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The Sales Organisation: Influencer or Mere Implementer of Business Strategy? Investigating the Evolving Role of Sales Strategy And Processes in Attaining Overall Business Objectives And Goals In International Markets

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Abstract

This research will attempt to empirically examine the evolving nature of the sales organisation from a mere tactical support function of marketing, to a strategic capability in its own right and one that perhaps has a salient role to play in attaining overall objectives and goals pertaining to the business level strategy for international markets. The foundations of this research stem from multiple strands of literature including, strategic marketing, strategic management, selling and sales management and business internationalisation. This proposal attempts to locate this early stage research within these important and growing strands of literature and address the under researched area of strategy in sales. It is proposed to take an ethnographic approach to this research. It is anticipated that the researcher will spend time as a participant observer on an executive sales programme aimed at growing international sales, keeping a reflective research diary recording observations and experiences in the field. In-depth interviews will also be conducted with sales practitioners and combined with initial field notes, will provide deep and rich data for analysis. Ultimately, this research aims to identify the necessary sales processes and activities that must be implemented for improved strategic performance in international markets which will assist in developing a best practice roadmap for exporting companies.

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Context of Research Study

As a result of increasing globalisation, international commercial opportunities have become vital routes to corporate growth and development, with an increasing number of indigenous companies entering international markets. Business internationalisation has been subject to widespread research and policy attention and this particular research intends to examine internationalisation specifically through a sales lens and look at business development and international market success achieved through selling. Indeed, for many firms sales force efforts are the primary component of the go-to-market strategy (Mantrala et al., 2008) and in the quest for international market success, sales and the selling function has moved from a tactical to a strategic consideration (Piercy et al., 1997).

Davenport (2006) highlights increased emphasis on analytical approaches in the execution of various business processes, yet relatively little consideration has been given to the impact of sales practice and sales process in internationalisation. The extant selling and sales management literature is limited and predominantly focuses on individual salesperson performance (Piercy et al., 1997). A focus on capability building in sales practice and sales process is now required to bring a 'how to do' perspective to the fore. While traditionally, a business made a product and charged its sales people with going out and selling it, the orientation of sales today is much more about the sales process and how the constituent elements within it fit together and fit with the overall business strategy. Today, the sales function encompasses the whole customer relationship from pre-sales through to after-sales contract. In both existing sales theory and sales practice there is a significant gap between the business strategy (the knowledge of 'what to do') and the achievement of the goals and objectives of that strategy through certain processes (the know how of 'how to do it'). In other words, there would appear to be confusion surrounding the relationship between sales and strategy. Does sales play merely a functional supporting role in implementing strategy or has it a deeper involvement and influence on international market strategies? This study will attempt to shed some light on this issue.

Setting the aim of the research in this context leads to the following tentative research question and subsequent objectives. The following sections of this paper will then attempt to position this research within the existing strands of literature in this area and suggest some possible contributions to knowledge.

Tentative Research Question

- Can the involvement of the sales function in strategy decision making, creation and implementation at business level improve the likelihood of achieving overall strategic goals and objectives and thereby improve performance in export markets?

Objectives

- To understand the possible underlying contribution of sales processes and activities carried out by sales personnel to achieving the overall objectives and goals of Irish exporting company's business level strategy
- To explore the extent of alignment between sales strategy objectives with business strategy goals within exporting companies who have improved their overall business level performance
- To uncover imperative sales people and sales management activities that must be carried out in order to improve international sales performance
- To investigate if there has been/and to what extent, any shift in perceptions of the traditional selling function within exporting firms

Locating the Research

In 2009, a special edition of the Journal of Strategic Marketing addressed the issue of strategy in sales and marketing. In this publication, an array of authors offer their insights into the evolving role of the sales organisation in both shaping and implementing business strategy. Guest editor Nikala Lane is a strong advocate of the growing importance of sales involvement in strategy creation and implementation, 'the traditional role of the sales organization in business to business marketing is fast evolving from a tactical, operational function...to a strategic capability focused on the management of the processes that support business strategy, and which plays a growing role in the shaping of that strategy (Lane, 2009: 191).

Furthermore, LaForge et al. (2009) posit that in order for companies to compete effectively in today's turbulent business environment, they must undergo a 'strategic

transformation' which will better position them to meet customer expectations, deliver superior customer value and improve business performance. These authors state that the sales organisation, has a salient role to play in this firm transformation. Emphasised, is the need for the sales function to '...develop and implement changes that strategically align the sales organisation with the company's business and marketing strategies' in order to become more customer focused. (LaForge et al., 2009:199). An imperative sales organisational change is the involvement of this function in strategic decision making at the corporate and business strategy level. This is highlighted as an important area for future research because, as the uncertain business environment unfolds, it is likely that firms will be forced to engage in continued strategic transformations in an attempt to create a sustained competitive advantage (Piercy and Lane, 2005).

One approach to achieving sustained competitive advantage and which has received great attention in the strategic management literature is the dynamic capabilities approach. The concept of dynamic capabilities stems from the Resource Based View which conceptualises the firm as a bundle of resources (physical, human and organisational), which ideally are valuable, rare, inimitable and nonsubstitutable that are integrated and recombined to generate new value creating strategies (Eisenhardt and Martin, 2000). Dynamic capabilities has been defined as '...the firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments [and] to achieve new and innovative forms of competitive advantage' (Teece, Pisano and Sheun, 1997: 516).

A capability does not represent a single resource, it is a '...distinctive and superior way of allocating resources' (Schreyogg and Kliesch, 2007: 914). In particular, many authors have focussed on the manipulation of 'knowledge resources such as expertise, real-time information', tacit knowledge, information sharing and learning by doing as being critical to building dynamic capabilities (Grant, 1996; Teece, Pisano and Shuen, 1997; Eisenhardt and Martin 2000 and Teece, 2007). Herein lies the relevance of the dynamic capabilities concept to this study, which will address the dynamic capability of strategic decision making, where management '...pool their various businesses, functional and personal expertise to make the choices that shape the major strategic moves of the firm' (Eisenhardt and Martin, 2000: 1107). Specifically, this study will explore if and how these firms integrate the highly specific knowledge resources of their sales personnel (consumer and market knowledge,

expertise and tacit know-how) to reconfigure create and implement their overall business strategy.

In addition, there is a general concurrence among academics that business level strategies are highly dependant on the functional level activities undertaken by sales people for their successful implementation. Authors such as Strahle and Spiro, (1986); Strahle, Spiro and Acito (1996); Piercy et al. (1997) and Slater and Olson (2000) focus in particular on the importance of aligning business level marketing strategy and sales strategy to improve organisational performance. Their research has found that sales activities sometimes become “uncoupled” from the business level strategic objectives which is likely to result in negative consequences for the organisation. This research study will attempt to shed light on whether there exists an explicit link between particular sales activities and processes undertaken by exporting firms and the business strategy pursued by those companies and if/how the alignment between sales and business strategy affects performance in those export markets.

Finally, four policy reports have been written in terms of addressing the serious lack of international selling expertise in Irish companies (Enterprise Strategy Group 2004, Forfas 2004, Small Business Forum 2006 and Expert Group on Future Skills Needs 2006), which give advocacy for this piece research investigating Irish sales practice. In 2008, the then Minister of Trade, Enterprise and Employment, Michael Martin critically observed that “Ireland’s economic success is strongly linked to the ability of Irish companies to sustain sales growth in established and emerging markets. This is reflected in Enterprise Ireland’s strategy *Transforming Irish Industry 2008-2010*, with a key target of €4 billion in new export sales by end 2010. Therefore it is essential that Irish companies continue to enhance their international sales capabilities”.

Proposed Research Methodology

The ethnographic method proposed for this study may be participant observation. It is anticipated that the researcher will spend time (8 months approximately) as a participant observer on an executive sales programme aimed at growing international sales. During this time, the researcher will keep a reflective research diary recording observations and experiences in the field, collect documentation and data relevant to the everyday work of the international sales person, and finally toward the end of the fieldwork, interview the sales practitioners in the international sales function to obtain their reflections on the sales processes in which they engage. Qualitative data analysis of sales documentation and

interviews will also be conducted (Hammersley and Atkinson, 1995; Mason, 2004; Spiggle, 1994), which will help add to the philosophical and methodological rigour of the research approach.

Gap in Existing Literature and Contribution of Research

It is hoped that the contribution of this research will be two-fold; contributing to the existing literature in this area and also provide insight for practitioners in their efforts to internationalise and improve business performance. The extant sales management literature primarily focuses on the salesperson solely as a 'strategy implementer', however academics and practitioners alike are noticing the evolving role of the sales organisation in strategy conceptualisation and planning (Malshe, 2009). The traditional 'lone salesman' is a concept of the past and the focus now is on the sales organisation as a whole. Academics are calling for '...new thinking and research in the rapidly evolving field of selling and sales management (Mantrala et al., 2008). It is hoped that this research will be a welcome addition to the emerging and growing body of literature which is focused on altering the misconception of the role of the salesperson and shedding light on the changing nature of the sales organisation and the strategic role it now plays (Lane, 2009).

It is hoped that this research will contribute also to the strategic management literature and in particular, the resource based view of the firm and the ever growing concept of dynamic capabilities. By examining firms that have successfully implemented a sales strategy for a new export market, it is hoped to gain an understanding as to why these firms were successful in their endeavour to attain a sustained competitive advantage in new markets. Teece, Pisano and Shuen (1997: 530) call for empirical research that is '...critical to helping us understand how firms get to be good, how they sometimes they stay that way, why and how they improve and why sometimes they decline'. It is hoped that this research will provide a stepping stone in attaining this crucial understanding of firm success.

Furthermore, no clear distinction has been drawn between strategies being executed in domestic markets and those for international markets. Piercy et al. (1998) argue that the sources of competitive advantage in the export context are not well understood. This research hopes to identify the necessary sales processes and activities that must be implemented for improved strategic performance in international markets which will assist in developing a best practice roadmap for exporting companies.

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