes the main logic of sales organization case by case. Area sales managers at Adria Mobil who take over a whole responsibility for assigned customers are expected to present solutions to distributors and advise them in order to help achieving preferences over their brand by independent dealers. For that purpose they run presentations for dealers together with distributors on a single geographic market. On the basis of special needs they get back from their customers the company often customizes products for them.

Likewise, most of the products are customized for industrial customers at Helios who rate highly the right coating application that varies on different conditions. As most of the salespeople have a typical sales profile, their cooperation with technical service is indispensable meaning that first contact with customer is established by a sales person and afterwards handed over to the instructor who is also part of a sales function. He develops a product, often in cooperation with R&D that best meets specific customer needs. If it stands a technical test the conversation is again taken over by a salesperson who continues to perform commercial activities while instructor keeps acting as customers' adviser.

In consumer markets, the fight for shelf-space at the retail level of the distribution channel generates increasing pressures. No wonder if the final sales force objective for both key account managers and sales representatives in the dairy is to achieve a desired shelf positioning of their products in the retail networks. After key account managers present the products to retailers' purchasing managers and settle arrangements about shelf space and trade discounts, sales representatives transact the business. They are expected to develop good relationships with shop managers in order to perform effective in-store merchandising and collect pre-orders. They are supposed to give a piece of advice about product positioning to smaller customers and advise customers in ho-re-ca channel and those gained at public tenders (schools, hospitals etc.)

To resume, senior executives in all companies are convinced that the most suitable selling mode for their sales forces to perform is a consultative selling mode. Converastions with salepeople and their marketing colleagues about expected work activities confirm this orientation. The main emphasis is put on relationship selling and problem-solving activities.

Theme 2: Creating sales force competencies

In the new world of sales, companies need carefully chosen and well trained salespeople, but also one-to-one coaching for refinement of the acquired skills. The three competency creation activities are indispensable for effective culture of sales organization (Shapiro et al., 1994), especially when serving major accounts or customers who are not completely clear about how the product or service can provide solutions or add value to them (Rackham and De Vincentis 2002). Trainings that are usually centralized need to be enhanced and complemented by coaching which ensures that the skills learned in the classroom are effectively applied in the field.

Estimating the amount of training and coaching offered by senior managers

In the second step the amount and content of trainings and coaching offered was examined in the researched companies. First, senior executives were asked to consider what activities (if any) have been undertaken to build the desired competencies of sales and marketing people, and second these employees were asked about relevance and importance training and coaching have had for their work.

More detailed insight into companies shows that there is no common pattern of competency creation practices, except a tendency to scarcity of training and coaching at large. Even if trainings are offered in some companies, the emphasis is placed on basic selling skills instead on problem-solving capabilities that would better align customer needs with strategic goals these companies are pursuing in given market circumstances. What strikes the eye is also a negligible quantity of trainings offered.

Already in initial conversations senior executives at Adria Mobil and Helios realized that except technical knowledge salespeople get inside the companies, there is little training offered to their employees. In Adria Mobil sales trainings are actually not organized while new salespeople at Helios used to be occasionally provided by training of basic selling skills in cooperation with outside institution. But after they have been with the company for several years they haven't got any new knowledge or additional skills. Senior executives at Ljubljanske mlekarne declared that people from sales and marketing have lately attended a couple of trainings and professional events connected to their field of work.

In the same manner senior executives in the researched companies haven't put much coaching into practice yet. As a competency creation activity it is actually pretty much underestimated. However, some senior executives in Adria Mobil and Helios seem to believe that a loss of trainings could be somehow made up with coaching offered to salespeople. In this context a question rises up about whether or not a coaching offered to salespeople can act as a good substitute for sales trainings and whether or not a coach has a fairly good understanding of skills a sales person needs in the changed world of selling.

Thus a VP Sales and Marketing at Adria Mobil maintains to offer frequent and heavy coaching to area sales managers and product managers. Its purpose is, he explained, to improve salespeople's attitude and capability in developing a fruitful relationship with their distributors. In previous years, he cleared up, high priority was instead given to orders taking activities and he is trying to change this mentality now. Executive managers at Helios (B2B) offer coaching to salespeople incidentally, while executive manager for decorative coatings (B2C) doesn't offer it at all. He said he is constantly pressed for time as he appears in double functions and is responsible for too many things. Salespeople's coaching seems to be completely neglected also in Ljubljanske mlekarne. At the moment it is organized only for program managers who were introduced as a new function within a matrix organization set up recently.

Finding relevance of training and coaching to salespeople's work

At the same time it must not be ignored that salespeople in all companies expressed great need and desire to gain additional knowledge, either strategic or tactical one. Employees often brought forward the lack of time as a reason for not participating in trainings and seminars.

Area sales managers at Adria Mobil confirmed they have got a lot of new knowledge from VP Sales and Marketing but they don't agree product managers were included equivalently. At the same time – they voice their desire to learn more about strategic planning and decision making and to improve their negotiation skills. At the same time commercial personnel complain they are not included in any form of education at all. Their immediate boss, Sales Operation Manager, explained: "People get their knowledge and skills mostly at work because they don't have enough time to attend seminars and trainings". While marketing people would be eager to get more knowledge especially about demographics in the countries they operate in, Marketing and Product Management Director powerlessly confirmed they haven't got chance to attend any educational event for quite a long time.

Also salespeople at Helios miss trainings, especially after they have noticed differences in buying patterns and feel lack of knowledge in coping with them. In the past they had more training, mostly with Mercuri International but they resented them being too theoretical and not applicable to practice at all. Some salespeople (B2B) confirmed they were occasionally offered some coaching by executive managers, mostly when jointly visiting their customers. As for marketing people, their background and competencies were completely inappropriate some time ago because most of them started to work in marketing without even knowing what marketing is. This was explained by marketing director who has tried hard to educate them alone, as lack of time prevents marketing people from attending professional events and seminars more than twice a year. At the same time she still struggles to change the overall perception of marketing which has been taken merely as advertising and promotion in B2B part of Helios.

In Ljubljanske mlekarne salespeople were highly satisfied with the training program offered to them last year. The same is true with marketing employees who appreciate educational possibilities company offers them. But while marketing director is critical about insufficient marketing knowledge of salespeople, key account managers show willingness to learn more about marketing, and sales representatives would appreciate more expertise in understanding brand management. Usually sales and marketing functions don't plan education activities together but an exception happened recently when key account manager and marketing person attended a trade marketing seminar.

Although sales force behavior desired by senior executives tends to be a consultative one, the cross-company analysis shows that all companies are quite short in providing competencies through consistent training and coaching.

Theme 3: Defining sales performance evaluation

In the third step senior executives were asked questions about sales force performance evaluations they are responsible to create in the companies. Does management evaluate desired and articulated sales force behavior is one of the central questions raised up in this context. Through thorough conversations senior managers were asked also the following questions: "What kind of evaluation policy do you use? Does management value simply the results themselves (the outcomes) or also how they are achieved? Does management judge salespeople in accordance with few observable and easy to measure criteria or does it look also at more complex criteria? How clear and precise are evaluations?

In continuation of the research the contentment of salespeople with existing performance evaluations was assessed or with other words I tried to figure out what signals are sent to salespeople by formal evaluation policy and what is their effect on salespeople's performance. And as a behavior of marketing employees is inextricably linked to sales success of the company, objective being pursued by both functions, sales and marketing directors were asked how they achieve desired behavior of sales and marketing people. Finaly sales and marketing people were asked simple questions about how they are evaluated and how do they feel about it.

Creating performance evaluation policy by senior managers

Most senior managers in examined companies assert that they value both sales results themselves and the way how results are achieved. But a closer look discovers that there isn't any uniform view on performance evaluation among the companies, moreover senior managers within the same company have different view on adequacy of performance criteria. Nevertheless, it's of greater significance to understand how these different opinions are manifested in actual evaluation policy of the companies. What first strikes the eye is that evaluation policy for sales force within each company is two-folded and not uniform at all. Majority of sales people are evaluated on the basis of more or less equal criteria that are put into force also for the rest of employees. But then there is a selected level of sales force in each company that is evaluated according to more individually defined criteria.

In Helios general manager is more eager to value results in contrast to executive managers who believe that understanding how sales people achieve results brings information about where to plan and carry out improvements. However, they don't have common opinon about evaluation criteria. Two of them (B2B) see sales service equally important to sales activities and give preference to descriptive performance criteria while the third executive manager (B2C) defends small number of clear quantitative criteria. But finally all of them come to the point that salespeople's performance has never been evaluated individually. Sales results are assessed by countries and customers and not by salespeople. This is because organizational anachronism makes it difficult to split territories between salespeople transparently enough and to evaluate their individual contribution.

At first sight, performance evaluation in Ljubljanske mlekarne seems to be more advanced but it actually lacks some order as well. All employees are evaluated twice a year on the basis of five equal criteria defined as work quality, work quantity, economical behavior, work readiness and team spirit. Sales, marketing and sales support directors as well as other directors in the company are evaluated additionaly with one more criterion for their leadership. General manager finds qualitative and quantitative criteria transparent enough while VP Sales and Marketing thinks they are too complex. Recently new evaluation criteria for sales reps were introduced which comprise "sales volume versus plan" and "supply of goods at point of sale". The latter criterion is better applicable in "ho-re-ca" channel, explained sales director, while less in retail trade. Shops are getting supplied directly from own central warehouses making it difficult for sales reps to be evaluated according to individual contribution.

In Adria Mobil evaluation criteria are clearly determined only for 6 people who have individual contract. These are three area sales managers, sales operation manager, marketing and product management director and product manager. 80 percent of the criteria are quantitative like sales volume, gross margin and number of orders while 20 percent of them are qualitative like personal initiative, relation to own work and subjective appraisal of the immediate superior. For all mentioned employees qualitative criteria are same by content and weight while quantitative measures differ by weight. Lower level of sales and marketing employees are evaluated like all others in the company, on combination of collective and personal criteria that are equal within certain function.

Examining contentment (and effectiveness) of employees being evaluated

Further analysis across the companies indicates absence of reasonable and consistent evaluation policy which is one of the core tasks in organizing and implementing the sales and marketing efforts. With only one exception (sales managers at Adria Mobil) middle managers, salespeople and marketing employees in all companies are concordant that evaluation is not effective, irrespective the job description. Employees are discontented with wrongly selected performance criteria upon which they can not exert influence with their daily work. Among them sales volume is considered in the first place. At the same time it seems to be the most popular performance criteria for senior executives as it occupies a high position in all forms of performance evaluation being detected in the researched companies. In some companies performance criteria are not aligned with rewards and this represents another inconsistency detected. Beside that, most interviewees miss a humble praise for their work from their superiors.

While Adria Mobil introduced new criteria for middle management in marketing and sales sector, Ljubljanske mlekarne did it for sales representatives. In both cases feelings of those employees being eligible for evaluation in the new system are mixed. Actually only area sales managers in Adria Mobil are delighted with evaluation criteria finding them very clear and convenient. On the contrary, their colleagues complain of not having direct impact on sales volume and profit margin they are evaluated by. The same is the case in Ljubljanske mlekarne where sales representatives protest against being evaluated according to achieved sales volume. They believe they can not exercise influence over it because pricing policy and trade promotions which actually affect sales are in hands of key account managers. Overwhelming comments were collected also from sales people in Helios who would very much appreciate financial rewards on the basis of precisely selected evaluation criteria. All examined middle managers, salespeople, and marketing employees maintain that criteria are rather subjective and not clear at all. In explanation one sales director said that evaluation policy in Helios has been developed some time ago but was misused by individual profit centers.

A thorough analysis of sales force performance evaluation indicates absence of consistent evaluation policy in the researched companies. Although some partial experiments in order to improve this situation were recently made in the companies they did not bring significant advancement.

Theme 4: Designing sales force compensation

Surveys indicate that about two-thirds of companies with sales forces use some combination of salary and incentives (Cespedes, 1989). The question “What should be the salary/incentive mix?” concerns the relative emphasis on fixed salary versus incentive compensation. Bonuses must reflect salesperson’s potential influence over achievement of pre-defined sales objectives. This is a fundamental part of developing a variable sales compensation plan. But as emphasized by Shapiro (1994): “Salespeople are often responsible for relationship maintenance, product mix management, and pricing. The old compensation schemes that looked only at sales revenues are disasters when the other issues are raised”. This seems to be a problem also in the companies being included in this research.

Describing sales compensation practices established by senior executives

In all companies sales volume is the main driver of variable compensation even though senior executives expect salespeople to reinforce relationship with their customers in the first place. But senior executives don’t seem to be aware of the mistake they make. Despite the fact that compensation is probably the most delicate sales management policy, senior executives in all companies have developed it on their own without consulting any outside experts. No wonder that salespeople on different organization levels are not compensated according to uniform compensation model but are instead a subject of more or less ineffective experiments.

Senior managers in both, Adria Mobil and Ljubljanske mlekarne have recently introduced individual variable compensation system for selected salespeople. It relates to 6 managers in sales and marketing sector and to 26 sales representatives respectively. In the total sales compensation mix, a bonus for Adria Mobil’s managers amounts up to 30 percent and bonus for sales reps in Ljubljanske mlekarne up to 25. Other employees, including rest of the sales force and marketing people, are compensated on the basis of more general criteria. Variable part for them is all together lower and amounts up to around 15 percent.

On the contrary, senior managers at Helios admit that variable sales compensation system they tried to develop didn't work. However, sales employees on higher positions can get two variable salaries per year while salespeople on lower organization levels get bonus occasionally. According to three executive managers themselves bonus is calculated on pretty subjective criteria and can range from 10 to 30 percent. As explained by one executive manager who is against variable compensation, salespeople don't have any influence on volatile market circumstances. "If they are very successful they can be promoted and this is the best reward for them!" he cleared up the philosophy widely adopted in the company. But another executive manager (B2C) was more critical: "In our company we still live in "a pure socialism. We have a possibility to give incentives to our salespeople but we don't have a system how to do it. Thus, we give them reward at the end of the year without considering their individual contribution at all".

Perceiving effectiveness of existing compensation practices by employees

In general, there are many evidences that among sales management policies compensation is the one that affects salespeople's performance directly. Most interviewees in the researched companies are aware of it at the back of their minds. In common consent, no matter the model of compensation, they miss to be rewarded for responsibilities they are accountable for. In contrast to sales managers at Adria Mobil all salespeople would like to be measured and compensated more accurately. Variable rewards, if given at all, are considered to be too small to be effective by most employees. It was also discovered that compensation plans are often not consistent with evaluation criteria. It can be easily concluded that power of variable sales compensation is greatly underestimated by senior executives.

Middle managers in Adria Mobil explained that their individual bonus is calculated on the basis of selected criteria that differ between each other only by weight. 40 percent of bonus for marketing and product management consists of gross margin and 30 of sales volume, while for sales managers the proportion is reversed. While area sales managers are extremely satisfied with such a compensation model, marketing and product management director said: "In my view we co-create sales volume and gross margin but only in terms of advanced product design and creation of visual materials. This should be taken into account when our contribution to sales success is discussed". Sales Operations Manager perceives variable compensation as a positive change but feels uncomfortable as she has no direct influence over the criteria. Commercial people are compensated on the basis of collective and personal achievements. The latter can amount between 30 and 50 euros per month but is considered negligible and ineffective. Collective efforts can add up 15 percent to their fixed salary but commercial people have no idea how the bonus is calculated. Marketing employees said they are more motivated by superior's praise than by small bonus they can get.

Sales reps in Ljubljanske mlekarne welcome additional money available in a newly composed compensation package, but don't agree with a sales volume as one of the two selected criteria. They wish sales volume to be replaced with shelf space checking, a measure they can better impact in their daily work. This opinion is shared by sales director who said: "Key account managers make all agreements with the retailers and can affect sales volume much better than sales reps. Hundreds of promotions are organized each month and only one promotion can triplicate sales volume per shop in a given period." Consequently, key account managers are astonished at the fact that their salaries are not affected by achieved sales volume. In contrast to sales reps, bonus for the rest of employees is calculated on the basis of five equal criteria every six months. Sales director is critical, admiting that this system allows many adaptations as the calculation goes along. Marketing director explained that even when someone collects high number of evaluation points the reward system doesn't allow him to get more than 60 euro in gross terms for half a year period. Additionally both directors complain of getting constant instructions from senior managers about how to manage the reward system and keep the bonus low, especially when overall result of the company isn't prosperous.

In Helios, financial reward is considered the most effective motivation tool only in the eyes of marketing director. On the other hand senior executives don't share her opinion and therefore each profit center seems to have its own compensation practice. One salesperson explained that sales results simply must be achieved. If not, they get smaller salary and if poor performance continues, they can find themselves another job. But it doesn't work vice versa. Since last year some salespeople were given responsibility for additional geographic markets but it doesn't show on their salaries. Salespeople from another profit center explained that profitability of the program depends on joint work of salespeople, instructors, and R&D people. But nobody gets any reward at all, except a small percentage when company result is superb at the end of the year. Marketing employees were determined: "Variable compensation is only on the paper!" Marketing director ruminated upon the problem: "The reason for that might rest on our complex organization that makes it difficult to define individual contribution to sales results"

To summarize, compensation systems in the researched companies are inconsistent with the desired sales force behavior. Instead of rewarding salespeople for maintaining productive relationships with their customers and sales activities that go along, salespeople within the same company are rewarded in different manner. Majority of them are compensated with fixed salary or get insignificant variable component on the basis of very general criteria. In companies where certain level of salespeople does get incentives for better performance, it is usually calculated on the basis of sales volume. The latter being a reasonable reward in transactional selling, does not satisfy those to whom it actually concern. Salespeople miss to be rewarded for activities they are actually responsible for.

Theme 5: Determining the right amount of supervision

Relationship between executive managers and sales force of the company has changed significantly over the time. As it's becoming more dificult for companies to sell and as new selling approaches evolve rapidly to cope with more demanding market circumstances senior managers in many companies feel necessity to strengthen their daily communications with their sales forces. This is expressed in frequent contacts with salespeople, heavier supervision and monitoring and more radical executives' interest for salespeople work. It certainly depends on the situation company is operating in but there are more and more companies whose management wants to shape sales force behavior in a completely different manner. Therefore they constantly monitor their sales staff and intervene in making important sales decisions.

Finding out how senior executives supervise their sales forces

Based on these facts senior and middle managers in researched companies were asked to illustrate their supervision practices towards subordinates in sales and marketing functions. All senior managers assert to have intensive and frequent contacts with salespeople. They invest a lot of time and interest in salespeople's work and discuss most of sales issues together at formal and informal meetings. It was interesting to discover that the closer the salesperson's contact with customer at the decision-making level, the bigger the interest of senior executive in formalizing and intensifying regular meetings with salesperson. The following examples make it more than clear.

VP Sales and Marketing at Adria Mobil described: “With area sales managers I meet each week, if necessary even each day, while with other salespeople I maintain contact through meetings that take place each quarter of the year”. Once a month he also runs a meeting at which area sales managers meet with all directors including those for marketing and product management, finance, accounting, logistics, controlling, production and R&D.

The same occurs in Helios, where for instance, executive manager for B2B meets with all sales and customer service people once a month but maintains daily communications particularly with some of them. They also exchange ideas when they travel together. “The most intensive contacts I have with those salespeople who are responsible for our brands and meet regularly with our customers” he explained. His colleague, executive manager for B2C meets once a week with area sales managers but he doesn’t have time to talk with the rest of the sales force thoroughly more than twice a year.

In Ljubljanske mlekarne key account managers have precedence over sales representatives regarding frequency of contacts. Recently the latter were obliged by management to start working as independents. Now they are free to organize their own work. Although they still feel to belong to the company a question raises about how the supervision of them will be organized in the future.

More often than not senior managers of the researched companies intervene in decision making process about important sales issues. Sometimes they even take part over the conversation with customers, being them retailers, distributors or industrial customers. In Ljubljanske mlekarne this happens especially when pricing policy and visual image of the products are under discussions. “Our brands are the most important property we have” was made clear by general manager. In Helios (B2B) final and important sales decisions are mostly taken by senior executives while in B2C part of the company executive manager intervenes heavily few times a year, usually when problems occur. Some exceptions were noticed in Adria Mobil where senior managers intervene occasionally, giving mostly free hands to area managers. At the same time VP Sales and Marketing monitors their work constantly and profoundly.

Checking helpfulness of received supervision and reliability upon executives

How helpful are these supervision practices for salespeople and how much they can rely upon their superiors in their daily work was checked further down in sales and marketing organization of the researched companies. Both, sales and marketing people in all companies confirmed close cooperation with their managers and welcome it greatly. They approved their autonomy at work but at the same time they are pleased with having a chance to rely upon their superiors whenever needed. In most cases they turn towards senior executives when they have to make decisions about important sales issues and particularly when they deal with the customers. Also salespeople on lower organization level find their superiors very reliable and supportive. They share a feeling that they supervise them quite accurately and help them become more effective.

This is substantiated with the following evidences. “The fact that we can rely on senior executives, means a lot to us because we are overwhelmed with administrative work which often prevents us to use our best judgment related to our customers” explained a salesperson at Helios. The same was reported by Key Account Managers from Ljubljanske mlekarne who find their senior executives extremely helpful in dealing with trade customers, especially when they face troubles in negotiation process. In Adria Mobil the central figure of VP Sales and Marketing is seen at every step. “He knows how to connect us not only through the new organization he has set up very effectively but also in a real daily life” explained both, sales managers and marketing employees. Marketing and Product Management Director who seems to be jumped over warns: “At the moment it’s ok as he assumes responsibility, gives us guidelines and takes control over each situation we face. But if he suddenly leaves the job we would have a big problem!”

Likewise, marketing people across all companies place full reliance upon their superiors who give them support and take care of their success at work. Marketing directors (or managers) in all companies said that marketing people need less supervision - maybe only some guidance in form of milestones - when instructions are clear. While those less experienced or even less disciplined employees need to be supervised more heavily on the one-to-one basis. An interesting demand was detected by marketing manager in Ljubljanske mlekarne who suggests stronger supervision over the salespeople. Presumably, they lack of marketing knowledge which affects badly the overall sales results of the company.

In contrast to previous practices, a lot of attention of senior executives is focused on giving their salespeople a good amount of advices through intensive and frequent contacts. Their supervisory activities are warmly welcome by sales and marketing people. Such approach of executives is in entire compliance with consultative selling mode to be performed by salespeople in the researched companies.

Theme 6: Aligning sales efforts with other functions (especially with marketing)

As stressed by Rackham and De Vincentis (2002) value chain has to start with value needs and expectations of customers. In case of consultative sale, as opposed to transactional one, more emphasis has to be put on alignment between sales function and other functions like R&D, production and marketing. While other departments within an organization sometimes view sales and marketing as interchangeable (Steenburgh 2006), considerable infighting can exist between these two groups.

Estimating the nature of internal interactions under the influence of senior executives

Senior managers in the researched companies agree by common consent that products or even customized solutions are delivered to their customers in a way that implies collaboration of different functions. They see inter-functional relationship as mainly satisfactory and believe that interdependence is reflected in integrated processes and systems (like strategic planning through all functions). A good example of typical value driven process approach which offers understanding of good alignment of sales efforts with other functions is offered below by Adria Mobil.

Market information brought by sales managers to this company are essential input for product development. If initial solutions prepared by product managers are approved, R&D joins and product development may take a place. Product managers and marketing people play an important intermediate role in translating technical content of the product into easy-to-understand language for customers. When products for current season are defined commercial people enter all product information and orders taken from distributors in the information system which makes possible for purchasing department to buy required components. Special attention is put on evenly acquired orders so that production can work steadily throughout the year. Processes in the other two researched companies differ from what has been described above but not significantly. In Helios salespeople together with instructors are faced with the prime task that implies "listening to the customer voice" and bring it over to R&D, while in Ljubljanske mlekarne sales reps are supported by joint marketing efforts in their aspiration for understanding the taste of final consumers.

In the companies being researched inter-functional relations are strong by its nature. But in order to assure more effective coordination between them senior managers have brought a matrix into organizational structure in all companies. But surprisingly, it was found out that it creates tensions between the functions even though most senior managers don't seem to be concerned about it. In Adria Mobil a matrix is a result of recently reorganized sales and marketing sector, while Ljubljanske mlekarne introduced matrix organization together with introduction of a new strategic function, called "program management". Program managers are responsible for all the products within a program line, from their development to final sales results. In Adria Mobil this important role belongs to area sales managers who are rather organized by geography and not by the program itself. In Helios a matrix organization on the corporate level has been introduced to diminish organizational complexity some years ago. The whole responsibility is put on executive managers who control the business within the program they have been appointed for.

Most senior managers believe that activities, processes, and systems in the companies are well integrated, especially after some changes have been made in organizational structure. A little exception has been noticed in Ljubljanske mlekarne where general manager ruminated upon the effect of recently introduced program management function: "The whole process doesn't work smoothly yet but we are working hard to improve it". Another hesitation was perceived by executive managers (B2B) at Helios regarding cooperation with centralized marketing function. They stated marketing is useful for their programs only as far as exhibitions, presentation materials, and internet pages are concerned, but on the other hand they expressed wish for marketing to become more incorporated into a sales process. It's also uncommon that several marketing issues, like marketing plan, market researches, and market analysis are done in profit centers and not in marketing department. Words of one executive manager are eloquent: "We compete in low-end and middle range segments but these days I prepare marketing plan for launching a premium brand. I saddle myself with responsibility for marketing because at the moment there isn't any person in marketing department with enough knowledge and understanding of our program which is the most profitable in the company".

Inter-functional cooperation viewed by sales and marketing employees

As expected, sales and marketing employees are more critical than their superiors in defining internal interactions in their companies. In particular they are disturbed with tensions that appear regularly between sales and marketing functions. Furthermore, in all companies marketing staff assert to have inferior position in comparison with sales function. Area sales managers in Adria Mobil depict cooperation with marketing and product management director as the most unsatisfactory one. The latter, even though initially not foreseen in the new organization, appeals against the supporting role marketing has in the company. In her opinion the reason for not having a desired strategic position might be a young and inexperienced marketing team but also a “sales mentality” that is prevalent in the company. “We often miss feedback from area sales managers about how the tools we prepared have been used by distributors. Even more, we miss to plan together how to increase sales and market shares in certain geographic market” she cleared up the situation.

In contrast to Helios’ profit center that operates in consumer goods arena and needs mainly advertising support, profit centers that work with B2B customers require marketing tools that facilitate direct communications with customers. But the fact is that their cooperation with marketing is rather weak and refers mostly to event organization, catalogue production and gadget procurement. Salespeople intuitively know they could benefit from better relationship with marketing but they have bad experiences with slow reactions of marketing people. Once they asked marketing to elaborate a CD with technical information but after two years of waiting salespeople were forced to produce it alone. The same has occurred with catalogues, so they often have to use quite old ones. But salespeople (correctly) blamed it on superiors, not on marketing people. Marketing director made it clear that all profit centers are invited to participate in annual marketing budget planning. “Unfortunately” she said “profit centers that deal with industrial customers believe marketing is not necessary for their business”. However, one sales director (B2B) indicated changes: “We are active in 43 different countries and we enter a new market every year. We would need marketing people to be engaged on daily basis. Common visits of customers would significantly increase our image”.

A good deal of contradictions between marketing and sales has been also noticed in Ljubljanske mlekarne. Marketing employees feel kept in the background as their function is treated merely as a sales support. “When I talk about marketing I think 4 P’s unlike sales people who say marketing and mean promotion and advertising" explained marketing manager and continue to complain: "I get instructions for my work from both, general manager who undertook marketing function in her hands and VP Sales and Marketing who has never been anything else but a salesman! Guidelines are not always brought into line". According to marketing manager the two functions go along well only when they organize product tastings in retailers' shops, otherwise they have problems to understand each other. On the contrary key account managers appreciate marketing support thinking that functions are more aligned than some time ago and work in parallel.

Most interviewees mentioned that work sometimes suffers because of the organizational problems. The reason for that has been recognized in matrix organization. For example, program managers in Ljubljanske mlekarne are supposed to play an important strategic role which is not understood well by key account managers and has created a lot of tensions in the company, especially in marketing department. Sales director explained: "It's not clear whose responsibility is brand management in this new organization. We have very professional marketing manager with a lot of knowledge but it seems general manager gives preference to program managers". Marketing manager formed an opinion that program managers are superfluous in the company as branding policy and market researches remain in her hands while product development has been traditionally in hands of R&D. She refused the invitation to take over management of this new function as she was not given free hands in recruitment process.

Matrix organization is put to the test also in Adria Mobil. Commercial people who rarely visit customers but are important for operational part of the business (their task is to get orders, to prepare documentation, to take care of products delivery, of reclamations, warranties and inventories of distributors' warehouses) complain they often don't get information from sales managers and are compelled to knock the door of product managers in order to obtain them. In view of one product manager the organizational shift caused significant improvement. "Previously all commercial people talked only to me and it was very time-consuming" he explained. But he still has a grudge against marketing people for lack of their experiences, which is reciprocal, and program manager in R&D department for not being independent in decision-making process. He believes that problems derive from bad coordination of immediate superiors and proposes reorganization of the whole company.

While employees within marketing functions are more or less of one mind, some frictions have been noticed between different levels of employees within a sales function of the companies. Area sales managers in Adria Mobil complain about flexibility of commercial personnel, while sales reps of Ljubljanske mlekarne would like to cooperate more closely with key account managers. They blame them to understand problems only on higher level while having no clue about sales field work. They also miss interest of program managers for their ideas and market information they have at their disposal.

Some logical inferences could be drawn from this analysis. As a rule sales efforts should be well aligned if not integrated with marketing function in all companies being reserached. While senior executives are proverbially convinced that activities, processes and systems are integrated between the two functions, sales and marketing people reveal repeated frictions in their daily working life. They often blame each other for eventual failures while each function is likely to take credit for sales success.

3.3.2 Results of quantitative analysis

How well sales and marketing functions interact together has been examined at great length also with the help of verified questionnaire of Kotler et al (2006). Average of collected points (Appendix F) qualifies relationship between marketing and sales as less satisfactory. Insead of attained integration, expected for the type of the companies being investigated, relationship between the functions in Adria Mobil and Helios B2C is solidly aligned, in Helios B2B it is hardly aligned while in Ljubljanske mlekarne it is merely defined. Kotler, Rackham and Krishnaswamy (2006) explained that in such relationship the two functions set up processes and rules to prevent disputes. The marketing people and the sales force know who is supposed to do what, and they stick to their own tasks for the most part. The groups work together on large events like customer conferences and trade shows. The results collected by the questionnaire reinforce those ones gathered by in-depth interviews and focus groups. Both, a short quantitative analysis and extensive categorical analysis bring forth about the same critical findings and serve to confirm each other.

More detailed insight into the answers of the questionnaire indicates additional interesting findings. For not losing the focus of the research, I suggest they should be a subject of another investigation. However, to mention some of them in passing, here are the following statements: a significant interchange of people between marketing and sales is largely missing in all companies (the lowest average points collected for questions 18); it is critical that sales and marketing employees don't develop and deploy training programs, events, and learning opportunities for their respective staffs together (question 19), neither do sales and marketing people participate actively in the preparation and presentation of each other's plans to top executives (question 20). Equally, common metrics for determining the success of sales and marketing are not discussed and used (question 12), marketing doesn't participate actively in defining and executing the sales strategy for individual key accounts (question 13), and marketing people don't meet often with key customers during the sales process (question 3), to mention just the most striking ones.

3.3.3 Reasons for inconsistencies within the control systems

This research study originates with the guiding research question aimed at learning why does inconsistency occur within the control systems of the examined companies. With the help of research procedure described in the previous chapter, I applied myself to discover the reasons for previsional inconsistent use of sales force management policies in Slovenian companies. Simultaneously, this study offers insight into most common inconsistencies found in the companies, distinguishing between those disclosed by senior executives and those perceived by middle managers and employees in sales and marketing functions.

Also I try to shed light upon management policy that is the most - and the least - consistent with consultative sales force behavior desired by senior executives and describe the most common pattern of inconsistency. To investigate these questions, examination of data using categorical analysis was undertaken. While the answers on additional research questions arise logically, a great deal of efforts and skills were needed to understand why do inconsistencies occur with sales force control systems. For this reason, I first concentrate myself on answering the additional research questions while gradually working along the main issue which is therefore presented at the end of the section.

Research question 2: Which management policy seems to be the most and the least consistent with desired sales force behavior?

My findings indicate that except for relatively heavy supervision offered to salespeople, which appears to be the most consistent management policy in the researched companies, other policies are more or less inconsistent with desired sales force behavior. Bearing in mind that consultative selling mode was recognized as the most suitable approach by both senior executives and other sales and marketing employees, it's striking that majority of sales management policies do not support this choice. Creating sales force competencies and defining performance evaluation seem to be the most inconsistent policies with desired sales force behavior. In order to be sure that salespeople perform in a desired manner, senior executives should provide salespeople with competencies that would qualify them for such selling. According to poor evaluation practices, design of sales compensation is almost equally inconsistent with desired behavior, even though some incremental endavours have been seen for its improvement. Sales efforts are quite well aligned with most of the functions, however, the relationship detected with marketing function is not good enough.

Research question 3: Which inconsistencies senior executives are aware of and ready to declare?

Some management policies have been recognized as less consistent by some senior executives themselves. For instance, most of them agreed that trainings offered to sales force are probably insufficient or they are not aimed at acquiring capabilities for consultative selling. If organized at all, they provide salespeople mostly with technical knowledge or traditional selling skills. Some executives try to replace, more or less successfully, this lack of trainings by putting more emphasis on coaching. Senior executives in one company recklessly declared they don't use any sophisticated compensation system, while executives in other two companies would like to manage employees with more clear objectives and would be eager to improve compensation system either just for the sales force or for employees of the entire company. Senior executives agree that different functions are involved in delivering customized products or solutions which requires functional processes and systems to be well integrated. At the same time senior executives in all companies admitted some minor tensions in cooperation between functions, owing it to matrix organization or simply to overall organizational complexity.

Research question 4: Which inconsistencies are perceived by salespeople and marketing employees but ignored by senior executives at the same time?

Salespeople and marketing employees have been far more critical in perceiving inconsistencies of the way how they are managed. Their comments have contributed a significant value to my research study and have challenged repeatedly the views expressed by senior executives. First of all, most of them complain of not having enough learning opportunities to take, especially relating to strategic issues on both fields, marketing and sales. Senior executives claim to pay full attention to salespeople's behavior but conversations with lower level of interviewees revealed they are rather obsessed with "sales volume".

Most salespeople explain they have no direct influence on achievement of sales results, neither on some other selected criteria they are evaluated by. Moreover, majority of salespeople assert they are not evaluated according to individual contribution to sales success of the particular firm but on the basis of general criteria which are often inaccurately and subjectively defined. Compensation system in each company is quite poor being often a subject of all kind of incremental adaptations and experiments. The mix between fixed and variable part of payment is not stimulating and evaluation criteria are often misaligned with rewards. Sales and marketing people explain that there exists kind of lack of mutual understanding for each other's work, making cooperation between the two functions complicated and in some cases even unbearable.

Research question 5: What is the most common pattern of inconsistency found in the examined companies?

Implicit to the Oliver and Anderson's (1995) propositions is the possibility that firms alternatively may position themselves along the continuum and selectively use control elements of both systems. In such a case, the cognitive, affective, and behavioral consequences of management's strategy should vary proportionately as the salesorganization's philosophy trends either toward behavior or outcome control.

As it could be observed, researched companies share the characteristics that would best correspond to behavior control firms but their salespeople perceive that management uses an above average level of outcome evaluation methods with relatively big emphasis on quantifiable results like sales volume and profit. As bottom-line orientation prevails and percentage of salary in compensation plan is simultaneously very high (behavior control) if not completely fixed, it's obvious that sales and marketing people get confused. In addition, a management mentality that stresses what salespeople need to do is perceived by salespeople like close attention paid for their daily contacts with customers.

Common to all companies, it appears to be a hybrid control system, somewhat much closer to outcome than to behavior control, however with distinguished degree of manager's supervision. Anderson and Onyemah (2006) denominated such pattern as "ever-present manager" and is the most frequent type of mismatch also in their research.

Research question 1: Why does inconsistency occur with the control systems?

Being convinced that consultative selling is the most suitable sales approach towards their customers, senior executives would be expected to manage their sales forces accordingly. To some extend they suspect salespeople to apply rather transactional than consultative selling. The question is what are senior executives doing to change this situation? The most powerful lever in changing salespeople's behavior is managing them with a help of effective control system composed of consistent management policies. But a more detailed look into the answers of interviewees indicates that several management policies are absent or misused to the detriment of effective implementation of marketing strategies.

As this problem appears to be quite frequent, some researchers have already tried to suggest the reasons for this phenomenon. Although control systems are often prescribed as necessary elements of effective change process (e.g. Goodstein and Burke 1994; Simons 1995), many managers appear to ignore or avoid formal control systems to manage change (Charan and Colvin 1999). Lorange and Murphy (1984) suggested that managers might not use management control systems out of fear that their original plans would be proven wrong. Moreover, the outcomes of many changes, particularly those strategic in nature, are often difficult to measure (Nadler and Tushman 1989), which may reduce the effectiveness of control systems based on measuring and monitoring mechanisms (Goold and Quin 1990). Furthermore, routine activities associated with management control, such as reviewing status reports and following up on corrective actions may be viewed as boring and mundane to many managers when compared to other change related activities such as developing change strategy and meeting with employees, customers and other stakeholders to motivate the change program (Ford and Greer 2005).

Compared to straight outcome and straight behavior oriented companies, Oliver and Anderson (1995) noted that salespeople in hybrid companies are surprisingly often motivated by the intrinsic satisfaction of doing a job well and do also relatively well in terms of achieving company sales and profit goals. One likely explanation for the higher reported performance in the hybrid companies is the "overmanagement" suggested by the respondents. Hybrid management in the companies that were subject of Oliver and Anderson's research (1995) involves careful attention to all details of the selling process, its planning, execution and results. Salespeople in these firms do not feel "overmanaged" but welcome attention executives pay on their work. Apparently this is likely to pay off in performance. One can only speculate that this lack of emphasis on behavior- based management policies may be anomaly to the sample of Oliver and Anderson, because logic would dictate that behavior control systems should rely heavily on such policies that track salespeople's behavior.

Following this logic, despite relatively similar results brought forth in my research study, the concern to discover reasons for inconsistencies is not less pronounced. The fact is that strategy gets implemented more effectively, when strategic directions are supported with appropriate control system. The statement of Oliver and Anderson (1995) that good sales performance happens also in hybrid control system, if only salespeople are supervised well enough, is unfounded. Especially, because we can not equalize good results with ultimate goals that we strive to achieve with consultative selling mode.

In researched companies whose customers are retailers, senior executives are aware of constant pressure of the retailers and consequently of a need for a smart branding policy on one side and sophisticated behavior of salespeople on the other. But while being more successful in managing their brands, behavior of salespeople doesn't seem to be managed effectively. For example, Ljubljanske mlekarne has recently introduced some sales training but didn't follow with coaching to refine acquired salespeople skills. Consequently, there is a great likelihood of their quick evaporation (Rackham and De Vincentis 2002).

In researched companies which interact with other type of business customers, bigger emphasis is put on more or less intuitive coaching. At the same time trainings, if offered at all, are organized by institutions that are not really specialized for teaching a consultative selling skill. If trainings are not properly selected then content and effectiveness of coaching offered by immediate superior is under the question. The problem may have its origin in executives' insufficient understanding of differences between various selling modes and their impact on strategy implementation. According to some authors this is not a surprise because most senior executives consider consultative selling merely as a selling technique. In order to meet customer value requirements senior executives should assure that sales and marketing people get more strategic knowledge about market changes in general and about specific measures needed to be taken in order to cope with them. At the same time they should first aim to educate their sales managers and then even their channel partners, like distributors, dealers, retailers, traders and others in order to create the largest value for final customers. Interesting point was also made by both sales and marketing employees whose lack of time prevent them from attending professional events and seminars.

Even though senior executives believe that activities, processes and systems are well integrated between the functions this doesn't hold true entirely. My illustrative data for instance show that variable compensation system in all companies is neither similar in structure for those functions that are directly responsible for customer value creation not even for employees that work within the sales function itself. The reason for such situation could be found in sporadic attempts to improve evaluation and compensation practices but unfortunately only for certain levels of sales organization. These attempts happened recently after the revenues of the companies have been drastically reduced by global crisis and most companies started to feel uncomfortable. This intervention of senior executives may be well understood as a need for more effective sales performance but unfortunately the criteria were not selected carefully enough and opportunity to connect evaluation with rewards was wasted. However, it seems that companies rely too much upon their own knowledge instead of trying to get professional help and expertise outside the company for these specific issues. But even in case of Adria Mobil where performance evaluation for six managers was actually designed by consulting group A.T. Kearney, the entire range of criteria was not properly selected. Their consultant, who is responsible for a larger consulting project in Adria Mobil, spent merely two days for putting evaluation and compensation systems together. From my experience, this is far too little for such delicate management policies. As a consequence, half of managers being evaluated according to new criteria do not feel comfortable, mainly because criteria were selected wrongly.

Even more striking, senior executives at Helios have very different views on sales evaluation and compensation. Their general manager initially explains: "It would be good to reward people according to their real merit. We tried to introduce a variable compensation system based on individual performance criteria but it didn't work!" Executive manager (B2C) was more critical: "In our company we still live in "a pure socialism. We have a possibility to give incentives to our salespeople but we don't have a system how to do it. Thus, we give them reward at the end of the year without considering their individual contribution at all". The most rigid opinion was given by one of the executive managers for B2B program: "I am against variable compensation, because salespeople don't have any influence on volatile market circumstances. If they are very successful they can be promoted and this is the best reward for them!" One of sales directors stated that evaluation methodology has been developed but misused by single profit centers. All these statements indicate that companies would need to consult specialists to select evaluation criteria more carefully and to make sales compensation more effective. Evaluation doesn't serve the purpose if it's not connected properly with the reward system.

As one senior executive at Helios explained it's difficult to define individual contribution to sales success and to separate territories transparently enough. One reason for that he sees is organizational anachronism of their foreign trade department which is under the jurisdiction of CEO, meaning that executive managers can not manage and influence sales activities in the markets covered by this department. This is a good proof of how important is the organizational structure of the company for effective implementation of marketing strategy. Also it proves that design of variable compensation system is a very delicate policy that should be entrusted to real experts and not to executives that do not see its benefits.

The evidence, showing that mangers underestimate complexity of managing their sales forces, is reflected also in cooperation between marketing and sales which suffers to a certain extent. This might be due to the production or sales mentality prevailing in the companies as it was stated by all marketing managers. Both executives and some other employees blame matrix organization, emphasizing that flow of information between the functions and sometimes even within the same function is interrupted. This is another proof of how important is organization structure for sales force to work smoothly.

In terms of contact frequency and regular communication, lower level of sales forces, like commercial people and sales representatives, often feel neglected from their superiors which can cause disharmony in delivering value for customers. Some of them explain their sales tasks are not clearly defined which implies that behavior of salespeople is rather intuitive than well considered. For example sales reps of LM would like to be more connected with key account managers and program managers. They miss their interest for the ideas and information brought to the company directly from the market.

Summary of the reasons for inconsistencies detected in SFCS

Here is the summary of discovered common obstacles that prevent management policies to be more consistent with desired behavior in the researched companies. The reasons for inconsistencies in control systems are:

1) different view on management policies among senior executives – this implies how important it is for sales management to become a boardroom issue (Shapiro et al 1994)

2) insufficient understanding of senior executives about the distinct nature of individual selling mode and especially about solution selling, reflected in insufficient attention being paid on competency creation process - the transformation of sales function is driven by the changing nature of customers and urges companies to redesign their sales forces, often from being tactical to become a strategic force of the company

3) incremental steps taken in searching improvements of performance evaluation and sales compensation systems – a holistic approach needs to be taken in designing such complex policies because partial changes are often a subject of boycott within a firm, especially if authority is dispersed among different executives or managers (i.e. matrix organization)

4) old mentality of “wage levelling” still prevails among executives and prevent them to apply progressive measurement processes to change the way salespeople operates – it is proved by several researchers over long period of time that salespeople will focus their efforts on those things being measured and rewarded rather than on those being expected

5) design of important and delicate management policies such as sales evaluation and compensation are not entrusted to outside experts but rather to internal people, causing

that salespeople are often measured for something they have no influence to achieve – executives no matter how smart they are or what area they are specialized for (e.g. human resources) do not have enough knowledge and expertise and perhaps even not enough interest to design and initiate change of existing measuring and rewarding patterns

6) inappropriate organizational structure related to either organizational anachronisms or malfunction of matrix being introduced – introduction of any structural changes concerning sales function has to take into account the customer needs on the first place and not executives' caprices of any kind that often drive changes in the organization

7) unequal attention given to lower level of salespeople and marketing employees for the part of their superiors – in order to provide delivery of value that customers require all employees, and especially those having customer contact, need to be treated equally and managed consistently

8) in managing change within sales organization too much emphasis is put on salespeople instead on sales managers – sales managers are even more important element in providing improved sales performance and have to be recognized by senior executives as the first army eligible for learning and training

9) lack of time for learning on side of salespeople and marketing employees, often because of inappropriate work organization – bad allocation of salespeople resources and overload with administrative and superfluous work can seriously jeopardize their learning curve leading to diminished competitiveness

10) marketing people in all companies feel to have inferior position comparing to sales function supposedly because of prevalent selling mentality of senior executives - frictions between marketing and sales often occur because executives don't recognize the need for integration of the two functions

11) basic philosophy of sales control in examined companies involves indeed opposing governance strategies, emphasizing a way too much of the concern of senior executives for short term results and sales volume – the main characteristic of

consultative selling mode (or relationship selling or solution selling) is to create customer value through superb relationship and problem-solving activities

12) complexity of sales force management is grossly underestimated by senior executives – as salespeople are curiously resistant to change building new value creation capability in a sales function takes much longer than executives can imagine because (1) no single lever is powerful enough to transform sales performance on its own, (2) pool of available high performers is limited, (3) it's impossible to improve salespeople without improving sales management first (Rackham and De Vincentis 2002)

3.3.4 An emergent theory of impact senior executives have on sales management

My findings indicate that impact of senior executives on sales management is a complex process that extends over consistent employment of sales management policies. As displayed in Figure 3.5, the concepts (the six second-order themes) that emerged from this research study can be understood as the key management policies. Integration of the existing theory and these data that have been actually found in the research process, results in the emergent theoretic model presented as Figure 3.6 at the end of this chapter. On the basis of Slovenian manufacturing companies, being investigated in this study, the model represents an impact senior executives have on sales management. Yet an emergent theory needs to show not only the concepts but also their dynamic interrelationships. Figure 3.6 situates the six identified second-order concepts in a process model that lends the requisite dynamism to the relationships among these key concepts. The core of the model is a sequential process consisting of 6 phases that are explained in the next page.

Articulating desired behavior. Beginning on the left, the first step involves articulating a desired sales force behavior. This phase originated with senior executives, who perceived a need for sales force behavior in form of establishing and maintaining relationship with customers, advising customers, identifying their preferences, presenting them solutions or support services, and translated this perception into desired sales force behavior known as consultative selling mode. Senior executives adopted this term easily after the illustration of transactional and consultative sales force behavior classified by Rackham and De Vincentis (2002) was made to them. The articulated behavior served as a basis for the nascent theory about how to bring impact of senior executives on sales management to a full development.

After senior executives articulated the desired sales force behavior, they have to make sure salespeople understand their expectations and behave as precise as possible in accordance with them. This can be achieved by developing different management policies that would help moving sales forces in desired strategic directions of individual company. The responsibility for creation and deployment of these policies is entirely in hands of senior executives and can not be shifted off to someone else in or outside the organization.

Creating sales force competencies. Bearing in mind that consultative selling mode has been recognized as the most desired sales force behavior in all companies being researched senior executives are expected to support such vision, thus leading to a second phase, creating sales force competencies suitable for consultative sales. If dominant customer segment served by sales force requires consultative sales as in the case of researched companies, senior managers should organize sales trainings and offer coaching that would qualify sales people for that type of sales. In this phase it became also clear that being successful in consultative sales requires salespeople to have more strategic knowledge on one side and real problem solving and resource management skills on the other. But from my illustrative data follows that trainings with such content have not been offered to salespeople yet. If organized at all, trainings provided salespeople merely with technical knowledge and offered them basic negotiation and selling skills. In reaching for more advanced knowledge salespeople have been left to themselves or in few cases they have got additional knowledge through coaching offered by their superiors. As a consequence trainings are widely missed by salespeople, even in those companies where senior executives replaced them with heavier coaching. Conversation with senior executives also demonstrated, that most of them don't know what effective consultative selling skills look like, which possibly means they coach skills without even understanding them.

Defining performance criteria. The continuing exploration in seeking impact of senior executives on sales management leads to third sequential phase, carefully defining performance evaluation criteria. These criteria are intended to reinforce desired behavior of salespeople by showing them clearly what senior executives value first and foremost. Accordingly, senior executives in researched companies assert that, beside results themselves, they lay a great stress upon the way how these results are achieved. But a deeper insight into evaluation practices of the researched companies has discovered that performance criteria are not well aligned with what senior executives claim to expect from their sales forces. As a matter of fact evaluation criteria for most salespeople are very general and valid also for extended circle of other employees. Even the recent attempt of senior executives for individualizing performance criteria at some levels of sales organization did not bring significant changes. In one way or another the priority in all companies is typically given to "sales volume", the easiest measurable criterion, to the detriment of customer oriented criteria like quality of customer relationship, customer satisfaction and quality of market information brought to the company, which are an important source not only of customer needs and preferences but also of competitors' moves. As a consequence evaluation policy is driven in a way that fails to indicate clearly which sales force behavior is desired by senior executives and should be accordingly strengthened (or abandoned) by salespeople.

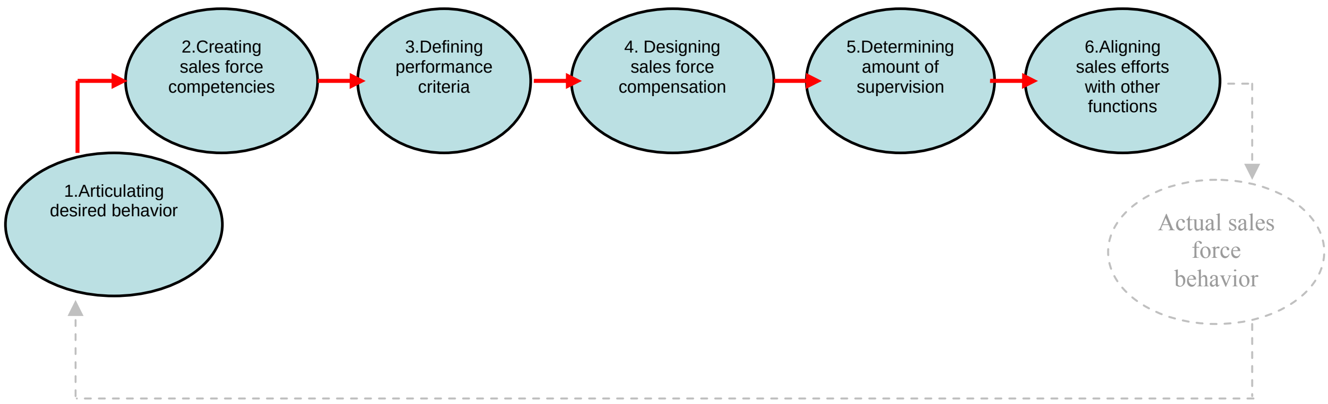
Designing sales force compensation. Well considered performance criteria are inseparably connected with elaboration of effective variable compensation system that normally rounds up the extrinsic motivation efforts of senior executives, and play important roles in the fourth sequential phase. But on the basis of poorly selected performance criteria it's hard to expect compensation practices to be miraculously effective. When such a great emphasis is put on "sales volume" as it is in the researched companies, then sales volume becomes also a main driver of sales compensation. For companies that pursue consultative approach in sales force behavior this decision is certainly counterproductive. With wrong criteria salespeople get wrong signals and in the given example it means that they might become more obsessed with numbers than with customer relationship or other important sales tasks desired by senior executives. During this phase, it was exposed that in companies being researched sales compensation practices are far from being systematic, neither by content of performance criteria nor by measurement of individual achievements. Irrespective of the compensation model salespeople would like to be evaluated and rewarded more accurately and for responsibilities they are accountable for. In the given examples sales compensation appears to be a set of sporadic experiments that confuse rather than stimulate salespeople.

Determining amount of supervision. Determining the right amount of supervision is shown as the fifth sequential phase of the process model and seems to be the only management policy that is aligned with desired sales force behavior as articulated by senior executives. In all companies senior executives have frequent contacts with their sales forces and show considerable interest for salespeople work. The closer the salesperson's contact with the customer at the decision-making level, the bigger the frequency of formal contact between the supervisor and the salesperson. Senior executives of the researched companies often intervene at crucial stages of the selling cycle which is finally an essential ingredient for competitive success in consultative sales. Salespeople find their superiors very reliable and supportive across the whole sales organization in the researched companies. They welcome their intervention and are especially grateful for their help at time when facing issues with their customers.

Aligning sales efforts with other functions. The last phase of theoretical model appeared to be the alignment of sales efforts with other functions. Senior executives in researched companies agree that successful sales performance must be driven by interdependence between different functions. But a detailed insight into internal interactions reveals several tensions between individual functions, among which the biggest seems to be the one between sales and marketing. The additional research taken afterwards in quantitative manner confirmed that functions are hardly aligned. The problem is not recognized by senior executives, but as expected, by sales force and marketing employees, including their immediate superiors (middle management). The latter are even more critical regarding the cooperation between the two functions, being it in consumer or industrial goods firms. In general, marketing people pointed out their inferior position in front of sales function, blaming it on sales mentality that according to them is prevalent in the companies. They would like to play bigger strategic role, instead of supporting one, with a fair participation in strategic planning which is not the case at the present time.

The emergent model (Figure 3.6) is a simplified illustration of a dynamic progression that highlights important policies and systems, representing significant components of the impact senior executives exert over sales management. Even though I have presented my findings in a simplified manner, I have done so for the purpose of maintaining clarity while portraying a complex research subject. In addition, a feed-back loop is indicated in the emergent model which entails the incorporation of "the actual sales force behavior" in the model as well (both shown with a dash grey line). By looping it, the emergent theoretical model becomes self-regulated. Although the actual sales force behavior is not observed in the present study, most problems that occur within sales management have to do with a discrepancy between the desired and actual sales force behavior (Pons 2001). While desired behavior articulated by senior executives is a function of customer value expectations and strategic objectives of the company, actual behavior is shaped by the specific management policies outlined in the model below. The task of senior executives should be a constant concern to align desired and actual sales force behavior in order to deliver value being promised to customers. A feed–back loop demonstrates this relationship and throws light upon the way how the alignment can be achieved with a design of a proper control system.

Figure 3.6: Emergent theoretical model of the senior executives' impact on sales management



As it is obvious by now, sales management policies in the researched companies are mainly not consistent with desired sales force behavior. In order to clearly present connections between the interrelated variables anticipated in the research model (Figure 3.4) and the findings that have arised from the emergent theory, a table 3.5 was elaborated. Second-order themes, listed in the table present components of the control system as emerged in my theory. In the second and the forth column there are characteristics of control systems assembled according to the theory of other authors (Oliver and Anderson 1987, 1994, 1995, Anderson and Onyemah 2006, 2009, Steenbourgh 2006) valid for outcome-based and behavior-based control systems, respectively. The actual situation of control systems in the researched companies is presented in the fifth column and illustrated again graphically in the third column, called "position".

In the column "position" it is indicated how a single control system component is sorted out between transactional and consultative selling mode, ranging from A (transactional) to C (consultative), over B (stuck in the middle). Positions that can be stated with certainty, are designated either as A or C, while components that are between the two clear positions are marked as B (stuck in the middle). To get a sense at a glance of how consistent are the current control systems in the researched companies the third column is presented also graphically. For each of the system components it is plotted where the actual approach to sales force management falls on the outcome (transactional) - behavior (consultative) control continuum. A “zig-zag” line (analogously to Anderson and Onyemah 2006) can be observed meaning that the control system in researched companies is neither outcome (transactional) nor behavior (consultative) oriented but hybrid and completely inconsistent.

Table 3.5: Summarized review of inconsistencies in sales management policies

Second-order themes	Characteristics of ctrl. system in transactional selling mode	Position* A	B	C	Characteristics of ctrl. system in consultative selling mode	Actual situation of ctrl. system in the researched companies
1. Articulating desired behavior	Transactional			X	Consultatitve	All companies desire consultative selling
2. Creating sales force Competencies	**Little training and coaching offered, mostly basic skills**	X			Lots of training and coaching offered with problem –solving skills	Companies offer either little trainings or little coaching to limited salespeople
3. Defining performance criteria	Sales volume and other basic metrics	X			Evaluation is based on customer - oriented criteria	All companies focus primarily on sales volume and profit
4. Designing sales force compensation	Mostly variable and commision based		X		Mostly fixed part and variable bonus, based on clear individual criteria defined in advance	Variable part smaller, criteria rarely defined in advance – or if – not in tune with individual efforts
5. Determining amount of supervision	Little to no supervision			X	**Substantial supervision offered to salespeople**	Managers have frequent contacts, degree of their intervention and monitoring is high
6. Aligning sales efforts with other functions	Salespeople work in the field mostly independently		X		Salespeople are well aligned with other functions	Some tensions between functions, the biggest between marketing and sales

*The “Position” column indicates orientation of each control system component:
A = in diriection of transactional behavior, B = hybryd, C = in direction of consultative behavior

From the results it can be inferred that majority of management policies do not support desired sales force behavior, even though salespeople do perform to some extent in accordance with the executives‘ expectations. This arises from the conversations with both, senior executives and salespeople themselves. It can be concluded that the biggest role in this endeavor plays substantial and frequent supervision of senior executives. This finding corresponds to Oliver and Anderson’s (1995) research in which they demonstrate positive effect of heavy supervision on sales results in hybrid systems. In such companies management is concerned with all elements of sales organization, including the process itself and the results, on an individual basis. It appears that such managements may actually be over-involved in their jobs in that they may take much personal responsibility for outcomes of their salespeople. However, Oliver and Anderson (1995) do not recommend hybrid systems to managers but suggest them to find their own equilibrium by adopting one or the other control style.

4 DISCUSSION

An extensive review of the literature in this study has shown different fields of work, discussing separately: relationship marketing paradigm, customer value creation, the alignment of sales efforts with other functions, and management control that is exerted upon sales and marketing employees in order to enable effective implementation of marketing strategy.

From this review I identified some important implications which include: (1) control system is a broader topic than generally recognized in the literature and accepted by managers, (2) there is a need to develop a conceptual framework which integrate the existing streams of control systems in a more coherent manner, (3) a relationship marketing perspective with all the emphasis on customer value creation would be beneficial in considering this integration and development of such a framework. By exploring the empirical linkages between sales force control systems and customer value creation concept in the selling-buying process, I add significant contribution to the existing theory and several implications to practical managerial work. As such, my thesis should be of interest to academics and practitioners who are interested in the design of sales force control systems associated in particular with consultative approach in sales force behavior.

4.1 Discussion from theoretical perspective

Many insightful theoretical efforts have already addressed aspects of management control systems in general and in particular for sales forces (Anderson and Oliver 1987, 1994, 1995; Simons, 2000; Anthony and Govindarajan 2003; Merchant, Van der Stede, 2007). In the same time fewer studies have been carried out from the empirical point of view in the field of holistic sales force control system (Anderson and Onyemah, 2006).

For example, Simons (2000) observed that as the business grows larger, mature, and complex it becomes increasingly difficult for managers to communicate information about strategies and plans to employees and stay informed about progress in meeting goals. In such circumstances they are no longer able to involve themselves in all key decisions and to manage people merely on the informal base. Instead, strategic control should be achieved by integrating different levers of control systems which are essential management tools that allow managers to measure outcomes and compare results with preset profit plans and performance goals.

Some employees perform poorly simply because they don't know what the organization wants from them. When this lack of direction occurs, the likelihood of the desired behaviors occurring is obviously small. Thus one function of management control involves informing employees as to how they can maximize their contribution to the fulfillment of organizational objectives (Merchant, Van der Stede, 2007). By focusing systematically on certain types of information, and ignoring other information, all managers send strong signals to their employees about their preferences and values and the types of opportunities that they want people to focus on.

Analogically Anderson and Onyemah (2006) maintain that culture and effectiveness of any sales force are products of its management systems. The system signals, in a continuous and more-or-less automatic way, what management expects from its sales team. It conveys to salespeople which trade-offs the company would prefer them to make when inevitable conflicts arise between what they want to do (spend lots of time and money to get a sale) and what they actually can do (utilize limited resources and still get the sale). The system effects also the way sales reps perceive business challenges, how they think and feel about their roles, how they go about their jobs, and what kind of indicators they focus on.

However, prior work provides limited explanation of what induces firms to select one or the other particular control philosophy of sales force behavior. Therefore, a thorough qualitative analysis has been taken for the purpose of shedding light upon this and some other issues. As a result, four important features have been carried out:
(1) integration of customer value creation concept with the sales force control system in a sales management context, (2) empirical examination of quality and consistency of sales force control systems that play significant mediating role in relationship between desired and actual sales force behavior, (3) discovery of the reasons for inconsistencies within the control systems, (4) demonstration of lack of sufficient integration between marketing and sales functions, equally as it was found in the research of Kotler et al. (2006).

Integration of "customer value creation" concept and sales force control system in a uniform framework provides an illustrative model of how top managers exercise influence over sales management via the dynamic interplay of six essential processes. This emergent model, although inspired by study of Anderson and Onyemah, is based on the clear executives' articulation of desired sales force behavior as it is categorized by Rackham and DeVincentis (2002), rather than on salespeople's tensions between serving the customer and serving the company (Anderson and Onyeamah 2006) as the research foundation. Interesting though that both research studies even if driven by different starting points and different research methods and even executed in different countries offer resembling findings.

The stage model that emerged in this study comprises of six sequential themes: articulating desired behavior, creating sales force competencies, defining performance criteria, designing sales force compensation, determining amount of supervision and aligning sales efforts with other functions. The sequential ordering of these themes reflects an organizational parallel to stage model of Anderson and Onyemah (2006). Perhaps we would only be surprised if there were not some sort of stage model at the center of any sales force control system formation process. For instance, it is not surprising that companies develop their control systems using a consistent approach in more or less the following five areas: recruiting, training, supervision, motivation and evaluation (Steenburgh 2006).

Yet the sequential themes have a distinctive character. Anderson and Onyemah's research begins with "focus of performance criteria" that makes sales force control systems oriented either towards "outcome control" or "behavior control". My process model, despite including several themes and concepts that are either apparent or have been featured in previous portrayals of control system formation, offers a view of some micro-dynamics within these areas and exposes them as the following themes: (1) creating sales force competencies, (2) defining performance evaluation criteria, (3) designing sales force compensation and (4) determining amount of supervision. More importantly, however, I discovered a couple of themes that have not risen to prominence in previous depictions of sales force control system formation. These key processes include both the articulating of desired sales force behavior, and the aligning of sales efforts with other functions of the company in customer value creation process.

Articulating desired behavior, wherein senior executives struggle to understand what kind of sales force behavior better corresponds to customer perception of company's value proposition and what management policies would and would not be consistent with that behavior, is my essential point of departure in setting up an effective sales force control system. And as Rackham and DeVincentis (2002) noted, sales forces can not achieve sales objectives isolated but as an integral part of company's value creation and value delivery system. Even more so, when a company deals with extrinsic value customers who put a premium on advice and help, willing to spend time with salespeople to create customized solutions.

The next part of my study shows that senior executives in all researched companies identify consultative approach as the most desired sales force behavior. According to the theory (Rackham and De Vincentis 2002) consultative selling is indeed the most appropriate mode to be applied for the type of customers that are predominantly served by the researched companies. But my data indicate, as it can be seen in the Figure 2.6, that senior executives, even if they accept consultative selling as a principle, don't secure its effective implementation in practice. In fact, this can be presumed from the way how management policies are actually designed and applied. There is only one policy designed well enough to be aligned with desired behavior (determining the right amount of supervision) while other policies are inconsistent (creating sales force competences and defining performance criteria) or stuck somewhere in the middle between transactional and consultative behavior (designing sales force compensation and aligning sales efforts with other functions).

Inconsistent use of management policies has been discovered also by other researchers (Anderson and Oliver 1994) and in the companies worldwide (Anderson and Onyemah 2006). By analyzing 50 companies in 38 countries Anderson and Onyemah (2006) have discovered three common patterns of inconsistency. The most frequent type of mismatch is characterized as "ever – present manager" which is quite similar to my own findings. According to Anderson and Onyemah (2006) an example of this would be a company that generally uses an outcome control system – managers focus on a handful of important results when evaluating sales reps' performance and calibrate compensation accordingly - but that has interventionist managers (behavior control style), who have regular contact with salespeople and monitor the reps' activities intensely. Yet, for all their interactions, the managers don't coach as much as true behavior control system calls for. In this system, salespeople will resist management's interference and will try to focus on pay and bottom line figures. Meanwhile, managers who will try to correct salespeople's "excessive" focus on generating "unprofitable" order, will complain that salespeople are uncooperative, and will struggle to redirect salespeople's attention to whatever the managers think should be done.

My findings, founded on a design of sales force control system that has different point of departure than the one of Anderson and Onyemah (2006), show that supervision of senior executives is reinforced in comparison with other management policies, with all the same consequences as described by precedent authors. Or, the other way around, supervision is the only policy that is appropriately used in pursuing consultative sales force behavior. My data indicate that managers aspire after the consultative behavior of salespeople but fail to implement it completely due to inconsistent use of management policies. By analyzing which management policies managers do use effectively to support desired sales force behavior and which don't, I established some of the positive and negative circumstances underlying their use. The conclusion is that Slovenian managers agree with the theory in principle but in practice they implement it differently. Does this mean the theory is bad? Not necessarily - just that certain circumstances or contexts make its implementation problematic.

Why does it happen in the researched companies or why do inconsistencies occur with the control systems was the guiding question of the present thesis. I presume that to a high degree this might be because of cultural and historical barriers that have their origin in an administrative economy, characteristic for a period after the Second World War till 1991 when Slovenia got its independency. In support of that, a statement of one executive manager who explained an absence of systematic reward system in his company can be offered: "We still live in a pure socialism!" For managers of that social order a leveling of wages was a part of value system while a view of employees was typically paternalistic opposite to that one in developed economies where employees have been perceived more as partners of the company. I guess that the phenomenon of managers, offering a heavy supervision to their employees in the researched companies, a correct management policy in case of pursuing a consultative selling though, originates from this same deep-rooted habit rather than from the knowledge required to manage salespeople in today's sharpened market environment.

Findings of my study also call into question the widespread assumption that sales force control system in a particular company can operate successfully without focusing critical top management attention on its formation. As Simons (2000) observed without effective performance measures and controls, inefficiencies build and market opportunities are missed.

My research returns suggest that senior executives have grossly underestimated the issue of sales management, leaving it simply in hands of sales managers whom they “forgot” to empower and qualify previously for making the most important decisions regarding the sales issues. This entails that impact of senior executives on sales management is not turned to advantage of the company, as it should, but is rather impediment to effective sales management which has become indispensable for successful implementation of any marketing strategy. Senior executives that are neither consistent nor qualified enough themselves are the main reason for inconsistent use of management policies that govern the way a company trains, monitors, supervises, motivates and evaluates their salespeople.

Lastly, this study demonstrates that a traditional conflict between marketing and sales exists also in the researched companies. Kotler, Rackham and Krishnaswamy (2006) affirmed that sales departments tend to believe that marketers are out of touch with what’s really going on with customers while marketing believes the sales force is myopic - too focused on individual customer experiences, insufficiently aware of the larger market, and blind to the future. With the help of the same assessment tool I realized that how each group undervalues the other’s contributions varies from company to company. However, in all companies it was discovered that marketing staff assert to have inferior position in comparison with sales function. At the same time most marketing people have a grudge against salespeople for lack of their marketing knowledge and vice versa salespeople blame marketing employees for scarcity of their experiences with customers. The relationship between the two functions in examined companies is hardly aligned which is even more critical in case when behavior of salespeople is desired to be consultative. That is to say, that ability to solve customer problems requires smoother interactions of sales unit with other functions (Rackham and De Vincentis 2002). In complicated or quickly changing situations (Kotler, Rackham and Krishnaswamy (2006), there are good reasons to integrate activities as planning, target setting, customer assessment, and value-proposition development, as well as processes, metrics and reward systems, which is not a case in the researched companies. Lack of alignment or even integration might easily end up hurting corporate performance. And responsibility for that lies again in the hands of senior executives.

4.2 Discussion from managerial perspective

What makes knowledge valuable to organizations is ultimately the ability to make better decisions and actions taken on the basis of the knowledge. If knowledge doesn't improve decision making, then what's the point (Davenport and Prusak 1997). As management reality is complex and cause-effect relationships are difficult to establish, the goal of my research for the companies was to develop knowledge as a source of understanding new business paradigms and showing how competitive advantage can be created on the top of them.

In all examined companies senior managers identified consultative approach towards customers as the most desired behavior of their salespeople. The main sales activities expected in common by senior executives can be summarized as developing a relationship with customers and presenting to them customized solutions or support services. This is interesting with respect to different type of customers considered companies deal with, i. e. distributors, dealers, industrial and trade customers. But for purposes of analyzing important sales interfaces, the basic similarities usually outweigh the differences (Cespedes 1992). Thus whether a sales person is functioning in a consumer or industrial sales organization - a division that more often separate than connect - is not so significant here. "The central question is who is the customer, not what is being sold?" (Cespedes 1992). Accordingly, the customer of a consumer goods company is not a final consumer but a trade customer. In this context also a question about what can be customized in consumer goods companies might take rise. According to Cespedes (1992), things like customized package size, delivery terms, promotions and perhaps advertising for a given class-of-trade is a form of customization prevalent in consumer marketing. From the customer's point of view, these information and services are growing portions of the value added by a given supplier.

The fact is that all examined companies deal with predominantly extrinsic value customers who are interested in solutions and applications. As observed by Rackham and De Vincentis (2002) they put a premium on advice and help, willing to spend time with salespeople to create customized solutions. They build relationship that goes beyond the immediate transaction and they appreciate investment of more selling time to ensure a potential supplier has a thorough understanding of their business needs and issues. For extrinsic value customers, a great deal of value can be clearly created by the salesperson.

According to senior executives products of AM are very complex with a value of approximately 50 thousand euro each. “Almost by definition, large purchases involve bigger decisions from the customer, and this alters the psychology of the sale” claims Rackham (1988) and also adds “that most large sales involve an ongoing relationship with the customer”. For industrial customers of H a relationship is also fundamental for sales success as without identifying customer needs, being one of the most important element of consultative sale, products can not be customized. Purchasers of consumer goods, mainly retailers, are concerned primarily on mission critical products or those that represents large portion of cost for them. Sometimes they also take a different posture towards suppliers who have the unique capability or product offering (Rackham and De Vincentis 2002). In case of LM and H (B2C) products represent extremely large portion of cost for their buyers as both companies are the biggest providers of goods in their particular category, at least in domestic market. In consumer goods companies good relationship of sales representatives is important for better execution of in-store merchandising. As stated in one company’s manual: “In our business, the brands merchandised most effectively, enjoy the greatest sales (Cespedes 1992).

My illustrative data show that sales forces higher up in sales organization act as general contractors in managing most aspects of sales planning, negotiations and internal coordination. They have direct responsibility for customers, trying to establish and maintain a trustworthy relationship with them. The lower level of sales force, although with less possibility to influence customers’ decisions, contribute to customer value creation in all the same way. They play a role of either back-office commercialists or sales representatives, refining a work, previously dealt by higher positioned sales forces. In both cases they transact the business, either in operational way with industrial customers and distributors or in drawing the whole business down to final consumers.

Once that a company succeeds to create a new value, either by product innovation or by developing truly distinctive services, its sales force can contribute significant customer value by using a consultative approach in the selling process. For that purpose salespeople have to be managed properly which means that senior managers have to put in place management policies that would encourage salespeople to behave in a desired way (Rackham and De Vincentis 2002). This entails well considered content of trainings, heavy coaching and supervision, smart performance evaluation aligned with compensation system that will help directing sales people in desired strategic direction and will stimulate good integration between functions.

In the first place therefore a question turns up whether companies organize trainings and coaching that would qualify all sales people for consultative selling. In general, beyond understanding their customers and the companies they work for, salespeople need to have a combination of selling skills, negotiation skills, and business management skills (Shapiro et al. 1994). Decision about what should be the primary emphasis in the training program depends upon the selling situation and the nature of company's offering. But at many companies training and coaching are more honored in theory than practice. Different surveys consistently find that many of firms do not train salespeople in selling at all. And if this is entirely accepted in transaction-oriented environment, then in serving major accounts or customers with special requirements salespeople should receive extensive training and coaching even after they have been with the company for a long time (Steenburgh 2006).

What strikes the eye is a negligible quantity of trainings offered in examined companies. It is clear that effective sales training, like most types of worthwile education, cannot be a single event. Participants need reinforcement, periodic upgrading and adaptation of pertinent skills and attributes (Cespedes, 1989) which is not the case in the researched companies. Also, trainings are offered without distinction between different levels of salespeople. Contrary to other salespeople, a major account manager for instance, would need to develop ability to understand strategically the business he or she manages (Shapiro 1994).

Salespeople in all companies realized that they have not enough strategic knowledge, nor the right tactical skills to cope with changing market circumstances and new buying patterns. As a consequence trainings are widely missed by salespeople, even in those companies where senior executives replaced them with heavier coaching. Support that comes in form of training, opposite to coaching, seems to be more welcome by salespeople. It gives them feelings that managers care about their competencies and success at work. If coaching doesn't follow nobody misses it. In companies where training is not offered or it is substituted simply with coaching, salespeople welcome coaching but still miss trainings. However, knowledge gained at trainings if not sustained with coaching has a short duration and according to Huthwaite Inc. can evaporate fast. Thus carrying out coaching as a correction measure, should be of greater interest of senior executives, on condition that group training has been already taken a place and a basic knowledge has been acquired. Otherwise coaching as a management tool in competency creation process becomes too expensive and less effective (Shapiro et al. 1994, Rackham and De Vincentis).

Last but not least, conversation with senior executives demonstrated that most of them don't know what effective consultative selling skills look like. In this context it is certainly questionable how someone can coach a skill unless he or she understands it. Thus one of the most common mistakes in efforts to improve sales performance is to focus exclusively on salespeople (Jones et al. 2005; Anderson et al. 1997). There are enough evidences that in all researched companies they try to improve salespeople without improving sales management first. For this reason a good shared and widely understood skills model should be adopted in the researched companies as the essential first step in building skills (Shapiro et al. 1994).

How objective, clear and precise are evaluation criteria in the researched companies and are they aligned with desired sales force behavior? Even if senior executives assert they lay a great stress upon the way how results are achieved, there isn't a uniform view about that. As a matter of fact evaluation criteria for most salespeople are very general and valid also for extended circle of other employees. Because of that, sales and marketing employees feel sure (and in my view they are justified to feel so) that evaluation criteria are ineffective – or that criteria are applied by executives in a very disorganized and subjective manner.

Performance evaluation is an integral dimension of the sales environment – whether or not the company has a formal, scheduled sales performance evaluation program. In the absence of well defined performance criteria, the company is likely to incur significant opportunity costs in the form of poor sales personnel decisions. There are also likely to be many inconsistencies in the evaluation criteria that are applied, in turn leading to "mixed signals" that ultimately damage sales force morale and effectiveness" (Cespedes 1989).

But although each company evaluates their employees on the basis of more or less common criteria, it has to be recognized that in the last year companies have demonstrated some steps in direction of evaluation improvements. Changes are rather incremental but they show urgent need of senior executives for introduction of more effective measures in the way how they conduct sales management of the companies. Improvements are actually related to individualization of performance criteria within sales organization. While the experiment failed in one company, new performance criteria were introduced in another two companies – unfortunately for just one level of sales force.

Although a small number of criteria seemed to be selected more carefully here, most of salespeople complain of not having influence upon their achievement – with one exception, sales managers in AM. They seem to be completely satisfied with selected criteria (sales volume) even though their main sales task, creation of strong relationship with distributors, had not been correctly translated into performance criteria either. Special attention should be namely given to selection of performance criteria that must focus on factors controllable by salespeople and desired by executives. Otherwise, the important links among motivation, effort, and evaluation are broken (Cespedes 1989).

With regard to improper selection of performance criteria it's difficult to expect criteria to be aligned with rewards. The typical mistake management does in almost every company when it starts thinking about the compensation system is to select the easiest measureable criteria and this is usually a sales volume (Kearney 1976; Dubinsky and Barry 1982; Jackson et al. 1983). It is in fact a driver of sales compensation in all researched companies even though senior executives demand from salespeople to reinforce relationship with customers in the first place. The quality of relationship is certainly more difficult to measure but not impossible (Shapiro et al. 1994).

Rewards should be based on having accomplished something that managers wanted sales forces to do (Miller 2001). In the case of researched companies, sales forces are expected to perform activities suited for consultative selling mode, though differentiated by hierarchical levels in given sales organization. They should be measurable but not just – or not at all - on revenue based. Care should be taken not only on financial measures of performance criteria but also on those that measure market response as well (Pelham 2002). If sales volume is the main performance criteria, salespeople will do everything to achieve the quota no matter how or with what kind of customers. With wrongly selected criteria salespeople get wrong signals.

How salespeople are paid has an immense impact on their performance and variable compensation is mainly designed to recognize their achievements and to reward them. Staying focused on what the praise or reward is trying to accomplish is manager's primary responsibility (Elling et al. 2002). Compensation practices are more often than not misaligned with performance evaluation criteria previously established in the researched companies. That means that achievement of predefined goals doesn't always assure payment of bonus as agreed upon earlier. In one company sales and marketing directors get instructions from senior executives on how to keep bonuses low even when predefined goals have been achieved.

Compensation system is effective when linkages are identified between strategic objectives, desired behavior and individual performance criteria that measure behavior of sales force (Pons 2001). In companies being researched sales compensation practices are far from being systematic, neither by content of performance criteria nor by measurement of individual achievements. Instead, most salespeople are rewarded on the basis of collective criteria, complaining of having no idea how their bonuses are calculated. Besides, bonuses that amount up to 10 or 15 percent are considered too small to be stimulating at all. At the same time, salespeople that are compensated on the basis of individually assigned objectives explained they have no influence over their achievement (e.g. sales volume) But they welcome possibility of earning more money at a ratio of 70 to 30 percent set up between base salary and bonus (which is dangerous because they will make whatever to achieve objectives and get desired bonus). To work as a motivational tool it has to be similar for all levels across sales organization where variable reward is a function of the level of achieved objectives. Moreover, compensation system should be similar in structure for all employees that are jointly responsible for sales success although in tune with specific responsibilities each function has (Pons 2001). That means that all salespeople, marketing employees, customer service people, program and product managers, instructors and often R&D people would be eligible for participating in a well composed individual variable compensation system where achievement of pre-defined objectives would bring a fair and motivating reward to all participants.

For creating durable performance change it is equally important how senior executives supervise their salespeople (Anderson and Oliver 1987). Proficient sales supervision can do wonders to improve the skills, strategies, and competencies of average salespeople (Oliver and Anderson 1994). Supervisor is primary performance coach who can best link strategy and planning tools with selling and execution skills. Effective supervisors ensure alignment of the many factors that influence salespeople's performance. They are the ones who tie sales function objectives to individual performance plans and help their people understand the overall strategic direction and how to align with it (Rackham and De Vincentis 2002).

It's more likely for managers who work in complex environment in which consultative selling has precedence over transactional selling to offer a substantial amount of supervision to their sales forces (Steenburgh 2006). As a matter of fact heavy supervision of senior executives is detected in the researched companies, meaning that frequent contacts are regulated with salespeople and serious interst for salespeople work is established to the point that all important decisions are taken by senior executives. Salespeople find the executives very reliable and supportive and welcome their intervention. They are especially grateful for their help at time when facing issues with their customers. In my view this might be a sign that they don't feel confident enough when confronted with customers. Acquirement of new skills that would enhance their problem-solving capability would probably help them feeling less uncertain and consequently more successful in customer value creation process.

However, there are several questions raiseing up about whether or not senior executives make the best use of their frequent contacts with sales forces. Instead of intervening whenever needed, more emphasis would probably need to be put on coaching or even empowering. For the purpose of the latter it would be recommendable to elaborate boundary systems that would "define limits of freedom to allow individual creativity" (Simons 2000). Boundary systems would complement other management policies that work as diagnostic control systems and are essential management tools for transforming intended strategies into realized ones (Mintzberg 1978).

When company operates in transactional environment and all that counts is closing the sale, the emphasis on functional connection is probably less explicit. But ability to solve customer problems and perform consultative sales seems to require even smoother interactions of sales unit with other functions (Rackham and De Vincentis 2002). But the overall complexity of operations and differences in orientation between the functions inevitably create tensions in internal interactions (Steenburgh 2006). To what extent senior executives detect them and how they strive to close discovered gaps often contribute to effectiveness of sales function itself and business as a whole.As a rule sales efforts should be well aligned with other functions in all companies being researched. Senior executives mainly agreed upon that, acknowledging though that some smaller tensions between functions are probably caused by introduction of matrix organization. But salespeople and marketing employees are more critical than senior executives also regarding the cooperation with other functions. It would be essential for the two functions to share processes and systems (Kotler et al. 2006) in order to create and deliver value customers are willing to get and pay for (Rackham and De Vincentis 2002).

The two functions are required to be well connected when they are involved in delivering a customized solution to a customer, especially because in a consultative sale, a salesperson, or sales team, characteristically handles the whole sale from start to finish – or from contact to contract (Rackham and De Vincentis 2002). Further from that, good relationship is desired when salepeople's behavior becomes a significant source of the company's brand equity and companies have a legitimate need to control their behavior (Anderson and Onyemah 2006). In that case it is important for sales and marketing functions to reach the agreement which common activities to concentrate on in order to strengthen the brand position of their products or services.

But marketing and sales people in researched companies incur reproaches from one another in both types of companies. In industrial goods firms (H and AM) the role of marketing is pretty much underestimated. Marketing should be considered and involved in business in much larger extend by contributing significantly to new market researches, new customers inquiry, customer profitability definition and wallet share, e.g. how much does customer buy from us, from other competitor and how this can be changed (Anderson and Onyemah 2006), etc. Right now all these activities are in hands of salespeople who waste their precious time for marketing activities, instead of spending it more effectively with their customers.

In consumer goods firms marketing employees blame sales force to discuss only prices and margins, instead to argue for power of brands when retailers start squeezing the price. In their view the lack of marketing knowledge makes salespeople destroying substantial part of marketing efforts. Being in ignorance of marketing knowledge is certainly negative but not as negative as it sounds one marketing manager when saying that she gets nervous to only think about the retailers! As Cespedes (1992) observed sales force is a crucial crossroad in organizing and implementing marketing efforts. It outlines some common roles, responsibilities and interdependencies among product, sales and service groups in marketing organization. These groups should work harmoniously to pursue the overall objectives of the firm.

5 CONCLUSIONS

In order to achieve its own set of objectives and performances over time, senior executives typically select those control tools that are likely to best influence desired sales force behavior. In addition, the type of control approach that managers follow should dictate the nature and quality of management policies they apply for exerting this control. Consistent with this reasoning are also contributions of my research study which are presented in this chapter together with research limitations and directions for future research.

5.1 Contributions

This study offers four contributions. First, the theory that emerges from the study illustrates the impact of senior executives on sales management by showing the dynamic interplay of six essential processes: articulating desired sales force behavior, creating sales force competencies, defining performance criteria, designing sales force compensation, determining amount of supervision and aligning sales efforts with other functions. Second, I extend existing theory on SFCS by showing their applications in a new business environment (i.e. Slovenia). Third, this thesis offers explanations as to why inconsistencies occur within control systems. Fourth, this study supports existing theory about relationship between marketing and sales functions and traditional conflict that appear as a rule between them. In continuation the main contributions are explained into more detail.

Previous studies have defined an SFCS as an orgnization's set of procedures for monitoring, directing, evaluating, and compensating its employees. This functional definition emphasizes the broad categories of actions that managers take in order to influence the sales force performance. Although the relevance of sales force control systems to successful change achievement has been conceptually acknowledged, there is still a gap in the research about several issues. SFCSs have been mainly characterized along one dimension, based on behavior- versus outcome- control taxonomy. Under an outcome system, sales revenue is thought to be a sufficient criterion for sales proficiency. Under a behavior system the sales process itself is critical and "input" or "behavior"monitoring activities are maximized.

After a thorough study of the literature it took me by surprise that this dimension provides limited explanation of what induces companies to select one control phylosophy over another.

This research study has proposed a new conceptual model that investigates unexplored aspect of sales force control practices by introducing or rather replacing the existing and long-standing dimension with another one, specified as “customer value creation in the selling-buying process”. I maintain that this new dimension, as opposed to the old one, explains better why companies should select a particular control system philosophy. This new distinction based on transactional or consultative behavior of salespeople also rectifies competing perspectives about multiple objectives faced by management, like for example short and long-term goals of the company. When senior executives recognize consultative selling as the most appropriate mode for their customers, they also gain a long - term over the short- term perspective which must become an unalienable part of a company’s culture and mentality.

In contrast to previous sales force control models, there are two new components incorporated in the control model presented in this study. The first one that serves as the origin of the model is related to the articulation of desired sales force behavior by senior executives and defines direction that needs to be taken in designing subsequent system components. The second new component is reflected in the alignment of sales efforts with other functions. It completes the whole specter of desired sales force activities proceeding from the external towards the internal actions, thus linking up the field performance and interactions within the company. In this way the value being promised to the extrinsic customers can be completed and delivered.

To my knowledge, this research study presents the first attempt in providing both integration of two largely disconnected literatures into a unified framework and incorporation of ”the articulation of desired sales force behavior” and “the alignment of sales efforts with other functions of the company” among control system components. On the basis of both contributions the theory that emerged in my study can be viewed as both simple and complex, or as Colville (2012) noted, it has the kind of “simplexity” that characterizes fundamental social phenomena. The emergent theory that actually springs up from being in search of inconsistencies within the SFCSs illustrates the impact of senior executives on sales management by showing the dynamic interplay of six essential processes: articulating desired sales force behavior, creating sales force competencies, defining performance criteria, designing sales force compensation, determining amount of supervision and aligning sales efforts with other functions.

The aim of this thesis was to propose and to test some research questions related to the new model which will make possible to understand how managers could better build SFCSs that meet their objectives in terms of consultative versus transactional sales force performance. Consequently, the study provides a thorough grasp of how and why senior executives must impact on sales management, bearing in mind that the customer ideas of value have changed dramatically over the last period of time. The results of this study offer clear and compelling evidence of inconsistencies within the sales force control systems. They point to a gap between the desired and the actual sales force behaviors, which increases, while the effectiveness of strategy implementation decreases accordingly. This of course has serious and potentially harmful consequences for the company.

Finally, as the amount of reasearch directed at examining the reasons of inconsistencies within the control systems is rather limited, my study offers a significant contribution to the existing knowledge about this issue, specifically in relation to consultative approach of salespeople's behavior. By demonstrating the reasons for inconsistencies I offer clear and important implications to managers as to how they can better influence the performance of their salespeople. Results of the study give plausible explanation as to why firms could possibly use opposite control philosophies simultaneously, running a risk of sending inconsistent messages to their people.

Most of the research evidences show that senior executives simply underestimate complexity of managing their sales forces. This means that executives in the same firm differ in their views on sales management, have insufficient understanding of consultative sale's requirements, take incremental steps and feel self-sufficient in their attempts to improve individual management policies, put too much emphasis on short-term results, take too litle interest in developing their sales managers as well as the lowest level of salespeople, do not organize work of sales people accurately, do not structure sales organization well enough around their customers, and do not try to replace the old mentality with the new one that would better connect sales and marketing functions.

Understanding the causes of inconsistencies is important because such understanding can help guiding actions towards improvements in building effective SFCSs. This implies that my findings can serve as significant guidelines for managers when they plan and design sales management policies in order to control desired behavior of their salespeople.

5.2 Research limitations

This research study has some limitations. One of the greatest limitations is the small research sample. As is often with interpretative research, questions about generalizability or transferability of the findings may arise when researchers study a limited number of companies. The three case studies provide the benefit of accurate observation and relative conceptual simplicity, although it trades off some degree of generalizability. However, the fact that the research sample consists of only manufacturing type of companies offers some kind of opportunity to generalize the findings at least within such sort of companies. The same difficult as it was to find companies to participate in the research study was to convince general managers to listen to my research results and validate them. Actually it was only one company whose general manager accepted presentation of my findings and agreed upon them. Thus a validation of my data and findings present second limitation of this study.

Another limitation is that it’s difficult to find companies applying exclusively one type of selling mode. Even though consultative selling brings more benefits for both seller and buyer, almost every company is facing also kind of transactional pressure at least for part of their product line or customer base. To avoid potential confusion, divisions that deal with intrinsic buyers and serving them in a pure transactional manner were excluded from the research. This was done in Helios while in other two companies customer base was more or less uniform.

Initial focus of my study was mainly on identifying a desired sales force behavior and then on checking the quality and consistency of management policies in order to understand if they support desired behavior. This orientation could have introduced deficiency into my study because management policies were not observed directly but judged from the way how salespeople perceived to be managed in one hand and from the way how executives describe to manage their salespeople in the other. Nevertheless, my data gathering methods and the flexibility of my interpretative approach provide substantial degree of reliance upon captured information.

Senior executives play an important role in managing sales and marketing people whether they are doing that intentionally or not. However, it is unclear the extent to which this impact would have looked different under another set of senior executives. The particulars of the cases presented might be viewed as limiting the transferability of the findings to other domains, but the key themes that emerged in this study have obvious relevance to many other contexts and therefore are likely to be applicable, in principle, to other companies as well.

Finally, this research explores inconsistency using only one sales force contol system theory, albeit one of the most studied. The interpetation I use is relevant only in the context of systems that can be defined on the continuum. Such is the case of outcome-behavior control system theory. More insights might be gained from future investigations in the context of other sales force control theories.

5.3 Directions for future research

My study generated a new theoretical model that can guide further research into investigating the impact senior executives have on sales management. The findings suggest several constructive research questions as well as several specific propositions amenable to future research. Ideas around the convergence and integration of SFCS and value creation concepts will be, I believe, over the next few years an area of increasing interest.

Given the fact that prior work has not discussed control systems in combination with sales force behavior desired to create the largest value for customers in the sales process, I suggest that future researchers test my emergent theory (a) on a bigger number of companies, (b) in companies from distinct industries and, (c) by including observation of salespeople's actual behavior, thus helping my emergent theory to become more explicit. Drawing on extensive empirical research an irrefutable conclusion about impact senior executives have on sales management by applying a consistent and effective control system could be made accordingly. Future research might offer additional insights with implications that can further the external validity of the model presented in this study.

Although the themes of my process model are equally intriguing for further investigation, I would propose to rely on those related to lack of direction, motivational problems and personal limitations. Lack of direction might easily happen when companies don't articulate clearly which sales force behavior is desired in value creation process and which performance criteria are applied to sustain such behavior. Moreover, motivational problems like poorly designed sales force compensation system will also contribute to less effective implementation of company's marketing strategy while personal limitations, if not overcome by consistent training and coaching, will hinder salespeople to behave in a way extrinsic customers expect and senior executives desire. When the nature of company's offering requires consultative selling approach and salespeople perform rather in a transactional way the value created for customers will be diminished and consequently the opportunity for company to capture some of this value will be lost.

In any organization employees must have some understanding of what the organization is trying to accomplish therefore managers addressing management control issues should think about how to influence employees to behave in a desired way. Management control involves asking the general question:"Are employees likely to behave appropriately?" This question can be decomposed into several parts and each of them can be exciting for further researchers interested in this field of sales force management. One of them can be, do employees really understand what superiors expect from them or will they work consistently hard and try to implement the organization's strategy as intended also without a formal control system in action? Research to address these questions might offer useful and interesting insights.

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8 APPENDIX

Appendix A: Questionnaire "Sales Force Control System"

		Outcome (transactional)	Behavior (consultative)
	SYSTEM COMPONENTS	1 2 3	4 5 6 7
EVALUATION	**1. Focus of performance criteria.** Does management value simply the results themselves (the outcomes) or also how they are achieved (sales effort expended)?	Managers value merely bottom-line results.	Managers pay particular attention to the methods and sales behavior used to achieve outcomes.
	2. Number of performance criteria. Does management judge salespeople in accordance with two or three observable measures or does it look at more criteria?	Salesperson's performance is judged by few basic metrics (sales, margins, contribution to profit, cost-based metrics)	Management evaluates a sales force performance to a larger extent, using more performance criteria
	3. Transparency of evaluation criteria. How clear and precise are evaluations? Are measures mostly quantitative or more complex to evaluate sales force behavior?	Evaluation criteria are very transparent and easy to measure.	Evaluation criteria are more complex, less measurable at a glance, containing also qualitative elements
SUPERVISION	**4. Degree of management intervention.** Who makes the final decision on important issues related to sales tasks, the salesperson or the manager?	Managers offer relatively little supervision. Sales people make final decisions about sales assignments.	Managers offer relatively heavy supervision and often take part in making final decisions about important sales issues.
	5. Frequency of contact. Are interactions between management and salespeople rare or managers interact with salespeople often and extensively?	Managers and salespeople have little to no contact.	Managers have frequent contacts with salespeople, trying to shape their behavior in harmony with strategic goals
	6. Degree of management monitoring. Is interest of management for salespeople's call and activity shown just as a bureaucratic requirement (report analysis) or is it serious and deep?	Management rarely monitors its sales staff.	Management constantly monitors its sales staff.
COMPETENCES	**7. Course of training.** Does management introduce sales trainings with the main goal for salespeople to close the sale or puts emphasis on developing consultative and problem-solving capabilities?	Management provides sales trainings with the main focus on traditional selling skills, negotiation and objection handling techniques	Management supports extensive strategic trainings, taking aim at deployment of problem-solving capabilities, technical and customer support attitude
	8. Amount of coaching offered. Does management suggest ways how salespeople can improve and refine acquired selling skills and abilities?	Managers offer little to no coaching	Managers offer frequent and heavy coaching (skills and strategy)for improving salespeople behavior on fairly regular basis.
COMPENSATION	**9. Compensation scheme.** Is the pay-check based largely on variable compensation triggered by outcomes? Or does it have a salary component with a performance bonus driven by well considered metrics?	A salesperson's compensation is mostly variable, keyed to customer-generated results. What about 100% fixed salary?	A salesperson's compensation consists of mostly fixed part and variable bonus. Evaluating and rewarding parameters are defined by management in advance
	10. Shared compensation. Does management give credit for sales success only to salespeople or perceive other employees jointly responsible for it? Do they participate in variable compensation?	Salespeople generate sales results on a pretty independent way and can be compensated separately on the clear outcome basis.	Management splits credit for sales success among different functions Compensation system for them is similar in structure although in tune with specific responsibilities.
INTERACTIONS	**11. Inter-functional coordination.** Does management align sales force efforts with other functions and if, to what extend does it seek to integrate activities, processes and systems between them?	There is no need to align sales force with other functions as they can't create any new or additional customer neither alone nor together with others	Different functions are involved in delivering a customized solution to a customer. This requires a smoother interaction of sales unit with other functions.
	12. Source of brand equity. Does management consider salespeople unlikely to impact the brand image or just the opposite – their behavior is considered a strong source of brand equity?	Management doesn't view salespeople as a source of brand equity and feel no need to manage their behavior while selling.	Salespeople create value customers are willing to pay for. They can influence customers' purchasing decisions and their brand preference.

Appendix B: Questionnaire "How well do sales and marketing work together?"

	Strongly Disagree 1	Disagree 2	Neither 3	Agree 4	Strongly Agree 5
1. Our sales figures are usually close to the sales forecast.	______	______	______	______	______
2. If things go wrong, or results are disappointing, neither function points fingers or blames the other.	______	______	______	______	______
3. Marketing people often meet with key customers during the sales process.	______	______	______	______	______
4. Marketing solicits participation from Sales in drafting the marketing plan.	______	______	______	______	______
5. Our salespeople believe the collateral supplied by Marketing is a valuable tool to help them get more sales.	______	______	______	______	______
6. The sales force willingly cooperates in supplying feedback requested by Marketing	______	______	______	______	______
7. There is a great deal of common language here between Sales and Marketing.	______	______	______	______	______
8. The heads of Sales and Marketing regularly confer about upstream issues such as idea generation, market sensing, and product development strategy.	______	______	______	______	______
9. Sales and Marketing work closely together to define segment buying behavior.	______	______	______	______	______
10. When Sales and Marketing meet, they do not need to spend much time on dispute resolution and crisis management.	______	______	______	______	______
11. The heads of Sales and marketing work together on business planning for products and services that will not be launched for two or more years.	______	______	______	______	______
12. We discuss and use common metrics for determining the success of Sales and Marketing.	______	______	______	______	______
13. Marketing actively participates in defining and executing the sales strategy for individual key accounts.	______	______	______	______	______
14. Sales and Marketing manage their activities using jointly developed business funnels, processes, or pipelines that span the business chain – from initial market sensing to customer service.	______	______	______	______	______
15. Marketing males a significant contribution to analyzing data from the sales funnel and using those data to improve the predictability and effectiveness of the funnel.	______	______	______	______	______
16. Sales and Marketing share a strong "We rise or fall together" culture.	______	______	______	______	______
17. Sales and Marketing report to a single chief customer officer, chief revenue officer, or equivalent C-level executive.	______	______	______	______	______
18. There's significant interchange of people between Sale and Marketing	______	______	______	______	______
19. Sales and Marketing jointly develop and deploy training programs, events, and learning opportunities for their respective staffs.	______	______	______	______	______
20. Sales and Marketing actively participate in the preparation and presentation of each other's plans to top executives.	______	______	______	______	______
	______ +	______ +	______ +	______ +	______ = ___ Total

Appendix C: Interview protocol – case study questions

Senior executives

1) How would you formulate desired behavior of sales people in your company?
2) How customer value is created along the sales process? In a transactional or more in a consultative way? Which selling mode is preferable by senior executives?
3) What do you expect your sales team to do? What objectives do you want them to focus on?
4) What kind of customers dominate in your customer base, more intrinsic or more extrinsic customers?
5) What kind of sales management policies do you use? Do they correspond to the main idea about desired sales force behavior?
6) Does the way of your sales force management stimulate the desired sales force behavior?
7) Do you strive to align sales efforts with other functions and if so, to what extend do you seek to integrate activities, processes and systems between the functions?
8) Do you consider salespeople's behavior as a strong source of brand equity

Sales Director

1) In order to close the sale, which sales activities are necessary? Which selling mode is preferred in your company, transactional or consultative?
2) How do you achieve the sales force behavior desired by your senior managers? With what kind of support? What stimulates you and what stimulate your people?
3) What is the relationship of sales function with other functions of the company?
4) Investigate interaction with marketing by using questionnaire »Sales and Marketing Relationship«

Marketing Director

1) Where do you get instructions for your work and how do you carry on the acquired information to your subordinates? (This makes me to understand how marketing is positioned within the organization)
2) How do you stimulate your people and how do you take care of their competencies?
3) How good is your sales team? Which selling mode is preferred in your company, transactional or consultative one?
4) What kind of relations does marketing have with other functions in the company?
5) Investigate interaction with sales function by using questionnaire »Sales and Marketing Relationship«

Sales force

1) How can you describe your sales job and what selling mode is more suitable to the nature of company products?
2) Can you rely on your superiors during the sales process? Do they monitor you and supervise your work heavily?
3) Where and how do you improve your competencies?
4) What motivates you? Do you get any variable compensation for your achievements? How does it work?
5) How do you perceive your own behavior when you work with customers?
6) How do you cooperate with other functions in the company? Relationship with marketing; is it a good support to your sales efforts? Do functions have equivalent positions within company's organization?

Marketing people

1) How can you describe your job; what is marketing of your company responsible for?
2) Can you rely on your superiors? What is the relationship with them?
3) Where and how do you improve your competencies? Do you attend any seminars or plan them together with sales people?
4) What motivates you? Do you get any bonus for special achievements? How does it work?
5) How do you cooperate with other functions in the company? Do you have good relationship with sales people? How the work is split between the two functions?
6) Which selling mode seems to you more suitable for the company, transactional or consultative one?
7) How do you view the sales force efforts in contacts with customer?

Appendix D: Inconsistent view on control system components among executives - tables

Table 1: Adria Mobil

Structured questions	Appraisal on Lickert scale from 1 to 7	
	General manager	VP Mkt&Sales
1. Focus of performance criteria	7	5
2. Number of performance criteria	4	2
3. Transparency of evaluation criteria	5	4
4. Degree of management intervention	6	3
5. Frequency of contact	6	5
6. Degree of management monitoring	5	6
7. Course of training	5	5
8. Amount of coaching offered	2	6
9. Compensation scheme	6	6
10. Shared compensation	6	3
11. Inter-functional coordination	7	6
12. Source of brand equity	6	5

Table 2: Helios

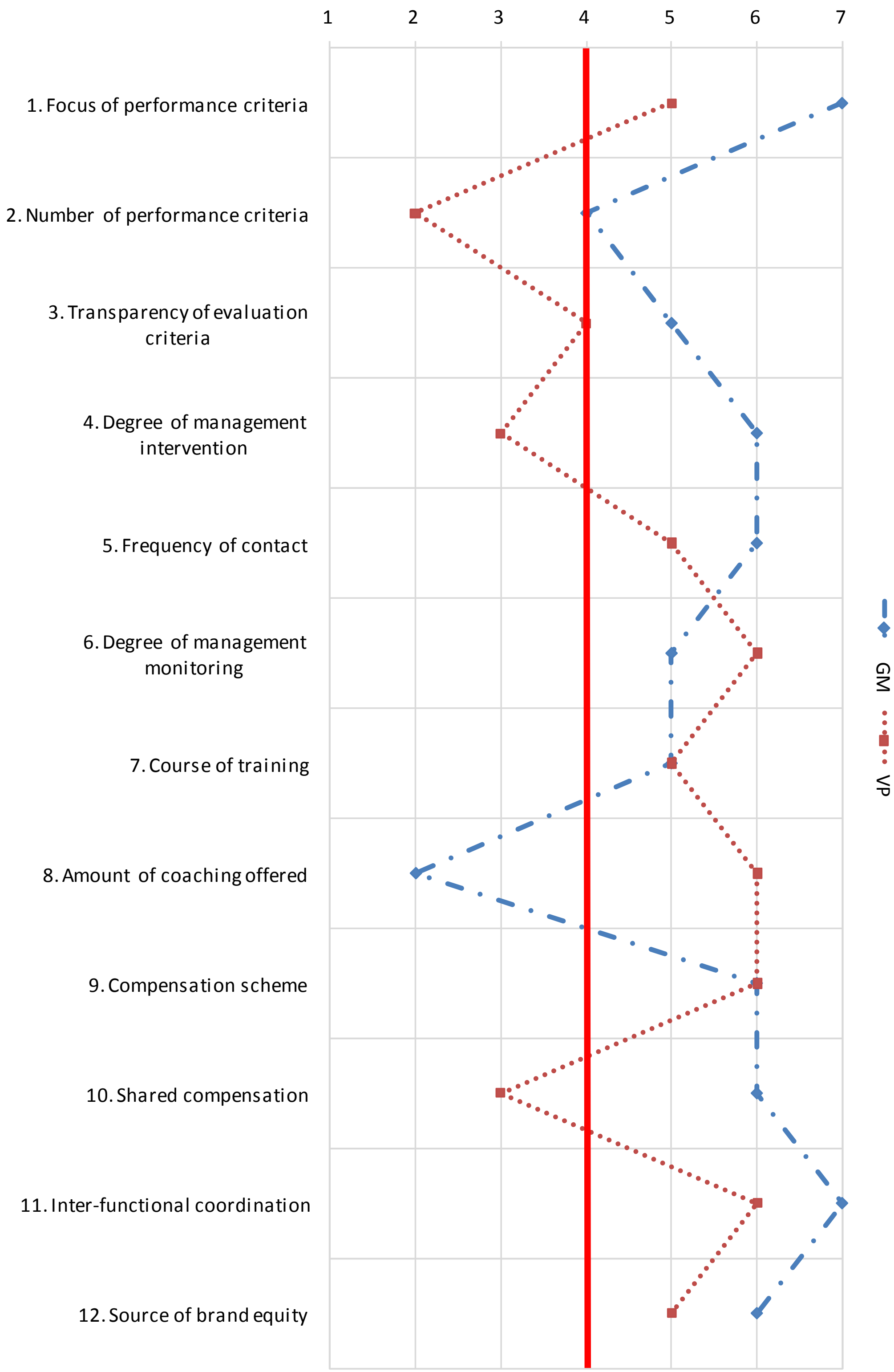
Structured questions	Appraisal on Lickert scale from 1 to 7			
	General manager	Executive manager1	Executive manager2	Executive manager3
1. Focus of performance criteria	3	5	4	3
2. Number of performance criteria	3	5	5	2
3. Transparency of evaluation criteria	2	5	3	2
4. Degree of management intervention	4	6	6	6
5. Frequency of contact	3	5	6	6
6. Degree of management monitoring	3	5	6	5
7. Course of training	1	3	3	2
8. Amount of coaching offered	1	4	6	1
9. Compensation scheme	3	3	4	2
10. Shared compensation	5	1	4	1
11. Inter-functional coordination	5	4	6	5
12. Source of brand equity	6	6	6	6

Table 3: Ljubljanske mlekarne

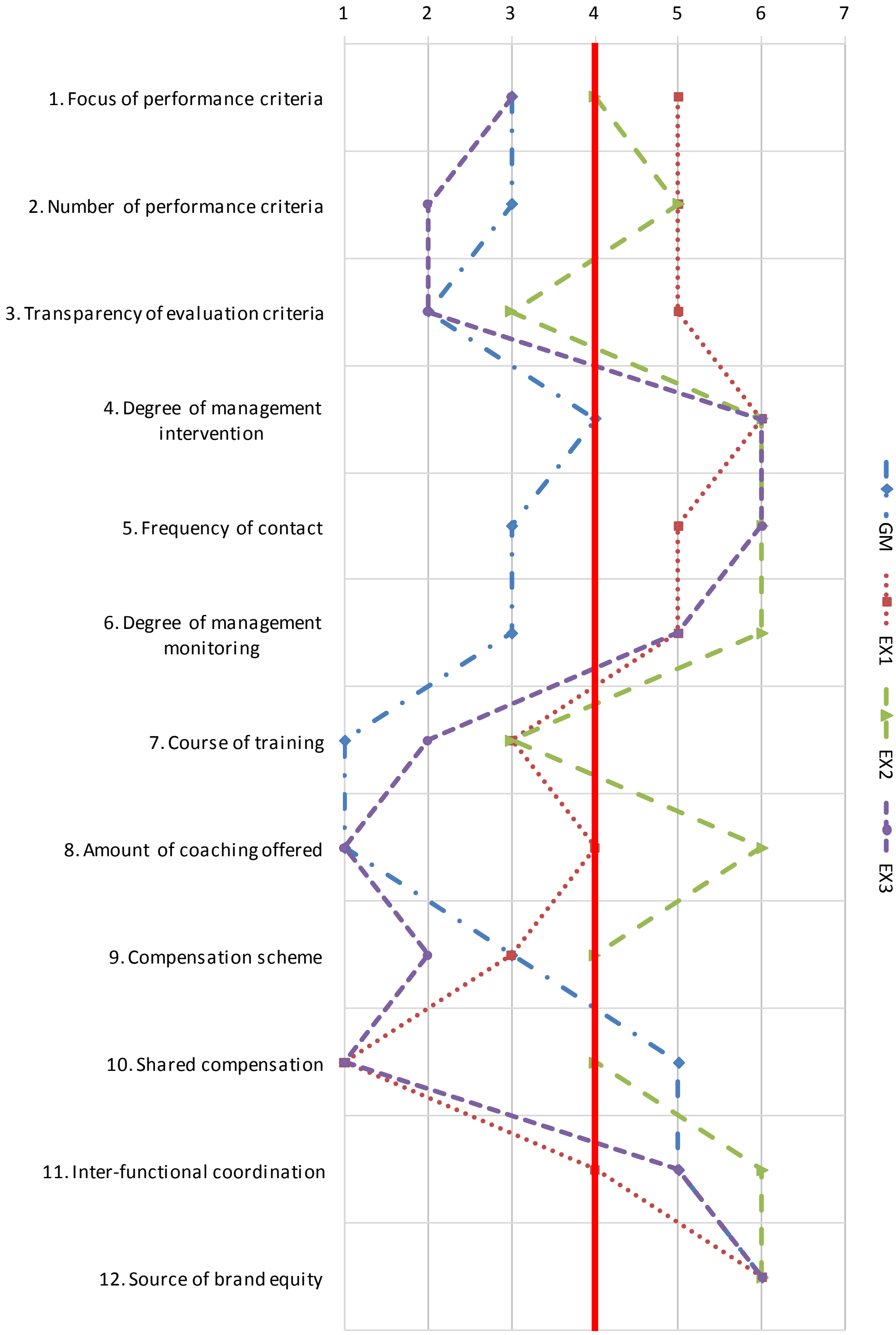
Structured questions	Appraisal on Lickert scale from 1 to 7	
	General manager	**VP Mkt&Sales**
1. Focus of performance criteria	5	6
2. Number of performance criteria	4	4
3. Transparency of evaluation criteria	3	5
4. Degree of management intervention	7	6
5. Frequency of contact	5	7
6. Degree of management monitoring	5	5
7. Course of training	5	5
8. Amount of coaching offered	3	3
9. Compensation scheme	5	2
10. Shared compensation	3	2
11. Inter-functional coordination	4	6
12. Source of brand equity	6	5

Appendix E: Inconsistent view on control system components among executives - graphs

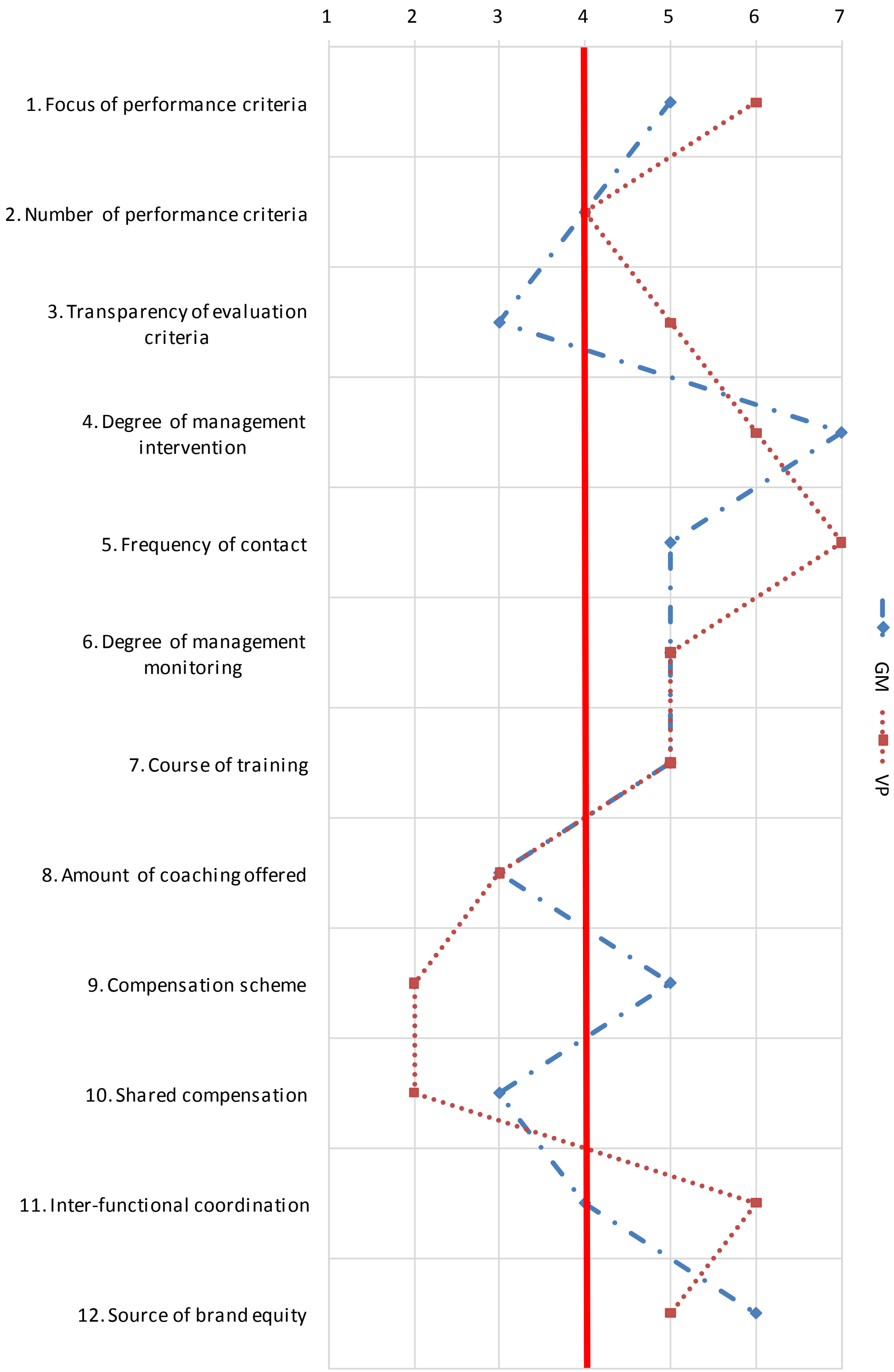
Graph 1: Adria Mobil



Graph 2: Helios



Graph 3: Ljubljanske mlekarne



Appendix F: Relationship between marketing and sales

Table 1: Adria Mobil

Respondents	**points**
Area Sales Manager 1	83
Area Manager 2	69
Area Manager 3	74
Director of Product Management and Marketing	72
Sales Operation Manager	68
Product Manager	56
Average points total	**70,33**

Table 2: Helios

Respondents	**points**
Executive Manager 1	59
Executive Manager 2	53
Executive Manager 3	74
Marketing Director for decorative	71
Marketing Director for others	54
Average points total	**62,20**

Table 3: Ljubljanske mlekarne

Respondents	**points**
Marketing Manager	46
Sales Director	65
Average points total	**55,5**

Scoring: 20 – 39 undefined; 40 – 59 defined; 60 – 79 aligned; 80 – 100 integrated

9 LONGER ABSTRACT IN SLOVENIAN LANGUAGE

9.1 Uvod in namen doktorske raziskave

Najpomembnejši dejavnik, ki danes ločuje uspešna podjetja od manj uspešnih, ni le različna sposobnost oblikovanja odličnih tržnih strategij, temveč njihova zmožnost, da načrtovane strategije učinkovito uresničijo. Prodajna funkcija podjetja ima pri tem odločilno vlogo, saj imajo prav zaposleni v prodaji, ki so vezni člen med podjetjem in njegovimi kupci, neposreden vpliv na implementacijo tržne strategije.

Mnoga do sedaj uspešna podjetja so se že znašla v težavah, saj so ugotovila, da s svojo prodajno organizacijo in njenim vodenjem niso več kos dramatičnim tržnim spremembam. Vse večja moč kupcev, njihove spremenjene potrebe in nakupne navade ter vse širši konkurenčni krog so namreč globoko zarezali v prodajno funkcijo in zahtevajo radikalne spremembe v njeni organizaciji, načrtovanju in vodenju (Shapiro in drugi 1994). Ali bo podjetjem uspelo ali ne, je v veliki meri odvisno od sposobnosti vrhnjih managerjev, ki pa so prepogosto prepričani, da je implementacija tržne strategije stvar zaposlenih, ki so po hierarhiji pozicionirani niže od njih. To mentaliteto je treba čimprej preseči.

Vodilni v podjetjih bodo morali v prihodnje oblikovati in voditi takšne prodajne time, ki bodo učinkovito obvladovali strateško pomembnejše in praviloma bolj dobičkonosne kupce ali pa ustreči tudi manj dobičkonosnim ob čim nižjih stroških. Zato bodo morali pazljivo preučiti in natančno definirati prodajne naloge, in sicer tam, kjer te dejansko potekajo – v kontaktu s kupcem – in jih povezati z ostalimi funkcijami v podjetju.

Vpletenost in "leadership" vrhnjega managementa (ne le vodilnih v prodaji) sta torej ključna, ko gre za oblikovanje prodajne funkcije in vodenje zaposlenih v prodaji. Namen doktorske disertacije je pokazati in raziskati ta vpliv, še zlasti v kontekstu prodajnega pristopa, ki temelji na ustvarjanju odnosov med kupci in prodajnimi kadri. Na takšnem pristopu, ki ga Rackham (2002) imenuje svetovalni prodajni pristop, je namreč moč zasnovati močno konkurenčno prednost podjetja, vendar pa se managerji, medtem ko poskušajo prodajne kadre usmeriti v to smer, srečujejo s celo vrsto izzivov. Največ se jih nanaša na oblikovanje politik upravljanja s prodajnimi kadri, kot so denimo trening, motivacija, nagrajevanje in nadzor. Te politike tvorijo kontrolni sistem vodenja prodajnih kadrov. Raziskovalni cilj te disertacije je poiskati razloge za njihovo nekonsistentno rabo.

9.2 Pregled literature

V preteklih letih se je študij prodajnega managementa precej razmahnil tako med teoretiki kakor praktiki, saj ima prav kakovost vodenja prodaje odločilni vpliv na učinkovito implementacijo tržne strategije. Precej teh študij se naslanja na spremembo tržnih paradigem, ki se je zgodila sredi devetdesetih let, ko je do tedaj prevladujočo paradigmo transakcijskega marketinga *(transactional marketing)* zamenjala paradigma relacijskega marketinga *(relationship marketing)*, ki - kot pove ime samo - temelji na odnosih med ponudnikom in kupcem in ne zgolj na menjavi med njima.

9.2.1 Sprememba paradigem – od transakcijskega k relacijskemu marketingu

Za teorijo in prakso transakcijskega marketinga je veljal model imenovan "marketing mix", ki temelji na 4 P-jih *(product, price, place, promotion)* in ga je leta 1960 ustoličil McCarty. Po nekaj desetletjih so se teoretične zasnove tega modela izkazale za sporne, saj je postalo očitno, da kupci niso pasivni, da jih ni v izobilju in da njihovo povpraševanje ni homogeno in stabilno. Skokovit razvoj distribucijskih kanalov, ki so izpodrinili dominantnost proizvajalcev, pojav vse bolj sofisticiranih kupcev s posebnimi željami ter zasičenost tako potrošniških trgov kakor tudi množičnih tržnih komunikacij so dokončno zamajali prevladujočo filozofijo transakcijskega marketinga. Ta je v ospredje postavljala izdelek namesto kupca (Grönroos 1991, Gummesson 1987) oziroma je kot končni tržni cilj razumela osvojitev kupca, ne pa tudi njegovega zadovoljstva in zvestobe (Berry 1983, Kotler 1991).

Alternativne definicije marketinga, ki so se vse bolj krepile, in so poleg potrošniških trgov (B2C) vključevale tudi študije na medpodjetniških trgih (B2B) in na področju storitvenih dejavnosti (Grönroos (1994), so pripeljale do nedvoumnih sklepov, da gre temelje sodobnega trženja iskati v dialogu med kupci in dobavitelji. Paralelni razvoj na različnih področjih je osvetlil potrebo po drugačni filozofiji, ki nasprotuje obstoječi transakcijski paradigmi in zahteva novo paradigmo, ki so jo poimenovali relacijski marketing (Berry 1983; Kotler 1991; Grönroos 1994; Cravens and Piercy 1994; Palmer 1994; Berry 1995). Poglavitno za novo paradigmo je, da postane ustvarjanje odnosa s kupcem naloga celotnega podjetja, ne le prodajnega oddelka in da se v ta namen v njem vzpostavi vzorno med-funkcijsko sodelovanje. Na ta način je moč z večjo gotovostjo doseči zadovoljstvo kupca in razviti dolgoročno menjavo med njim in dobaviteljem.

Vendarle pa so raziskovalci (Grönross 1994) v nadaljnjih študijah prišli do ugotovitev, da je tržni prostor odprt tako za transakcijski kakor za relacijski marketing in da gre pravzaprav za strateško odločitev podjetja, s katerim pristopom bo laže nagovorilo svoje kupce. Empirične ugotovitve sugerirajo, da je transakcijski marketing pod določenimi pogoji verodostojen marketinški pristop, ne more pa se ohraniti kot marketinška paradigma. Prevladalo je splošno prepričanje, naj podjetja segmentirajo kupce glede na vrsto odnosa, ki si ga ti želijo ustvariti s podjetjem, in naj do različnih segmentov kupcev pristopajo različno (Berry 1995).

9.2.2 Koncept ustvarjanja vrednosti za kupca

Skladno z razvojem nove paradigme se je pojavil tudi vse večji interes za preučevanje koncepta ustvarjanja vrednosti za kupca. Tako akademiki in praktiki na eni strani kakor kupci in tržniki na drugi so v načinu ustvarjanja vrednosti za kupca prepoznali nov vir konkurenčne prednosti podjetja. Pregled literature pokaže različne perspektive teoretikov in praktikov na pojem ustvarjanja vrednosti. Zgodnji koncepti so se ukvarjali predvsem s preseganjem pojmovanja marketinga kot transakcije, torej čiste menjave med dvema stranema. Vrednost ponudbe vključuje poleg izdelka ali storitve tudi čas, energijo in občutke (Kotler 1972) oziroma neoprijemljive dele izdelka, ki so prav tako integralni del ponudbe kakor njegovi oprijemljivi deli (Levitt 1981). Porter (1985) pa je kot temelj koncepta vrednosti postavil kakovostno upravljanje notranjih aktivnosti podjetja, ki skupaj tvorijo »vrednostno verigo«, skozi katero se ustvarja vrednost za kupca. Pri McKinnseyu so v zvezi s Porterjevim konceptom opozorili na to, da je na vrednost treba gledati predvsem s kupčeve perspektive.

Med zanimivejše koncepte v zadnjih dvajsetih letih štejejo predvsem tisti, ki ustvarjanje vrednosti za kupca vidijo bodisi kot strateški proces podjetja (Norman in Ramirez 1993), kot temelj za ustvarjanje vrednosti za delničarje (Cleland in Bruno 1996) ali pa kot vzajemno korist, ki je nastala v sodelovanju med kupci in dobavitelji (Gummesson 1999). Rackham in De Vincentis (1998), ki sta v ospredje ustvarjanja vrednosti za kupca postavila vedenje prodajnih kadrov, pa sta v svojih številnih raziskavah ugotovila, da se kupci pri zaznavanju te vrednosti med seboj precej razlikujejo. In to je tisti bistveni element, ki mu uprave podjetij, ko razmišljajo o implementaciji tržne strategije, posvečajo premalo pozornosti. Rackham in De Vincentis (2002) trdita, da lahko s prodajno funkcijo povečujemo vrednost za kupca okvirno na dva diametralno različna načina: s povečevanjem koristi ali z znižanjem stroškov. Prvi prodajni pristop imenujeta svetovalna prodaja *(consultative selling),* drugega pa transakcijska prodaja *(transactional selling).*

Če želi podjetjeustvariti povsem nove koristi za kupca, mora imeti podjetje odlično usposobljen prodajni tim, ki bo te koristi zagotavljal. Pri tem je investicija podjetja večja, saj potrebuje za izpeljavo takšnega prodajnega pristopa več časa, znanja in sredstev. Vendar pa lahko zaposleni v prodaji v tem primeru s svojim delom upravičijo višje cene izdelkov in storitev. To pa je mogoče samo pri tistih kupcih, ki v nasvetih in pomoči prodajalcev prepoznavajo vrednost ponudbe. Takšni kupci (ekstrinzični kupci) so pripravljeni zgraditi odnos s prodajalci in preživeti čas z njimi v iskanju rešitev, ki bodo prilagojene njihovim potrebam. Visoko usposobljenim prodajalcem bodo z veseljem plačali za dodatne stroške, ki jih bodo ti imeli z ustvarjanjem novih koristi zanje.

V drugem primeru pa podjetje kupcu zagotavlja vrednost v obliki nižjih stroškov in čim lažjo pridobitev izdelka ali storitve, kar navadno doseže z znižanjem lastnih stroškov prodaje in posledično z uvedbo cenejših prodajnih poti. Kupci, ki dajejo prednost takšnemu prodajnemu pristopu (intrinzični kupci), vidijo vrednost ponudbe podjetja izključno v samem izdelku, ki ga jemljejo kot zlahka nadomestljivo blago. Ker je zanje vsa vrednost v izdelku ali storitvi, predstavlja prodajna funkcija v njihovih očeh malo vrednosti. Pomoč prodajalcev vidijo kot dodatne stroške, ki se jim raje izognejo. Gre torej za dva bistveno različna strateška pristopa ustvarjanja vrednosti za kupca v prodajnem procesu, med katerima pa ni hierarhije. Najpogostejša strateška napaka vodilnih je, da prodajnega pristopa ne povežejo z naravo kupcev, ki jih želijo nagovoriti, kar lahko naredi podjetju veliko škode. Za podjetja, ki imajo opraviti z različnimi kupci, je smiselna uporaba ločenega prodajnega pristopa.

Analogno kot Rackham in De Vincentis (2002), vendar že veliko prej sta tudi Saxe in Weitz (1982) razlikovala med tradicionalnim prodajnim pristopom in prodajnim pristopom, ki je usmerjen h kupcu. Njune raziskave opozarjajo na to, da je uporaba tradicionalnih prodajnih taktik v nasprotju z dolgoročnim prodajnim uspehom oziroma da je moč kratkoročni uspeh doseči na škodo zadovoljstva kupcev in njihovih resničnih potreb. Guenzi in drugi (2011) pa so prišli do sklepa, da tradicionalna prodajna usmeritev ni nujno škodljiva za podjetja, vsaj ne v kratkoročnem smislu. Tako kot Rackham in De Vincentis (2002) so empirično dokazali, da lahko imajo prodajni kadri različne pristope do različnih kupcev ali celo različne pristope do istih kupcev, odvisno od danih okoliščin.

9.2.3 Povezava prodajne z drugimi funkcijami v podjetju

Skladno z želenim prodajnim pristopom morajo biti prizadevanja prodajnih kadrov v podjetju povezana tudi z drugimi poslovnimi funkcijami. Prodaja ima še toliko bolj pomembno vlogo, saj je odgovorna za ustvarjanje prihodkov podjetja in posega tako ali drugače v delo vseh drugih oddelkov. Odgovornost vrhnjega managementa je, da postavi prodajno funkcijo na prvo mesto v verigi ustvarjanja vrednosti in jo poveže z drugimi funkcijami. Poslovni sistem in organizacijska struktura podjetja morata biti podrejena izključno kupčevim vrednostnim potrebam (Porter 1985; Vandermerwe 1993; Clark in drugi 1995; Rackham in De Vincentis 2002). Tako je v primeru, ko ima podjetje intrinzične kupce, ki vrednost ponudbe vidijo izključno v izdelku samem, treba poslovni sistem strukturirati tako, da bo stroškovno čim bolj učinkovit. V primeru, ko so kupci pretežno ekstrinzični, pa morajo podjetja posvetiti veliko več pozornosti interakcijam med posameznimi funkcijami.

Čeprav si marketing in prodaja prizadevata za isti cilj, pa je v podjetjih moč pogosto zaslediti težave v komunikaciji med njima. Raziskave kažejo na to, da slab odnos med prodajno in marketinško funkcijo privede do nepovezanosti med tržno strategijo, vodenjem prodajnega procesa in aktivnostmi, za katere so odgovorni prodajalci (Strahle in drugi 1996; Coletti in Chonko 1997; Kotler in drugi 2006). Steenburgh (2006) vidi izvor konflikta med funkcijama v tem, da so marketinški oddelki tipično oblikovani za upravljanje življenjskega cikla izdelka, medtem ko je prodaja odgovorna za zadovoljevanje takojšnjih potreb kupca. Shapiro in drugi so že leta 1994 opozorili na to, da je treba vsakršno delitev med funkcijama preseči in ju med seboj trdno povezati. Empirične raziskave o konfiguracijah med prodajo in marketingom so sicer redke in kličejo po dodatnih raziskavah .

Kotler in drugi (2006) so raziskovali različne vrste odnosov med prodajo in marketingom in jih strnili v štiri različne tipe: neopredeljeni, opredeljeni, usklajeni in integrirani odnosi. Ti se spreminjajo v skladu z zrelostjo marketinške in prodajne funkcije v podjetju in so lahko manj povezani in pogosto konfliktni ali integrirani in zaradi tega nekonfliktni. Raziskovalci sicer opozarjajo, da so opazili le peščico podjetij, v katerih sta funkciji resnično popolnoma povezani, kar se kaže v skupni strukturi, sistemih, nagrajevanju in aktivnostih, kot sta načrtovanje in delo s kupci. Za obe funkciji je odgovoren isti član uprave podjetja, saj imata tako marketing kot prodaja enak cilj. Kotler in drugi (2006) zagovarjajo potrebo po tesni povezanosti med funkcijama še zlasti takrat, ko se izdelki pospešeno spreminjajo v blago in postaja tradicionalno prodajno osebje predrago, ali pa še bolj takrat, ko si kupci želijo izdelke ali storitve po meri in morajo skladno s tem prodajni kadri nadgraditi svoje znanje in veščine. Tudi Biemans in drugi (2010) so izvedli kvalitativno raziskavo med več kot sto managerji v treh različnih državah (ZDA, Nizozemska in Slovenija) in identificirali štiri različne konfiguracije med prodajo in marketingom ter opredelili njihove prednosti in slabosti z vidika strateških ciljev podjetja. Njihove ugotovitve kažejo na pomen razvoja takšnih povezav med funkcijama, ki najbolj ustrezajo poslovnemu okolju in dejavnostim, v katerih delujejo. Potrebo po dobri povezanosti med funkcijama so poudarili tudi številni drugi avtorji, in sicer še zlasti, ko gre za prodajni pristop, usmerjen h kupcem v nasprotju s tradicionalnim prodajnim pristopom (Saxe in Weitz 1982; Jaworski in Kohli 1993; Guenzi 2011) oziroma ko so vrednostna pričakovanja kupcev do podjetja visoka in presegajo zgolj pridobitev čim cenejšega izdelka (Rackham in De Vincentis 2002).

9.2.4 Strateška kontrola prodajnih kadrov

Ko vodilni managerji presodijo, kakšna je narava kupcev, s katerimi želi podjetje poslovati, in se odločijo, s kakšnim prodajnim pristopom bo za njih ustvarilo vrednost, morajo vodilni v podjetju zagotoviti, da se želeno vedenje prodajalcev tudi manifestira v praksi. Od izvršnih direktorjev se vse bolj pričakuje, da niso le dobri strategi, temveč da so tudi sposobni učinkovito voditi zaposlene v prodajnem oddelku (Colletti 2001). Ker zaposleni v prodaji preživijo večino svojega delovnega časa na terenu, to je na periferiji podjetja, kjer občutijo fizično in psihološko distanco (Pons 2001), je način, kako jih podjetje usposablja, nadzira, vrednoti njihovo delo in jih nagrajuje, še kako pomemben.

Te politike upravljanja s prodajnimi kadri tvorijo učinkovito managersko orodje, ki pomaga vrhnjim managerjem izvajati kontrolo nad želenim vedenjem prodajnih kadrov. Kontrolni sistem upravljanja je formalna rutina, s pomočjo katere managerji vzdržujejo ali pa spreminjajo vzorce v delovanju podjetja. S tem ko dajejo prednost določenim informacijam, in odvračajo pozornost od drugih, pošiljajo vrhnji managerji zaposlenim pomembne signale (Simons 1995). Dober in konsistenten kontrolni sistem vodilnim pomaga nadzorovati proces implementacije, medtem ko slab kontrolni sistem zavira doseganje učinkovitih sprememb. Bistvo vseh kontrolnih sistemov je, da postavijo standarde ravnanja zaposlenih in vpeljejo mehanizme, ki bodo zagotavljali doseganje teh. Kontrolni sistemi pomagajo zaznati vrzeli v vedenju in aktivnostih zaposlenih ter jih odstraniti ali ublažiti (Anthony 1965, Simons 1995, Merchant 2010).

Pionirja v proučevanju doseganja strateške kontrole nad vedenjem prodajnih kadrov sta bila Anderson in Oliver (1987). V svojih študijah (1987, 1994, 1995) sta trdila, Onyemah in Anderson pa sta njuna dognanja pozneje (2006, 2009) zaokrožila, da je uspešnost prodaje opredeljena s tem, kako podjetja zaposlujejo, usposabljajo, nadzirajo, motivirajo in nagrajujejo svoje prodajne kadre. S konsistentnim pristopom k tem politikam podjetja prodajne kadre usmerjajo v želeno strateško smer. Politike vodenja prodajnih kadrov lahko temeljijo bodisi na doseganju rezultatov ali pa na spodbujanju vedenja prodajalcev. Anderson in Oliver (1987) torej zasnujeta kontrolni sistem prodajnih kadrov vzdolž »kontinuuma«, dimenzije, ki na eno stran postavlja politike, usmerjene h kontroli vedenja, na drugo pa politike, usmerjene h kontroli rezultatov.

Pri kontroli doseganja rezultatov so prodajni kadri v glavnem prepuščeni svoji lastni presoji o tem, kako bodo ustvarili rezultate, zato je nadzor vodilnih pri tem omejen in zahteva relativno preprosta merila za merjenje njihovega uspeha. Takšna vrsta kontrole deluje najbolje takrat, ko je podjetje s svojo ponudbo zelo konkurenčno, ko obstajajo različni načini za sklenitev prodaje in ko kupci kar najbolj zaupajo prodajalcem. Čisto drugače je, ko je treba kontrolirati vedenje prodajnih kadrov, kar zahteva bolj učinkovit in neposreden managerski nadzor. Kontrola je usmerjena v vmesne faze prodajnega procesa in zahteva individualno vrednotenje dela prodajnih kadrov. Takšni sistemi so primerni v glavnem takrat, ko za poslovni uspeh podjetja niso pomembne samo "čiste" prodajne dejavnosti, ko želi podjetje zaščititi ugled svoje blagovne znamke pri delu s kupci in ko ve, katero vedenje prodajalcev negovati in kateremu se izogniti.

Konceptualizacijo kontrolnih sistemov v prodaji, kot sta jo zasnovala Anderson in Oliver, uporablja tudi večina drugih avtorjev, ki se ukvarjajo s to problematiko (Cravens in drugi 1993; Baldauf in drugi 2001, 2005; Rouziés and Macquin 2002; Anderson in Onyemah 2006 in Onyemah in Anderson 2009). Anderson in Oliver (1987, 1995) sta ugotovila, da kontrolni sistemi v podjetjih redko obstajajo v čisti formi, in da so v glavnem hibridni in vsebujejo tako elemente enega kakor drugega sistema, kar povečuje možnost, da so elementi med seboj nekonsistentni. Andersonova in Onyemah (2006) v svoji raziskavi, v kateri sta analizirala 50 podjetij v 38 državah, svarita, da je prav konsistentnost bistvenega pomena za uspešno vodenje prodajnih kadrov in da morajo podjetja razviti takšno prodajno filozofijo, ki jo bo mogoče izraziti z eno ali drugo usmeritvijo. Pri tem se osredotočata na osem ključnih elementov: usmerjenost meril ocenjevanja dela prodajalcev, število meril, transparentnost meril, stopnja intervencije vodilnih managerjev v prodajnem procesu, frekvenca kontaktov med prodajnimi kadri in managementom, intenzivnost nadzora managerjev nad delom prodajnih kadrov, količina ponujenega coachinga in shema nagrajevanja prodajalcev.

Pri analizi teh elementov sta odkrila tri tipične vzorce nekonsistentnosti, ki sta jih za lažjo predstavo ponazorila tudi grafično. Poimenovala sta jih (1) ”zmeraj prisoten manager” *(ever present manager)*, (2) ”skrajna zanemarjenost” *(sublime neglect)* in (3) ”črna luknja” *(black hole).* Prvi vzore kaže na pretežno uporabo sistema, ki nadzira doseganje rezultatov *(outcome control),* vendar z odločnim vpletanjem vodilnih v prodajni proces in pogostim nadziranjem prodajnih aktivnosti, kar ponazarja filozofijo kontrole vedenja *(behavior control).* Drugi tipični vzorec nekonsistentnosti temelji na primeru, ko je večina elementov kontrolnega sistema usmerjena v nadzor vedenja prodajalcev *(behavior control),* vendar ne vključuje zadostne podpore v obliki coachinga. Prodajni kadri tako pogosto ne vedo, kako se vesti, hkrati pa jim ni dovoljeno poiskati lastnih metod za dosego ciljev. Tretji tipični vzorec temelji pretežno na elementih, ki nadzirajo doseganje rezultatov *(outcome control)*, medtem ko ocenjevanje dela prodajnih kadrov temelji na kompleksnih, namesto povsem transparentnih in preprostih merilih. Bolj kot so elementi v kontrolnem sistemu med seboj konsistentni, bolj podpirajo drug drugega in ponujajo jasno usmeritev prodajnim kadrom o tem, kaj nadrejeni pričakujejo od njihovega vedenja (Onyemah in Anderson 2009).

V nadaljevanju predstavljam najbolj osnovne in pogoste politike vodenja prodajnih kadrov: trening, coaching, ocenjevanje, nagrajevanje in nadzorovanje.

Trening. Trening na splošno razumemo kot mehek pristop k vodenju zaposlenih z dvojnim ciljem: izboljšati konkurenčno prednost podjetja in spodbuditi razvoj posameznika (Truss in drugi 1997). Potem, ko podjetje zaposli prodajalca, mora posebno pozornost posvetiti oblikovanju njegovih kompetenc, ki so navadno kombinacija širšega strateškega znanja, prodajnih, komunikacijskih in pogajalskih veščin ter dobrega poznavanja izdelka ali storitve (Shapiro in drugi 1994, Miller 2001). Različne študije so potrdile (Dubinsky 1981; Honeycut in drugi 1987, 1993, 1994), da je trening prodajalcev nepogrešljivo orodje za povečanje njihove učinkovitosti. Rackham (1988) pa je v študiji, ki je zajela več kot 35 tisoč prodajnih obiskov, ugotovil, da se veščine, ki so potrebne za prodajo izdelkov manjše vrednosti, bistveno razlikujejo od tistih, potrebnih za prodajo izdelkov ali storitev večjih vrednosti. Podobno so Shapiro in drugi (1994) potrdili, da še zlasti pri prodaji slednjim podjetje potrebuje skrbno izbrane in dobro trenirane prodajalce. Zanje je Rackham že leta 1988 razvil posebno metodo, ki jo je poimenoval SPIN Selling in jo napredna podjetja šele danes s pridom uporabljajo. Vendar je vprašljivo, ali je za prodajni uspeh dovolj, če se treningov udeležijo zgolj prodajalci, medtem ko njihovi nadrejeni ostanejo nepoučeni (Anderson in drugi 1997). Trening prodajnih managerjev je namreč vsaj tako, če ne še bolj pomemben, saj si je sicer težko predstavljati učinkovito vodenje prodajnih kadrov ter povezovanje prodajnih in marketinških prizadevanj v smiselno celoto (Anderson in drugi 1992).

Coaching. Po drugi strani bodo spremembe v vedenju prodajalcev uspešno izpeljala le tista podjetja, ki bodo treninge nadgradila z bolj individualnimi oblikami usposabljanja, kakršno je denimo coaching. Gre za opazovanje prodajalca pri njegovem delu ter spodbudno in korektno povratno informacijo nadrejenega, na podlagi katere lahko prodajalec izboljša svoje vedenje. Čeprav praktiki že vrsto let častijo coaching kot eno najbolj zaželenih oblik usposabljanja prodajalcev, pa o njem obstaja zelo malo raziskav. Potem ko je Rich (1998) preučil vse znane poslovne članke in knjige na to temo, je identificiral tri bistvene koncepte, ki najbolj opredeljujejo uspešen coaching: povratna informacija nadrejenih, oblikovanje vzora in zaupanje prodajalca v nadrejenega. Koncept povratne informacije, ki je bil deležen tudi precejšnje akademske pozornosti (Becherer in drugi 1982; Jaworski in Kohli 1985, 1991; DeCarlo in Leigh 1996), je pomemben za razumevanje bistvene vloge, ki jo imajo nadrejeni pri jasnem oblikovanju prodajnih nalog, učinkovitem delovanju prodajalcev in njihovem zadovoljstvu z delom. Tudi iz literature praktikov je moč razumeti, da povratna informacija spodbuja prodajalce k izboljšanju vedenja (Corcoran in drugi 1995), saj nadrejeni prodajalcu jasno pokaže, kateri del njegovega delovanja potrebuje korekcijski ukrep (Miller 2001). Značilnost uspešnega managerja pri izvajanju coachinga je tudi vzor, ki ga daje prodajnim kadrom s svojim lastnim vedenjem *(role modeling).* Gre za specifično vedenje vodje, ki je utemeljeno s teorijo "transformacijskega načina vodenja" (House 1977; Bass 1985) in služi kot zgled podrejenim tako glede vrednot, ki jih ima manager, kakor glede tega, kako razume cilje, ki jih je treba v podjetju doseči (Conger and Kanungo 1987, Kouzes and Posner1987, Rich 1997). Coaching je lahko uspešen samo takrat, ko obstaja med prodajalci in prodajnim managerjem zaupanje, saj bodo le v tem primeru prodajni kadri prisluhnili in se ravnali v skladu z navodili nadrejenega (Richardson 1996). Klima zaupanja se lahko vzpostavi šele takrat, ko je manager pošten in zanesljiv ter zna prisluhniti potrebam prodajalcev na osnovi dvosmerne komunikacije (Rich 1998), razume kupca in vse, kar je povezano z njim (Rackham in De Vincentis 2002), zna motivirati prodajalce k nenehnemu izboljševanju in jih opogumiti k sodelovanju pri doseganju ciljev, od katerih ima korist celotno podjetje.

Ocenjevanje. Naslednja politika, ki pomaga voditi prodajne kadre v želeno smer, je ocenjevanje delovanja prodajalcev, pri čemer boljši prodajalec dobi priznanje v obliki večje nagrade (Jolson 1975). S pomočjo te politike vodilni pomembno prispevajo k odkrivanju pomanjkljivosti v prodajnem procesu in kažejo na področja, ki so potrebna izboljšav, ter tako vplivajo na uspeh ali neuspeh celotnega podjetja. Teoretiki s področja teorije vodenja (House 1971) so že davno opozorili, da morajo zaposleni, kar velja tudi za prodajne kadre, videti (1) povezavo med vloženimi prizadevanji in rezultati, ki jih z njimi dosegajo, in (2) povezavo med rezultati in nagrado, ki jih vrednoti. Študij številnih primerov iz prakse pa je pokazal, da so postopki, ki jih podjetja uporabljajo za ocenjevanje dela prodajalcev, daleč od priporočil v literaturi o vodenju prodaje (Jackson in drugi 1983).

Čeprav 30 let pozneje, pa prav Jacksonova študija še zmeraj uživa velik ugled, saj je postavila osnove za ocenjevanje dela prodajnih kadrov. Temelji na kvantitativnih merilih, ki lahko merijo tako dosežene rezultate (obseg prodaje, število kupcev, profit, število sprejetih naročil) kakor tudi druga prodajna prizadevanja (število prodajnih obiskov, višino prodajnih stroškov, število pritožb kupcev), in na kvalitativnih merilih (vedenje, poznavanje izdelka, sposobnost načrtovanja etc), ki so bolj subjektivne narave in jih je bolje uporabiti le kot dopolnilne dokaze h kvantitativnim merilom. Naslednji korak v postopku ocenjevanja prodajnih kadrov je izbira ciljev ali standardov, ki opredeljujejo želeno raven delovanja za vsako izbrano merilo, kvantitativno in kvalitativno. Sodelovanje prodajnih kadrov pri izbiri meril je zaželeno, saj spodbuja njihovo motivacijo in zavezo za doseganje ciljev. Tretji korak v postopku ocenjevanja pa je nadzor aktualnega vedenja prodajnih kadrov skozi preverjanje računov, naročil, poročil, neformalnih povratnih informacij in opazovanja vedenja, ki ga izvajajo nadrejeni. Zadnji korak se nanaša na primerjavo med standardom in cilji, zastavljenimi v drugem koraku tega postopka. S pomočjo takšne procedure je moč odpraviti odklone med aktualnimi in želenim rezultati ter sporočati prodajnim kadrom pričakovanja v zvezi z želenim vedenjem.

Dejstvo, da bodo prodajalci svoja prizadevanja vedno usmerili v tiste dejavnosti, ki jih bodo managerji ocenjevali, je nesporno. Zato se morajo vrhnji managerji zavedati, da sistem ocenjevanja deluje kot najbolj jasen opis prodajnih nalog, ki na motivacijo prodajalcev vpliva veliko bolj kot pa sama vrednost nagrade, ki izhaja iz ocene. Prav tako je za uspešnost sistema ocenjevanja pomembno, da izbrana merila odražajo tiste cilje, ki jih želi podjetje skozi izdelano strategijo doseči (Shapiro in drugi (1994). Čeprav se vodilni managerji pogosto strinjajo, da so lahko prodajni kadri ocenjeni samo za tiste rezultate, na katere lahko s svojim delom vplivajo, pa je v praksi mogoče zaslediti prav nasprotno. Kršitev tega pravila je najbolj vidna pri vključitvi obsega prodaje kot najbolj pomembnega merila, čeprav so prodajni kadri v prvi vrsti odgovorni denimo za vzdrževanje odnosa s kupci. Kljub temu da zaostrene tržne razmere narekujejo še bolj učinkovito merjenje in ocenjevanje prodajnih kadrov, pa je novejših empiričnih raziskav s tega področja še zmeraj malo (Merchant 2010). Najbolj relevantne so tiste, ki kažejo na vse večjo potrebo po vključevanju meril, ki merijo odziv kupcev na prodajne aktivnosti (Sharma 1997) in upoštevajo sodelovanje celotnega prodajnega tima v prodajnem procesu (Jones et al 2005).

Nagrajevanje. Ocenjevanje dela prodajnih kadrov nima pravega smisla, če ni povezano s priznanjem, pohvalo ali nagrado. Medtem ko iskrena pohvala motivira in nič ne stane, pa je nagrada načrtovano orodje, ki ga managerji uporabljajo, kadar želijo prodajnemu timu sporočiti, da je dobro opravil svoje delo (Miller 2001). V skladu z literaturo (Sharma in Sarel 1995; Barkema in Gomez-Mejia 1998) ima nagrajevanje za zaposlenega naslednje poglavitne funkcije: (1) ga poplača za njegovo delo (nagrada), (2) usmeri njegova prizadevanja v aktivnosti, ki so v skladu s cilji in prioritetami podjetja (vodenje in nadzor) in (3) ga prepriča, da čim več truda vloži v svoje delo (motivacija). Pri oblikovanju finančnega nagrajevanja je pomembna sestava med fiksno plačo, ki jo zaposleni dobi ne glede na dosežene rezultate, in nagrado, ki je variabilna komponenta in spodbuja njegovo delovanje (Churcill in drugi 1985; John in drugi 1987).

Kljub različnim perspektivam pri obravnavanju nagrajevanja v literaturi pa raziskav, ki bi pomagale managementu bolj natančno razumeti strukturo nagrajevanja prodajnih kadrov, primanjkuje. Delo prodajnih kadrov, še zlasti v sektorju B2B, postaja vse bolj kompleksno (Jones in drugi 2005), saj prodajalci predstavljajo med drugim tudi poglaviten vir promocije podjetja in prinašajo vanj pomembne tržne informacije. S tem močno vplivajo na dobičkonosnost podjetja, zaradi česar so upravičeni, da jih podjetje ustrezno plača (Rouziés in drugi 2009). Tradicionalni modeli nagrajevanja (Basu in drugi 1985; Rao 1990; Lal in Staelin 1986) preveč poenostavljajo delo prodajalca in postavljajo v ospredje le eno dimenzijo njegovih prizadevanj, najpogosteje obseg prodaje ali pogajanje o ceni. Med številnimi odločitvami, ki jih morajo vodilni managerji sprejeti, so prav te o variabilnem nagrajevanju zelo pomembne, saj usmerjajo vedenje prodajnih kadrov v skladu s strateškimi cilji podjetja (Bartol 1999; Lawler 1990).

Različne študije kažejo na to, da prodajni kadri najbolj od vsega cenijo denarno nagrado, za katero si prizadevajo bolj kot za karkoli drugega (Chonko in drugi 1992; Money in Graham 1999). Ne gre jim toliko za višino nagrade, temveč si želijo poštenega plačila za svoj relativni uspeh (Denton 1991; Livingston in drugi 1995). Če nimajo občutka, da lahko s svojim delom vplivajo na doseganje želenega cilja, da obstaja konkretno razmerje med njihovim delom in nagrado, ali če se jim ponujena nagrada zdi preprosto neustrezna, je motivacijski učinek sistema nagrajevanja spodkopan. Rackham in De Vincentis (2002) pa trdita, da podjetja najbolj grešijo takrat, ko nagrajevanja ne povežejo z merili, ki jih narekuje vrsta prodajnega pristopa. Če so merila in nagrade v skladu z izbranim prodajnim pristopom, delujejo kot močen vzvod pri spodbujanju želenega vedenja, bodisi transakcijskega ali pa svetovalnega.

Nadzorovanje. Ker prodajni kadri predstavljajo tako pomemben vir ustvarjanja prihodkov kakor tudi stroškov za podjetje, je skrb vrhnjih managerjev za njihovo vedenje in zadovoljstvo z delom povsem opravičena. Prav od vedenja nadrejenih in njihovega nadzora prodajnih kadrov je namreč odvisno, kako se bodo prodajni kadri vedli, kako hitro se bodo prilagodili novim razmeram in kako uspešni bodo pri svojem delu (Walker in drugi 1977; Kohli 1985; Cravens in drugi 1993). Vodilni lahko na želeno vedenje prodajnih kadrov vplivajo preko transformacijskega vodenja (Ingram in drugi 2005) ali pa s pomočjo uporabe kakovostnih kontrolnih sistemov (Anderson in Oliver 1987; Cravens in drugi 1993). Čeprav so sprva strokovnjaki za vodenje prodaje preučevali oba koncepta ločeno, obstaja vse večje potreba po njuni skupni obravnavi. Med vidnejšimi, ki k raziskovanju nadzora prodajnih kadrov pristopijo povezano, je Susan Del Vechio (1996). Pravilno zazna, da se managerji v proizvodnih podjetjih soočajo z izzivi o tem, kolikšna raven nadzora nad prodajnimi kadri je primerna oziroma koliko prostosti pri delu jim smejo nameniti. V svoji študiji se sprašuje, ali nadzorovanje prodajnih kadrov bolj opredeljujejo spremenljivke kontrolnega sistema ali odnos med managerjem in prodajalcem. V skladu s konceptualizacijo kontrolnega sistema Andersonove in Oliverja (1987) je namreč stopnja nadzora nad prodajnimi kadri odvisna od metode nagrajevanja. To pomeni, da prodajni kadri, ki so za generiranje prodajnih rezultatov plačani izključno s provizijo, prevzemajo vso odgovornost za uspeh ali neuspeh prodaje. Nadzor nadrejenih bi bil pri tem povsem nesmiseln in neučinkovit. Prodajne kadre, ki prejemajo za svoje delo plačo, četudi oplemeniteno z manjšim variabilnim dodatkom, pa je po drugi strani treba temeljiteje nadzorovati. Četudi je ta pristop logičen, pa ga nekatere poznejše študije (Cravens in drugi 1993; Oliver in Anderson 1994) relativizirajo in mu oporekajo. Nasprotno se zdijo dognanja, ki izhajajo iz »teorije odnosa med vodjo in podrejenim« (Leader-Member Exchange Theory), manj variabilna in dokazujejo, da je manager pripravljen ponuditi več svobode tistim podrejenim, ki ga bolje obveščajo o svojem delu in jim gre tudi sicer bolj zaupati (Scott 1983; Kozlowski in Doherty 1989; Lagace 1990).

Rackham in De Vincentis (2002) pa trdita, da je kakovosten nadzor prodajnih kadrov toliko bolj zaželen takrat, ko podjetje od njih pričakuje svetovalni prodajni pristop. V tem primeru je prodaja bolj strateške narave in zahteva od prodajalcev veščine, ki so usmerjene v reševanje problemov, zagotavljanje tehnične pomoči in druge vrste podpore kupcem. Pogosto temelji na izdelavi in prodaji izdelkov po meri kupcev in zato v veliki meri zahteva tvorno sodelovanje managerjev. Njihova prisotnost v kritičnih fazah prodajnega procesa je tako nujna za poslovni uspeh podjetja. Nadrejeni manager ima v svetovalni prodaji tudi vlogo "coacha", ki bolj kot karkoli drugega vpliva na razvoj veščin prodajnih kadrov. V podjetjih, kjer so prodajalci usmerjeni v hitro sklenitev prodaje in so bolj avtonomni, jim managerji namenjajo precej manj treningov, coachinga, kakor tudi nadzora.

9.3 Raziskovalne metode

V teoretičnem delu doktorske disertacije sem iz različnih perspektiv predstavila vpliv vrhnjega managementa na vodenje prodaje. Na osnovi širokega teoretičnega ozadja sem izpostavila raziskovalni problem in razvila hipoteze v obliki raziskovalnih vprašanj. Da bi nanja laže odgovorila, sem razvila raziskovalni model, ki sem ga empirično preverila s pomočjo izbranih raziskovalnih metod. Kritični pogled na obravnavano področje raziskave sem strnila s svojim teoretičnim prispevkom in z jasnimi managerskimi implikacijami.

Trditev, da brez sodelovanja vrhnjega managementa, ki ima odločilno vlogo pri prepoznavanju strateških izzivov, ni mogoče izpeljati sprememb v prodaji (Rackham in De Vincentis 2002), ni osamljena. Številni avtorji opozarjajo, da brez strateških ukrepov in radikalnih sprememb na področju prodaje podjetja v prihodnje ne bodo mogla več dosegati načrtovanih poslovnih rezultatov.

Zaposleni v prodaji opravljajo svoje delo na meji med podjetjem in kupci, tako da za podjetje pomenijo znanilce kupčevih želja, za kupce pa fizično utelešenje podjetja. V tej vlogi so prisiljeni usklajevati konkurenčne interese obeh strani (Steenburgh 2006). Vrhnji management podjetja ima ključno vlogo pri odkrivanju teh napetosti in pri razumevanju izzivov, s katerimi se prodajni kadri srečujejo, medtem ko delujejo s kupci na eni strani ter z zaposlenimi na drugih funkcijah v podjetju na drugi (Model 3.1).

Ko vrhnji management razmišlja o kupcih, je pomembno, da izhaja iz pristopa, ki temelji na ustvarjanju vrednosti. Le tako lahko razume, kako kupci vrednostno zaznavajo ponudbo podjetja, in presodi, na kakšen prodajni način je moč za kupce ustvariti največ te vrednosti. Teoretično je vrednost mogoče ustvarjati kjerkoli v prodajnem procesu. V praksi pa obstaja vrednost samo do te mere, kot jo zaznavajo in si je želijo kupci. Odvisno od tega, v kateri fazi prodajnega procesa lahko prodajalci ustvarijo vrednost za kupca, ločimo tri različne prodajne pristope (Rackham in De Vincentis, 2002): transakcijskega, svetovalnega in strateškega. V raziskavi sem se osredotočila na prva dva, ki se med seboj bistveno razlikujeta. Strateški prodajni pristop pa sem izpustila, saj ni tako pogost, čeprav je izredno dobičkonosen tam, kjer je uspešno izpeljan.

Ko je želeno vedenje za zaposlene v prodaji izraženo, mora vrhnji management izdelati specifični kontrolni sistem upravljanja prodajnih kadrov, s katerim si bo pomagal pri spodbujanju prodajalcev, da bodo učinkovito delovali s kupci in z drugimi zaposlenimi v podjetju. Če gledamo vzvratno, se morajo z izbranim prodajnim pristopom, ki ga pogojuje vrednostno povpraševanje kupcev, uskladiti prodajna in vse druge funkcije podjetja. Tako bo podjetje lahko zagotovilo vrednost, ki jo je obljubilo kupcem. Vrhnji management mora zato imeti aktivno vlogo pri zagotavljanju teh povezav v podjetju.

Kontrolni sistem, ki temelji na spletu dobro premišljenih elementov različnih politik upravljanja, kot so trening, coaching, motivacija, vrednotenje dela in nagrajevanje, mu je lahko pri tem v veliko pomoč. Če vrhnji management sistem uporablja konsistentno, pomaga prodajnim kadrom omiliti napetosti pri njihovem vsakodnevnem delu in ohranjati moralo in produktivnost na visoki ravni. Predvsem pa tak kontrolni sistem omogoča vrhnjemu managementu, da vedenje prodajalcev usmerja v želeno smer delovanja. Če managementu pri tem spodleti, se pojavi vrzel med želenim in dejanskim vedenjem prodajalcev, kar škodljivo vpliva na izvajanje tržne strategije podjetja. Čeprav je bil koncept kontrolnega sistema Andersonove in Onyemaha (1987) široko sprejet med teoretiki in empiriki, pa ponuja omejeno razlago o tem, zakaj dajejo podjetja prednost eni vrsti kontrolne usmeritve pred drugo, ko gre za uporabo posameznih politik upravljanja (Darmon in Martin 2011). Osrednji del raziskovalnega problema se torej nanaša na vprašanje, kako oblikovati kakovosten in konsistenten kontrolni sistem upravljanja prodajnih kadrov, ki bo zmanjšal vrzel med želenim in dejanskim vedenjem prodajalcev. Prav razdalja med želenim in dejanskim vedenjem je odraz kakovosti kontrolnega sistema upravljanja. Manjša ko je, bolje je vrhnji management opravil svojo nalogo.

Pri načrtovanju svoje raziskave izhajam iz modela, ki ga je utemeljil Pons (2001) in prikazuje razkorak med želenim in dejanskim vedenjem prodajnih kadrov. Njegov model (Model 3.2) sem dopolnila tako, da sem natančneje opredelila želeno vedenje (prodajni pristop in notranja povezanost med funkcijami), vpeljala pojem „kontrolnega sistema”, ki povezuje različne politike upravljanja s prodajnimi kadri, ter zarisala bolj jasno vlogo vrhnjega managementa v celotnem konceptu. S tem sem razvila svoj konceptualni model (Model 3.3), ki ponazarja analitični okvir doktorske disertacije in hkrati predstavlja osnutek končnega raziskovalnega modela (Model 3.4), ki sem ga izdelala v nadaljevanju. Raziskovalni proces je zasnovan tako, da omogoča tudi delno primerjavo rezultatov z raziskavami, opravljenimi v tujih podjetjih.

Model sem ustvarila z namenom, da prikažem neposreden vpliv vrhnjega managementa na vodenje prodaje, katerega končni cilj je učinkovito uresničevanje tržne strategije. Mnoge tržne strategije ne doživijo pričakovanega uspeha, ker se vrhnji management v podjetjih premalo ukvarja z njihovo implementacijo. Že Kaplan in Norton (1996) sta trdila, da je za to odgovoren vrhnji management, ki pogosto ne poveže strateških izhodišč podjetja z vedenjem svojih zaposlenih. V prihodnosti bo največji izziv za vrhnji management vzpostavitev takšne mobilizacije in vodenja prodajnih kadrov, ki bosta omogočila dosledno spreminjanje tržne strategije podjetja v merljive in pričakovane poslovne rezultate. Kljub temu pa v raziskavi neposredno ne preučujem vpliva vrhnjega managementa na učinkovito implementacijo tržne strategije. To sem raje preverila preko ugotavljanja kakovosti in konsistentnosti kontrolnih sistemov upravljanja prodajnih kadrov, kar je močen kazalec vpliva vrhnjega managementa na vodenje prodaje sam, posredno pa tudi na učinkovito implementacijo tržne strategije. V raziskavi tudi nisem direktno preučevala dejanskega vedenja prodajnih kadrov in ga primerjala z želenim, čeprav sem vse te relacije za lažje razumevanje celotnega koncepta v konceptualnem modelu prikazala (Slika 3.3). Ne le da bi bilo raziskovanje omenjenega preobsežno, tudi do podatkov, ki bi jih v ta namen potrebovala, bi mi podjetja težko omogočila dostop. Kot rečeno, sem se raje osredotočila na analizo kontrolnih sistemov, ki imajo to moč, da vplivajo na manjšanje ali pa tudi večanje vrzeli med želenim in dejanskim vedenjem prodajnih kadrov. Formulirala sem naslednja raziskovalna vprašanja:

1. Kaj so poglavitni vzroki za nekonsistentnost kontrolnih sistemov?
2. Katere politike upravljanja so najbolj in najmanj konsistentne z želenim vedenjem prodajnih kadrov?
3. Katerih nekonsistentnosti se vrhnji managerji zavedajo in so jih pripravljeni razodeti?
4. Katere nekonsistentnosti percipirajo zaposleni v prodaji in marketingu, medtem ko jih vrhnji managerji spregledujejo?
5. Kakšen je skupen vzorec za ugotovljeno (ne) konsistentnost v raziskanih podjetjih?

Analitični pristop k disertaciji sem operacionalizirala s pomočjo raziskovalnega modela (Slika 3.4), ki ga sestavljajo naslednje tri variable:

- X = vrhnji management

Vpliv vrhnjega managementa na vodenje prodaje ima danes, za razliko od preteklih let, izreden strateški pomen. Brez učinkovite podpore vodstva podjetja pri prepoznavanju pomembnih strateških izzivov na področju prodaje in uvajanja sprememb v skladu z njimi si ni več mogoče predstavljati dolgoročnega poslovnega uspeha podjetja, zato je vrhnji management v raziskovalnem modelu še posebej izpostavljen. Variabla X ponazarja ta pomen in razumevanje vrhnjega managementa pri izbiri želenega vedenja prodajnih kadrov in oblikovanju kontrolnega sistema, ki takšno vedenje spodbuja.

- Y = željeno vedenje prodajnih kadrov

Prodajni kadri lahko ustvarijo vrednost za današnje vse bolj sofisticirane kupce, na transakcijski ali pa na svetovalni način, in sicer z zniževanjem svojih lastnih stroškov ali pa z zagotavljanjem povsem nove vrednosti. Ta dihotomija temelji na teoretičnem konceptu Rackhama in De Vincentisa (2002) in je operacionalizirana s te, kako vrhnji managerji artikulirajo želeno vedenje prodajnih kadrov. Indikator y_1 opredeljuje artikulacijo prodajnih aktivnosti, ki so usmerjene na krčenje nepotrebnih stroškov v prodajnem procesu in na čimprejšnjo sklenitev prodaje, indikator y_2 pa artikulira specifične prodajne naloge, ki so povezane s svetovanjem in reševanjem kupčevih problemov. Kako ta pričakovanja percipirajo tisti, ki jih morajo izpolniti, je preverjeno v pogovoru z zaposlenimi v prodaji in marketingu.

- Z = kontrolni sistem

V večini primerov je učinkovitost prodajnih kadrov rezultat konsistentne rabe kontrolnih sistemov, ki jih sestavljajo različne politike upravljanja in katerih cilj je pomagati pretvoriti želeno vedenje v dejansko. Variabla Z predstavlja kontrolni sistem, ki temelji na domišljenem teoretičnem konceptu Andersonove in Onyemaha (1987) in se hkrati naslanja na koncept ustvarjanja vrednosti za kupca (Rackham in De Vincentis 2002). Operacionalizirana je z odgovori vrhnjih managerjev na vprašanja o tem, kako vodijo prodajne kadre, in prodajnih in marketinških kadrov o tem, kako to vodenje percipirajo. Indikator Z_1 pomaga razumeti, ali podjetje uporablja kontrolne sisteme, ki so bolj usmerjeni k spodbujanju rezultatov (in torej transakcijskega vedenja), Z_2 pa, ali spodbuja svetovalno vedenje prodajnih kadrov. Na kontinuumu med obema je mogoč tudi vmesni izid.

Podjetja, ki sem jih vključila v raziskavo, sem izbrala na osnovi dveh kriterijev: „največja podjetja po prihodku“ in „podjetja z več kot 200 zaposlenimi“ v letu 2009 po podatkih GZS. S tem sem zajela podjetja, ki konkurirajo na globalnih trgih in zagotovo posvečajo veliko pozornost implementaciji tržnih strategij in upravljanju prodaje ter prodajnih kadrov. Kriterij velikosti pri določanju vzorca navaja tudi na prepričanje, da imajo velika podjetja hkrati operativni obe funkciji, tako marketinško kot prodajno. Podjetja, katerih glavna dejavnost je maloprodaja, sem iz vzorca izločila, saj je način delovanja njihove prodajne sile neprimerljiv s tisto v proizvodnih in drugih storitvenih podjetjih. Med podjetji sem jih izbrala 30 ter predsednike njihovih uprav povabila k sodelovanju. Odzvalo se jih je 12, pri katerih sem na osnovi pol-strukturiranega vprašalnika preverila, kako konsistentni, menijo, da so njihovi kontrolni sistemi oziroma politike upravljanja znotraj njega. Pri večini sem ugotovila, da so politike nekonsistentne ena z drugo, in vsa podjetja povabila k nadaljnji raziskavi. Želeno vedenje sem analizirala šele v poznejši fazi raziskovanja, tako kot kakovost kontrolnih sistemov, in sicer s pomočjo poglobljenih intervjujev in fokusnih skupin. Izmed 12 podjetij so se v končno raziskavo vključila 3: Ljubljanske mlekarne, Helios in Adria Mobil. V njih sem oblikovala tri različne skupine respondentov: predsednike uprav in člane uprav za področje trženja in prodaje, direktorje prodaje in direktorje marketinga ter zaposlene v prodaji in marketingu. Podatke sem zbirala s pomočjo različnih metod:

- pol-strukturiranega vprašalnika

  Uporabila sem ga v prvi fazi raziskovanja za analizo konsistentnosti kontrolnih sistemov v 12 podjetjih *(screening procedure)*. Vprašalnik temelji na sklopu 8 vprašanj Andersonove in Onyemaha (2006), ki sem jih dopolnila še s 4 vprašanji po lastni presoji (priloga A). Način, kako management odgovarja na ta vprašanja, daje slutiti, ali uporabljajo podjetja kontrolne sisteme, ki so bolj usmerjeni v merjenje rezultatov ali vedenja in ali so pri tem konsistenti ali ne. Vrhnji managerji ocenjujejo vsako od 12 trditev na Lickertovi lestvici med 1 in 7, pri čemer odgovori med 5 in 7 pomenijo, da so njihove politike bolj usmerjene k rezultatom, odgovori med 1 in 3 pa pomenijo večjo usmerjenost k vedenju.

- poglobljenega intervjuja

  Ta metoda skupaj s fokusnimi skupinami predstavlja osrednjo metodo mojega raziskovanja. Z njo sem zbrala izjave 19 vrhnjih in srednjih managerjev o želenem vedenju prodajnih kadrov in o vsebini kontrolnih sistemov, ki jih uporabljajo v podjetjih. Posamezen intervju je trajal okvirno 90 minut, vsi intervjuji so posneti, prepisani in prevedeni v angleščino. Protokol vprašanj, ki sem jih uporabila v poglobljenih intervjujih, je v prilogi C.

- fokusne skupine

  Pogovori z zaposlenimi v prodaji in marketingu so bili izpeljani v fokusnih skupinah, ki so štele od 3 do 9 respondentov. Pogovori v vsaki od 9 fokusnih skupin so trajali približno 2 uri, pogovori so bili posneti, prepisani in prevedeni v angleščino. Na ta način sem se pogovarjala z 38 respondenti. Protokol vprašanj je v prilogi C.

- strukturiranega vprašalnika

  Kotler in drugi (2006) so oblikovali vprašalnik, s pomočjo katerega je moč objektivno oceniti odnos med prodajno in marketinško funkcijo. Uporabila sem ga tudi v svoji raziskavi, v okviru katere sem prodajne in marketinške direktorje prosila, da 20 izjav/vprašanj ocenijo na skali med 1 (se nikakor ne strinja) in 5 (se zelo strinja). Seštevek točk pove, kakšne vrste je odnos med dvema funkcijama. Višji je, večja je verjetnost, da sta funkciji med seboj integrirani (80-100 točk), oziroma manjši je (20-39 točk), večja je verjetnost, da sta funkciji povsem neopredeljeni. Vprašalnik je v prilogi B.

9.4 Rezultati

Večino zbranih podatkov sem obdelala s pomočjo kategorične analize, medtem ko je le manjši del podatkov obdelan kvantitativno. V okviru kvalitativnega pristopa sem iz zbranih podatkov in v jeziku, ki so ga uporabljali respondenti, najprej oblikovala relevantne koncepte in jih razvrstila v kategorije *(first-order categories),* v naslednji fazi pa sem se poglobila v iskanje povezav med njimi in znotraj njih ter jih uredila v kategorije (teme) višjega reda *(second-order themes).* Strukturiranje teh podatkov je prikazano v Sliki 3.5. Kjerkoli je bilo smiselno, sem značilne izjave respondentov prikazala kot citate (Tabela 3.4).

Rezultati kažejo na to, da vrhnji managerji od prodajnih kadrov sicer pričakujejo svetovalni prodajni pristop, vendar njegovega izvajanja v praksi ustrezno ne spodbujajo in nadzirajo. Zaposleni v prodaji so potrdili, da razumejo, da vodstvo od njih na prvem mestu pričakuje ustvarjanje dolgoročnega odnosa s kupci in zagotavljanje rešitev za njihove probleme. Oblikovanje kompetenc prodajalcev pa je v vseh podjetjih pomanjkljivo, kar se kaže v nezadostni količini in vsebini ponujenih treningov in individualnih usposabljanj *(coaching).* Analiza ocenjevanja dela zaposlenih v prodaji in marketingu kaže na odsotnost dobrih politik ocenjevanja. V nekaterih podjetjih so sicer poskusili popraviti to stanje z iskanjem boljših kriterijev za nekatere zaposlene v prodaji, vendar to eksperimentiranje ni prineslo bistvenega napredka. Nekonsistenten z artikuliranim želenim vedenjem prodajnih kadrov je v podjetjih tudi sistem nagrajevanja. Namesto da bi prodajne kadre nagrajevali za ustvarjanje in vzdrževanje odnosa s kupci ter za aktivnosti, ki so s tem tesno povezane, jih bodisi sploh ne nagrajujejo, saj imajo v glavnem fiksno plačo, ali pa so variabilne nagrade tako majhne, da so nespodbudne. Če so prodajni kadri sploh deležni kakršnekoli nagrade, temelji ta na doseženem obsegu prodaje, kar je jasen znak, da daje vodstvo podjetja prednost spodbujanju transakcijskega in ne svetovalnega vedenja. Vrhnji in srednji managerji izredno veliko nadzora posvečajo intenzivnim in pogostim kontaktom s prodajnimi kadri, do te mere, da se povsem dejavno vključujejo v prodajni proces. Tak pristop je popolnoma v skladu s svetovalnim prodajnim pristopom. Prav zato ker vodilni konkurenčno prednost podjetij gradijo na svetovalnem pristopu, bi se morala ta usmeritev odražati tudi v dobri med-funkcijski povezanosti. Med vsemi funkcijami se kot najbolj problematičen kaže prav odnos med prodajo in marketingom, ki sem ga še posebej preučila s pomočjo kvantitativne analize.

V nobenem podjetju ni odnos med tema dvema funkcijama integriran, temveč je le opredeljen ali kvečjemu usklajen.

Če povzamemo ugotovljene nekonsistentnosti (Tabela 3.5) in jih kljub nekoliko drugačnemu raziskovalnemu modelu primerjamo s tistimi, ki sta jih v svoji raziskavi odkrila Andersonova in Onyemah (2006), lahko ugotovimo, da je vzorec nekonsistentne rabe politik upravljanja s prodajnimi kadri v slovenskih podjetjih povsem podoben njunemu vzorcu »zmeraj prisotnega managerja«. Razlika med vzorcema je v tem, da pri Andersonovi in Onyemahu močen nadzor nadrejenih kazi v rezultate usmerjeno kontrolo prodajnih kadrov, v mojem primeru pa je to edina politika, ki popolnoma ustreza želenemu vedenju prodajnih kadrov. Iz raziskave je moč razbrati, da se vrhnji managerji v določeni meri zavedajo pomanjkljivosti v sistemih ocenjevanja in nagrajevanja prodajnih kadrov. Navajajo tudi manjše napetosti v med-funkcijskem sodelovanju, čeprav posebej ne izpostavijo slabšega sodelovanja med marketingom in prodajo, na kar opozorijo šele zaposleni sami. Vrhnji managerji tudi povsem spregledajo potrebo zaposlenih v prodaji in marketingu po boljšem usposabljanju in nagrajevanju.

Rezultati raziskave precej nazorno osvetljujejo razloge za ugotovljeno nekonsistentnost kontrolnih sistemov. Glavni razlog zanjo je moč pripisati vrhnjemu managementu samemu, ki podcenjuje kompleksnost upravljanja prodajnih kadrov. To se kaže v tem, da vrhnji managerji v istem podjetju nimajo povsem usklajenih pogledov na vodenje prodaje, pogosto je ta pogled celo drugačen od pogledov neposredno nadrejenih, ki prodajne kadre tudi dejansko vodijo. Očitno je, da vrhnji managerji ne razumejo v zadostni meri novejše tržne paradigme, ki temelji na vrednostni segmentaciji kupcev. Uvajanja izboljšav na področju kontrolnih sistemov se lotevajo postopno in samozadostno. Pri tem dajejo vse prevelik poudarek doseganju kratkoročnih rezultatov, kar ni v skladu z želenim vedenjem prodajalcev, za katerega se sicer deklarativno zavzemajo. Prav tako namenjajo premajhno pozornost razvoju prodajnih in marketinških kadrov na vseh organizacijskih ravneh. Zaposleni to v veliki meri pogrešajo. Pri tem je še posebej pomanjkljiv poudarek na usposabljanju prodajnih managerjev. Problematična pa je tudi organizacija prodajne funkcije nasploh, saj so prodajni kadri zasuti s kopico administrativnega dela in za izobraževanje navadno niti nimajo časa. Kriteriji za ocenjevanje dela prodajnih kadrov so izbrani tako, da stimulirajo raje transakcijsko kot pa svetovalno vedenje, na doseganje ciljev, ki jih ti kriteriji merijo, pa zaposleni navadno nimajo velikega vpliva. Obstoječi sistemi nagrajevanja so nespodbudni, saj so nagrade premajhne in premalo jasno povezane z vnaprej določenimi cilji. Glavni razlog za to je moč pripisati mentaliteti „uravnilovke”, ki je prevladovala v socialističnem gospodarstvu, in prepričanju, da lahko zahtevne sisteme ocenjevanja in nagrajevanja podjetja kakovostno oblikujejo samostojno, brez pomoči zunanjih strokovnjakov. Prevladujoča prodajna mentaliteta v podjetjih, ki jo navajajo zaposleni v marketingu, daje slutiti preslabo povezanost med prodajno in marketinško funkcijo, kar je v raziskavi tudi potrjeno. Za težave v sodelovanju prodajne s preostalimi funkcijami pa je pogosto kriva matrična organizacija.

Rezultati nakazujejo, da je vpliv vrhnjih managerjev na vodenje prodaje kompleksen proces, ki se kaže skozi konsistentno uporabo politik upravljanja prodajnih kadrov. Kot ključne politike lahko razumemo koncepte (šest tem), ki izhajajo iz te študije in so prikazane v Sliki 3.5. Posledica njihove integracije s predhodnimi teorijami je nastanek novega teoretičnega modela. Model predstavlja teorijo vpliva vrhnjih managerjev na vodenje prodaje in poleg posameznih konceptov, ki tvorijo to teorijo, prikazuje tudi dinamiko odnosov med njimi (Slika 3.6). Bistvo modela je logično zaporedje konceptov, identificiranih v raziskavi, ki si sledijo v šestih fazah: artikuliranje želenega vedenja, oblikovanje kompetenc, opredelitev ocenjevanja, oblikovanje nagrajevanja, določitev potrebnega nadzora vrhnjih managerjev v prodajnem procesu ter povezovanje delovnih prizadevanj prodajalcev z drugimi zaposlenimi v podjetju. Za bolj nazoren prikaz vpliva vrhnjih managerjev na vodenje prodaje sem v modelu nakazala tudi povratno zanko in „dejansko vedenje prodajnih kadrov” (črtkano v sivi barvi). Čeprav slednje ni bilo predmet raziskave, pa največ težav pri vodenju prodaje izhaja prav iz neskladja med želenim in dejanskim vedenjem prodajnih kadrov (Pons 2001). Medtem ko je želeno vedenje funkcija vrednostnih pričakovanj kupcev in strateških ciljev podjetja, pa je dejansko vedenje odraz politik upravljanja prodajnih kadrov. Naloga vrhnjih managerjev je, da nenehno uravnavajo želeno in dejansko vedenje, kar povratna zanka nakazuje ter kaže, kako je to usklajevanje moč doseči z oblikovanjem ustreznega kontrolnega sistema.

9.5 Zaključki

Svojo doktorsko študijo zaključujem z obširno diskusijo s teoretičnega in managerskega vidika ter s predlogom svojega prispevka k teoriji in praksi. V okviru disertacije sem prišla do ugotovitve, da imajo podjetja še precej rezerv pri vodenju prodaje in prodajnih kadrov, ter opozorila na nekaj bistvenih in še neizkoriščenih priložnosti. Med seboj sem povezala doslej nepovezane teoretične koncepte, jih smiselno nadgradila in prikazala ugotovitve na nov in izviren način.

Po pregledu obširne literature sem ugotovila, da je področje kontrolnih sistemov veliko širše, kot je na splošno prepoznano v literaturi in sprejeto pri vrhnjih managerjih. Prav tako sem spoznala, da obstaja potreba po konceptualnem okvirju, ki bi bolje povezal obstoječe usmeritve kontrolnih sistemov, in da je novejša tržna paradigma s poudarkom na ustvarjanju vrednosti dobro izhodišče za takšno integracijo oziroma okvir. Dejstvo, da v uveljavljeni teoriji (Anderson in Oliver 1987; Anderson in Onyemah 2006) nisem zasledila dobrega odgovora na vprašanje, zakaj dajejo podjetja prednost eni kontrolni filozofiji pred drugo, me je še dodatno spodbudilo k raziskavi.

Da bi osvetlila ta problem in odgovorila na raziskovalna vprašanja, sem (1) integrirala teoretični koncept ustvarjanja vrednosti s teorijo kontrolnih sistemov prodajnih kadrov, (2) empirično raziskala kakovost in konsistentnost kontrolnih sistemov, ki imajo posredovalno vlogo v odnosu med želenim in dejanskim vedenjem prodajnih kadrov, (3) poskušala odkriti vzroke za nastanek nekonsistentnosti znotraj kontrolnih sistemov in (4) pokazala na pomanjkanje zadostne povezanosti med prodajo in marketingom, enako kot so že dokazali Kotler in drugi (2006).

Svoj glavni prispevek vidim v teoriji, ki je nastala v empiričnem delu te študije in ilustrira vpliv vrhnjega managementa na vodenje prodaje s prikazom medsebojnega delovanja šestih pomembnih procesov: artikuliranja želenega vedenja, kreiranja kompetenc prodajnih kadrov, definiranja ocenjevanja dela prodajnih kadrov, oblikovanja nagrajevanja prodajnih kadrov, določanja potrebnega nadzora nad delom prodajnih kadrov in povezovanja prodajnih prizadevanj z drugimi funkcijami v podjetju (Slika 3.6). Noben vzvod pa ni sam po sebi tako močan, da bi lahko spremenil vedenje prodajalcev, zato je treba uporabljati vse hkrati in usklajeno. Nov teoretični model, ki sicer izhaja iz teorije Andersonove in Oliverja (1987), temelji na jasni artikulaciji vrhnjih managerjev o želenem vedenju prodajnih kadrov, kot sta ga kategorizirala Rackham in De Vincentis (2002), raje kot pa na napetosti, ki nastaja medtem, ko skušajo prodajni kadri hkrati ustreči svojim kupcem na trgu in interesom podjetja, v katerem so zaposleni (Anderson in Onyemah 2006). Čeprav moja študija podpira ugotovitve prejšnjih raziskav, pa ponuja bolj natančno sliko o tem, kako lahko vrhnji managerji vplivajo na želeno vedenje prodajnih kadrov. To mi uspeva predvsem zato, ker sem bistvene komponente kontrolnega sistema dopolnila z „artikulacijo želenega vedenja« in »povezovanjem prodajnih prizadevanj z drugimi funkcijami v podjetju“, kar doslej ni storil še nihče.

S prikazom uporabe kontrolnih sistemov v novem poslovnem okolju sem prispevala k razširitvi znanja o njihovih pozitivnih učinkih na vedenje prodajalcev. Z ugotovitvijo nekaterih poglavitnih vzrokov za nekonsistentnost kontrolnih sistemov sem managerjem ponudila jasne in koristne implikacije o tem, kako je kontrolne sisteme moč izboljšati in jih uskladiti z želenim vedenjem prodajnih kadrov. To velja še zlasti za tiste, ki imajo opraviti z ekstrinzičnimi kupci, ki v nasvetih prodajalca vidijo vrednost, za katero so pripravljeni plačati. Končno sem v okviru doktorske študije potrdila teorijo o tradicionalnem konfliktu med prodajo in marketingom, ki se tako kot v tujih, pojavlja tudi v slovenskih podjetjih.

Študija ima nekaj omejitev, med katerimi je glavna ta, da se nanaša na majhen vzorec podjetij, ki so sodelovala v raziskavi. Kljub temu pa v njej razviti teoretični model omogoča izvajanje nadaljnjih raziskav, ki bi lahko mojo teorijo pripeljale do tega, da bi postala bolj eksplicitna. Bodočim raziskovalcem tako predlagam, da nastalo teorijo testirajo na večjem vzorcu, v različnih panogah in z opazovanjem dejanskega vedenja prodajnih kadrov ter ga primerjajo z želenim vedenjem.