Selling and Sales Force Management Collection
Buddy LaForge and Thomas Ingram, *Editors*

Improving Sales and Marketing Collaboration

A Step-by-Step Guide

Avinash Malshe
Wim Biemans

BEP BUSINESS EXPERT PRESS

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Abstract

In any company, sales and marketing are the two primary business functions that are focused on creating satisfied customers. Because of their complementary orientations and objectives, these two functions are ideally positioned for a fruitful, synergetic collaboration. Unfortunately, the practical reality in many companies is far removed from this utopia. Sales and marketing personnel fail to communicate effectively, resulting in misunderstandings, lack of communication, frustration, and sometimes even downright anger and sabotage. Instead of supporting each other in creating superior value for customers, sales and marketing fight tiresome internal battles that are a drain on profits, efficiency and customer satisfaction.

In this book we offer the first comprehensive perspective on the functioning of sales-marketing interfaces in business to business (B2B) companies. We explore the complementary roles of sales and marketing in creating superior value for customers, the problems that occur in sales-marketing interfaces, the underlying causes of these problems and potential solutions to effectively deal with these problems. These solutions are accompanied by a series of tools that managers can use to diagnose their sales-marketing interface and develop appropriate approaches to improve this relationship. In addition, the book discusses a number of challenges that companies have to deal with on a day-to-day basis and how they may impact their sales-marketing interfaces.

This book is based on over seven years of research, during which we conducted interviews with hundreds of sales and marketing personnel at various organizational levels, as well as several CEOs and COOs. Our findings have been tested and refined through discussions with practitioners in focus groups and seminars. The companies included in this book cover a wide range of industries, as well as the full spectrum from small companies that just started to discover the benefits of marketing to large, established, Fortune 100 firms that must deal with significant differences between their sales and marketing groups.

As a result, this book takes a hands-on, managerial approach to all aspects of sales-marketing interfaces in B2B companies. The discussions and tools presented in this book provide managers with a deep understanding of this critical interface and allow them to apply these insights to improve their sales-marketing interface, which in turn helps them to create superior value for customers.

Keywords

sales-marketing relationship, sales-marketing alignment, managing sales-marketing interface

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Preface

Several years ago, independent from each other, both of us started to study the relationship between sales and marketing in business-to-business (B2B) companies. Intrigued by the observation that these two functions that appear to be so similar in terms of background and objectives, could find it so difficult to work together effectively, we felt that this warranted further examination. When we realized that our research in the United States and in the Netherlands resulted in complementary findings, it was only natural to team up and further explore this interesting area. This collaborative research endeavor, that now spans over seven years, has resulted in a large number of conference papers and several published articles in academic journals, and now culminates in the publication of this book aimed at practitioners.

Over the past seven years, we talked to hundreds of sales and marketing personnel at various levels within their respective organizational hierarchy, as well as with several CEOs and COOs on the topic of the sales–marketing interface. In addition, we conducted focus groups and seminars on this topic, as well as presented our research findings to practitioners. The sales and marketing, as well as the C-suite executives we interacted with come from companies operating in a wide variety of industries. They range from small companies that just started to discover the benefits of marketing to large, established, Fortune 100 firms that must deal with significant differences between their sales and marketing groups. The insights we derived from these conversations inform this book to a significant extent.

Therefore, we would first like to thank all those individuals who agreed to give us their precious time and participate in our depth-interviews, focus groups, and seminars. Without their willingness to talk in great detail about the relationship between sales and marketing in their companies this book would not exist. In addition, we want to thank our colleagues and students, who commented on our presentations, seminars, and lectures about the sales–marketing interface, and thus helped us to sharpen our thoughts about this subject.

We hope that this book serves as a comprehensive guide for managers, irrespective of whether you hold a sales or marketing title, to improve sales–marketing relationships in your companies and set them on a path to long-term success.

Both of us have come to appreciate the joy of working together on this multi-year, collaborative endeavor and writing this book. To us, what started as a tentative, joint academic research project turned into a valuable friendship, which serves to illustrate one of our key observations: An effective professional relationship is built on complementary skills, mutual trust and appreciation, and a strong personal bond between the individuals involved.

October 2014

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Introduction

Why the Interface between Sales and Marketing Matters and What We Will Do About It

Sheila and Brandon, the Chief Marketing Officer and Sales Director respectively, of the Generic Drugs Division of Sunshine Inc., a leading pharmaceutical firm in the United States, are both new to their jobs. Generic Drugs had a big organizational shake-up in April 2014 and Sheila and Brandon were brought in by the company CEO 6 and 8 weeks ago respectively, to lead their marketing and sales teams. Generic Drugs was getting ready for rolling out a new product in early 2015 and the first task for Sheila and Brandon was to develop strategic plans for 2015 for Generic Drugs. Because they had not personally met with everyone in their field sales organization, they decide to call a meeting of the entire sales and marketing group at their headquarters in Lincoln, Nebraska.

At that meeting, there are approximately 70 people—10 from the marketing group and 60 from the entire sales organization. After Sheila and Brandon make introductory remarks, they open the floor up for an in-depth conversation about the upcoming product launch and to seek suggestions from the group about how to best strategize for the launch. Also on the agenda for the morning is an open conversation forum to discuss the strategic challenges their division faced in the recent past and develop joint action plans to tackle the challenges and capitalize on opportunities going forward.

After they set the stage with their opening remarks, it is the sales and marketing people's turn to participate in the conversation. Sheila and Brandon are aware of the strategic challenges ahead of their division and they are looking forward to an open, fruitful dialog around the issues involved. To their dismay, as soon as they turn the floor over to the audience, the mood in the room turns frosty. No one from either sales or marketing groups really seems willing to participate in an open conversation. Being new to the company and not really knowing the people in the room well, it is difficult for Sheila and Brandon to gauge what people are thinking. To initiate the conversation, they ask a few questions, which are met with simple one-line answers from the audience. It is very evident that the people in the room are not forthcoming. This goes on for about a half hour and it is very uncomfortable for everyone. Both Sheila and Brandon realize that something is wrong and the meeting will not move forward this way. They stand up and urge people to let their guard down and open up. They tell the group that irrespective of what happened in the past, everything is on the table and that people should not hold back any issues that need to be addressed—big or small. They also emphasize that they are there simply to listen and learn. In sum, they build a great degree of safety in the environment so that people will open up.

And they do. All of a sudden, the mood in the room changes. What follows is almost 45 minutes of sales and marketing personnel openly griping about each other. They cite numerous instances where each function feels that they were let down by the other. They share experiences where promises were broken, communication loops were not closed, and marketing (and sales) department activities were counterproductive to one another. The list of complaints is long. The sense of animosity, frustration, dejection, anger, and antagonism between sales and marketing personnel is palpable. Sheila and Brandon realize that the functions have no respect for their counterparts and for the entire 45 minutes it feels like they are talking past each other, without even pausing once to listen to what the other function has to say.

It is a very disturbing feeling that they will be leading sales and marketing teams that share such poor rapport. Both of them came from companies where these teams were very cooperative and they have witnessed first-hand how their previous companies benefited from it. They know that what they see in the room that morning is more commonplace than exception. More importantly, they realize that it is symptomatic of the deeper-level problem areas between the sales and marketing organizations that have never been addressed by previous sales and marketing leadership or, for that matter, the CEO who hired them both. They also know how crucial it is for them to get their sales and marketing teams on the same page if they are to move their division forward both in the short and the long term. They know that they have their work cut out for them.

This story, which is based on true events but with fictional characters and company name, will sound familiar to many readers. If you occupy a C-suite in your company, you have probably heard or experienced the rumblings within the sales and marketing groups in your company and you know how crucial it is to get your sales and marketing teams on the same page for strategic and tactical success. It is likely that harmonizing the interface between sales and marketing functions in your company has been one of your top strategic priorities.

If you lead the sales or marketing organization in your company, you may have faced similar situations as the one described and looked for answers. It is likely that you witnessed different symptoms and manifestations of sales–marketing discord within your company. But you probably realize that they emanate from a set of deep-rooted, core problem areas between the sales and marketing organizations.

If you are a sales or marketing professional, you perhaps feel that we have told your story here. Once again, the nature and intensity of symptoms may be different in your specific situation. But you are probably living this situation every day in your professional life and you struggle to understand if there is a way to improve the relationship between your sales and marketing groups.

If you are a corporate Human Resources (HR) executive you may have heard complaints about the discord between the sales and marketing groups in your company for a while now. Your CEO probably asked you to look into this issue and assess whether anything can be done from an HR perspective to tackle this problem. You are now at a point where you want to take a closer look at this problem area, understand the issues involved, and find out what the best way is for you to bring these functions together so that they deliver the best value proposition to your customers and enhance the overall performance to your company.

If you are a student of business, within or outside of a university setting, you may have heard the stories and examples of how sales and marketing teams often fail to get along with one another. You are intrigued by this issue and you simply want to learn more.

This book is for each and every one of you.

To our knowledge, this is the first and only book that offers a comprehensive perspective on the functioning of the sales–marketing interface in B2B organizations; that explains the all too often problematic nature of this interface, why it matters to companies large and small, and what can be done about it. This book is based on extensive scientific research studies conducted by the authors, involving in-depth interviews and focus groups with hundreds of sales and marketing executives from a variety of industries across North America and the European Union. Everything written in this book is backed up by scientific research and the examples provided are based on real-life experiences of real companies, albeit with fictitious names. The book describes the perspectives of sales and marketing individuals across all levels within the sales and marketing hierarchy.

You have probably read about problematic sales–marketing interfaces in various business publications. You may also have attended half or full day seminars or breakfast conversations on this topic where the presenters offered quick solutions to *fix* this problematic interface in your company. Based on our extensive experience in this area, we know that such quick solutions do not necessarily apply to your situation, unless (1) you go to the root of the matter to understand what gave rise to the problems, (2) identify how the problems affect your strategic and tactical activities, and (3) understand what you can do about it. Without such an in-depth perspective, implementing the "fixes" you may have heard about within your company is akin to putting a Band-Aid on a wound that you do not know much about in terms of what caused it, how deep and serious it is, and (if left untreated at the root) how dangerous it will be.

In today's fast-paced world it is tempting to look for quick fixes and believe that they actually work. However, we are convinced that such quick fixes to improve the workings within your sales–marketing interface will not solve your problem because they do not account for your specific corporate context or industry setting. The stakes are simply too high, from both strategic and tactical standpoints, to not pause and take a systematic approach to understanding the nuances within your sales and marketing interface dynamic in an effort to make their workings more effective.

In this book, we provide you precisely that: A comprehensive framework to assess and better understand your sales–marketing interface.

We aim to provide you with detailed knowledge in each of the areas to prepare you for customizing the information to your specific setting. We want to help you improve the functioning of the sales–marketing interface within your company so that you continue to offer cutting-edge, innovative solutions to your customers and maintain a competitive advantage in the marketplace.

In the first chapter, we outline how the roles of sales and marketing have evolved in recent years and how, depending on the environments companies find themselves in, they may organize their sales and marketing departments differently. This chapter emphasizes the reality in today's businesses that sales and marketing activities can no longer be considered independent activities that meet at the point where the company implements strategy; rather, they are interdependent from the get-go and their joint contribution is crucial for a company's ability to develop, deliver, and communicate a superior customer value proposition.

Even though sales and marketing groups must move in lockstep, we see myriads of instances where sales and marketing fail to align their perspectives and work processes, and behave independently at different times. In Chapter 2, we present three real-life stories that illustrate how sales and marketing fail to work together and discuss how such failure may have significant negative implications for your company's strategy development and implementation activities. Each of the stories draws extensively on what we have seen happening in real companies and may resonate with many of our readers.

Is the idea of moving in lockstep too difficult to understand? Or is it too difficult to implement? What prevents sales and marketing from being on the same page all the time, even when they are fully aware of what is at stake? Chapter 3 takes a more detailed look under the hood of the sales–marketing interface by presenting the various problems that may occur in sales–marketing interfaces, which make it harder for sales and marketing functions to remain on the same page all the time. This chapter also discusses a range of underlying causes to which the various interface problems may be traced.

Having given our readers a detailed look at what ails the sales–marketing interface, we move to thinking about solutions to these problems in Chapter 4. The focus of this chapter is on helping the reader to understand how companies may handle this challenging interface. We identify implementable solutions at three different levels—the level of each function, the level of the interface, and the company level—and illustrate how these solutions may be implemented in real-life situations.

By the time you complete reading Chapter 4, you will be familiar with the importance of sales–marketing interdependence, how it fails at various stages in key strategic processes, what the underlying reasons behind these failures are, and what may be done about it. This serves as a repository of knowledge for you to draw upon as you navigate the "treacherous" sales and marketing landscape within your company. But at this point you still lack the diagnostic tools that allow you to assess the health of your sales–marketing interface in detail, as well as its subsequent effects on your company's strategic and tactical activities. This is where Chapter 5 offers help—we present you with a toolkit, containing all the tools you need to do exactly that.

Finally, Chapter 6 places the sales–marketing interface in a broader business environmental context by discussing a number of challenges that companies have to handle on a day-to-day basis and how they may impact their sales–marketing interfaces. This chapter brings forth the inherent characteristics of strong sales–marketing interfaces that are able to withstand the challenges and emerge stronger from them. We also outline specific interventional strategies that may help in this regard.

Throughout the writing of this book, our focus has been to not offer any quick fixes but help our readers gain a deeper perspective into this area. While this book is the result of years of extensive scientific research, we have translated what we have learned into insights that are easily implemented in practice.

The story presented in this book boils down to the observation that sales and marketing are two interdependent functions that need to move in sync, day after day, at strategic and tactical levels. And in today's fast-moving business world, moving slowly will no longer cut it; sales and marketing need to learn to run in lockstep.

Let's start running…

CHAPTER 1

Working Together to Create Value for Customers

B2B Companies Must Contribute to Their Customers' Success

Ever since the marketing concept was coined, companies are urged to put themselves in their customers' shoes. But what does that really mean? Many sales and marketing personnel have interpreted this advice as taking the customer as a starting point to figure out which products they need to offer them. In B2B markets, this is exemplified in the concept of *derived demand*, which uses the demand for end products to work back to the demand for components, raw materials, and even capital equipment. But in practice, all too often this means that sales and marketing personnel still use a *product perspective*: They worry about how they can grow their company by making their products more successful.[1] Of course, in their minds, they are very customer-focused and they will vehemently emphasize this. After all, they know exactly which products their customers need to run their businesses.

For instance, manufacturers of golf carts need a large number of products to manufacture these golf carts, such as engines, shock absorbers, batteries, chassis, braking systems, steering assemblies, wheels, body panels, and transmissions, and also machinery for welding, roll forming, automatic assembly, and painting. Numerous companies sell the components and manufacturing machinery that are needed to manufacture golf carts. Many CEOs in these companies are driven by a *product perspective* and typically focus on their own organizational competences and look for ways to use these competences to create better and more successful products. And the customer's perspective is only employed to get a reliable estimate of future demand. But this is not what is meant by the exhortation to put yourself in the customer's shoes!

In contrast, companies that really put themselves in their customers' shoes possess a deep understanding of what drives their customers and use these insights to create superior value for them. Their decision-making uses a *value perspective*, which is based on the premise that customers are not interested in buying products, but in *hiring* products to get a job done. This means that the core of B2B marketing is not to deliver products to customers, but to solve their problems and offer the best solutions for the jobs they are trying to do—in other words, *to create and deliver superior value* to them. The CEOs in these companies ask themselves: "How can I help my customers become more successful?" This was expressed several decades ago by management guru Peter Drucker, who stated that "There is only one valid definition of a business purpose: To create a customer."[2] Without customers there is no company and if your customers become successful because of your products or services, you will be successful as well. But to help your customers become successful, you need to understand what makes them tick.

In his recent book, *Tilt: Shifting Your Strategy from Products to Customers*, Niraj Dawar explains how most companies insist on investing in upstream activities and processes, such as building better products and improving manufacturing, while a company's competitive advantage is determined within the interactions between the company's immediate customers and downstream entities (that is, customers' customers). "The starting point for any exercise to build competitive advantage in the downstream is to uncover your customers' hidden pain points, and offer them the best possible solutions. Three questions help enumerate these pain points: (1) What are the hidden *costs* that your customers incur in buying and using your product or service? (2) What are the hidden *risks* that your customers incur in doing business with you? and (3) Why do potential customers not buy from you (in other words, what are the hidden costs and risks that prevent potential customers from doing business with you)?"[3]

The differences between using a product perspective and a value perspective are significant. Using a product perspective, a B2B vendor asks which products the customer needs to manufacture his own products. Using a value perspective, a B2B vendor uses his insight into how the immediate customer creates superior value for downstream customers to identify opportunities to help the immediate customer become more successful in this value creation. Successful sellers of components for golf carts understand both the needs and requirements of golfers (the downstream customers) and also what is needed to make golf cart manufacturers (the immediate customers) successful, and translate these insights into superior value offered to golf cart manufacturers. The key differences between the product and value perspectives are summarized in Table 1.1.

Moving away from a product perspective to a value perspective requires a company's focus to shift from selling products to helping customers get their job done. Harvard Business School marketing professor Theodore

Table 1.1 Product perspective versus value perspective

	Product perspective	Value perspective
Strategy	Selling products to immediate customers	Helping customers to be successful
Customer focus	Immediate customers; new customers	Current immediate and downstream customers
Objective	Increase market share	Increase customer profitability
Customer knowledge	Products sold by customers	Customer's business needs and issues, including its key success factors
Customer contacts	Product buyers	Product users, decision makers and influencers
Organizational structure	Product divisions with P&L	Customer groups with P&L
Key processes	New product development	Customer relationship management and solutions development
Sales approach	Transaction selling, focused on products	Relationship building, focused on improving the customer's business
Metrics	Revenues, market share, new product performance	Customer share, customer retention, customer experience, customer lifetime value
Pricing	Cost-plus pricing, based on manufacturing costs	Value-based pricing, based on perceived value

Levitt told his students in 1960s that "People don't want a quarter-inch drill, they want a quarter-inch hole!" You may think that you are selling products and services, but the customer does not look at it that way. The customer has a problem to solve or a job to get done. Customers do not buy products or services, but hire them to get a job done. Designers hire CAD-software to create product designs, metal workers hire lathes to cut threads and worm gears, and machine operators hire lubricants to reduce friction and prevent corrosion.

The focus on contributing to your customer's success is exemplified by Jeffrey Immelt's conclusion, back when he was still Vice-President and General Manager of GE Plastics, that GE Plastics' most important product is "customer productivity:" "Selling is dead. These days, account managers have to be customer-productivity experts. That's what we're really selling."[4] Similarly, Swedish Tetra Pak proclaims succinctly on its website: "Our business is making your company more profitable."[5]

Sales and Marketing Possess Customer Knowledge … But They Lack Jointly-Derived Customer Insights to Create Superior Value!

Since customers are not interested in your product, but in the value it delivers to them, an in-depth understanding of customers is one of the key drivers of repeat sales to loyal customers. It lays the groundwork for companies to develop and deliver superior value to customers that they are willing to pay for.

Given the customer-facing nature of sales and marketing within a company, it falls upon these two functions to understand what jobs periodically arise in their customers' lives for which they might hire products the company could make.[6]

Many sales and marketing personnel are quick to proclaim that they really understand their customers. After all, they have been doing business with them for years and not without success! But do they really understand why their customers do business with them, rather than one of their competitors? A marketing manager at a medical device company may proudly claim that she knows exactly how the market segments in the Midwestern United States differ from those on the West Coast, or how surgeons may respond to a specific piece of communication from the company. Similarly, sales managers at the same company may be generally quick to produce quantitative facts about their customers such as the number of target customers in the region, how big their installed base is, or how many supplementary products and services customers bought over the last three years and at what prices. It is our experience that when it comes to deeper-level customer insights, sales and marketing personnel are simply not as conversant as they are with their respective fact-based knowledge. Questions such as "What do our customers look for in our product?" "How do they make their buying decisions?" "Who else in their company is involved in the buying decision?" "How do the customers employ our products while serving their end-users?" "How do our products fit in the ecosystem of other products and services they employ?" Or "What are the wants and needs of the final users of our product?" often evoke ambiguous responses from sales and marketing personnel. At the root of this ambiguity is usually a significant lack of jointly-arrived tacit insight into what really drives the decision processes of these customers. Hence, it is imperative to investigate why neither sales nor marketing can successfully capitalize on their respective knowledge bases and jointly arrive at the tacit customer insights that would help them to develop, deliver, and communicate optimal customer value.

Perhaps the ambiguity stems from how the roles of sales and marketing have been conceptualized and practiced over the years in companies. Let's take a closer look.

The Role of Marketing

In a large number of companies, marketing is primarily responsible for understanding markets and customers, developing effective marketing strategies, translating them into marketing plans and tactics, and maintaining the company's marketing capability. Marketing takes an aggregate look at markets and customers and uses market segmentation techniques to distinguish between groups of customers with similar needs and similar buying behaviors. Based on a segmentation of the market, marketing selects target customers and assigns priorities to customer groups.

Identifying the company's target segments is one of the most important decisions companies have to make. It determines where and how a company is going to compete and who its main competitors will be. Next, marketers develop compelling value propositions for each target segment. A company's targeting (who to target?) and positioning (what to offer?) decisions are closely related. Companies select target customers because they are able to provide them with superior customer value. And they develop the value to be offered to customers based on these customers' needs and wants. Eventually, marketing develops a value proposition for each identified group of target customers. Although many companies formulate value propositions as simple lists of benefits or favorable points of difference (compared with the competition's offerings), the most effective value propositions focus on the one or two points of difference that deliver the greatest value to target customers.[7]

The value propositions are implemented through activities such as developing the right products and services, selecting and motivating the right marketing channels, developing and implementing the right communications, and determining the right pricing methods and levels. In addition, it is marketing's task to develop and maintain the company's marketing capability and customer focus. For instance, marketing represents the voice of the customer during product development meetings to make sure that new products address relevant customer needs.

The Role of Sales

Salespeople perform many different tasks, which can be condensed into four key areas: (1) provide information and sell, (2) manage relationships, (3) collect market information and disseminate it within the company, and (4) coordinate the sales team. The salesperson's primary task is to *sell* the company's products by providing customers with the information needed to advance them along the buying cycle. A second, increasingly important, task of salespeople is to *develop and maintain relationships* with customers. B2B customers increasingly want long-term relationships with sellers, built on trust and information sharing. This relationship management task includes identifying key customers, developing relationships with all key decision makers, developing trust, identifying opportunities to improve product usage, analyzing unmet customer needs and problems, and suggesting solutions. Because of their regular contacts with customers and prospects, salespeople are ideally located to *collect market information*. Information about unmet customer needs, experienced problems with products, suggestions for product improvements, and activities announced by competitors are important inputs for product development and marketing planning. Salespeople must not only collect this information but also disseminate it within their organization. A final sales task is to *manage sales teams*. Many companies use sales teams to match the buying centers used by customers. Such a sales team typically consists of representatives from several departments, such as marketing, sales, R&D, and engineering, and is headed by an account manager. The account manager coordinates the activities of the sales team and employs people where and when needed.

The allocation of a salesperson's time across these four sales tasks depends on the situation. With a new customer the emphasis is on explaining the value of the company's offering and persuading the customer to purchase the product, while existing customers are contacted regularly to maintain the ongoing relationship. The extent to which a salesperson performs any of the key activities also depends on the type of salesperson. An extensive study of sales tasks identified six sales jobs, which varied from the consultative seller and a new business/channel development seller—both focusing on relationship selling—to a key account seller, focusing on providing product support, including installation and maintenance.[8] Figure 1.1 depicts the key roles and responsibilities of sales and marketing within a company.

The preceding explication of the responsibilities of sales and marketing offers a peek into why sales and marketing personnel who possess a great deal of fact-based knowledge do not possess deeper-level, jointly-developed customer insights. Over time, these functions have carved out a distinct set of roles and responsibilities for themselves within companies. Marketing seems to be restricted mostly to the strategic domain and engaged in developing the overall value proposition, and marketing plans and programs. Sales' roles and activities, on the other hand, are mostly in the tactical, operational domain, concerned with customers and end-users. Interestingly, these two domains run on

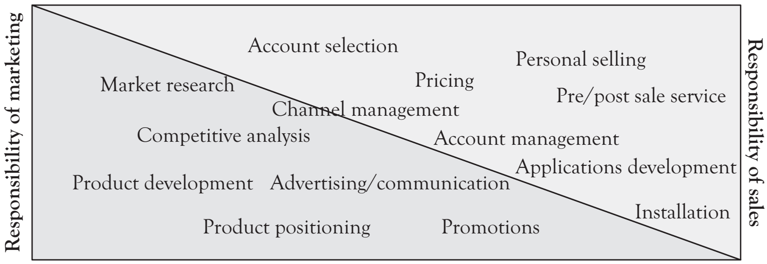


Figure 1.1 Marketing and sales' responsibility for tasks

Source: Cespedes (1995).

two parallel tracks and rarely intersect. For a variety of reasons, marketing fails to obtain detailed input from sales, such as information about sales forecasts, customer characteristics, and competitor activities on a day-to-day basis. Similarly, sales personnel do not relay what they learn from the market inside their companies. When viewed collectively, these functions rarely integrate their respective knowledge bases to develop deeper-level customer insights that would help them offer superior customer value.

Hence, in this equation, one plus one turns out to be less than two.

Role Evolution: From Independence to Interdependence

The increasing focus on identifying customer problems and offering solutions, instead of simply going out and selling one's product is forcing companies to rethink their traditional conceptualization of the roles of marketing and sales, thus paving the way for some dramatic changes. In short, marketing has had to come down from its ivory tower, prove its value to the company and the sales organization, and make sure that the voice of the customer is heard throughout the organization. And sales has had to move beyond the operational task of selling and take on more strategic tasks. We explore these changes in more detail below.

Marketing Adds Operational Tasks

Today's marketers live in a world characterized by intense competitive pressures and rapidly changing preferences of their empowered customers that need to be met with ever-shrinking budgets. As a result, the traditional marketing function, which would simply formulate marketing strategy and dictate marketing plans for sales to carry out is increasingly held accountable for marketing expenditures and asked to devise appropriate metrics to demonstrate the financial impact of marketing programs. In this new reality, marketers are compelled to prove their value to the company; senior marketing leaders must demonstrate how marketing activities fit with the company's business objectives and corporate strategy. Marketers are under increasing pressure to justify how marketing spending impacts the company's bottom line.

To implement marketing accountability, today's marketers are required to invest in the skills, processes, and systems required to develop a performance-driven, outcome-based marketing organization. Marketing needs to shift its focus from measures based on tactical marketing activities to metrics that demonstrate measurable results that matter to the company. For instance, participation in a trade show can no longer be justified by the number of people visiting the company's booth, but needs to be justified by the number of qualified sales leads, followed by conversion percentages. The implementation of such outcome-based metrics involves more than just agreeing on some new measures to implement. Marketers need to invest in new skills and appropriate infrastructure. For example, a 2011 Gartner study asserts that "by 2017 the CMO will spend more on IT than the CIO."[9] Senior marketing executives need to become businesspersons who link marketing initiatives to business objectives and help the rest of the company to understand the voice of the customer and what it takes to win in the marketplace. Marketing needs to establish a marketing operations function that works closely with sales, monitors the entire pipeline, and looks for opportunities for improvement.

We emphasize here that marketing's increasing involvement in operational tasks must not result in marketing losing its strategic focus. Rather than becoming a mere sales support function that operates at the SBU level, marketing needs to educate the rest of the company on the value of customer focus and ensure that the voice of the customer is heard throughout the company. Marketing must continuously keep up with the changing needs of customers, study new target markets and explore new opportunities to deliver superior value to customers. A constant drive to push the customer to the forefront of internal discussions increases marketing's visibility with other business functions, while a measurable impact of marketing initiatives on the company's bottom line improves marketing's credibility with the company's C-suite.

Sales Adds Strategic Tasks

In the traditional marketing textbooks, sales is described as the operational arm of marketing, focusing on selling products and services to customers. Until recently, in many industries there were three types of B2B customers:

- *Transactional customers*, who are very familiar with the product, want to lower costs, and are looking for convenience. They do not need a salesperson.
- *Middle-ground customers*, who are prepared to pay a little more for the benefit of getting advice about their purchase.
- *Consultative customers*, who want advice from the expert salesperson and appreciate sales reps who take the time to understand their business needs and issues.

This taxonomy shows that customers are only willing to pay for a sales visit when the salesperson actually creates value for them; for instance, by helping them to determine their needs or to identify and assess alternative solutions. Communication is indeed important, but customers no longer depend on salespeople for information about products and services. They have access to the Internet and can easily compare different competitive offerings. This means that salespeople must *co-create* value, rather than just *communicate* value. Customers who understand the product well, and know how it fits their needs, see the product as a commodity and want to reduce their costs, for instance, through online ordering. Other customers are less knowledgeable and need salespeople to help them make the right purchase decision. When salespeople encounter such customers, they must create value for their customers during all stages of the buying cycle as outlined in Table 1.2.[10]

Table 1.2 Value created by sales at each stage in buying cycle

Buying cycle stage	Value created by sales
Determine needs	Help the customer to determine his needs and see problems and needs in a new way
Evaluate alternatives	Demonstrate superior solutions, opportunities and approaches that are new for the customer
Raise objections	Help the customer to overcome objections
Purchase decision	Make the actual purchase as customer-friendly as possible
Implementation of solution	Insure high-quality implementation of the solution, help with installation and use of the product

Recent years have witnessed a shift with B2B customers gravitating toward one of the two extremes, where they look for either efficient transactions or a full-on consultative selling relationship.[11] Customers who are well-informed about a product can find all relevant information online and prefer to be served through an e-commerce or telesales channel. Customers looking for a consulting relationship want a sales rep to provide advice and manage the customer relationship. But not all customers can be neatly classified into one of these two categories. Some customers behave situationally: They choose to buy some things transactionally and other things consultatively, even from the same seller. These changes have significant implications for a company's sales function, which needs to change:[12]

- *From function to process*: From being an independent department to a pivotal part of the long-term process of customer management.
- *From isolated to cross-functional*: From having only a few connections with other departments (mostly marketing) to being closely integrated with various departments, such as marketing, finance, and operations.
- *From operational to strategic*: From selling products and services to offering solutions and contributing to business strategy.

The changing nature of relationships customers seek with their salespeople in a B2B context has changed the role of sales within a company. Salespeople cannot simply afford to be tacticians; they need to embrace the new strategic tasks. These new strategic tasks require a different type of salesperson. Managing customer relationships requires a much less aggressive sales process than pure selling does. It requires in-depth customer knowledge, combined with empathy, cooperation, and a desire to forge personal relationships. Companies that want to serve both transactional and consultative customers should switch the low-margin transactional sales to a telesales, web-based, or indirect channel and hire value-creating salespeople for the high-payoff consultative sales opportunities.[13] To be effective in consultative selling, sales needs the support of marketing, which may provide them with compelling value propositions, market research data and detailed sales presentations that are tailored to the characteristics and requirements of specific market segments.

You will notice that, owing to their evolving roles, a company's sales and marketing functions must play different, yet complementary roles in creating superior customer value. These roles cannot simply remain as demarcated as we discussed earlier (marketing focused on understanding customer needs and creating superior value; with sales using a more short-term focus in selling products and services); instead, while staying independent, they must significantly overlap. It behooves today's marketers to engage with salespeople in key operational tasks, and at times, directly interact with customers at different levels. At the same time, sales personnel must go beyond simply selling the product to collaborating with marketing in developing new strategic initiatives and building long-term relationships with customers. Figure 1.2 illustrates these evolving marketing and sales activities. It also emphasizes the idea of interdependence; that is, the effectiveness of an individual function in contributing to customer value strongly depends on the quality of the input provided by the counterpart function.

Sales-Marketing Interdependence: The Key to Superior Customer Value

There are five core processes that collectively allow any company to offer superior customer value: Market sensing, customer selection and

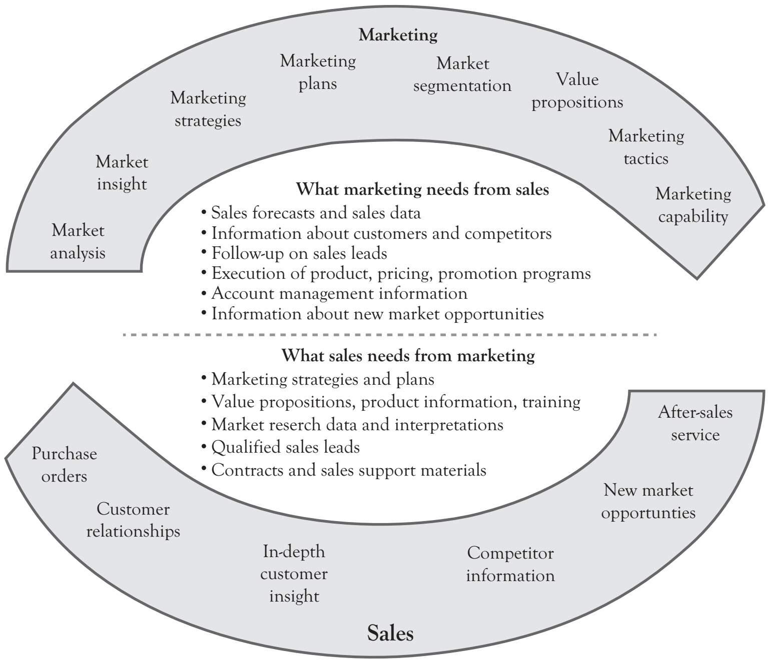


Figure 1.2 Interdependencies between sales and marketing

acquisition, new value development, customer relationship management (CRM), and order realization.[14] And it is the interdependence between sales and marketing that lies at the foundation of each of these core process competencies.

Market Sensing

A first prerequisite for creating superior value for customers is to sense what is going on in the marketplace. This is different from traditional market research, when companies conduct market studies or hire market research agencies to do so. Market sensing is a company's key capability to *continuously* learn about its markets, which allows it to stay close to its customers and create superior value for them. It is all about gathering market intelligence and using it to guide decision-making. A company's market sensing capability encompasses:

1. *Market sensing*: Collecting information about customers, competitors, and other relevant market parties.

2. *Sensemaking*: Interpreting the collected information against past experiences and knowledge.
3. *Information dissemination*: Disseminating the information to the departments and individuals that need it for their decision-making.

A company's market sensing capability ensures that it keeps its finger on the pulse of the marketplace and provides all relevant decision-makers with the latest insights to inform their decisions and activities. Market-driven companies use multiple approaches to understand the opportunities and threats emerging in their markets and predict the response from customers to marketing strategies.[15] They work to develop an open-minded culture where employees are encouraged to fight individual and organizational inertia and view changing environmental conditions as opportunities. They encourage their employees to analyze rivals' strategies and tactics, and identify their strengths and weaknesses. They build a corporate culture and processes that stimulate continuous curiosity, which allow employees to not only focus on their current products and services, but also engage in extensive customer dialog and observation so as to identify future value gaps—currently unserved needs that present significant opportunities. And they develop a peripheral market-scanning capability that allows them to look beyond their traditional market focus and not be blindsided by critical developments that seem to come out of left field.

A company cannot develop a superior market sensing capability unless both sales and marketing are deeply involved in the process. Because of their daily interactions with customers, sales representatives are often in a position to regularly monitor market developments and identify new opportunities for value creation. This daily interaction with customers makes salespeople ideally positioned to capture and represent the voice of the customer. Marketers, therefore, must keep an open mind while listening to salespeople's market input and make every effort to integrate it with their extensive macro-level market knowledge. In addition, they must involve salespeople in sensemaking processes so as to develop new insights about current opportunities and challenges as well as future value gaps. A superior market-sensing capability also requires that marketers work extensively with their sales counterparts in engaging with customers. Overall, a company's ability to develop a superior market sensing ability is predicated on sales and marketing's ability to work together in a symbiotic manner.

Customer Selection and Acquisition

Based on an in-depth understanding of markets and customers, a company makes the strategic decision of selecting its target customers. Companies should select target customers based on their ability to provide superior value to them. This means that an attractive group of target customers represent a market opportunity that matches the company's capability to deliver superior value. This requires an explicit strategic decision about which customers to pursue and which to ignore. Many companies make the mistake of going after every paying customer. Saying no to customers is hard, especially when you are a small struggling company! But established companies also need to make this strategic decision and stand to benefit from focus. The customer selection decision may be based on criteria such as customers' estimated customer lifetime value (the present value of all future cash flows attributed to the customer relationship) or customers' strategic market position (for instance, when a company wants to enter a new market). But, whatever the criteria used, the customer selection decision helps a company to direct its resources to the customers with the highest expected future returns.

When the company has decided which customers to pursue, it needs to actually acquire these customers. Customer acquisition requires an in-depth understanding of what makes your customers tick and how the customers may be approached. These tasks may be achieved through heavy investments in developing a knowledgeable sales force and by adopting multiple marketing communication activities such as content marketing, e-mail marketing, newsletters, search engine optimization, referral marketing, and social media marketing. Several of these communication channels allow companies to gather customer information that may be key to customer acquisition. For instance, a manager at a company selling product testing services discovered that many engineers post about the innovation projects that they are currently involved in on their LinkedIn pages. This resulted in a low-cost, but very valuable list of highly qualified sales leads.

For the customer selection and acquisition activities to be fruitful, they need extensive engagement from both sales and marketing. Any segmentation activity requires marketing's insights that they have harvested through market sensing and primary data collection activities as well as the qualitative input that sales personnel may bring to the table based on their extensive interactions with a broad range of customers. And both sales and marketing input is needed when companies decide which specific customer segments to target. Once the targeting decision is made, successful customer acquisition rests on a joint effort by sales and marketing teams that offer timely support to one another. Once again, it is the joint work of sales and marketing teams that lies at the foundation of successful customer selection and acquisition.

New Value Development

New insights about a company's customers and markets may be used to explore opportunities to increase the value offered to customers. We use the word "value" here, rather than "products" or "services," because a focus on products is too limiting and directs the attention to current solutions. To keep an open mind, a company must focus on how it helps its customers to get specific jobs done. A simple way to explore new opportunities for developing new value for customers is *job mapping*, which breaks down the task the customer wants to achieve into a series of discrete process steps.[16] Such a deconstruction of a customer job from beginning to end provides the company with a complete view of all customer activities and may be used to identify value. A job map is not just a process flowchart: The objective is not to identify how a customer is executing a job, but to describe what a customer is trying to get done while executing a job and what determines success at each step along the way.

A job map is also different from a traditional description of the customer's buying process. It maps all process steps that a customer carries out while doing a job, which includes:[17]

- *The pre-execution steps*: Everything that must happen before the core execution steps to ensure that the job will be successful;

- *The execution steps*: The central tasks that must be accomplished in getting the job done; and
- *The post-execution steps*: Everything that must happen after the core execution steps to ensure that the job will be successful.

Thus, a job map describes the entire *customer journey*. The ability of any company to arrive at a complete understanding of this journey depends on (*a*) how well marketing and sales personnel understand different parts of this journey, and (*b*) the extent to which they are able to build on each other's understanding to arrive at a holistic picture of what the customer is trying to achieve. By working together, marketing and sales may use the job map to look systematically for opportunities for innovation. These opportunities for new value creation may be identified at the level of the job and at the level of the various steps that have been identified. Further, marketing and sales may bring their respective domain-level expertise to the table and ask a series of questions that allow the company to develop a differentiated customer value. Some illustrative questions are: Can the job be executed in a more efficient or effective sequence? Is it possible to eliminate the need for particular inputs? Is it necessary that all process steps performed by the customer are carried out by the customer, or can some of them be automated or shifted to the supplier? Which steps cause most struggles for customers? What are the largest drawbacks of current solutions for specific steps? For which process steps are no solutions available yet?

A case in point is MasterBuilders, a supplier of chemical additives for the construction industry. These additives account for only a small percentage of the value of the concrete mix and are seen as a commodity by construction contractors. However, a closer analysis by MasterBuilders' customer-facing employees of the customer journeys revealed that although the customers view the additives as a commodity, the product is crucial for their operations in that a stock-out could bring a contractor's project to a halt, resulting in significant time and cost overruns. MasterBuilders responded by taking control of inventory at the customer site. It fitted construction sites with storage tanks, equipped with remote monitoring that report directly to MasterBuilders the remaining level of the additive. This approach eliminated the risk of stock-outs, reduced the costs of inventory and order and payment processing, and streamlined inventory management.[18]

Customer Relationship Management

Having selected both the target customers and the value to be offered to them, CRM aims to get the most out of the customer portfolio. Effective CRM programs address both the needs of individual customer relationships and the value of the total customer portfolio. Numerous companies offer software solutions that deliver a real-time 360-degree view of your customers, providing information across the entire customer lifecycle from opportunity identification to after-sales support. A real 360-degree view of your customers combines transactional data from your accounting department with information about customer interactions from the customer contact center and behavioral information from your marketing and sales records. CRM systems help companies to increase their customer share-of-wallet. A 2011 study of 261 enterprises shows that 46 percent of the respondents feel that they have reasonable account penetration but are definitely "leaving money on the table" and another 16 percent admitted that they "rarely achieve (their) full potential when it comes to net client value." Not surprisingly, the most significant corporate goals around improved performance in the context of a clearer view of their customers were "increase 'share of the customer's wallet' or potential spend with our company" (53 percent) and "increase average customer spend (per year of lifetime account value)" (44 percent).[19]

Effective CRM programs address both the needs of individual customer relationships and the value of the total customer portfolio, and therefore require both strategic and tactical inputs. Strategic inputs are about marketers setting priorities about which customers to serve and constantly assessing the value of the total portfolio of customer relationships. Marketers treat customers as the company's most critical assets and try to maximize customer equity by managing their customer database and optimizing the mix of customer acquisition, customer retention and add-on selling. They use metrics like return on customer to calculate the value that customers create for the business.[20] Tactical inputs refer to the nitty-gritty details of interacting with customers, inputting and updating customer contacts, updating opportunity and pipeline information on a regular basis, answering questions, fielding requests for information, and providing customers with online access to data about their account. In addition, management of individual customer relationships requires that salespeople develop personal relationships with purchasing agents and other decision makers. At this level, empathy and the ability to quickly adapt to changing circumstances and different interests are key to developing social bonds with individuals in customer organizations.

Other functions may also be involved; for instance, the IT department needs to integrate customer information from various sources and provide decision-makers with real-time data about relevant customer metrics. Thus, developing and implementing an effective CRM program requires a seamless integration across sales and marketing with other departments providing the necessary administrative and infrastructural support.

Order Realization

At the most operational level, companies need to secure orders from customers to generate revenues. Sales reps provide customers with the right information to move them toward a purchase decision (see Table 1.2 "Value created by sales at each stage in buying cycle"). This includes planning and preparing sales activities, giving sales presentations, identifying key decision makers, submitting bids, educating customers on new offerings, communicating value, expediting orders, providing after sales support, and visiting prospects. While a lot of salespeople's time is spent on travel and waiting, marketing personnel may employ a broad range of tools and technologies to assist salespeople along every step of the customer buying cycle, thereby increasing their effectiveness and efficiency in order generation and realization.

The Internet has drastically changed the selling process. Marketers develop and maintain sophisticated business databases, use tools such as salesforce.com or obtain information from other sources such as buyer's employee blogs to develop initial insights regarding customers, partners, and employees. Collectively, this information helps salespeople as they prepare for the sales visit. Marketers also develop resources such as online product demonstrations, pre-recorded product videos, online product catalogs, as well as LinkedIn, Facebook, YouTube, and Twitter channels that salespeople can tap into during a sales visit.

The rise of the Internet has also changed how customers are buying products. It is plausible in today's day and age that many times in a B2B scenario, it is the customer who finds the seller—not the other way around. And prospective buyers no longer need to visit the seller's plant or other satisfied customers, but can watch online multi-media presentations from their own offices. For instance, Xerox provides an online video that details the steps for finding a software solution for an energy utility company, in which satisfied executives from the buying company explain how digitized engineering drawings and a new digital repository system increased productivity and savings.

It is thus evident that sales personnel require a wide range of support as they engage in the order realization process. Marketing's ability to provide timely, multi-pronged support allows salespeople to put their best foot forward, while solidifying relationships with existing customers as well as initiating new customer relationships that will eventually result in order realization.

Sales-Marketing Interdependence and Competition

In our discussion so far, we have highlighted how the evolving roles of sales and marketing make it imperative that they collaborate in order to deliver optimal customer value. We have also discussed how sales-marketing interdependence lies at the foundation of the five core processes that serve as building blocks for the value development and delivery processes. But we have not mentioned the role of competition yet. Every company faces competitive pressures and the presence of competitors compels the company to develop a unique, compelling value proposition.

In their search for the best deal available, customers will compare a seller's net value with that of the next best alternative. This is captured in the following value equation:

$$(\text{Value}_V - \text{Price}_V) > (\text{Value}_A - \text{Price}_A)$$

In this equation, $Value_V$ and $Price_V$ represent the value and price of a particular seller's offering, while $Value_A$ and $Price_A$ are the value and price of the next-best-alternative. Although sellers are usually quick to present their offering as unique, customers *always* have alternatives. The next-best alternative may be the most recent offering from the same seller, an offering from a competitor that uses a different solution to get the customer's job done, the customer's decision to make the product itself, or even the customer's decision to maintain the status quo (the decision to do nothing is always an option).

Successful companies offer their customers superior value, in the sense of superior to competitive offerings. The relationships between what a customer wants, what the company offers and what the competition offers is illustrated in Figure 1.3.[21]

In this figure, the top right circle (1) represents the attributes that the customer desires. The top left circle (2) shows the company's offering, and the bottom circle (3) denotes the competitor's offering. All areas of the resulting Venn diagram represent different concepts and have different strategic implications:

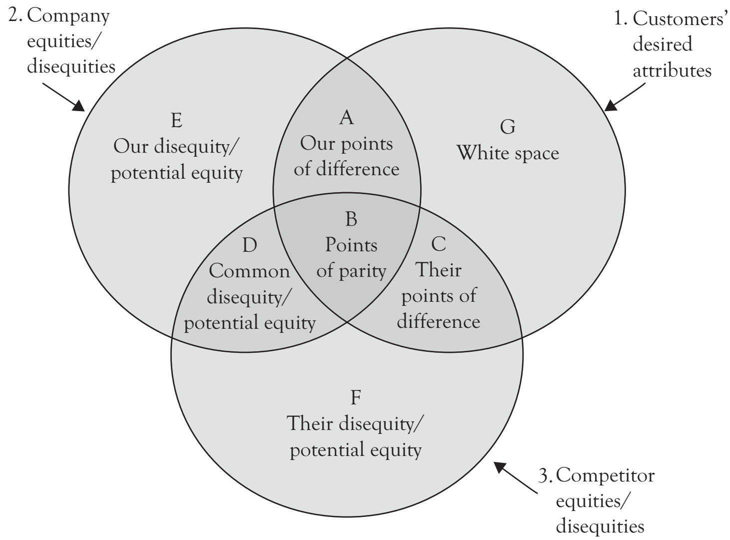


Figure 1.3 Competitive strategy in three circles

- *Area A*: Your company's unique points of difference, or the customer needs that only your company addresses. This area must be built and defended against competitors.
- *Area B*: Your company's points of parity, or the customer needs that are also addressed by the competition. This is the common value that customers expect from all competitors. These product attributes and benefits must be monitored and maintained at competitive levels.
- *Area C*: Your competitor's unique points of difference. If these attributes can be matched cost-effectively and fit with your strategy, the priority should be to match these points of difference (in other words, to move them to Area B).
- *Area D*: The attributes offered by both your company and the competition that are not valued by customers. These attributes should be eliminated, further developed or better communicated to customers.
- *Area E*: Attributes offered by your company that are not valued by customers. Since these are unique to your company they offer potential to be developed into attributes that create a real competitive advantage.
- *Area F*: Attributes offered by the competition that are not valued by customers. These represent the competitor's weak elements that can be exploited by developing better products or by pointing them out in communication with customers.
- *Area G*: The customer's unmet needs that are not tapped (yet) by any company. This represents opportunities for growth, but since the competition may also enter this area it is critical to focus on growth opportunities that match the unique capabilities of the company.

We highlight that the importance of sales-marketing interdependence becomes more pronounced within a competitive context. Specifically:

- Your company's ability to keep a strong hold on Area A (your unique points of difference) depends on how well sales and marketing work to ensure that the company consistently delivers optimal customer value. For example, superior CRM strategies and new value development capabilities may help your company to solidify your hold over Area A.

- An optimally functioning market sensing capability allows your company to critically examine Area C (competitors' unique points of differences) and develop new offerings that can shrink the size of Area C.
- Market sensing and superior CRM processes help your company to capitalize on Area E (attributes offered by your company that are not valued by customers) and develop potential value offerings that allow you to make strong inroads into Area G (customers' unmet needs).

The Sales-Marketing Interface in Trouble

The growing importance of interdependence between sales and marketing in value development and delivery processes makes it imperative that we focus on the sales-marketing interface dynamics—that is, the ability of both functions to collaborate with one another in creating and delivering superior value to customers. In the remaining sections of this chapter we will take a first look at the nature of this critical interface.

An effective company, geared toward creating superior value for customers, runs like a well-oiled machine. The various business functions, such as R&D, marketing, manufacturing, and sales, each perform their own tasks, but close collaboration ensures that everything fits together like pieces in a puzzle. Unfortunately, for many companies the reality is very different. For example, the wide chasm between marketing and R&D, caused by different objectives, backgrounds and cultures, creates a disconnect between the company's technical and commercial operations. R&D uses a strong product focus and tries to develop superior products, without much regard for what customers need. Marketing aims to please customers and tends to grant every special request, without considering the consequences for the products to be modified.

In contrast, the interface between sales and marketing should be much less problematic. After all, both functions have the same commercial background and both are focused on serving the company's customers.

Unfortunately, study after study shows that many companies struggle to make the relationship between sales and marketing work. Senior executives in companies often comment on the unsatisfactory working relationship between Sales and Marketing. The two functions, they say, "undercommunicate, underperform, and overcomplain."[22] Further, in many companies between 80–90 percent of marketing expenditures on lead generation and sales collateral are wasted—ignored as irrelevant and unhelpful by sales."[23]

Consider the following representative quotes from sales and marketing executives from our own empirical studies[24] that uncover how sub-optimal the relationship between sales and marketing personnel can be in companies. The first quote comes from a senior sales executive while the second and the third are from senior marketing executives:

> *If salespeople see that millions of dollars are being spent on marketing, and if they do not see marketing adding any value to what they do … in terms of creating winning products, smarter strategies, innovative campaigns … they are going to ask, where does all that money go? What do these people do in those offices? How big is that organization?*

> *Many times, the VP of sales may go into meetings with the sales directors and regional managers and trash all the things we do … and it kind of flows down, it is a top down thing. Our CEO has a lot of work on his hands. These executives who are running sales and marketing organizations are out of sync … and we are seeing all the backbiting taking place throughout the enterprise.*

> *Salespeople talk to their colleagues around the country. And they couldn't care less about what marketing tells them. They decide amongst themselves how strategies should be implemented … marketing's directives can go out the door in no time.*

These and many more such opinions we have heard are symptomatic of the deep-rooted problem areas within this interface–as we discussed in the Introduction to this book. While today's business environment requires that sales and marketing work interdependently, the dynamic between these two functions reveals that it is very challenging to bring these two functions together in a collaborative manner. In sum, the very functions that are jointly responsible for bringing in the revenue do not see eye to eye in many companies–making it a huge strategic priority for organizational leadership.

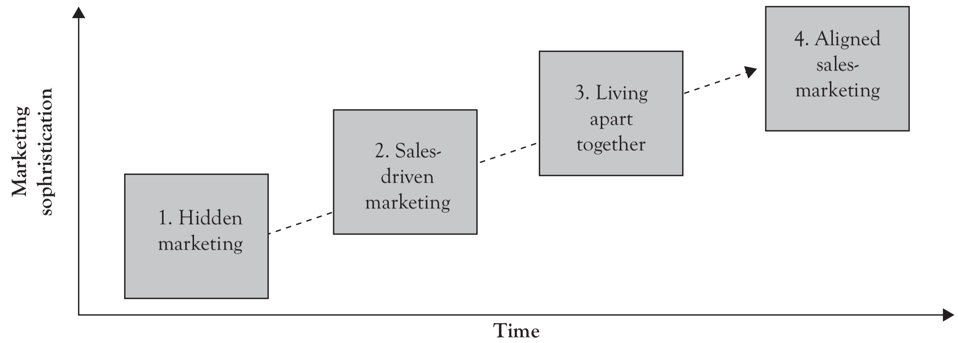
How the Interface is Organized

Our research further shows that the nature of interaction and the resulting quality of the relationship between sales and marketing strongly depends on how this interface is organized. In a study of sales-marketing interfaces in B2B companies in the United States, The Netherlands, and Slovenia we uncovered four common organizational configurations (Figure 1.4):[25]

Hidden Marketing

In many B2B companies that lack a marketing department, marketing is hidden with marketing activities performed by the CEO or sales manager. Sometimes, both strategic marketing issues (identifying target markets, creating communication, and positioning strategies) and tactical sales issues (executing marketing strategies, communicating with customers) are handled by the same individual. These companies tend to be relatively small and very sales oriented, with marketing not being a part of anyone's job description. These companies either fail to appreciate how a separate marketing function and a more strategic perspective may improve performance or they are simply too small for a dedicated marketing manager.

Such companies lack a clear marketing strategy and are usually driven by short-term, opportunistic sales behavior. A flat organizational structure, short communication lines and an emphasis on informal communication allow for fast responses to changing needs of individual customers, but come at the price of a lack of strategic thinking and a constant fire-fighting mode. Despite their strong focus on short-term sales, they may still perform some marketing activities. Their marketing proficiency depends on the background and characteristics of one or a few individuals. When a sales director has affinity for marketing, the allocation of time between sales and marketing takes place inside his head with marketing usually taking the backseat. As one of the sales managers from our study



Value delivery	Physical product	Physical product plus some intangibles	Physical product and significant intangibles	Joint creation of tangible and intangible value
Market responsiveness	Very responsive to changing short-term needs of customers	Sales tries to identify and enhance customized solutions	Emerging responsiveness to long-term needs	Highly responsive to both short and long-term needs
Market consistency	Value delivery is up to salespersons; inconsistent messages	Short-term messages become more consistent	Emerging consistency in long-term messages	Joint effort to maximize consistency across time, customers and industries
Benefits of current stage	Effective communication; strong focus on individual customers	Strong sales support; emerging attention to marketing issues	Increasing long-term perspective; balance between short term and long term	Increased value creation for customers; attention to latent needs
Disadvantages of current stage	Absence of long-term strategic planning; ignoring marketing's potential	Lack of understanding of marketing's value; emerging turf battles	Potential differences between both functions; misunderstanding and miscommunication	Danger of groupthink; lack of dissent may be counterproductive

Figure 1.4 Four sales-marketing configurations

remarked: "I do sales in the daytime and marketing in the car and in bed at night."

Sales-Driven Marketing

A second cluster of companies have an embryonic marketing function with a very strong sales orientation. They usually created a marketing function in response to changing market conditions or increased business activity. The marketing function is often a spin-off from the sales department, consisting of one or two individuals who support day-to-day sales activities (for instance, by developing sales collateral and organizing participation in trade shows). Sales is in charge of customers and focuses on obtaining orders, communicating with customers, and providing after-sales service. In these sales-driven companies, marketing plans may be created by marketers, but they are not always acknowledged by sales. Salespeople deviate from the plan whenever they feel that the situation warrants it. Salespeople often perceive the marketing function to be beneficial, but not crucial for the company's survival or growth. As one salesperson at a capital goods manufacturer noted: "It is good to have a sense of where we are going. However, it is not something we have to abide by; lest we would falter in the marketplace."

Most communication between sales and marketing occurs through formal meetings. Marketing uses these meetings to understand what is going on in the marketplace by asking sales for feedback on the company's marketing activities and how they can better support them. But, marketing being new for these companies, sales is not sure which information may be useful for marketing. In addition, sales is often reluctant to provide marketing with customer information because they perceive it as losing control over their customers. This results in only limited collaboration between marketing and sales. Marketing does what it deems useful for sales and sales is not sure about marketing's added value. Sometimes, the newly established marketers also have a limited view of their added value. A recently appointed marketing manager remarked: "I am marketing, but if you would ask me to explain the difference between marketing and sales, I could not tell you. I do all kinds of things that the salespeople just don't get around to."

Living Apart Together

A third group of companies possess distinct sales and marketing functions, staffed by individuals with sales and marketing backgrounds. In these companies, sales and marketing are established functions, with their own identity and well-defined job descriptions. Marketing analyzes market information and creates marketing plans and programs, which are then implemented by sales. In many ways, sales and marketing functions in this group of companies act like independent entities to a great extent. There are opportunities for collaboration (for instance, marketing may invite salespeople to provide input into the strategy process), but this does not always happen. Often, sales and marketing exist in their own separate silos, lacking open communication and exchange of information about problems or success stories. If that is the case, marketing formulates plans and programs without taking into account market realities such as customer needs, the competitive environment or the feasibility of implementation. And sales questions the value of marketing and wonders about its raison d'être. Companies in this cluster are susceptible to mutual animosity, lack of respect and hostility between their sales and marketing departments. When the inherent differences between sales and marketing are not managed appropriately, this serves as a perfect breeding ground for misunderstanding and conflict.

This situation, however, does not suggest that they never work interdependently. For example, in such companies, sales occasionally provides feedback to marketing, so that it understands how customers respond to the company's strategies and activities. Having an established, more mature marketing function allows these companies to address strategic issues that go beyond providing sales support. This is in sharp contrast to the companies with a sales-driven marketing function, where marketing's responsibilities and role are amorphous and emergent. In the words of a marketing manager, who commented on the changed role of marketing in her organization: "In the beginning, sales expected marketing to be active only at the end of the sales process. For instance, salespeople would ask us to produce brochures for specific customers. But this attitude has changed and sales now appreciates the added value of marketing." Thus, while marketing's primary function is still to support sales; it combines insights across different territories and formulates overall marketing strategies. Marketing also acts as a connector by distributing information across different sales territories, for example by sharing success stories across territories through e-mail blasts or newsletters, or sharing best practices. These companies coordinate sales and marketing through both formal and informal communication. Periodic meetings are supplemented by informal communication, based on good interpersonal relationships between sales and marketing personnel. Thus, the two functions are truly living apart together.

Aligned Sales-Marketing

A final cluster of companies possess separate sales and marketing functions, each with their own identity, performing complementary activities and being closely aligned. Both functions are jointly responsible for the creation of marketing plans and programs. And even though sales and marketing each have their own specific tasks, they frequently collaborate on them. As a result, it is often difficult to identify where marketing's responsibility ends and the responsibility of sales begins. These companies emphasize the co-creation of marketing campaigns, with marketing inviting sales into the strategy process and using their insights because they believe this improves their marketing plans. Marketing also stays very close to sales in the implementation of marketing strategies. Both functions appreciate each other's added value and use every opportunity for collaboration.

Such alignment between sales and marketing is realized through an optimal mix of formal and informal communication, with both functions being encouraged and motivated to exchange information. Because sales and marketing possess equal stakes in the creation and success of strategies and plans, they both want to contribute their best ideas and develop the best possible plans. This directly affects interfunctional communications: People grab every opportunity to pass information along to the other group, fully expecting them to use it. If the other function is unable to use the information provided, this is clearly communicated. This open communication reduces misunderstanding and enhances the quality of information exchange. Companies in this cluster also use formal processes to get together, make sense of market feedback, interpret information and collectively store it and ensure that it will be accessible when needed. This free flow of information, combined with mutual respect, facilitates collaboration in almost all sales and marketing activities, such as identifying new market opportunities, creating new product offerings and responding to changes in the marketplace. Both sales and marketing view collaboration as essential to their day-to-day work. Nevertheless, conflict between sales and marketing may still exist. But these conflicts are constructive and resolved through open discussions.

Moving Across the Spectrum of Configurations

Although our study uncovered four different sales-marketing configurations, we also found that companies are not forever caught in a single configuration, but evolve over time. The four configurations represent a continuum with "Hidden Marketing" as a starting point and each subsequent configuration representing an evolution from the previous one. Often, this evolution is a result of the company's growing size. Small companies start with just a sales function and lack the need and resources for a separate marketing function. The presence of marketing ambassadors—that is, employees who are passionate about marketing within the company—as well as a critical mass of employees who are predisposed to the marketing philosophy, are crucial in helping marketing take root within the company. As the company grows it will need a separate marketing function. At the outset, this marketing function is just a spin-off from sales and focuses on supporting daily sales activities. But as it grows in size it will develop its own identity and explore more strategic issues. Eventually, sales and marketing may find each other in an effective aligned co-existence aimed at creating superior value for customers, albeit with some bumps along the way.

Companies may also move across the spectrum because their scope of operations expands. As the number of geographical markets increases, the need for consistent communications increases as well. This requires more attention to the development of consistent value propositions that work across geographical areas and different customer groups. Strategy, planning and operations need to be more tightly integrated, which requires more communication and collaboration between the company's sales and marketing groups. Another reason for companies looking for more integration between sales and marketing is when they notice a significant amount of duplication of tasks between the two functions, or that specific tasks are ignored by both groups.

A company's evolution across the spectrum is not always a gradual affair and may be quite wrenching. In one of the companies from our international study, the arrival of a new CEO introduced a series of related changes aimed at improving the company's level of market orientation, including the establishment of a new marketing function that drastically changed the relationship between sales and marketing. In another company, increasing business with large international customers and a need for a more consistent brand image and improved business performance resulted in a total restructuring of the company's commercial department. As part of this overhaul, regional sales managers transformed into market segment managers and a strategic marketing manager was appointed to improve the link between sales and marketing.

This description of a company's evolution across the spectrum of configurations does not imply that the final configuration of aligned sales-marketing represents the ideal state that every company should aim for. Each of the four sales-marketing configurations represents a specific organizational arrangement that fits specific circumstances. For instance, hidden marketing is the only realistic option for many small B2B companies. And sales-driven marketing is best suited for companies with only a limited scope that still need to achieve their short-term sales objectives to survive. In addition, each configuration has its own benefits and downsides, which suggests that companies will experience both gains and losses as they move across the spectrum. For instance, as a company establishes a marketing function it achieves stronger support for its sales function, because dedicated marketing personnel develop useful sales support materials. But at the same time it loses the flexibility and close integration of hidden marketing, where sales and marketing activities are tightly integrated and the responsibility of just a few individuals. Similarly, a subsequent evolution to the living apart together configuration gives marketing more time to focus on strategic issues, but also has the potential of widening the distance between the sales and marketing groups.

Activities versus Departments

Until now, we wrote about marketing and sales "functions," rather than "departments." The reason is that, in practice, sales and marketing functions do not always correspond with organizational units. For instance, many B2B companies avoid the "marketing" label because they associate it with consumer goods and flashy advertising. But this does not prevent these companies from performing marketing activities. In the absence of a marketing department, marketing activities are often carried out by departments such as Business Development, Applications, Customer Service, and Technical Sales Support. In an in-depth case study of a company in the hospitality industry, researchers found that "There are no full-time marketing personnel at the Central Office…, although many individuals view their role as linked to 'marketing issues.'" Based on their findings, they conclude: "The current case clearly illustrates that marketing can be a dominant philosophy and practice even when no full-time marketing personnel are employed."[26] In contrast to multinational companies in fast-moving consumer goods, such as Unilever and Procter & Gamble, where large marketing departments develop and implement brand strategies, in B2B companies marketing is often dispersed through the organization. In such contexts marketing activities are often performed by employees with no formal marketing training.

In addition, as we have shown, the differences between sales and marketing functions have decreased during recent years. Under increasing pressure to account for their spending, marketing needs to focus on activities that can be directly linked to business objectives. And because customers are much better informed nowadays, sales has moved beyond simple selling to providing advice and building relationships. With marketing becoming more operational and sales becoming more strategic, the boundary between the two functions is more blurred than ever before. As two researchers concluded: "(This) could be argued to change the basic strategic purpose of the sales group away from being a sales-force toward being a marketing-force."[27]

This suggests that there are two ways of looking at the relationship between sales and marketing in B2B companies:

1. *An activity-based perspective* that looks at the relationship between sales and marketing activities in the company (in other words: A focus on **what** is being done)
2. *A department-based perspective* that looks at the relationship between the departments involved in sales and marketing activities (in other words: A focus on **who** does it)

In this book, we discuss the relationship between a company's sales and marketing functions, using an activity-based perspective. In some companies, this will neatly correspond with sales and marketing departments. In other companies, where marketing and/or sales activities are dispersed across several departments, the situation is more complex and managers need to translate our observations to the context of their organizational structures.

Key Ideas and a Look Ahead

In this first chapter, we emphasized that successful B2B companies deliver superior value to their customers. Superior in the sense of: Better than the value offered by the next best alternative (be it an offering from the competition or the company's previous product). Companies need to convince their customers of the value that they create for them and continuously identify new opportunities for value creation. All customers represent a reservoir of untapped potential that companies can identify by deconstructing the job that the customer is trying to accomplish in a series of process steps and look for value gaps (steps for which no solution exists yet) or areas where they can provide better value (steps where the current solution is suboptimal).

The process of creating and delivering value to customers can be broken down into five sub-processes: (1) market sensing, (2) customer selection and acquisition, (3) new value development, (4) CRM, and (5) order realization. Traditional textbooks present a clear division of tasks, with marketing setting marketing strategy and formulating marketing plans and sales implementing these plans. In this book, we present a different perspective: We argue that an optimal execution of all these processes requires a well-thought out, seamless, long-lasting collaboration between sales and marketing. It is the effective interaction between these two business functions that results in the creation and delivery of superior value to customers.

Recent years have seen drastic changes for both marketing and sales, which further emphasize the need for collaboration. Changing economic conditions have put pressure on marketing to account for their spending and pushed marketing toward a more operational role, with an emphasis on activities that can be directly linked to business objectives. And the growing sophistication of customers, who get their information from the Internet, has forced sales to take on a more strategic role, where they co-create value with customers and build long-term customer relationships. As a result, sales and marketing have encroached on each other's domain and the need for effective collaboration is greater than ever.

While the need for an effective sales-marketing interface has increased, B2B companies struggle to make it happen. The business world is replete with examples of companies where the two functions fail to communicate, do not get along or are downright hostile to each other. Sales believes that marketing is out of touch with marketplace realities and does not use the support materials provided by marketing. Marketing feels that sales does not follow up on their plans and sales leads, and is too focused on individual customers and blind to the future. The specific problems of sales-marketing interfaces depend on how these functions are organized. For instance, some companies have separate sales and marketing functions with dedicated sales and marketing employees, whereas in other companies sales and marketing activities are performed by the same few individuals. But even when sales and marketing are done by the same individual, she still needs to divide her time, budget and attention between these two areas.

In the subsequent chapters, we explicate in a nuanced manner the relationship between sales and marketing in B2B companies. In Chapter 2, we present three real-life scenarios of how sales and marketing fail to collaborate successfully. Chapter 3 takes a more detailed look under the hood of the sales-marketing interface by first presenting the various problems that may occur in sales-marketing interfaces, and then discussing the underlying causes of these problems. In Chapter 4, we explain how companies may deal with problematic sales-marketing interfaces. Chapter 5 presents a series of tools that managers can use to diagnose the state of their sales-marketing interface. And Chapter 6 places the sales-marketing interface in a broader context by discussing a number of challenges that companies have to deal with and that directly impact their sales-marketing interface.

Chapter Take Aways

- B2B customers do not buy products, but hire products to get a specific job done. B2B companies must create superior value for their customers by helping them getting this job done more effectively or more efficiently.
- Sales and marketing perform complementary tasks in creating and delivering value to customers, which make them dependent on each other. Marketing focuses on strategic tasks and sales on operational ones.
- Recently, marketing has become more operational and sales has grown more strategic. This reduces the difference between the two functions, increases their interdependence, and emphasizes the need for collaboration.
- All of a company's value-creating processes require close collaboration between sales and marketing.
- In practice, many companies struggle to make the collaboration between sales and marketing work. The nature of the problems between sales and marketing is related to how the interface between these two functions is organized.
- The sales-marketing interface refers to the relationship between sales and marketing activities, irrespective of where in the organization these activities are carried out.

CHAPTER 2

Sales and Marketing Don't Always Get Along

The Sales–Marketing Interface is the Key to Strategic Success

As we discussed in the previous chapter, customers in today's connected and hypercompetitive marketplace do not look to their sellers' sales and marketing personnel to simply deliver new products and services. Instead, they expect these customer-facing employees to co-create and deliver a differentiated, sustainable value proposition that addresses the core problems they are dealing with in getting a specific job done. Over the years, the roles of sales and marketing personnel have changed. Today's sales and marketing personnel are increasingly expected to participate in strategic and operational activities, respectively; a far cry from their conventional roles. Consequently, sales and marketing's contributions to value development, deployment, and communication have undergone a metamorphosis.

Because of their direct relationships to customers, in most companies it falls upon marketing and sales to develop and implement winning marketing strategies that provide superior customer value. It is therefore no surprise that the nature of interaction between sales and marketing can make or break the company's strategy-making process and determine its eventual success or failure in the marketplace.[1]

In this chapter, we present three vignettes of how real-life sales–marketing interactions impact a company's strategy development. While we have changed the company and executives' names, these vignettes are based on our research within real companies, large and small, across the globe. Unfortunately, each story fails to provide a happy ending and concludes with missed sales targets, haphazard strategy implementation, or outright strategy failure. We follow each vignette with an analysis of what went wrong, which highlights specific areas within the strategy-making process where the interaction between sales and marketing personnel failed to deliver. These stories serve as an introduction and reference points for the larger discussion that we present in this and the following chapters.

Vignette 1: Flawed Groundwork

Aarin is the Chief Marketing Officer (CMO) within the cardiac care division of Dynamic Inc., a US$3.5 billion multinational medical technology company in the healthcare industry. Aarin's division brings in revenues worth US$700 million per year, approximately 20 percent of the total company sales, and also makes a significant contribution to the company's overall bottom line. It is an understatement to say that his division's performance is watched closely by corporate leadership.

Aarin has been working for Dynamic for the past 15 years and now leads a team of nine brand managers, each looking after several brand franchises. His marketing team prides itself in being analytical and meticulous. They spend a lot of time analyzing market data, competitive activity, and other environmental factors as they develop their marketing strategies. In other words, they do extensive homework prior to strategy development.

It is October 15, 2013, and Aarin and his team are gearing up to prepare the marketing plans for 2014. As is their usual practice, they have collated sales figures from across the country and performed an in-depth analysis of the sales trends. In addition, they have extensively analyzed the activities of their three key competitors over the past six quarters and feel that they have developed a good understanding of their competitors' strengths and weaknesses, as well as of how things are likely to unfold next year from a competitive standpoint. After spending many long hours working with all the market and competitive data, Aarin's team has come up with a new marketing strategy that they intend to launch during the next sales meeting.

Sally is the Chief Sales Officer for the cardiac care division within Dynamic Inc., and she leads a team of 75 salespeople. Sally is Aarin's counterpart in the division. While Aarin and his team were developing the new marketing strategy for 2014, Sally also asked her sales colleagues to begin preparing for the upcoming new business year. As a part of this preparation, Sally's sales team performed an exhaustive analysis of their individual sales territories and identified areas of strengths as well as key concerns. They also looked at the competitors in their respective markets, assessed their strengths and weaknesses, and tried to arrive at informed judgments about what competitive activities to expect in their territories next year. At the end of this 2-month period of collecting and analyzing field data, Sally felt that her team had done a good job of analyzing the status quo and they were confident about starting the new year.

Thus, both the marketing and sales teams were confident that they had done a thorough job prior to launching the new strategy. But something was amiss, which they did not have on their radar at that point.

Fast forward to April 2014: Things are not looking well. In spite of having a brand new strategy and a well-thought-out marketing plan, the division missed its sales targets for the first quarter of 2014. To make matters worse, there are strong indications that sales are not going to improve significantly in the next 3 to 6 months. Overall, the mood within the sales and marketing teams is one of disappointment, frustration, and confusion; a glaring contrast to the exuberance and confidence that these teams displayed just 4 to 5 months ago when they were doing their homework for the new strategy. An overly concerned Aarin calls for a meeting with Sally to assess what's happening in the marketplace and why the strategy is not working. Aarin is determined to get to bottom of the problem and understand what went wrong.

What Went Wrong?

At the end of their 3-hour meeting, the following picture emerges: The very process that Aarin and Sally followed to develop the new divisional strategy is fundamentally flawed, which resulted in an ineffective strategy. This process can be traced to Dynamic's philosophy and an overriding belief (especially prevalent within all the marketing teams across multiple divisions of Dynamic) that strategy development is the exclusive domain of marketing. As a result, salespeople were never a part of the broader conversation about marketing strategy; especially during the early stages, when the nuts and bolts of the strategy were put in place. Excluding sales personnel from this key activity resulted in marketing strategies that were based on a weak foundation. Because the division's market environment was relatively stable during the last decade, these weak strategies still managed to deliver results. But now that the market had shifted, things went south, which helped uncover this major flaw in the company's strategy-development process.

Determined to identify the micro-level processes that collectively resulted in this sub-optimal process, Aarin and Sally began to dig deeper. What they found astounded them. They found a systematic lack of two-way communication between sales and marketing, which had a strong impact on the initial stages of strategy development. While Aarin and Sally prepared really well for the new strategy, they operated independently from each other. During their market and competitive data gathering stages, neither the marketing or sales leadership, nor their rank and file made any active effort to share their data with the counterpart function or to understand each other's reading of the market. They also realized that neither party was enthusiastic about sharing their ideas or seeking or giving frank feedback from and to their counterparts, which further deteriorated the strategy-development process.

The limited communication that did occur between the two functions, especially during the strategy development stages, was formal, sporadic and lacked any "conversational" feel. It was an arm's length communication that occurred mostly through formal channels, and only because it was mandated. For example, during the last quarter of 2013, when strategies for the upcoming year were being developed, salespeople simply filled out sales-call reports and sent them to headquarters, as they always did. They did not make any extra effort to share their market perspectives, or important changes, big and small, they had noticed in their respective market, with their marketing colleagues. The marketers, on their part, stayed in touch with salespeople through periodic e-newsletters, highlighting the monthly sales figures and success stories. But they, too, failed to actively reach out to and engage with salespeople to seek their input on future strategies. On the rare occasion that sales and marketing found themselves at the same table discussing something, they typically spoke past each other and did not stop to listen to what the other party tried to say.

A lack of effective feedback mechanism between sales and marketing at this stage in the strategy-development process left both parties with only a limited understanding of market realities. Marketing did not appreciate the ground-level realities of individual customers, while sales lacked a good perspective on broader market trends, the things that they did not see in their individual sales regions. Even worse, both parties "did not know what they did not know." Moreover, in the cardiac care division it just never occurred that sales and marketing would come together to jointly analyze market feedback and make sense of what happened in the marketplace, prior to diving into the strategy development activity. There were no processes that combined sales' and marketing's different perspectives about how to read market signals. This dysfunctional communication between sales and marketing left the company bereft of the richness of interpretations that results in solid, joint insights about what is going on in the market and how the company may best strategize for it.

During their analysis, Aarin and Sally further realized that the lack of mutual consulting and a conversational approach between sales and marketing continued even when the strategy was being finalized. Marketers thought of themselves as the "owners of marketing strategy" and did not make any effort to test their key strategic activities within some sales territories. Even a simple idea such as letting a select few salespeople in on their plans and asking them to test-drive the key elements of the new marketing strategy, did not cross the marketers' minds. Since the plan that marketing came up with did not really go through any review by their sales colleagues, the ideas and activities were not vetted and no tweaks were suggested or incorporated. Ironically, at the stage of the strategy-development process where the plan should be most open to ideas and modifications, it was cast in concrete and the processes that marketing personnel followed made it almost impervious to outside ideas and suggestions—especially from the sales organization.

Importance of Solid Groundwork

This vignette reveals that sales and marketing personnel did a poor job of laying a strong foundation for an effective marketing strategy. There was a lack of two-way communication between sales and marketing as marketing personnel were putting together the nuts and bolts of marketing strategy; that is, when the groundwork for the new strategy was being performed.

While it may sound obvious that marketing and sales must engage in a constant dialog during the initial stages of strategy development, the reality in many companies is a lack of communication between sales and marketing during this stage. This robs the interface of the opportunity to have an unfiltered conversation about the concerns that each function may have about where the company is today and where it needs to go tomorrow. For example, salespeople do not have the opportunity to share their experiences with current marketing strategies with their marketing counterparts, and marketers, in turn, do not get a sales perspective on specific competitive activities they see in their respective sales territories.

For any B2B company, large or small, developing an effective marketing strategy requires both sales and marketing people to get together and collectively make sense of the information available to them. Having multiple minds use different perspectives, look at market information and make sense of it together results in a much richer understanding of the situation, which in turn leads to more effective marketing strategies. It is not surprising to see many companies lacking the open communication and mechanisms, such as weekly discussion sessions, that allow sales and marketing personnel to come together and perform an in-depth analysis of market information and the plans proposed by marketing. As a result, these companies are susceptible to what occurred at the cardiac care division within Dynamic: A one-sided development of marketing strategy, followed by a lack of collective analysis of its strength and weakness during the early stages.

While this vignette highlights the importance of extensive interaction between sales and marketing during the groundwork stage, the following story helps us realize that solid groundwork is a necessity, but insufficient for a successful strategy.

Vignette 2: Compromised Strategy Transfer

Aamilia is a marketing manager at Twin Cities Inc., a leading global food company that owns a number of industry leading brands. Aamilia manages a brand portfolio in the frozen foods division that is worth US$250 million, leads a team of ten brand managers and product executives, and reports to the CMO. Aamilia is excited about the upcoming quarterly sales meeting in April 2014. At this meeting, her team will launch two new products, on which it has worked with research and development (R&D) for more than 2 years. The new products are of great significance to Aamilia's brand portfolio because a few other products within the portfolio are slowing down. She pins a great deal of hope on the new products to stem the tide.

Over the past few months, Aamilia had immersed herself fully in preparations for the two product launches. Her team has developed the following launch materials to be handed out to the sales force at the product launch meeting: (*a*) a comprehensive strategy document (her team calls it the *Strategy Overview Essay*) that outlines the major components of the new product strategy; (*b*) a PowerPoint presentation that will be used at the sales meeting to introduce the new products and outline their respective marketing strategies; (*c*) three pieces of marketing communication that the salespeople will use as they introduce the new products to their customers: a product information DVD, two white papers that substantiate the longer than average shelf life claim (100 days versus an average of 60 days) that Aamilia is making on the new products, and a promotional materials binder with printed communication materials aimed at different customer segments; and (*d*) a website containing all product information that salespeople may need as they launch the products in the market. Reviewing the preparation that went into the product launch, Aamilia is proud of what her team has achieved. The new products are already in the warehouses, ready to be shipped to major grocery retailers at a moment's notice. The marketing team has developed a sound strategy, and they have the launch and post-launch communication materials for salespeople ready. As she reflects on her previous product launches, she feels that her team had never been so ready. She is ready to roll and looks forward to enjoying the success of the new products.

Fast-forward 6 months. The mood in Aamilia's team is anything but jubilant. She reviews the sales figures for the two product launches with her team and she is not happy. While the products were received reasonably well in the market, they have not sold anywhere near the numbers that she had hoped for. So far, the products have sold at about 60 percent of their targeted volume. Because of this, Aamilia and her marketing colleagues went to different sales territories on sales calls with multiple salespeople and compared notes. The insights gained from this exercise left her confused and frustrated. In spite of preparing detailed instructions and sales process outlines, salespeople in different regions had pitched the new products in different ways, highlighting different (sometimes obscure) product benefits to the grocery chain buyers. Aamilia feels that the sales organization failed to implement most suggestions provided to them in the strategy essay and other support materials that her team presented during the launch event. She also feels that the salespeople did not have a good grasp of the overall strategy in terms of target market selection and product positioning. In her field visits, she had not heard salespeople bring up even once the longer shelf-life of the product and substantiate it with the two white papers they have access to.

She experiences a mix of emotions: confusion, frustration, and at times, anger. In her eyes, achieving 60 percent of the targeted sales volume is tantamount to an outright strategy failure, something that she is not used to. As she reflects on what went wrong, she thinks back on how they developed the new products and crafted the launch strategy. She clearly remembers that she took the precaution to let the sales leadership in on most of her key strategic decisions during (*a*) the new product development process and (*b*) the strategy development process. This ensured that several crucial pre-launch decisions she made had the "blessings" of sales leadership. In addition, she was promised by the sales leadership that they would whole-heartedly support these new products in front of their rank and file.

Aamilia cannot help but wonder: If the products are good, the strategy is well-thought out and vetted by sales leadership, and if the sales leadership is publicly supportive of the new products initiative in front of the sales rank and file, what is the missing piece in this puzzle? To obtain detailed insights, she schedules hour-long phone calls with a couple of field sales managers—Aavel in the Midwest and Lotte on the East Coast. They are both bright individuals and she knows that they are being groomed for sales leadership positions in her company. Furthermore, she has developed a good personal and professional rapport with them over the past few years. She really wants to identify the fundamental flaw in the process and therefore asks Aavel and Lotte to provide her with unvarnished feedback on what they think went wrong. What she hears is nothing short of being astonishing and troubling.

What Went Wrong?

Both Aavel and Lotte explain to Aamilia how they view the 2-day sales/product launch meeting in April as a failed exercise. They are particularly critical of how the entire strategy was presented to the field force during that meeting. In a nutshell, what happened during the meeting was that Aamilia's team presented the strategy and simply distributed the nice-looking strategy essay (with numerous charts and pictures in it) to the field personnel, with the expectation that salespeople would devote several hours during the evening to read it all. Aavel and Lotte also shared with Aamilia that, while the marketing team used the prepared 1-hour PowerPoint presentation to outline the new strategy, the team did not offer their sales colleagues any opportunity to ask questions. To the field personnel this was very frustrating. Because this was the first time that they saw the strategy in detail, it was unrealistic to expect them to digest all the information presented to them during the 1-hour strategy presentation.

Lotte mentioned that what happened after the presentation was even more frustrating to the salespeople within her team. After the morning presentation, Aamilia's marketing team stayed around for half an hour, made some small talk with a few salespeople during the coffee break, and then left the sales meeting under the pretext that they had other engagements at the corporate office. As a result, there was no marketer present during the long afternoon sessions when salespeople, in their own groups, pored over the strategy essay and tried to understand the new plan of action that marketers had devised for them. Without the presence of a marketer to answer questions, it was left to the salespeople and their managers to translate the strategy ideas from the strategy essay into specific field activities. That is, to decide who must do what and when in the field to ensure that the new strategy is implemented successfully. For example, as part of the market penetration strategy called "switching", the strategy essay emphasizes that each salesperson will try to encourage a switch within three accounts currently served by their competitors and bring them under their fold. Neither the essay nor the marketing team's presentation provided any further details about the kinds of accounts (size, geography, end-user profile) salespeople are expected to target for switching. Also, no specific advice was given about how salespeople should initiate the switching conversations with potential targets and the steps that they should take along the way as they encouraged the switch from competitors' products.

Aavel pointed out to Aamilia that because of the lack of input from her team members in this vital process of translating strategic ideas into specific sales activities, salespeople were left to their own wits to figure things out. He mentioned that as the sales meeting ended, and sales personnel prepared to leave town for their respective territories, the general feeling was one of overwhelming confusion. The salespeople were not at all confident that they knew which core strategic areas they needed to focus on, nor did they feel that a uniform tone was set by marketing about the new strategy. As a result, instead of being motivated and charged to go forward with the strategy, salespeople left the sales meeting confused, dejected, and frustrated.

Lotte concluded that Aamilia should not be surprised that the disparate activities, promotional messages, and product positioning that she witnessed in the field were haphazard, non-uniform, and only loosely related to the strategy. In her opinion, this was the direct result of salespeople not understanding the strategy at all. Lotte further mentioned that she had spoken to colleagues in other parts of the country and they told her in confidence that their field managers and salespeople were so confused about the strategy that they did not even come close to finalizing their field activities during the 2-day launch meeting. As Aamilia read between the lines, she realized that Aavel and Lotte were telling her that her team should feel lucky to have such a dedicated field force, which, despite the lack of coherent guidance, was able to achieve at least 60 percent of the targeted sales for the new products.

Importance of Optimal Strategy Transfer from Marketing to Sales

The preceding vignette and its analysis is bound to be familiar to some readers. It is unfortunate, yet very common, that marketers often assume that their job is to develop marketing strategy and then to simply hand it over to the field force. They may arrive at this conclusion since historically, in their companies, marketers view themselves as strategy creators and salespeople as strategy implementers. Moreover, in many companies, marketers contend that since they have spent so much time working out the details of a marketing strategy, the final plan is sound and self-explanatory. As a result, they expect their sales colleagues to just take the plan and run with it. The marketers' mindset creates a domino effect: marketers develop fancy-looking strategy documents and fill them with numbers, charts, pictures, and marketing jargon that salespeople do not relate to or do not have time to ponder over. In addition, they literally *hand-off* the strategy to the sales force by giving a quick 1-hour, canned spiel that reproduces what is already written in the strategy document. During the presentation, they frequently mention how cutting-edge their strategy is and how it is up to the field force to ensure that their superb plan will be successful in the field. Unfortunately, these presentations sorely lack the discussion about the rationale behind the strategy and, most importantly, fail to explain how this new strategy will help the field force achieve their goals; in other words, what is in it for them?

There may be many reasons why marketers do not spend much time explaining their strategy to the field force. First, they simply do not realize how important it is. Second, they feel that it is beneath them to have extensive strategy discussions with salespeople who they view purely as field operators. Third, they believe that salespeople are unable to grasp the big, strategic ideas and hence, it is not worth the time and effort to dig deeper into the underlying rationale and analysis of how the strategy came about. Fourth, they do not want to enter an extended conversation about strategy details with salespeople and minutely dissect the strategy, because they are unwilling to hear any negative comments about the strategy, or make any last-minute changes to it.

No matter what the reason, as any sales professional will be quick to point out, this vignette describes exactly how *not* to handle the strategy transfer from marketing to sales. Fancy words in a marketing strategy document do not mean much to salespeople, unless they have been given sufficient opportunity by their marketing colleagues to dig through, think about, and have an open conversation about the meaning of those ideas and how they help them achieve their goals. Salespeople are as interested in activity details as they are in the big ideas, which means that it is critical that they understand the *why* and *what* of a strategy. They want to see how the fancy words (for example, *switching*) from the marketing strategy document translate into specific tactics and activities that they can perform in their respective territories. In other words, when a salesperson looks at a marketing strategy initiative presented by marketers, three thoughts come to their mind.

1. *What does this new idea mean to my performance in my market?* Where are the pointers that suggest that the new idea will be successful in my territory? Salespeople do not necessarily care about how beneficial the idea is at a macro-level, since all that matters to them is whether and how the idea will succeed in their microcosm.
2. *If I am to work with this idea, how will my company help me achieve my goals?* Salespeople want to understand whether and which marketing support systems will be in place as they initiate specific field activities that are consistent with the broader marketing plan. If they don't see much evidence, they disengage.
3. *How will the proposed new activities impact my day-to-day work?* As soon as salespeople hear about a new strategy, they begin to assess the new tasks (such as calling on three new customers per month and trying to "switch" them) that they need to engage in to implement it, and the current tasks (visiting key existing customers once a quarter) that they have to give up to make room in their schedule for the new tasks. Salespeople look for direction in translating strategic ideas into action plans and finalizing field activities.

None of the above happened during product launch meetings at Twin Cities Inc. As a result, there was no in-depth conversation about the new strategy at the sales meeting and in the end, salespeople lacked knowledge of activity specifics, clear direction, and focus. This was reflected in the field in a wide variety of activities that did no justice to the strategy and failed to deliver.

The two vignettes seem to emphasize that as a marketing executive you need to: (1) engage extensively with your sales organization as you devise any new strategies and have their inputs and ideas woven through the strategy, and (2) spend enough time and effort on explaining the strategy and the underlying rationale to your field force, as well as work with them to translate the strategic ideas into specific, field-level action items. If you are a sales executive, you are probably thinking about how you can get involved in these two important strategic processes and work side-by-side with your marketing counterparts. But, as our next vignette illustrates, there is more to this.

Vignette 3: No Post-launch Commitment

Ron and Sandra, the CMO and General Manager Sales at National Inc., a world-class IT solutions company, share a remarkably close personal and professional rapport. Contrary to what we witness in many companies, they function very well as a team. They keep each other informed about their major strategic decisions, and frequently consult with one another before launching major marketing or sales initiatives.

It is March 2013 and Ron's team is getting ready to launch a major marketing campaign on the West Coast, which accounts for over 55 percent of their division's overall sales. It is a very important campaign and its success would lay a strong foundation for 2014 and beyond. Ron's team has done a fabulous job of developing a sound marketing plan that is wholeheartedly supported by Sandra and her senior sales leadership. The new strategy entails upgrading key customers from their current IT infrastructure to a future-oriented one that allows them to migrate to cloud computing at 75 percent of the total cost of their competitors' products. In other words, National would enable its customers to implement future-oriented, versatile technology at a whopping 25 percent discount on the upgrade price.

Ron's team has done a great deal of homework before developing this strategy. Together with salespeople, they visited key customers to understand their perspectives. In addition, they extensively consulted with field personnel on the West Coast and gathered a lot of feedback from them about the kinds of strategies that seem to work in that market. The resulting campaign is the end product of meticulous planning and extensive joint groundwork on the part of both the sales and marketing teams. As

Ron applies the finishing touches to the campaign, he feels very strongly about its potential financial upside as well as how prepared his team is to offer all the required support to their sales personnel for this campaign.

The campaign launches with much fanfare during the December 2013 annual sales meeting. At this meeting, both the sales and marketing leadership spend much time with the West Coast sales team (90 salespeople, 6 field managers, and 2 sales managers) explaining the strategy details and the rationale behind the strategy, as well as what the specific strategy activities entail. Given the importance of this new campaign, Ron instructs his marketing team to stay put with their sales colleagues throughout the 3-day meeting as they examine the strategy and get acquainted with its tactical nuances. His team is ready to answer any questions that may come up, and assist salespeople in developing action plans for their individual markets. His team is very diligent and they put a lot of effort into the sales meeting to ensure that salespeople have a very clear idea about which specific activities are expected from them during the next 6 months as they take the strategy to market. When asked, salespeople mention that they are excited about this new strategy and feel that they are ready to take the market by storm. Overall, at the end of the sales meeting, it looks like the field force is poised to make a big strike and the mood is enthusiastic.

Unfortunately, the reality turns out to be much less exciting. It is early April of 2014 and the mood in the marketing and sales teams is far from jubilant and confident. The excitement that existed at the end of the December sales meeting has completely evaporated. In spite of all the research and planning that went into creating the campaign, it failed to make a noticeable impact in four major markets on the West Coast: Los Angeles, San Francisco, Seattle, and Portland. Barring a few, sporadic success stories, customers are not at all enthusiastic about the new offering; even at the 25 percent price discount. The field force feels frustrated and is desperately looking for guidance.

As it happens, the bad news takes a while to make it to the top. While Ron and Sandra had heard some less positive feedback through the grapevine in the first 4 weeks after the campaign was launched, they did not anticipate the extent to which the campaign failed. The first quarter sales numbers caught them completely off-guard. To understand what happened, they set out to investigate this failure jointly. They make multiple phone calls, go on customer visits themselves, and speak with a large number of sales personnel on the West Coast. Their findings prove to be both surprising and disheartening.

What Went Wrong?

More than halfway through their investigation, Ron and Sandra notice a few common themes emerging that point to what went wrong. It turns out that the mid-level marketing executives within National Inc., especially the brand managers, believed that their responsibility for the specific marketing strategy ended after having spent a considerable time developing a fine marketing strategy, helping sales personnel to put the strategy into perspective, and aiding them in developing an activity plan. As a result, they expected the strategy to gain sufficient momentum going forward and therefore diverted their attention to other areas. Unfortunately, the reality, as it unfolded in the West Coast markets, was very different. As salespeople experienced to their great surprise when they took the campaign to their major customers, these customers were less than excited about the company's proposal. Many customers said they were satisfied with their current IT infrastructure and viewed National's new offer not as an opportunity to upgrade at a significant price discount, but rather as an effort by the market leader to force them to upgrade and in the process extract additional revenue. Within the first 3 weeks of launching the strategy, salespeople were hitting a major, unexpected obstacle: resistant and belligerent customers who saw no value in National's offering!

As salespeople turned to their marketing colleagues for ideas and answers, they did not find the support they expected and needed. The marketers assumed that their responsibility had ended and they had moved on to the next big thing. Not surprisingly then, marketers did not invest much time into examining what was happening in the field with their strategy. The salespeople had a hard time connecting with their marketing colleagues and were in a very tricky situation. On the one hand, they faced nonresponsive and resistant customers, and on the other hand, they did not find the marketing support required to turn these customers around. This lack of follow-up on the marketers' part proved especially deleterious since salespeople were left to fend for themselves in hostile waters. The negative feedback from customers to the strategy that had been carefully crafted and launched was not heard by marketers. Therefore, marketers did not respond to salespeople's questions and concerns, or fine-tune their strategies in response to customer reactions in real time. The well-laid out strategy that everyone in the field was excited about, failed in the marketplace because marketers were unable to handle the post-launch strategy dynamics in a timely manner.

Staying in Touch After Launch

What Ron and Sandy learned from their analysis is all too familiar; especially to readers in the sales profession. It is not difficult to find marketers who believe that once the strategy that is blessed by both sales and marketing leadership is handed off to the field force, their job is over. These marketers do a great deal of homework, develop great campaigns, get their salespeople all excited about it, only to witness a few months down the line that their campaign is a failure.

One of the major causes of such an outcome involves, as some salespeople put it, "marketing's unexpected U-turn." That is, the very marketers that are omnipresent and available for conversations with salespeople while developing marketing strategies and helping field personnel with their launch preparations, are difficult to reach after the strategy has been launched. Even when salespeople are able to connect with them, it is difficult to get the support they need. Many salespeople feel that the marketers have suddenly lost interest in the strategy and are not really willing to help them out.

It is ironical that marketers, knowingly or unknowingly, distance themselves from the strategy process at a very crucial stage: the post-launch implementation stage. Although the nature of interaction between marketing and sales may change during the post-launch stage, marketers need to remain deeply involved. Marketers must lead from behind by offering their sales organization all the support they need. When this support is not provided, it disrupts the powerful feedback mechanism between the company's headquarters and its field organization. As a result, word about whether or not the strategy works, fails to reach marketers in time. When strategies do work in the field, lack of such feedback prevents salespeople from achieving even higher milestones. When strategies do not work, the absence of robust feedback may prove lethal. In such cases, companies are unable to tweak their strategies in response to market realities, thereby rendering all the hard work done till this point to no avail. In contrast, when marketing does stay involved during the post-launch stage, salespeople receive optimal support and strategies are implemented consistently across territories. That this ideal situation turns out to be the exception, is caused by several factors:

- Marketers strongly believe in the notion of *"hand-off"*: Once the strategy is handed off to the field force, it is the sales force's responsibility to see it through
- Marketers have such faith in their strategy that they believe there will be no obstacles that require intervention on their part
- Marketers fail to realize that they need to stay in touch with sales personnel; to check-in periodically to assess how things are going
- Marketers feel that the sales force perceives their checking-in as "unnecessary meddling" and therefore they stay away
- Marketers are too busy with some new activity and cannot devote time to an ongoing campaign.

The Elements of an Optimal Marketing Strategy Process

An extremely disheartening, yet real fact is that a large number of marketing strategies fail to deliver results. The three vignettes discussed in this chapter corroborate this sobering reality by highlighting how a series of failures within the sales-marketing interface may lead to strategy failure. As we dig deeper into each of the three stories, what emerges is that in each story the failure of marketing strategy can be traced to some specific elements within the sales-marketing interface. Taken together, these three vignettes suggest that, irrespective of the industry or company, an optimal marketing strategy-making process encompasses three key stages.

Stage 1: Lay the Groundwork

Performing this stage optimally lays a strong foundation for the strategy. During this stage, many conversations take place within the company about the key elements of the new strategy, their advantages, and potential vulnerabilities. As companies begin to draft the new strategy, they analyze their current market performance and discuss a variety of big and small ideas that help them in addressing major concern areas and capitalizing on potential market opportunities.

Stage 2: Transfer from Marketing to Sales

The second stage brings the marketing team and the entire sales force together for the first time in the strategy process. During this stage, marketing personnel unveil the new strategy to the field force. Strategic ideas and philosophies are translated into ground-level realities; that is, strategic directives are translated into sales action plans that salespeople can implement in the field.

Stage 3: Follow-up

The third and final stage begins as soon as salespeople have taken the strategy to the field and begun the implementation process. This stage also includes the initial few weeks or months in the life of the new strategy as it makes its way through the market and experiences a response that may vary from overwhelming acceptance to tentative acceptance, indifference and resistance, or outright rejection.

In Table 2.1 we offer a brief discussion of each of the stages, and identify critical success factors that interface personnel may keep in mind to successfully execute each stage.

Before concluding this chapter, we want to note that although our preceding discussion presents the strategy-making process as consisting of three distinct stages, in reality, the demarcation lines between the stages may be blurry. In addition, when implementing this three-stage framework, you may find yourself going back and forth between stages at various points in time. Strategy-making is a complex, iterative process. As you are

Table 2.1 How marketing and sales may contribute to successful strategy making

What marketers can do	What salespeople can do	What both can do together
	Stage 1: Lay the groundwork	
• Seek extensive input from sales about what they would like to see incorporated into the new strategy • Seek input from both high and low performing sales territories • Initiate conversations with the field force early on in the process before any ideas are cast in concrete • Give due credence to sales force's opinions, both positive and negative	• Seek out opportunities to participate in strategy discussions with marketing • When invited, do not hold back; offer as much input and ideas as you can • Give marketers an objective assessment of how the current strategies are faring in the field; what worked and what did not work in the past • Thoroughly vet marketers' ideas; test-drive the strategy and provide objective feedback to marketing	• Set aside your biases,maintain objectivity and unflinching focus on market data; aim for optimal, objective, partner-like engagement • Remain true to the core tasks: objective assessment and triangulation of multiple data points • Remain unbiased in your communication and criticize ideas, not individuals or functions • Do not ignore trouble spots; sweeping them under the rug is not a wise thing at this stage • Remain collaborative and maintain free-flowing transparent communication • Embrace and preserve the iterative nature of the process
	Stage 2: Transfer from marketing to sales	
• Invest time and energy to clearly explain the new strategy to salespeople • Use simple terms (avoid jargon), explain the key components of the strategy to salespeople and the rationale behind them	• Listen to what marketers are proposing carefully with an open mind • Take interest and ask questions • In case of disagreement with the strategy, focus on how you may work with marketing to modify the strategy	• Maintain objectivity during strategy discussions • Keep the lines of communication open • Ensure that at the end of the process, salespeople have rank-ordered the strategic priorities and know what they will do in the field, right out the gate

(*Continued*)

Table 2.1 How marketing and sales may contribute to successful strategy making (Continued)

What marketers can do	What salespeople can do	What both can do together
	Stage 2: Transfer from marketing to sales	
• Answer all questions from sales personnel after the strategy is introduced to them • Remain open and flexible, take criticism in the right spirit; do not quash it • Work with salespeople to develop specific field activities that are consistent with the core tenets of the proposed strategy	• Internalize the key strategic ideas and be proactive in developing specific action plans to implement them • Stay true to marketing's strategy recommendations; do not deviate from them	• Ensure that everyone within the sales-marketing hierarchy is on the same page when it comes to their understanding of the new strategy
	Stage 3: Follow-up	
• Stay involved in the strategy; you are still responsible • Stay connected with salespeople; actively seek feedback on what works and what does not; listen more and speak less • Remain open to the evolution of strategy; offer tweaks and ideas to adapt the strategy • Monitor field activities and be there for your field force; they need you most at this time	• Remain fully committed to the strategy and do not cut corners • Do not get influenced by early successes/failures; remember, it is a marathon, not a 100 meter sprint • Provide as much feedback to marketing as possible about how the strategy is received in the marketplace • Listen to your customers carefully and understand what they say about your strategy	• Own the strategy jointly; both its successes and failures • Give and receive feedback objectively; do not point fingers or take all the credit; remember that strategy making and implementation is a joint effort • Try to collect broad-based feedback and do not get influenced by a few, random data-points, either positive or negative

outlining the strategy, and specific objections come up from the field force, you may find yourself going back to the market data and re-evaluating your interpretations of the data; as if you are still in the groundwork stage. This is very common and no cause for alarm. In addition, strategy making is a cumulative process. The eventual strategic success depends on the seamless execution of each of the three stages. Any weak link in this process will have a negative effect on the entire strategy-making process as well as the eventual strategy implementation success.

Remember that the interactions between sales and marketing within a company have both short- and long-term consequences. In the short term, the nature of interaction dictates whether sales and marketing teams can get their jobs done on a day-to-day basis. In the long term, they determine whether the company is able to successfully develop and implement marketing strategies that allow them to develop and deliver superior customer value to customers.

In an ideal world, the sales and marketing teams will get along with one another and work together in an optimal manner. But, in the real world that seldom happens. The relationship between sales and marketing faces many challenges. In the next chapter, we will look under the hood to understand what really afflicts this interface.

Chapter Take Aways

- The strategy-making and implementation process consists of three stages: laying the groundwork, transferring the strategy from marketing to sales, and following up on the implementation.
- When laying the groundwork, marketing and sales need to come together to have an open and in-depth conversation about the status quo- in terms of the opportunities and challenge; if feasible, test-driving major components of marketing strategy and tweaking it if needed.
- Marketing must be fully engaged when they outline the strategy to sales personnel; they must clearly explain the strategy, answer questions, and help sales personnel devise workable field action plans so that they are ready to hit the ground running.

- For marketers, staying involved in the strategy as it is being rolled out in the field is not optional; when the rubber hits the road, marketing must stay involved and be available to provide support to sales, while sales needs to provide useful feedback to marketing about the strategy's initial results in the marketplace.
- Strategic success is the result of sales and marketing personnel engaging in all three strategy making stages; each subsequent stage must build on the previous stage to eventually lead to successful implementation—it is a cumulative process.

CHAPTER 3

Taking a Look Under the Hood of the Interface

A Wide Range of Problems

As we have shown in the previous chapter, the interaction between sales and marketing leaves a lot to be desired in many companies. When sales and marketing fail to communicate effectively and work at cross-purposes, it not only leads to a dysfunctional interface but also results in inefficiencies and missed opportunities. In this chapter we take a closer look under the hood of the sales-marketing interface, to see what fails to make it run smoothly. What are the most common problems between sales and marketing? What causes these problems? What does this mean for a company's business performance? And how does all this depend on the type of company?

Companies with dysfunctional sales-marketing interfaces experience a host of different problems, which we classify as follows (Figure 3.1):

1. Problems from the perspective of sales.
2. Problems from the perspective of marketing.
3. Problems from the perspective of the sales-marketing interface.
4. Problems from the perspective of the company.

As we discuss these multiple perspectives on what may afflict sales-marketing interfaces, we draw upon our extensive research across multiple industries in different parts of the world. We blend our research findings in this chapter in the form of many interesting quotes from the sales and marketing managers we spoke with as a part of our multi-year research. These quotes bring to life many of the deeper level issues that sales and marketing personnel grapple with on a day-to-day basis.

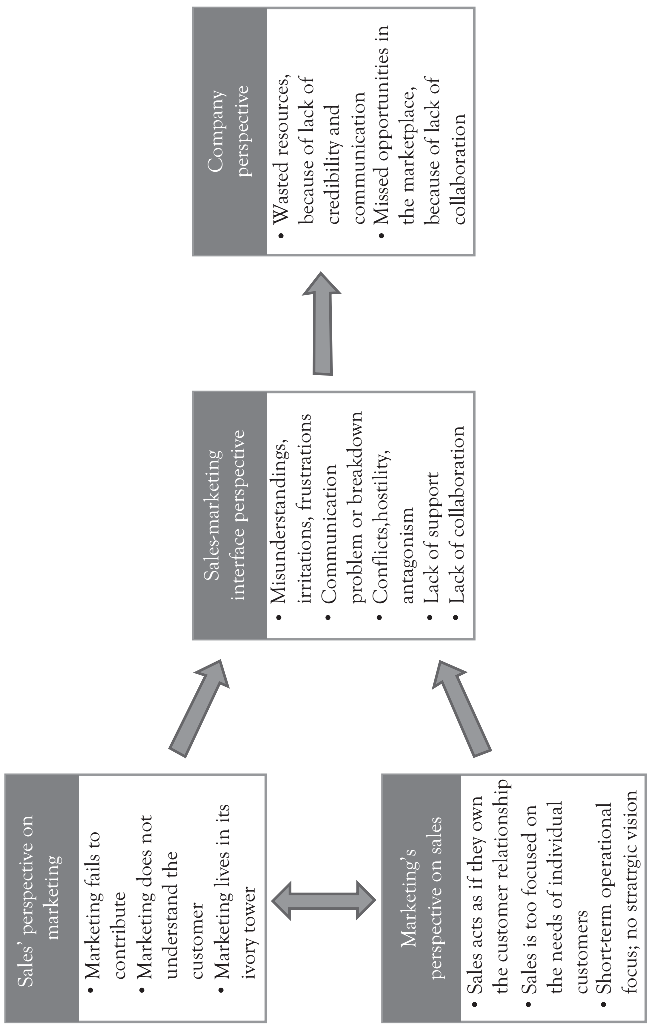


Figure 3.1 Classification of sales-marketing interface problems

Problems from the Perspective of Sales

In any company with a dysfunctional sales-marketing interface, both parties are usually quick to blame each other. From the perspective of sales, a problematic interface is largely caused by marketing not doing what they are supposed to do. Salespeople see themselves as productive employees who have daily contact with real customers, and it is their job to get purchase orders from these customers. In addition, they spend time and effort to maintain and further develop relationships with key decision makers and influencers at these customers to ensure a stream of future revenues. In other words: By generating revenue they contribute directly to the bottom line. To ensure accountability, they need to track their hours and activities, but all of them can be directly linked to revenues and contributions to profit.

In sharp contrast, salespeople generally fail to see the direct contribution of their marketing counterparts. From the perspective of sales, marketing employees are out of touch with the needs and requirements of individual customers and the many details that salespeople need to deal with when negotiating with customers about specific orders. Instead, in their opinions, marketers spend their time on rather vague strategic activities, such as developing value propositions and building the brand that cannot be directly linked to increased orders or profits. To make matters worse, they are often not held accountable for their activities or specific results, drive around in large company cars, play golf with customers, and draw a larger paycheck to boot! As a result, from the perspective of salespeople, marketing fails to add value to the company and lacks credibility. One marketing executive we spoke with in a technology company lamented how they have to actually justify to their sales colleagues the importance of the work they perform:

> *"I think that I spend almost 70 percent of my time explaining and demonstrating to sales the added value to the company of what I do."*

All too often, sales will not acknowledge marketing's strategic focus and try to downgrade marketing to being a producer of product brochures and other sales collateral, that it may call on as and when needed. In these cases, sales sees marketing as a business function that should focus on supporting sales in their daily activities, thus contributing indirectly to the company's bottom line, if at all.

Problems from the Perspective of Marketing

In a dysfunctional sales-marketing interface, finger-pointing and blame games usually go both ways. Just as sales fails to see the added value of marketing, marketing employees question what sales is doing. In many B2B companies, because of their daily interactions with individual customers, salespeople have developed close relationships with their customers. As a result, they consider themselves the exclusive owners of these customer relationships and act accordingly. This means that if their marketing colleagues express a desire to meet with customers, it is met with either a lukewarm response or sometimes outright resistance.

While discussing her experience in this regard, a marketing manager at a computer manufacturer told us how he experienced blatant resistance from his sales colleagues when he announced that he would like to meet some customers. He traced it back to a deep sense of distrust between sales and marketing in his company.

> *"When I had just started in my new job as marketing manager and announced that I wanted to visit a number of customers, the salespeople strongly objected. 'What are you going to do with my customers?' they asked me."*

Because of their long-term strategic focus on markets and customer segments, marketers feel that salespeople use a rather limited perspective on satisfying the immediate wants and needs of individual customers. This short-term operational perspective causes them to lose sight of long-term strategic issues, such as building the brand, developing viable competitive value propositions, identifying new market opportunities and developing a continuous stream of innovative products and services. The short-term perspective of sales may generate immediate revenues and profits, but fails to contribute to a sustainable market position in the long run.

Problems from the Perspective of the Sales-Marketing Interface

The effects of stereotypical thinking by sales and marketing employees are most visible from the perspective of the interface where representatives from both functions interact with each other. The most common symptom of a dysfunctional sales-marketing interface is a breakdown in communication between both functions. Many companies must deal with blame-games, misunderstandings, frustrations, and irritations between their sales and marketing employees. In communicating with their counterparts, these employees just do not feel appreciated and understood. In the words of a marketing manager in an engineering component manufacturing company:

> *"Our salespeople are clueless most of the times…they will constantly look for excuses why they cannot meet their quotas and more often than not, it is the marketing department's fault. We have had many heated arguments with the sales leadership…they just do not want to take ownership."*

But it can get much worse! In more extreme cases, companies must deal with open conflict, outright hostility, antagonism, and blatant fights. As a part of our research, we spoke with the Chief Marketing Officer (CMO) at a foods company. She told us how important it is for companies to deal with the conflicts between sales and marketing in a timely manner, because if left unattended, they may slumber for a long time and take on a life of their own, with participants no longer remembering what caused the conflict in the first place. She talked about her experience of how, a few years ago, marketing had to pull the plug on a sales promotion activity with three major grocery chains for financial reasons. Obviously, that did not go well with the sales organization since salespeople had done extensive preparatory work ahead of that sales promotion activity, and had to face unhappy buyers, who no longer wanted to trust them. As her quote below suggests, salespeople in her company still remember that incident, even after three years, and it continues to color their interactions with marketing, even when things are working smoothly ever since.

> *"Sales organizations have a very long memory…and they do not forget events easily, especially those where marketing has let them down. After that sales promotion fiasco three years ago, my team has tried many things to reassure our sales colleagues that it will not happen again…but I know that no matter what they say, they continue to harbor a sense of distrust toward us…and they do not necessarily take whatever we promise at face value."*

Whether the conflicts between sales and marketing are open and verbal or more hidden and subtle, they inevitably become evident in a lack of mutual support and collaboration.

Salespeople do not participate in marketing activities and as a result, sales buy-in of marketing initiatives is low or non-existent. Marketing employees have no interest in the approaches used by sales to convince individual customers and focus on developing a strategic perspective on the needs of market segments. In the worst-case scenario, sales and marketing operate at cross-purposes and actively sabotage each other's efforts. At best, both functions focus on their own activities and ignore each other, which is illustrated by the following remark by a sales manager in a major engineering company.

> *"We don't really share a close relationship with our marketing counterparts. If there is a problem that I need solution for, I would try to find a solution myself rather than asking marketing for help. I know I have to get my work done and no one in marketing is really going to understand what my issues are."*

A lack of collaboration between sales and marketing is usually accompanied by a lack of integration of activities. As we discussed in Chapter 1, in today's hypercompetitive market, marketing and sales activities are supposed to be interdependent and complementary, with marketing focusing on long-term strategic activities that lay the groundwork for effective short-term sales approaches, and sales personnel providing marketing with regular market feedback that goes into developing strategies.

Unfortunately, the reality is often very different. Sales and marketing initiate their own activities and set their own priorities, without consulting each other. As a result, the company's long-term strategic commercial activities are detached from its short-term commercial activities, causing disconnected processes. For instance, in many companies, sales and marketing develop and use their own customer databases and information systems, which do not communicate with each other. Such a disconnect between the two systems means that marketing has no idea what happened to the sales leads that it provided to sales and that sales ignores the help offered by marketing.

Problems from the Perspective of the Company

Obviously, the effects of a dysfunctional sales-marketing interface have implications beyond the interface itself. At the company level, a less effective interface between sales and marketing has two types of impacts on business performance.

First, and most noticeable, are the wasted resources. When the sales and marketing functions are aligned, sales and marketing support each other in achieving both functional objectives and corporate goals. Marketing provides sales with high-quality sales leads, critical macro-level market insights, and useful sales support materials, such as product brochures, websites, and sales presentations. In return, sales provides marketing with real-time information about changing customer requirements and other relevant market information. When sales and marketing are not aligned, the activities from both functions fail to reinforce each other and result in wasted resources. For instance, marketing may provide sales with sales leads and support materials that look very promising and useful to them, only to find them ignored by sales, who develop their own sales leads and support materials. Or salespeople communicate detailed product suggestions from customers to marketing, which are then dismissed by marketers as non-representative opinions from individual customers. In all these situations, the initial effort is largely wasted and represents an inefficient use of corporate resources. To further exacerbate the situation, when employees notice that their work is not appreciated by their colleagues, or that colleagues provide them with irrelevant information or support, it also has a demoralizing effect on the employees involved.

Second, a dysfunctional relationship between sales and marketing may also lead to missed market opportunities. When a company's sales and marketing functions are not aligned, it is less effective in developing and delivering superior value to customers, identifying market opportunities, and quickly responding to changing market conditions. For instance, when the first signs of changing customer requirements are noticed by sales but not addressed by marketing, the company will be slower in crafting an effective response or miss embryonic market opportunities altogether. Also, ineffective communication between marketing and sales often results in inconsistent communication to customers, which in turn leads to customer confusion and lower revenues.

Now that we have identified the symptoms of a dysfunctional sales-marketing interface, we can dive deeper and explore the root causes of these problems. While some of the underlying causes are directly related to the symptoms, others are more deeply rooted in the fabric of the interfunctional relationship or the personal characteristics of the individuals involved. We classify the root causes of ineffective sales-marketing relationships into five groups (Figure 3.2):

1. Different organizational sub-cultures
2. Different individual backgrounds
3. Sub-optimal organizational structure
4. Lack of joint activities and interaction
5. Misaligned systems and processes

Cause #1: Different Organizational Sub-Cultures

Effective customer-centric companies require close cooperation and coordination between the various business functions. For instance, information about changing customer needs collected by salespeople needs to be communicated to the company's marketing and business development groups, where it is combined with insights from manufacturing and purchasing to make decisions regarding product modifications or the development of new products or services. Unfortunately, all these business functions do not always cooperate well together.

Different organizational subcultures	Different individual backgrounds	Sub-optimal organizational structure	Lack of joint activities and interaction	Misaligned systems and processes
• Different scope and focus of activities • Different time horizon • Different sources of knowledge • Different relationship to the firm's environment • Different objectives and priorities • Different language	• Different personalities • Different cultural backgrounds • Different training • Different firm and industry experience	• Functional organization of the sales and marketing functions: product versus market-based structures • Geographical distance between sales and marketing: co-location	• Lack of joint tasks, performed by sales and marketing • Lack of joint non-tasks, social activities • Lack of involvement in each other's tasks • Lack of bidirectional interaction and communication	• Out of sync processes • Lack of common vision • Seperate information systems • Lack of management support for the sales-marketing interface • Misaligned metrics and incentives

Different sales-marketing configurations
The sales-marketing configurations (hidden marketing, sales-driven marketing, living apart together, aligned sales-marketing) influences: • The nature of the sales-marketing interface • The likelihood of problems in the sales-marketing interface • The nature of the appropriate solutions

Figure 3.2 Root causes of dysfunctional sales-marketing interfaces

For example, think about the marketing and R&D functions.[1] Marketers tend to be extrovert and aim to work with the customer, whereas R&D employees are more introvert and focused on developing superior products and new technologies. These differences are reflected in stereotypical thinking about each other. For example, marketing tends to perceive R&D as inward-focused, spending too much time on developing new products and not having the faintest idea about customer needs and the concept of competitive advantage. R&D, on the other hand, perceives marketing as outgoing, too focused on what customers say (who, in their opinion, do not know what they want anyway!) and too eager to accommodate customers by yielding to specific requests without having any clue about the consequences of incorporating customers' suggestions into current products.

Cultural Differences between Sales and Marketing

Marketing and R&D represent two sides of an organization that are worlds apart as we outlined above. Therefore, while detrimental, it is not surprising to witness these two worlds clash violently at times.

But it is a different story for sales and marketing. A company's sales and marketing functions are both externally-oriented, aspire to serve customers and consist of extrovert people, with similar educational backgrounds who have (likely) had similar academic training. Nevertheless, numerous studies have found that sales and marketing often fail to get along and point to different cultural thought worlds as the main reason for dysfunctional sales-marketing interfaces, which are characterized by a lack of cooperation, distrust, and the same kind of mutual negative stereotyping.[2] Researchers have examined the cultural drivers of the tensions between sales and marketing within B2B companies[3] and the findings bring forth the following insights:

a. *Sense of reality*: Salespeople and marketers have different organizational roles, resulting in different scopes of activities. Salespeople interact on a daily basis with individual customers to understand their requirements and offer the best solutions. Marketers, on the other hand, look at market segments that represent the aggregated wants and needs of a somewhat homogeneous group of customers.

In a B2B marketing environment, "Marketing people talk to … business end-users, while salespeople typically spend their time with distributors and purchasing agents. Marketers deal with market segments and specific product groups. Sales, however, sees the world account by account…. Sales does not fret over analyzing data. Marketing never has to sweat over a customer's demands on price and terms."[4] It is not surprising then that sales and marketing view reality differently.

b. *"Right now" plan versus future plan:* Because of different job descriptions, salespeople and marketers have different relationships with the concept of time; that is, they use different time horizons. Sales focuses on customers' current experiences and immediate needs, and are always looking for what they call a "right now" plan. Marketers, on the other hand, have little regard for the day-to-day problems of customers and focus on long-term, future strategic brand building and product positioning plans.

c. *Sources of knowledge*: Marketing perceives sales as collecting short-term individual customer information and focusing on customers' current experiences, whereas marketing is more future-oriented. Sales, on the other hand, criticizes marketing's lack of customer contact and lack of experience with local concerns of individual customers. Marketing is perceived as improving theoretical knowledge at the expense of the practical.

d. *Interaction with the environment*: The differences between sales and marketing result in different ways they adopt to interact with the business environment. Sales tends to rely on past practices in responding to immediate concerns of individual customers. Marketing, on the other hand, looks for new approaches to drive the marketplace in search of growth and higher margins.

These differences between sales and marketing are reflected in the language used by both groups of individuals. Salespeople talk about consultative selling and closing deals; marketers talk about building brand equity and designing seamless customer experiences. Even when they use the same words, they often mean different things. When a salesperson talks about a customer, he generally refers to his specific contacts: The decision makers and influencers involved in making the next purchasing decision. But when a marketer talks about a customer, she refers to the entire customer organization as a source of future revenues and opportunities for increasing share-of-wallet. Combined with stereotypical thinking about each other, these semantic differences contribute to misunderstandings and if unchecked, grow into larger interface tensions.

The effects of different subcultures are not always harmful; they also have a positive effect on functional performance and creativity. Salespeople all face the same challenges and are known to band together to derive strength, support, and inspiration from each other. Especially when their commission is partly based on the performance of the entire sales team, sharing best practices improves the effectiveness of individuals and contributes to the subculture of the sales group. Different subcultures also represent a diversity of perspectives on marketplace issues that represent complementary insights and improves the quality of team decisions. It is only when people from different subcultures, such as sales and marketing, are unable to cooperate and communicate effectively that subcultures have a detrimental effect on business performance. A large-scale study of cultural differences between sales and marketing in seven industry sectors in Germany found that a dialog between more product-oriented salespeople and marketers acting as the customer's advocate enhances market performance. For example, salespeople may be tempted to equip a new product with too many features if they are not counterbalanced by marketers who worry about overcharging the customer.[5]

Cause #2: Different Individual Backgrounds

The interaction between sales and marketing personnel is not only determined by the existence of separate subcultures in the two functions, but also by the individual characteristics of sales and marketing personnel. We discuss three variables here.

Different Personalities

Marketing and sales jobs are very different from each other. Marketing is all about thinking strategically about the needs and requirements of market segments, different ways of meeting them, and opportunities to distinguish your products and services from those of the competition. It requires an analytical mind that is able to sift through large amounts of information in search of ways to better serve customers and beat the competition in the process. In contrast, sales jobs involve daily interactions with customers about prices, customization, and delivery schedules, as well as building effective relationships. Salespeople need to be tough to overcome customer objections and deal with rejection, persevere through difficult negotiations, and empathize with the wants and needs of individual customers.

Because of these different job descriptions, marketing and sales attract different personality types. People that favor a marketing job tend to be analytical, data-oriented, and focused on team leadership and long-range problem-solving. They are all about building a sustainable competitive advantage and judging projects objectively. But all of this is done behind their desks and not very visible to others. People that go for a job in sales, on the other hand, tend to be people-oriented and focused on succeeding based on individual strengths. They excel at building relationships with people and are not fazed by rejection. They operate in the field and keep moving from one sales opportunity to the next.[6]

Cultural Origin

Scholars of organizational behavior recognize that the actions and attitudes of employees are not only shaped by their organizational context (such as the subculture of the organizational unit they are a part of), but also by many other groups that provide them with cultural frames of reference. Friends, family, sport clubs, and hobby groups all come with their own values and norms that influence an individual's behavior and attitudes. All these values and norms contribute to an individual's personal belief system, which means that they also influence how an individual behaves in an organizational context.

A familiar example is an individual's national culture; a variable that is increasingly relevant in today's business context owing to the flattening of the world and the subsequent emergence of a multi-national, multi-cultural employee base in many large, multi-national companies across the globe.

A significant body of research describes and analyzes the differences that exist between national cultures.[7] The cultures are distinguished as:

1. *Individualist cultures*, such as the United States, that emphasize masculinity and achieving individual goals.
2. *Relationist cultures*, such as the Netherlands, that accentuate relationships between people and achieving consensus or compromise.
3. *Collectivist cultures*, such as Japan, that place collective needs above individual needs and strive for consensus.

A national culture provides a context that shapes an individual's self-concept orientation; whether he thinks of himself as being separate from others (individualist), linked to others through relationships (relationist), or being part of a larger group (collectivist). This represents an individual's innate self-concept orientation, shaped by the culture in which he grew up, which influences his actions and attitudes to a significant degree, no matter which part of the world he works in.

In our study of sales-marketing interfaces we found remarkable differences between the US and the Netherlands. US sales and marketing personnel often do not mince words while talking about their counterparts. They openly talk about their distrust of, and sometimes outright hostility toward their counterparts. Salespeople may refer to their marketing colleagues as "sales prevention department" or "unhelpful cost center," as one sales manager from a pharmaceutical company told us.

> *"[Salespeople] see marketers as simply pushing their own agenda… with no regard for salespeople's priorities or concerns…and that sets the stage for a great deal of hostility…there is no mutual respect within this interface. Many of my salespeople will tell you in private that they do not really see any reason why our company should even have a marketing department. They see no value-add."*

In sharp contrast, Dutch salespeople and marketers, in spite of their inherent differences, assume a much softer stance when talking about their counterparts. They emphasize their drive to achieve compromise and join forces for the greater good, as is illustrated by the following quote from a marketing manager in a large telecommunications company:

> *"You can look at it as playing a game, but you don't play against each other, but against the competition. Marketing should be a coach for sales, who advises how the game can be played better and what should be done to win in the long run. As a marketer you should have a service attitude towards sales. As soon as marketers start to act like they know it all, like they are making the plans and sales implements them, they no longer fit in the current Dutch situation."*

But this innate self-concept orientation is not set in stone and may change depending on the circumstances. The characteristics of a specific situation may cause an individual to modify his innate self-concept orientation. Psychologists call this phenomenon *priming*, where people activate a specific self-concept in response to exposure to a specific stimulus, such as interaction with other employees in the organization. Simply put, the presence of colleagues from another group may cause an employee to behave differently. For instance, although US salespeople tend to emphasize individual goals, during their interactions with fellow salespeople they may offer support to each other and work collectively to find a solution to their common problems. Thus, their innate individualist self-concept is modified into a more relationist self-concept when they interact with their sales colleagues. In sharp contrast, their interaction with marketers is governed by different objectives and thought worlds and a strong sense of "us versus them" phenomenon which only reinforces their innate individualist self-concept.

Experience and Training

Individual differences may also be based on different experiences. Marketers frequently change jobs and move across industries, which provides them with a broad experience base. But at the same time they lack detailed knowledge of the industry they happen to work in and the wants and needs of its customers. In contrast, salespeople tend to work much longer for the same company or in the same industry, which provides them with more in-depth insight and valuable relationships. The role and importance of company- and industry-specific knowledge differs across countries. In the Netherlands, business-to-consumer marketers frequently change jobs, but B2B marketers are much more loyal to their companies. In addition, it is not uncommon that B2B marketers have prior experience working in sales at the same company, which further reduces the psychological distance between sales and marketing.

In addition to the experience gained in the current or previous jobs, the training that someone received also influences the attitudes and skills he brings to the sales-marketing relationship. Companies offer a large variety of training to their employees to teach them narrow or broadly applicable job-related skills. Companies that want to improve their customer centricity, so that they are better able to develop and deliver superior value to customers, need to teach their employees how they should interact with (*a*) business partners who contribute to their value-creation processes, (*b*) customers, to better uncover the jobs they are trying to do and the problems they encounter, and also (*c*) their colleagues to assess new market opportunities and craft effective responses. The last type of training relates to the sales-marketing interface. For instance, salespeople and marketers need to learn about each other's objectives, concerns and activities to become better discussion partners, create a collaborative atmosphere, and facilitate communication between them. Salespeople must be trained in basic marketing principles and taught key concepts such as customer value, market segmentation, positioning, competitive advantage, and marketing strategy. Marketing employees need to be taught about effective sales approaches, the impact of situational characteristics on the needs and requirements of individual customers and the typical problems and concerns of individual decision makers and influencers.

Cause #3: Sub-Optimal Organizational Structure

A company's structure, how the different entities within a company are organized, may serve as an underlying cause of an ineffective sales-marketing interface. Two aspects of an organization's structure that directly shape the sales-marketing interface dynamics are: (*a*) the functional organization of the sales and marketing functions and (*b*) the geographical distance between the two functions.

Functional Organization of Sales and Marketing

A company's sales or marketing department may be organized around products or customers. Many companies structure themselves around products. This allows salespeople to specialize in a few related products and is particularly suitable for companies with a wide range of products that require much application knowledge. A disadvantage is that such a structure reinforces a focus on selling existing products to existing customers. In contrast, other companies opt for a market-based organizational structure, with sales and marketing personnel structured around customer groups, with each group served through different salespeople or sales channels. For instance, when each large customer is served through a dedicated key account manager, several medium-sized customers are visited by a salesperson, and small customers are directed to the corporate website where they can place their orders. Another alternative is to use dedicated salespeople for customers in specific industries, such as manufacturers, hospitals, and schools. This allows them to become industry experts with much context-specific knowledge and relevant contacts. An organization structured around customer groups enhances an orientation towards satisfying customers and looking for ways to create more value for them. Many companies discovered that changing market conditions force them to switch from a product-focused structure to a customer-focused one. For instance, in January 2007 the largest Dutch telecom company, KPN, announced that it would implement a new organizational structure in the Netherlands. "This organization is now built around customer segments rather than around products, creating a customer centric organization. KPN's former Fixed division ("Fixed") and KPN Mobile the Netherlands ("Mobile") have made way for new Consumer, Business and Wholesale & Operations segments. … (This is) a further evolution of KPN's strategy for increasing customer focus in a telecommunications world in which distinctions between technologies are fading rapidly and in which customers increasingly are looking for integrated propositions."[8]

If a company's sales department is organized around products and its marketing department is organized around customers, this will exacerbate the inherent differences between both organizational units. Sales' product focus contributes to a short-term focus on overcoming customer objections, obtaining orders and generating short-term revenues. Marketing's customer focus, on the other hand, reinforces its traditional emphasis on satisfying customers, identifying new opportunities for value creation and increasing long-term customer satisfaction. Such mismatches in functional orientation widen the gulf between sales and marketing.

Geographical Distance

It is common sense that the geographical distance between different groups of people in an organization directly impacts the frequency and (likely) quality of their interactions. In the sales-marketing world, geographical distance is an unavoidable reality. In a majority of companies, marketing personnel are based in headquarters, while the members of the sales organization are spread out across the country. As a result, within the marketing group, there are plenty of opportunities for marketing personnel to interact with one another formally or informally. The geographical distance creates a challenge for sales organization. Owing to the fact that they are spread out across a wide region, there are limited opportunities for sales personnel to meet with one another or their marketing counterparts. As a consequence, it is not uncommon for sales and marketing personnel to meet only 2 to 3 times a year in large group settings, that rarely afford them an opportunity to get to know each other personally. Such limited interaction does not allow sales and marketing personnel to build a personal rapport with one another, thereby diminishing the quality of dialog between the two functions.

Recognizing the importance of bridging the physical distance, many companies have experimented with their office spaces to stimulate interpersonal, and especially interfunctional interactions. During his time at Pixar, Steve Jobs had the building designed to promote encounters and unplanned collaborations. "If a building doesn't encourage that, you'll lose a lot of innovation and the magic that's sparked by serendipity…. So we designed the building to make people get out of their offices and mingle in the central atrium with people they might not otherwise see."[9]

Even though a large part of the sales organization is geographically dispersed, senior sales leaders usually operate out of the company headquarters. In such cases, it is important for companies to allocate office spaces to its sales and marketing personnel who are at headquarters in such a way that it triggers unplanned encounters and facilitates discussions and interactions that would otherwise not occur. One sales manager we spoke with in a capital equipment company shared his personal experience in this matter. He talked about how having an office at the headquarter location helps him to hold timely conversations with his marketing counterpart and nip any thorny issues in the bud.

> *"Marketing is located just down the hall from sales. So, whenever there is a problem, I just walk into the marketing manager's office to discuss it. That's why we don't really have any problems in our communication. Everything is being taken care of before it can become a problem."*

Does this mean that simply removing physical barriers and bringing people together will promote casual interaction? Not always; there is evidence that suggests that open spaces may reduce privacy, which may actually limit informal exchanges. As a result, "the most effective spaces bring people together and remove barriers while also providing sufficient privacy that people don't fear being overheard or interrupted. In addition, they reinforce permission to convene and speak freely."[10] Thus, in order to forge effective, informal interactions within any physical space, the following three factors must be kept in mind:

- *Proximity*: Physical distance between people is important, but also the distance from things such as entrances, restrooms, stairwells, photocopiers, and the water cooler. The social geography of a space is just as important as its physical layout.
- *Privacy*: People must feel confident that they can speak freely, without being overheard. Informal interactions will not flourish if other people keep dropping in and the flow of interaction cannot be controlled.
- *Permission*: Informal interaction will only be stimulated if the company culture designates the space as appropriate for such interactions. Is a discussion at a photocopier considered appropriate or does the company culture make it clear that all "real work" is done at a desk or in a meeting room?

While these three factors relate to the design aspects of an effective office space, the concepts of "privacy" and "permission" are also overarching principles to forge proximity among sales and marketing employees, whether or not they work at the same location. A dedicated focus on these principles is likely to forge effective interactions and collaborations.

Cause #4: Lack of Joint Activities and Interactions

Another major cause of a dysfunctional interface between sales and marketing is that the people involved simply do not work together, fail to communicate, or both. Much of this lack of interaction may be traced to the underlying organizational structure.

Many companies organize themselves around functional silos—such as marketing, R&D, manufacturing, sales—by grouping people together because they perform similar tasks or possess the same skills. Each functional area is put into a separate organizational unit or department, managed by a department manager. The benefits of such a functional structure are obvious: By having all birds of a feather flocking together specialized tasks are performed efficiently and employees have an obvious career path for growth and promotion. Such an organizational arrangement works especially well for companies selling only a single product or service in a stable business environment. Unfortunately, stable business environments have become quite rare and most companies sell multiple products. As a result, many companies have experienced firsthand the negative consequences of functional silos, two of which are elaborated upon here: Absence of bidirectional communication and lack of joint activities.

Lack of Bidirectional Communication

A functional organizational structure creates short communication lines between people within a functional area, which allows for quick decision-making about functional issues. But in today's fast-changing markets, communication needs to cross functional boundaries, with people from various departments working in cross-functional teams to develop new products, create effective marketing strategies and implement complex multiple channel structures. The real-life stories from Chapter 2 illustrate how a lack of bidirectional communication hinders the free flow of information between sales and marketing and keeps both groups from providing constructive feedback on each other's work. Marketers need input from salespeople during the groundwork stage to develop effective marketing strategies and tactics, as well as constant feedback from them during the follow-up stage to increase the likelihood of these plans and tactics being successful. Similarly, salespeople need the support of marketing to provide them with compelling value propositions that they can use to convince the customer and to develop alternative strategies and tactics when market circumstances change significantly. As in any personal relationship, a lack of bidirectional communication is a breeding ground for misunderstandings, tensions, and conflicts that sour the relationship between sales and marketing and ultimately limit the value provided to customers.

Lack of Joint Activities

A functional organizational structure easily results in a lack of joint activities between employees from different functions. For instance, R&D employees develop new products and marketing personnel design compelling value propositions and communication strategies for them, but if both groups work within their separate functional silos disconnects are bound to occur. Similarly, in service companies the less than ideal relationship between the customer-facing front office and the operations-focused back office frequently results in suboptimal interfaces that have a negative effect on both employee morale and the value delivered to customers. Apparently, the service orientation of marketers and the efficiency focus of operations employees do not mix easily! Despite the greater similarities between sales and marketing personnel, a lack of actual interaction in the form of joint activities also breeds distance between these two groups of employees. As demonstrated in Chapter 2, marketers and salespeople need to collaborate in developing and implementing effective marketing strategies and tactics. Dividing responsibilities along traditional lines, with marketing developing new strategies and sales implementing them, does not work because sales does not feel invested in the new strategy.

Because of their job descriptions, marketing and sales personnel use different perspectives on customers and markets. Marketers look at the characteristics and trends of market segments while salespeople focus on the requirements and wishes of individual customers. Thus, even though both groups focus on customers, the different job descriptions and objectives result in perceived psychological distance and a lack of understanding. A lack of joint activities, whether it is task-related activities such as joint customer visits by marketing and sales or social activities such as a joint beer and barbeque on a Friday afternoon, further increases the disconnect between sales and marketing.

Cause #5: Misaligned Systems and Processes

The right organizational systems and processes support an effective sales-marketing interface, which helps translate "a vision of the ideal customer value to effective customer interactions."[11] It is therefore no surprise that a fifth, and final cause of dysfunctional interfaces between sales and marketing are misaligned organizational systems and processes that impede the creation of smooth customer journeys. We discuss five ways in which misaligned systems and processes may manifest themselves in a company and affect the interface.

Lack of Common Vision

For sales and marketing to operate as two aligned functions, with each performing their own activities and working towards the same corporate objectives, requires a common vision. In many companies this common vision is absent or playing second fiddle to the objectives and priorities of the functional domain. A company's common vision describes its identity and the corporate values it embodies. For instance, Wells Fargo uses five primary values: People as a competitive advantage, ethics, what's right for customers, diversity and inclusion, and leadership. These values capture Wells Fargo's vision and in their words, are used to "guide every conversation we have, every decision we make, and every interaction we have among our team members and with our customers."[12] This illustrates how a common vision, formulated at the corporate level, serves as a guideline for decisions and activities at the functional level. As the Wells Fargo website continues: "If we can't link what we do to one of our values, we should ask ourselves why we're doing it. It's that simple." It other words, the company's vision serves as a guidebook and corporate glue that helps employees at the functional level (such as marketers and salespeople) to align their activities and decisions both with each other and with corporate goals. If this corporate glue is absent, employees and decision makers in the sales and marketing departments are bound to set their own priorities, make their own plans and carry out their own activities, without considering how they fit with what people in their counterpart function are doing and how it all contributes to achieving corporate objectives.

Lack of Management Support

A company's corporate vision and values are formulated by the company's management team. But just formulating a vision and publishing it on a corporate website and in some fancy corporate brochures is not enough. The management team also needs to actively ensure that the priorities, decisions, and activities at the functional level align with its corporate vision. In the context of the sales-marketing interface it is all too common that functional departments are run like corporate fiefdoms because management fails to enforce a corporate vision by promoting communication and collaboration between the company's functional departments. It is management's task to ensure that the organizational culture and infrastructure supports interfunctional communication and collaboration.

Out of Sync Processes

Although sales and marketing perform different sets of activities, as we have discussed in the preceding chapters, these are closely related and interdependent. For instance, marketing provides sales with all kinds of support materials, such as brochures, sales presentations, case studies, calculation sheets for customer savings, and downloadable marketing materials. These sales support products are designed to help the sales force to be more effective in presenting the company and its products to customers, respond to objections, convert sales leads into orders, and develop customer relationships. This requires a close match between what marketing develops and what sales requires and the timing of it. In practice, marketing's sales support process and sales' sales process are often out of sync, resulting in marketing developing sales support materials that sales does not use.

Similarly, as we illustrated in Chapter 2, marketing's strategy development process needs to be closely linked with sales' strategy implementation process. Sales may be very proficient at implementing a marketing strategy, but if that strategy is inherently flawed, or meets with unexpected headwinds, the result will not be positive. In the same way, a new brilliant marketing strategy will not be successful if the sales organization is unable or not motivated to implement it effectively. There may be multiple causes for a mismatch between the processes that marketing and sales follow during strategy-making, for example:

- Sales and marketing work independently to achieve optimization for their own processes and ignore the linkages between their processes.
- Sales and marketing fail to communicate while developing respective processes.
- Sales is not motivated to use input from marketing, for instance sales leads, because they do not see its added value.
- Marketing does not listen to sales and views sales as just the operational appendage of marketing.

Separate Information Systems

In a truly customer-focused organization the various departments all work toward creating superior value for the customer, a goal that is supported by the appropriate organizational infrastructure. In today's hyper-connected world, a key element of that supportive infrastructure consists of the company's information systems, where all relevant information about customers (both hard data about customers' interaction histories and soft data about decision makers' characteristics and preferences) is combined to create a 360-degree view of customers. In the ideal situation, all decision makers have access to the same customer information. Unfortunately, in the real world this is often very difficult to achieve. The more common reality is that both sales and marketing have created their own databases and both contain information about customers. Because these separate databases are typically not linked to each other, they do not facilitate interfunctional communication and coordination. To make matters worse, both databases usually contain different kinds of information about customers and in many cases they do not even define the customer in the same way! For instance, salespeople will define the customer in terms of their contact persons at customer companies; such as their names, backgrounds, special requirements, key objections, phase in the buying cycle, and communication preferences. In contrast, marketing employees define customers as organizations and they will collect more aggregate customer information about product needs, order histories, customer wishes, installed base, and similarities with other customers. While this serves their functional purposes, both sales and marketing have access to only partial customer pictures and lack a complete 360-degree view of their customers. This limited perspective on customers promotes a focus on optimizing functional processes and likely results in suboptimal customer solutions and business performance.

Misaligned Metrics and Incentives

An old psychological adage states that people's behavior is determined by what is measured and encouraged. In an organizational context this means that employees will display the kind of behavior that gets measured and rewarded. In other words, organizational metrics and incentives influence how marketers and salespeople interact with each other and act towards customers. For instance, in a customer-focused organization employee behavior should be measured and rewarded on the basis of metrics such as long-term customer satisfaction, because this stimulates the kind of behavior that is in the customer's (and therefore, your company's) best interest. But in practice, employee behavior is not always in line with the official organizational vision and values. To illustrate this, take the following simple test with your own salespeople:

> Suppose that your salesperson is visiting a customer who presents him with a very specific, rather unusual problem. Also suppose that your company offers a product that is somewhat suitable for this specific situation, but that one of your major competitors offers a solution that would provide a better fit for the customer. What would your salesperson do?

The answer to this question depends on several factors. Some of them have to do with the salesperson's individual background, psychological make-up, and ethics, all of which can be influenced through your hiring process, training programs, and organizational culture. But the salesperson's behavior in this particular case also depends on the organization's metrics and incentives. If your corporate vision promotes customer satisfaction and your salesperson's compensation largely depends on the customer's long-term satisfaction, he is likely to refer the customer to the competitor that offers a better solution for this specific customer's problem. If, on the other hand, your salesperson's salary largely depends on him achieving his quota, he is more likely to push the company's own product instead (unless it is getting close to the end of financial year and he has already reached his sales quota for this year).

Similarly, misaligned metrics and incentives also influence how salespeople and marketers interact. For instance, if marketers are encouraged to focus on customer satisfaction and building share of customer, while salespeople are evaluated on the basis of realized sales, this will not contribute to smooth interfunctional communication and aligned marketing and sales activities that, each in their own way, contribute to superior value for customers and advance corporate objectives.

Interface Configuration as Underlying Cause

The likelihood that specific root causes of a dysfunctional relationship between sales and marketing will actually occur in practice is closely related to how the sales-marketing interface is configured in a given company. In Chapter 1 we introduced four basic organizational configurations of the sales-marketing interface: (1) hidden marketing, (2) sales-driven marketing, (3) living apart together, and (4) aligned sales-marketing. We revisit these four organizational configurations here and outline for you how they are closely related to the root causes discussed in this chapter (Table 3.1).

Hidden Marketing

The hidden marketing configuration is most commonly found in small B2B companies lacking the size and resources for a separate marketing department. In addition, the short-term focus on acquiring customers and obtaining orders results in a survival mode in which marketing is seen as a luxury that they cannot afford. Despite the absence of a marketing department, basic marketing activities are still carried out by the company's CEO or sales manager. For instance, key marketing decisions about which market segments to target and how to position the product. Nevertheless, the absence of a marketing department and the pressures from short-term operational activities and objectives usually result in a very limited marketing function. In practice, this means that the interface between sales and marketing is not very problematic, compared to the other three configurations. There are no different subcultures, because the conflict between sales and marketing is typically a matter of setting priorities, which takes place inside the CEO's or sales manager's head. Because of the strong short-term operational focus this usually results in marketing activities taking the backseat to the more pressing sales activities.

Different individual backgrounds are relevant when marketing activities are carried out by the company's CEO, while the sales manager performs the sales activities. But even in this case, the CEO is usually very focused on sales as well, because of the short-term pressures on the company, which often negate the potential effects of different individual backgrounds. In companies with a hidden marketing configuration, the organizational structure does not cause many problems. Even when marketing and sales activities are carried out by different individuals, the company's limited size means that geographical distance between them is low and communication is frequent and informal. As a result of the small company size and the low geographical distance, interaction between the individuals carrying out sales and marketing tasks is frequent. Some joint

Table 3.1 Interface configurations and root causes of problems

	Hidden marketing	Sales-driven marketing	Living apart together	Aligned sales-marketing
Organizational subcultures	No separate marketing function; no different subcultures; different priorities result in different time allocation	Different subcultures emerge, but marketing culture is derived from sales culture; sales culture dominates	Different subcultures exist; different scopes, objectives and time horizons may cause conflicts	Different subcultures exist, but sales and marketing are aligned; the differences do not result in interface problems
Individual backgrounds	Differences may exist between CEO and sales manager, but tend to be overruled by the common focus on sales	Marketing employees usually come from sales, which reduces the differences in backgrounds	Marketing grows through external hiring of people with a marketing background, which increases the differences	Sales and marketing employees have different backgrounds, but this diversity improves decision-making and outcomes
Organizational structure	Due to small company size geographical distance is low; all employees are co-located	Due to small company size geographical distance is still low	Marketing and sales are not always co-located; increasing geographical distance	Geographical distance may be high, but psychological distance is low
Joint activities and interaction	Joint customer visits are uncommon, but joint planning is common; interaction is frequent and informal	Joint activities are common because of common goals; interaction is frequent and mostly informal	Joint activities are less common; planning of sales and marketing activities becomes separated; more formal interaction	Joint planning and joint activities are the norm; mix of formal and informal interaction; alignment may cause groupthink
Systems and process	Not an issue; marketing activities are basic and infrequent; focus is on short-term survival	Not an issue yet; marketing activities support sales; both functions are focused on short-term sales goals	Systems and processes are focused on supporting sales and marketing as separate functions, instead of a single interface	Systems and processes support an effective interface and the creation of superior value for customers

activities, such as joint sales visits, are uncommon because a small company simply lacks the resources. Joint marketing or sales planning, on the other hand, is common because of frequent interactions. Concerning the systems and processes, companies with a hidden marketing configuration are simply too small for this to be an issue. The marketing activities that are performed are so basic and infrequent that there are no separate databases with overlapping, but inconsistent customer information and everything is focused on generating sufficient sales to guarantee short-term survival.

Sales-driven Marketing

In the sales-driven marketing configuration, a marketing department has been established in response to the increasing demands that are placed upon the sales function. Typically, such an embryonic marketing function is a spin-off from the sales department and strongly focused on supporting sales in its day-to-day activities. In a sales-driven marketing organization marketing is usually operationalized as marketing communications and limited to the most pressing communication tasks, such as producing sales brochures, designing websites, and organizing trade shows. As a result, the subcultures of sales and marketing are both focused on realizing sales and therefore not really different. Because of this short-term sales support orientation, and the fact that the marketing department often has historical roots in the company's sales department, the psychological distance between the two functions is low, which facilitates interfunctional communications and coordination. Because the company is still relatively small, the geographical distance between the sales and marketing functions also tends to be low, which facilitates frequent and informal communication between the two functions. Because marketing's primary goal is to support the sales function, joint activities such as joint customer visits and joint planning are common. Finally, the problems that may be caused by misaligned systems and processes are not likely to occur because both functions perform their own activities in pursuit of the same short-term sales goals.

Living Apart Together

Although the common focus on sales goals in a sales-driven marketing company typically results in a harmonious interface between sales and marketing, this kind of short-term thinking ignores the strategic role of marketing and the implementation of a seamless value-creation process. When this starts to change, the company enters the living apart together stage; the company grows in scope and size, and the marketing department evolves and develops its own identity. In these companies, marketing no longer lives to support the sales department in its daily sales activities, but increasingly focuses on more strategic marketing tasks. For instance, the marketing department may explore unmet customer needs, develop strategic value propositions, and create and grow both corporate and product brands. As a result, the psychological distance between the sales and marketing groups increases and different subcultures emerge, each with their own focus, goals, and language. It is in these companies that the often described misunderstandings, frustrations, and downright hostilities between sales and marketing are most likely to occur. Even when the marketing function started as a spin off from the company's sales department, by now the marketing group has changed its focus from short-term sales support to more strategic marketing. The growth of the marketing function is largely fueled by hiring new employees with a background in marketing, which drives the two functions further apart.

Because of the increasing separation of the two functions, it becomes more likely that they are organized according to different organizational principles. Increasing company size may also result in marketing and sales no longer being co-located, which further increases the distance between the two functions. Many B2B companies exacerbate the problem by creating separate marketing and sales departments, with the sales vice president often outranking the senior marketing manager.[13] The increased geographical and psychological distance between sales and marketing is often accompanied by fewer joint activities and sales planning and marketing planning going separate ways. In many companies, the organizational systems and processes become focused on supporting sales and marketing as two separate functions, without the required emphasis on supporting them as a single effective interface.

Aligned Sales-marketing

In the final interface configuration, aligned sales-marketing, both the sales and marketing groups have established their own identity and their own role in the company's value-creation process. The difference with the previous interface configuration is that sales and marketing communications and activities are now aligned. The sales and marketing functions still have different subcultures, each with their own objectives and language, but they no longer work at cross purposes. Instead, both functions perform complementary activities and contribute in their own way to the creation of superior customer value, with a balance between short-term operational concerns (aimed at delivering value to customers and generating revenues for the company) and long-term strategic ones (aimed at growing customers and brands). The individual backgrounds of sales and marketing personnel contribute to diversity in thinking and tend to improve the overall decision-making process. Even when the sales and marketing functions are geographically separated, their psychological distance is limited. As a result, the organizational structure supports the efficient exchange of ideas, with both formal and informal communication contributing to an open, ongoing dialog. However, this close alignment between sales and marketing may also result in groupthink with less desirable outcomes. Joint sales and marketing planning results in congruent sales and marketing objectives and many joint activities, such as joint customer visits by a salesperson and someone from marketing. The organization's systems and procedures are also aligned with an effective sales-marketing interface and support the creation of long-term superior value for customers.

Of course, individual companies will not always exactly fit one of the four types of sales-marketing configurations. Real-life interfaces between sales and marketing functions may exhibit certain characteristics of sales-driven marketing, while other elements of the interface are more typical of a living apart together configuration. It is up to management to identify the company's position as carefully as possible and use Table 3.1 to:

1. Identify the potential root causes of problems belonging to the company's current configuration and

2. Explore potential root causes of problems that the company may encounter when it migrates to the next configuration.

So far, we have discussed the need for collaboration between sales and marketing in B2B companies, the often problematic nature of the relationship between the two functions, the nature of the problems between sales and marketing, and the root causes of dysfunctional sales-marketing interfaces. In the next chapter, we will explore a wide range of solutions that companies may implement to improve their sales-marketing interface.

Chapter Take Aways

- There is a wide range of problems that may exist in the relationship between sales and marketing. Some of these problems manifest themselves at the level of one of the functions, while others become evident at the interface or company level.
- The consequences of a dysfunctional sales-marketing interface are experienced at the level of the sales-marketing interface (bad communications, distrust, conflict) and at the level of the company (wasted resources, missed opportunities).
- The root causes of problematic sales-marketing interfaces can be grouped into: different organizational sub-cultures, different individual backgrounds, sub-optimal organizational structure, lack of joint activities and interaction, and misaligned systems and processes.
- The different subcultures of sales and marketing relate to different tasks, objectives, and outlooks. These differences often hinder effective communications and collaboration.
- In addition, sales and marketing personnel tend to differ in terms of their psychological make-up, which further complicates effective interactions.
- Company characteristics also influence the relationship between sales and marketing. For instance, its corporate structure and processes and systems should facilitate an effective interface.

- As always, unfamiliarity breeds resistance. This means that a lack of joint activities and interaction also increases the psychological distance between the sales and marketing groups.
- The importance and prevalence of these root causes are directly related to how the sales-marketing interface is organized in the company (that is, which of the four basic interface configurations is used).

CHAPTER 4

Mending the Rift Between Sales and Marketing

From Problems to Solutions

In Chapter 3 we looked under the hood of the sales-marketing interface and identified a range of potential causes of dysfunctional interfaces. We then proceeded to classify these root causes into five categories: (1) different subcultures in sales and marketing, (2) different backgrounds of the individuals involved in the interface, (3) sub-optimal organizational structures, (4) a lack of joint activities and interaction, and (5) misaligned organizational systems and processes. In this chapter we will present solutions that a company may implement to deal with these root causes and improve its sales-marketing interface. While there is a broad range of solutions available, for the sake of clarity we group them into three categories (Figure 4.1):

1. *Solutions within the sales and marketing functions*, which include all measures that can be initiated and implemented within the sales and marketing groups. For instance, a marketing manager may put the sales-marketing interface on the agenda, hire people with the right collaborative mindset, or offer training to instill the right attitude and develop the required skills in marketing personnel. These solutions are all about making sure that you have the right people in place for an effective sales-marketing interface. In other words: It is about assembling a team of competent players with complementary skillsets.
2. *Solutions at the interface between sales and marketing*, which encompass everything that is directly related to an effective interaction between the sales and marketing groups. For instance, establish front-to-end sales-marketing processes, create hybrid teams that jointly perform

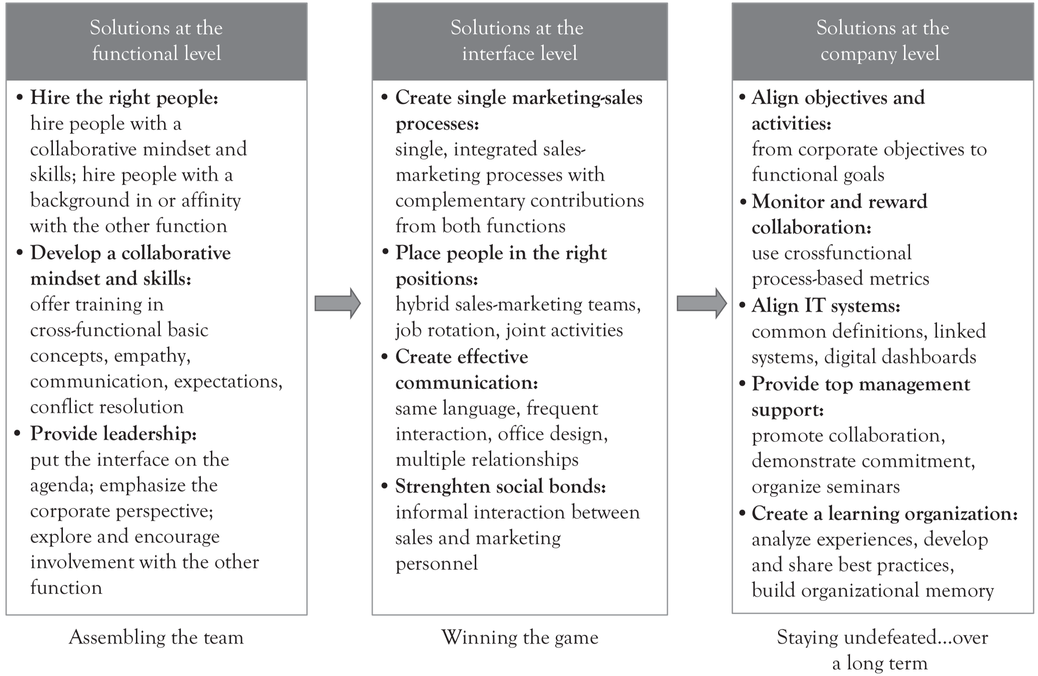


Figure 4.1 Classification of sales-marketing interface solutions

strategic and tactical activities, facilitate effective communication, and stimulate social bonds. These solutions are geared towards getting the sales-marketing team to play a winning game.

3. *Solutions at the company level*, which comprise all actions at the corporate level that contribute to developing and maintaining an effective interface between sales and marketing. For example, move people from sales to marketing, establish joint objectives, and provide ongoing top management support for an effective sales-marketing interface. These solutions are designed to enable the team to win not just a single game, but stay undefeated, over a long term.

In sum, a company's actions to improve its sales-marketing interface are all about getting the right people in the sales and marketing teams, getting them to interact and communicate in an optimal manner, and facilitating this interaction and communication long term at the corporate level. In the rest of this chapter, we will take a closer look at each of these solutions.

Solutions at the Functional Level: Assembling the Team

It all begins with building a successful team: Hiring the right people and getting them into shape to get the job done. Both marketing and sales need to assemble the right team for effective collaboration across the interface. This is the corporate equivalent of scouting for and acquiring the best players you can afford, putting them through a rigorous training program to build a winning team and using incentives and pep talks to get them ready for the big game. Key solutions at the functional level include: (*a*) hire the right people, (*b*) develop the right mindset and skills, and (*c*) provide them with the right leadership.

Hire the Right People

Marketers and salespeople have different backgrounds and different personalities, and therefore they bring different perspectives to their jobs. The inherent differences between salespeople and marketers are at the heart of the conflict between sales and marketing. Although both have a commercial background and are focused on the company's customers,

Table 4.1 Differences between marketers and salespeople

Marketers	Salespeople
Perform market research	Manage accounts; sell products and services
Segment markets; explore target markets	Interface with current and prospective customers
Perform competitive analysis	Respond to customer objections
Develop value propositions	Identify selling opportunities at customers
Develop pricing strategies	Know how to close a sale
Brand products and services	Manage channel relationships
Develop sales channels	Provide after-sales service
Develop and analyze marketing campaigns	Know the firm's products and services inside out
Adjust marketing strategies based on data and feedback	Present the products and services to customers in a convincing manner

Source: Rouziès et al. (2005).

they nevertheless tend to have quite different roles and responsibilities. A marketer is responsible for researching the company's products or services, exploring target markets, determining price points, developing channels, branding products and services, developing compelling value propositions, and developing marketing strategies. While the company's marketer operates behind the line of fire, the salesperson is the one hitting the pavement and battling it out every single day by interacting with customers, conducting negotiations and closing deals[1] (Table 4.1).

Commenting on the varied roles and responsibilities of sales and marketing personnel in any company, one marketing executive we spoke with in a packaging company said:

> *"If you think about what goes on between sales and marketing, who they are and what they do; it is not surprising that they struggle with each other…it is a conflict by design."*

So, even when marketing and sales personnel are engaged in tasks that on the surface may look very disparate (*and at times, conflicting*); they are very closely related. Therefore, you want them to communicate and collaborate. You certainly will want your marketing managers helping your salespeople craft their presentations, explain the core selling points, explain the strategy rationale, and provide market data to handle customer concerns. At the same time, you want your salespeople working with your marketers so that they have a clear idea regarding how marketing strategies are received in the field.

The three vignettes from Chapter 2 highlight these issues in great detail. Companies stand to benefit from the diversity that sales and marketing bring to the table if the individuals involved have the right collaborative mindset and skills. If that is the case, the inherent differences between salespeople and marketers can actually be an asset, because they increase creativity, productivity, and the team's problem-solving capability, and bring synergy within the sales-marketing interface.

The obvious way to ensure that your employees have the right collaborative mindset is to hire the right people. People who understand and respect what their counterparts do and more importantly, how their work impacts and aligns with the work of their counterparts and vice versa. In hiring new employees, companies should not just look at narrow job-related experience and skills, but also at broader skills and attitudes that are characteristic of effective collaborators. Key to success is to know exactly which collaborative traits and skills you are looking for and design a hiring process that reliably uncovers them. For instance, Southwest Airlines interviews potential new employees in groups. In these groups, each applicant is asked to stand up and describe his or her most embarrassing moment to the group. The purpose of this approach is not to test the candidate's confidence, but to watch how the other applicants respond. Southwest recruiters look for clues to empathy, for signals that an applicant feels bad for the person talking about the embarrassing experience. Because, as Southwest has discovered, empathy is the key ingredient in providing superior service to customers.[2]

In the case of salespeople, you need to look for salespeople that are not only good at selling, but also have some affinity with marketing. They must understand the key marketing concepts and be willing to look beyond the scope of their sales-related job description. Similarly, many B2B companies feel that the best marketers are the ones with prior work experience in sales, preferably at the same company or at least in the same industry since they understand what it takes to sell a product and the related challenges. Especially small B2B companies that are about to create a tentative, embryonic marketing function are likely to recruit a marketer from their own sales department.

Develop the Right Mindset and Skills

If your employees lack the required collaborative mindset or skills, or if they have become complacent over the years, you may remedy the situation by developing a collaborative mindset and skills through training. As Phil Jackson, the legendary basketball coach of the Chicago Bulls, explains in an interview with Oprah Winfrey, you need mindfulness: “As much as we pump iron and we run to build our strength up, we need to build our mental strength up. . . so we can focus. . . so we can be in concert with one another.”[3] A training program to develop the collaborative mindset and skills that salespeople and marketers need to contribute to an effective sales-marketing interface covers several areas:

- *Cross-functional basic concepts and language*. Even though salespeople and marketers have similar educational backgrounds (they are even likely to have read the same textbooks), their careers have taken them in different directions. Both specialized in different areas, each with its own specific concepts and terminologies. Salespeople respond to Requests for Proposals (RFPs), use consultative selling to advance prospects through the buying cycle, negotiate terms of sales and exclusivity, and ultimately close the sale. Marketers monitor the changing characteristics of market segments, identify value gaps and develop compelling value propositions for specific target customers. As in every other situation where people need to get along, success begins with both sides understanding each other’s language. Salespeople need to brush up on their basic marketing knowledge and become familiar with the latest concepts and trends, such as big data, reputation management, brand equity, customer experiences across multiple touch-points, and online customer communities. Marketers must become acquainted with how salespeople interact with customers, the changing demands of customers and the characteristics of new effective sales approaches. For instance, in a recent article the authors argued that salespeople need to change how they sell. The familiar method of *solution selling*, where a salesperson creates value for customers by aligning an acknowledged customer need with a solution that is demonstrably better than the competition's may evolve to *insight selling* that revolves around seeking out customers that are primed for change, challenging them with provocative insights and coaching them on how to buy.[4]

- *Empathy*. Effective collaboration requires that the parties involved possess empathy, which is the capacity to recognize emotions that are experienced by another person. There are two types of empathy: (*a*) *Cognitive empathy*: The ability to perceive what another person is thinking and (*b*) *Affective empathy*: The ability to sense what another person is experiencing. Cognitive empathy is a deliberate skill that everyone can learn, for instance through the aforementioned training in each other's discipline and language or through role playing. Affective empathy is a more natural capability that can nevertheless be developed, for instance through self-reflection and by encouraging social bonds. Seminars and brown bag sessions also help to recognize different personality styles and effective ways to deal with them. Empathy helps salespeople and marketers to understand each other, build rapport, and develop trust, which are key ingredients for effective communication. It bridges the cultural divide, reduces the "*us-versus-them*" attitude, helps to avoid or diffuse conflict, and encourages congruent emotions and a focus on joint objectives. Although marketing tends to be global in its outlook and sales to be local, everybody needs to "glocalize;" that is, be sensitive to both global and local issues.
- *Communication*. An understanding of each other's discipline and language, combined with the ability to empathize, form the basis for effective communication between sales and marketing. This communication runs the gamut from periodic formal meetings to informal water fountain conversations.

While communication tends to be associated with people talking with each other, which requires a common language and understanding of each other's perspective, the most critical communication skill is effective listening. Because listening does not come naturally to most people, many conversations consist only of people taking turns to speak, or they are talking past one another. A useful classification distinguishes three components of listening: (1) sensing—capturing the verbal and non-verbal stimuli consisting of words, gestures, or tone of voice of the person speaking, (2) evaluating—assigning meaning to the message and evaluating its importance, and (3) responding—communicating back, or sharing additional information, if needed.[5] Research also suggests that listening may be taken to a higher level when the listeners engage in sensing, evaluating, and responding activities with both cognitive and affective empathy—that is, when the listeners put themselves in the shoes of the communicator and try to understand the deeper-level emotions that are imbued in the message.[6] If sales and marketing personnel engage in listening at such deeper levels, it can create a respectful, safe environment that will allow both parties to elicit additional information from one another in order to engage in collaborative problem-solving, as opposed to being dismissive of each other.

- *Expectations*. The success of a collaborative effort is strongly determined by the expectations of the participants. Each employee has expectations about the relationship with colleagues from another department and these expectations serve as the yardstick to measure relationship success. The expectations represent people's vision of how the collaborative relationship will develop; even when they are implicit and reside in the unconscious mind they will drive future decisions and actions. Expectations are partly based on previous experiences—in the same company, another company, or even a completely different setting—and partly on the leadership and communications provided by the company.

This means that expectations can be managed and employees need to be taught what to expect as they enter into collaboration with colleagues from another department. Expectations may also be formalized so that there are defined boundaries around one party's expectations of the other. For example, during our research, we noticed that sales and marketing personnel in some companies had worked out a set of shared objectives for themselves and consequently formalized their commitments around those objectives. In one software company, each quarter, marketers were expected to give every territory manager at least three credible customer leads. The territory managers, in turn, were expected to make an initial and a follow-up contact with the lead in the first 8 weeks of receiving the lead and also prepare a business case for those leads that would assess their sales potential and resource needs. Marketers and territory managers would hold a conference call at the end of every quarter and assess the progress each function had made against the shared objectives they both had adopted.

- *Conflict resolution*. Any effective training program for collaboration must prepare employees for the conflict episodes that will inevitably occur. No matter how effective and successful a relationship, changing expectations, strategies, and external events are bound to cause conflict and employees need the skills to identify the early warning signs of conflict and to defuse them before it can escalate into a crisis. Some conflicts will be task-related and require effective negotiation skills to deal with; others are emotional and related to personality clashes between people. Emotional conflicts tend to last longer and be more detrimental to the professional relationship. Training in conflict resolution includes understanding the key components that are present in all conflict situations, recognizing different stages of conflict escalation, recognizing the triggers to aggressive behavior, responding to conflict and aggression, and applying skills to defuse conflict situations.

Provide Leadership

It is the task of the sales and marketing leadership to hire the right employees and provide them with the training that is necessary to develop the required collaborative mindset and skills. In addition, they need to set the right tone for an effective interface between sales and marketing. There are several ways in which the sales and marketing leadership can create the right corporate environment for effective collaboration.

Sales and marketing leaders should start by putting collaboration between the two functions on the agenda. They must actively promote collaboration, and explore different ways to improve collaboration. They must promote and communicate trust as the cornerstone of an effective relationship. They must share information with their teams and make their own decision-making processes transparent.

In addition, sales and marketing leaders also need to publicly display their solidarity in front of the sales and marketing organizations by putting corporate interests above their respective functional interests. They need to create a common purpose and vision and get their teams behind it. One way to do this is to identify important business outcomes that can only be achieved through effective collaboration between sales and marketing, such as creating superior value for customers. The sales and marketing leadership may then lead the activities that will translate these corporate objectives into complementary functional objectives and activities.

Sales and marketing leaders should also encourage and help employees explore opportunities for involvement in each other's activities. Even activities that are traditionally the responsibility of just one of the functions may benefit from a collaborative approach and the integration of diverse perspectives.

Sales and marketing leaders must stimulate open communication and personal relationships between individuals at different levels from the two groups. To prevent the groups from becoming complacent, they should encourage constructive conflict by making it clear that people are free to raise tough issues or to provide raw feedback to their leaders or team members. Constructive conflict is designed to get the best out of diverse perspectives and provide a richer understanding of what is happening and what would be the best decision and outcome.

Solutions at the Interface Level: Winning the Game

Having assembled the team, the next step is to get them to play a winning game. After all the careful preparation, planning, and training sessions, the employees need to play the game in a way that is beneficial to both the sales and marketing functions and the company. In the sales-marketing interface context, a winning game is represented by the successful development of major marketing strategies and effective tactical implementation of marketing and sales processes on a day-to-day basis. Companies may take several actions that directly impact the interaction and communication between sales and marketing and facilitate a win. Examples are: (*a*) create single sales-marketing processes, (*b*) place people at the right positions, (*c*) encourage effective communication, and (*d*) strengthen social bonds.

Create Single Sales-Marketing Processes

A company's sales and marketing functions perform closely related activities that ideally complement and support each other, to create and deliver superior value to customers. Sales collects detailed information about the wishes and requirements of individual customers and communicates them to marketing. Marketing combines this detailed information about individual customers with market information from a host of other sources to identify and analyze market segments, assess market trends and explore market opportunities. The resulting insights are then used to help sales by providing them with customer profile descriptions, support materials, and promising sales leads. In the ideal situation, these separate processes interact and strengthen each other, which makes them run like clockwork. In practice, many factors throw a wrench in the gears, resulting in suboptimal progress of these processes or a very abrupt halt.

In the previous chapter, we described several a root causes that may lead to a disconnect between sales and marketing processes.

A marketing manager at a capital equipment manufacturer in our sample describes such a disconnect between her company's marketing and sales processes. Both marketing and sales generate sales leads, but she has no way of knowing which sales leads are more effective. Marketing tracks the number of leads they pass on to sales, considers it a success if they make their target number, and that is where it ends with them. Sales receives these sales leads, but it is not clear what they do with them. The marketing manager feels that it would be really helpful if she could track sales leads through the sales conversion process. That would help her to answer questions such as:

- Which sales leads (the ones from marketing or the ones from sales) are most useful?
- At which stage during the sales conversion process do sales leads slow down?
- At which stage during the sales conversion process do sales leads drop out?
- What are the characteristics of sales leads that move quickly through the process?
- What are the characteristics of sales leads that result in successful conversion?

To answer these questions, a company needs a single process perspective to map and monitor single marketing-sales processes. Instead of having two loosely-linked processes, marketing and sales need to develop a single shared pipeline that captures the transformation of sales leads into purchase orders (Figure 4.2).

Working together to move customers through the pipeline requires that marketing and sales agree on the key process stages and the accompanying definitions of key concepts. In this regard, many companies pay special attention to creating a common business language between sales and marketing personnel so that they do not fall prey to certain "problem words."[7] For example:

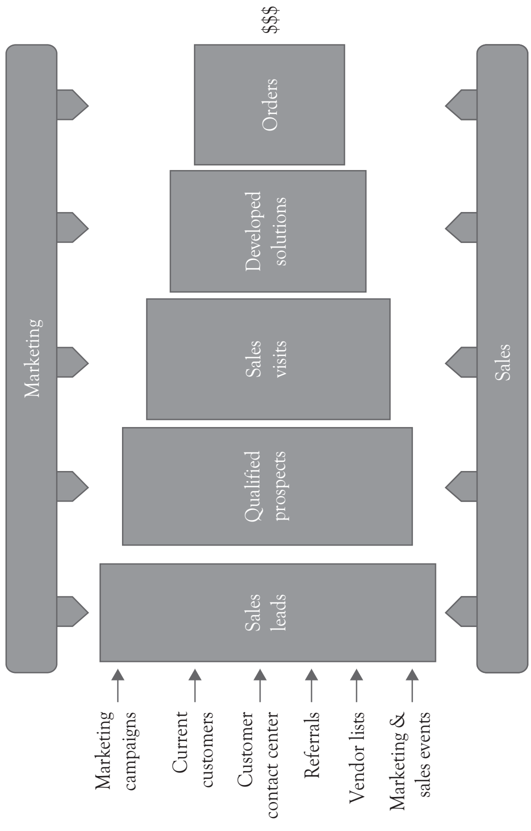


Figure 4.2 A single process perspective on the sales funnel

- Value: Companies define what is meant by "customer value" in concrete terms that facilitates its quantification in economic terms that is understood both by sales and marketing.
- Lead: Companies clearly characterize what they mean by a lead, using varied criteria such as who the potential buyers are, who the influencers are, where they are at in the buying cycle, and who we are competing against and so forth.

When companies implement such a single-process perspective on the shared sales pipeline and develop a common language, marketing and sales still have their own tasks and responsibilities. For instance, marketing may be responsible for prospecting and qualifying sales leads, while sales is responsible for closing the deal and getting the order. But the entire process is transparent to all involved, everybody understands the stages of the process and their contribution to them, and thanks to the common language, when they interact with each other, they clearly understand what their counterparts are saying. Having such a single, shared process and a common language also allow companies to track sales leads through the process, develop and evaluate appropriate metrics, identify bottlenecks, and develop effective remedies.

All single marketing-sales processes ultimately need to be geared toward creating superior value for customers and designed for maximum performance. Just like there are only a few sports teams that can afford to hire A-list players, most companies cannot make the investments required to hire superstar employees. As Frances Frei and Anne Morriss argue in their book *Uncommon Service*, the solution is to design single marketing-sales processes that allow average employees to produce excellent performance as an everyday routine. All components of a company's employee management system—selection, training, job design, and performance management—need to be internally consistent and aligned to deliver outstanding results with average employees.[8]

Place People in the Right Positions

While a winning performance starts with assembling the right team and creating the right processes, the next step is to make sure that all players are in the right position. Individual players need to be able to make the most of their individual strengths, while supported by the rest of the team. At the level of the sales-marketing interface, companies may decide to create hybrid sales-marketing teams.

These hybrid sales-marketing teams may be given some kind of permanence, for instance by creating cross-functional teams that bring together sales and marketing personnel for the company's key accounts. However, companies should not attempt to create hybrid sales-marketing employees. Sales and marketing perform complementary tasks and companies benefit from integrating their different perspectives.

Another alternative is to rotate people across functions. Job rotation involves moving employees temporarily from their typical day-to-day task to another job inside the company. The objective is to have employees stay in their current job, but gain first-hand experience in the other job. It will help sales and marketing employees to obtain new skills, enrich their job experience, and contribute to a greater understanding of the counterpart's function and job. In addition, this expanded perspective will improve the employee's empathy and facilitate future communications across the sales-marketing interface. It must be emphasized that job rotation between sales and marketing is meant to be temporary and short-term, although it may happen at regular interval such as every couple of years. "Many companies have experimented with job rotation between their marketing and sales groups; many find that in the end, they have damaged important human resource capabilities in their attempts to transform excellent salespeople into mediocre marketing managers, and vice versa."[9] The advantage of formal structures aimed at improving the collaboration between sales and marketing is that they legitimize and communicate management's support for increased sales-marketing coordination.

An alternative approach, that is easy to implement and promises to deliver fast results at relatively low costs, is to create joint activities. During the late 1980s, Jack Welch initiated at General Electric, the Work-Out program; an initiative to enhance strategic thinking and cut down on bureaucratic decision making. Many of the initiatives that were implemented as part of the Work-Out program involved better coordination between the company's sales and marketing functions. While this constituted a very comprehensive cultural change, companies may follow this example by creating joint activities at the tactical level. For instance, joint customer visits by a salesperson and a marketing colleague. Just like the cross-functional sales-marketing teams and job rotation, such joint activities serve to let employees experience both sides of the sales-marketing interface and develop awareness of the other function's activities, objectives and problems. In addition, it improves interpersonal relationships, which enhances the sales-marketing interface.

Create Effective Communication

A critical ingredient of any successful sales-marketing interface is effective communication. Effective communication between sales and marketing starts by making sure that everybody possesses a basic grasp of the other's language, which may be taught through cross-functional training and reinforced through job rotation and joint activities. As noted above, sales and marketing must agree on a common vocabulary before they can have a constructive dialog. For instance, they must agree on key concepts such as "customer," "sales lead," and "market opportunity." If both groups are unable to agree on what a sales lead is, sales will keep complaining about marketing providing them with useless leads, while marketing will remain convinced that sales is not making the best of the leads provided to them. When sales and marketing have agreed on common definitions for key concepts, these can be incorporated in a Service Level Agreement.

A second action is to have sales and marketing personnel meet frequently, in both formal and informal settings. Many companies start the week with a 1-hour sales and marketing meeting to discuss progress on current projects, update account information, exchange ideas, and look for suggestions. This is about sharing information and informing people about progress. In addition to these weekly meetings, monthly or quarterly meetings may be used to discuss issues in depth and explore opportunities for improvement. Companies must keep in mind that for such information sharing forums to be useful, the people involved must feel that they are in a safe environment where their dissenting opinions and criticism will not be misconstrued and will not have any negative consequences.

Apart from these formal meetings, management should also encourage and facilitate informal get-togethers where sales and marketing personnel can discuss pressing problems that require immediate solutions.

These informal meetings between sales and marketing may be facilitated by locating both groups close together with enough spaces to hold impromptu meetings. As we discussed earlier, some companies put sales and marketing together in one large open office, which ensures that feedback from sales about lost orders is immediately communicated to marketing. Marketing experiences firsthand what salespeople do and if the marketing activities that they work on help sales or not. And sales benefits by having direct access to marketing employees whom they can ask questions about new sales leads or the latest marketing programs. Other companies locate the offices of sales and marketing employees close together in the same building. Progressive companies take this a step further and create areas that are specifically designed for informal meetings.

Finally, senior leaders must ensure that the communication between sales and marketing is not limited to two or just a few individuals. In order to make the sales and marketing groups function as a team, management needs to encourage building of bridges at different levels between sales and marketing hierarchy. For example, communication should not be limited to just between the marketing manager and sales director. Everyone in marketing should have access to sales reps to get firsthand information about customers and feedback on which marketing initiatives work and which ones need to be modified. Interpersonal communication is not just for a few enthusiastic individuals, but must be embedded in the corporate culture and how the sales and marketing groups operate. Having multiple relationships at different levels between sales and marketing creates trust, facilitates the free exchange of information, and makes collaboration less dependent on specific individuals and part of the company's organizational fabric. A research group at *Massachusetts Institute of Technology*'s Human Dynamics Laboratory studied teams in various workplace settings, such as innovation teams, post-op wards in hospitals and call center teams. They collected information on the communication behavior of team members: Tone of voice, body language, whom they talked to, how much they talked to others. Their key finding is that the pattern of communication is the most important predictor of success—much more important than what is actually communicated. A whopping 35 percent of the variation in a team's performance can be explained by the number of face-to-face exchanges between team members.[10]

Strengthen Social Bonds

The MIT study described above also shows that social time is very critical to team performance. But while many companies are quick to use these findings to organize all kinds of social events, such as Friday afternoon barbecues, to improve communication and performance, this does not always work. One young software company thought they could promote better communication between employees by organizing "beer meets" and other social events. But these events had little or no effect. In sharp contrast, making the tables in the company's lunchroom longer, so that strangers sat together, had a huge impact on team performance.[11]

The importance of social bonds is also emphasized by Procter & Gamble CEO A.G. Lafley, who writes: "Our experience suggests that many of the failures of innovation are social failures. Promising ideas, with real potential business value, often get left behind during the development process. Some innovations are timed too early for their market; others are lost in execution. Often, the root cause is poor social interaction; the right people simply don't engage in productive dialogue frequently enough."[12]

Companies must be careful not to equate the stimulation of social connections in the workplace with the use of social networking. The recent explosive growth and acceptance of tools such as e-mail, smartphones, tablets, and social media platforms (for example LinkedIn, Google+, Twitter) may actually have a detrimental effect on team performance. It has been demonstrated again and again that face-to-face interaction is the most effective way to communicate with team members. But in the present age of digital technologies many people have become used to communicating predominantly through e-mails with team members who are just a couple of doors down the hall! Again, this emphasizes the need for careful design of corporate spaces.

Solutions at the Company Level: Staying Undefeated. . .Over a Long Term

When a high-performance sports team has been assembled, the players have gone through a grueling training program, and the coach has determined the right lineup and given his locker-room pep talk, the team is ready to win. But winning a game is just an isolated event; a top sports team aims to win not just a single game but the championship, and invests its resources in such a way that it can repeat the success season after season. Sustained success will only become a reality if at every single game nothing distracts the team from another winning performance. Similarly, sales and marketing will only display consistent collaborative behavior that results in sustained, long-term success if the company encourages and supports it by providing the right infrastructure that ensures perpetual success. The company needs to: (*a*) align objectives and activities, (*b*) monitor and reward collaboration, (*c*) align IT systems, (*d*) provide top management support, and (*e*) create a learning organization.

Align Objectives and Activities

A company's sales and marketing groups will only be able to function as a team if sales and marketing are on the same page. To achieve this, management needs to formulate corporate objectives that serve as a common rallying point, a compass that helps sales and marketing leaders to make trade-offs, develop effective strategies and objectives, and make sure that all employees are rowing in the same direction. For instance, management may formulate a corporate strategy and goals in terms of creating maximum value for customers or increasing long-term customer satisfaction. These corporate objectives are used to derive functional strategies, objectives and tactics, which are then translated into individual goals and activities. Especially when both sales and marketing leaders are involved in developing the functional strategies for both groups, it is more likely that sales and marketing activities will be aligned. Companies that lack a coherent corporate strategy lack the common ground that sets the stage for sales and marketing. This cascading process of alignment between corporate strategy, business plans, department goals, and individual goals only works when there are explicit procedures in place and the process is transparent to all involved. In practice, this is not always the case. For instance, in their study about corporate strategy, Kaplan and Norton write that "a mere 7 percent of employees today fully understand their company's business strategies and what's expected of them in order to help achieve company goals."[13] In many small B2B companies there is a strong sales orientation, with objectives and activities at all organizational levels strongly focused on short-term sales goals and not much alignment between sales and marketing.

Monitor and Reward Collaboration

Collaboration and communication between sales and marketing is not about creating warm, fuzzy feelings between individuals, but about ensuring joint sales-marketing contribution to the company's bottom line. That is why sales and marketing need to track shared goals, activities and performance with metrics defined at the level of the cross-functional sales-marketing processes. Examples of such metrics include:

- *Number of leads generated*, which can be distinguished in sales leads generated by marketing and leads generated by sales. Or companies may use a more fine-grained distinction between various online sources of leads such as web site, corporate blogs, online premium content such as white papers and webinars, e-mail blasts, or social media platforms and offline sources of leads such as direct mail, trade shows, events, inbound phone calls, outbound sales calls, advertising, sposoring, and referrals. Each specified source of sales leads can be analyzed using the key metrics. For instance, by calculating the percentage of customers that visited the company's website, viewed a webinar or downloaded an e-book before placing an order, you can identify the most effective content (and/or combination thereof) within your marketing mix.
- *Expected lead revenues*, which can be calculated based on the number of leads generated, lead close rates and average revenues per sale. This metric projects future revenues and helps to assess sales' quota.
- *Revenues*, which measure actual achieved revenues. They should be monitored continuously to track marketing and sales performance in relation to performance goals.
- *Average order size*, which is a key metric to assess the company's performance at the level of an individual customer.

- *Lead status metrics*, such as the number of open leads, leads in progress, qualified leads, and unqualified leads.
- *Lead conversion metrics*, which measure conversion in the marketing-sales funnel. Examples are the lead-to-marketing qualified lead percentage, the marketing qualified lead-to-sales qualified lead percentage and the lead-to-order percentage. A company may use close rates for individual actions to calculate average close rates for all marketing/sales activities. In addition, individual close rates may be used to identify the most effective actions.

The focus on collaboration between sales and marketing must also be reflected in the company's compensation scheme. This means that an individual's compensation must be (partly) based on team results. For instance, the salary of a sales or marketing employee can be calculated as a fixed component plus a variable component based on key metrics such as customer satisfaction, customer retention, or some of the other metrics we mentioned above.

Align IT Systems

In today's day and age, collaboration between sales and marketing depends on the effective exchange of information between the two groups, which must be supported by the company's IT systems. This can be a single, integrated IT system that is designed specifically to enhance internal collaboration. But, in practice, sales and marketing departments may already have their own information systems. These information systems are developed to support the requirements of the specific functions. For instance, sales will have developed an information system that is geared toward managing the portfolio of customer relationships, planning customer visits, and tracking individual orders, buying cycles and changing customer needs. Similarly, marketing will have developed its own information system designed to monitor market trends and assess customer satisfaction and retention. To facilitate collaboration between sales and marketing, the two IT systems need to be linked, which starts with agreeing on definitions of key common concepts.

Fully integrating both sales and marketing information systems is usually not necessary, but they must be linked so that management can monitor and assess cross-functional sales-marketing processes. Marketing needs to be able to use data analysis tools to gain customer and market insights from transaction data compiled by sales. These insights are used to craft marketing strategies and tactics, which are accessible by sales. Targeted sales leads are provided to sales and linked to customer profiles that reside in marketing's information system. This provides sales reps with up-to-date information about the quality of sales leads and the latest marketing actions that can be leveraged during customer visits. Significant benefits will accrue when companies combine detailed transaction data about individual customers with qualitative customer profiles and general market information. Naturally, a host of companies (such as Salesforce, SAP, and Oracle) provide software solutions to implement integrated customer relationship management processes. With software moving to the cloud, companies no longer need to install, maintain and upgrade complex software suits, but can use web-based applications to manage their customer relationships.

To manage the growing amounts of available information, sales and marketing managers increasingly use digital dashboards, which display real-time information about key metrics in an easy-to-interpret visual interface. Digital dashboards provide sales and marketing managers with custom-made presentations of all real-time information that they need to track the company's marketing-sales processes and make their daily decisions. To support collaboration between sales and marketing, the digital dashboards must include the short-term and long-term key metrics that are relevant for sales and marketing and be accessible to both teams. For instance, a digital dashboard could focus on sales pipeline analysis, providing summary metrics about the cost of customer acquisitions, conversion times, the number of qualified leads, and its impact on business performance.

Provide Top Management Support

To show that the company is serious about collaboration between sales and marketing, its top management needs to support this collaboration.

There are many ways in which the company's top management can help the sales and marketing teams to achieve more effective collaboration. Here are some of the actions that top management may undertake:[14]

- Promote sales-marketing collaboration by putting it on the agenda of the management team and making the search for improvement a key issue.
- Organize workshops for the combined sales and marketing leadership teams to emphasize the need for collaboration, identify critical bottlenecks and explore opportunities.
- Invite managers from other companies to share their stories and experiences about collaboration.
- Collect and disseminate case studies and research about sales-marketing collaboration.
- Celebrate early examples and successes of sales-marketing collaboration.
- Demonstrate personal commitment by participating in key joint sales-marketing meetings, even when it means traveling to other locations.
- Demonstrate collaborative behavior and function as collaborative role models by building and maintaining social relationships with key sales and marketing employees (building the informal network).
- Ensure that mentoring and coaching become embedded in their own behavior, thus making it part of the corporate culture.

Create a Learning Organization

Just like a good sports coach will videotape his games and carefully analyze his team's performance to identify weaknesses and opportunities to create a better pass in football or a more efficient handoff in a relay race, companies must monitor and assess the collaboration between their sales and marketing groups on an ongoing basis. Having defined the key concepts, developed joint processes, and identified the right metrics is a good start; however, the company needs procedures, processes, and discipline to systematically analyze performance and identify opportunities for improvement. Only then will the company transform into a true learning organization.

All key metrics that have been identified as being relevant for single marketing-sales processes must be tracked continuously. Digital dashboards are a valuable tool to present this information in real-time to key decision makers. In addition, both top management and sales and marketing personnel must periodically analyze the collected information to learn from experience. Unfortunately, salespeople are typically more interested in tackling the next opportunity than in learning from the last one. But careful analysis of past events is critical to learning and improving your strategies and tactics.

It must be emphasized that learning from experience involves more than just identifying and learning from your mistakes. A common error is to only look at what went wrong so that the company can avoid repeating the mistake in the future. For instance, in analyzing their competitive bids many companies only look at their lost bids, which inevitably results in the conclusion that their price was too high and thus creates a downward pressure on prices quoted in future bids. But if the analysis had also included all bids that were won, the conclusion would be much more subtle and realistic. Similarly, project post-mortems are typically held only for projects that encountered a lot of risk or errors, or that were complete failures. But this usually results in negative meetings with managers playing the blame game, rather than objectively identifying weaknesses that should be addressed. In the context of the sales-marketing interface, such project post-mortems are likely to fan the flames of negative feelings that may simmer below the surface. A better strategy is to hold post-mortems for all finished projects, successes and failures. After all, in addition to avoiding your mistakes you also want to repeat what worked in future projects. An interesting variation on the post-mortems is the so called *pre-mortems*, which is carried out at the beginning of a project and, assuming that the project has failed spectacularly, focuses on identifying reasons for failure. The use of such prospective hindsight increases the ability to correctly identify reasons for future outcomes by 30 percent.[15] The regular use of such *pre-mortems*, where potential causes are explored before any harm is done, also contributes to a mutual understanding between sales and marketing and improves interpersonal relationships.

The collective insights from careful analysis of key metrics and project post-mortems can be combined with information from other companies to benchmark your way of working against those of market leaders. Best practices are the result of a rigorous evaluation, have proven to be successful and can be replicated. They describe procedures and approaches that have proven to improve the collaboration between sales and marketing, create more value for customers and reduce costs. Best practices should be documented and shared within the company. In addition, management may collect illustrative examples, develop case histories and share success stories through the corporate website, in-company seminars, internal newsletters, and blogs.

A learning organization requires some kind of organizational memory, which allows the company to pass on experiences, insights, knowledge, and skills to others in the organization. Organizational memory allows an organization to store acquired insights and knowledge, so that it can be retrieved at a later date. For instance, it allows sales reps to capture their customer and market insights and make it accessible to new hires. IT solutions, such as intranets and collaborative software, may be used to disseminate knowledge internally. But the accumulated insights may also become embedded in the company's organizational processes, procedures, and best practices. Especially in companies with a relatively large employee turnover, as happens in some sales organizations, organizational memory serves to capture the knowledge that resides in individuals. It is the task of management to determine which insights about sales-marketing collaboration are worth preserving and the best way to capture, store, and disseminate this knowledge.

To conclude, the range of solutions we presented in this chapter speak to the complexity involved in creating effective sales-marketing interfaces and ensuring that they stay frictionless and effective over a long term. We recommend that simultaneous actions be taken at three different levels to achieve result: Actions at the level of (*a*) sales and marketing's rank and file, (*b*) sales and marketing leadership, and (*c*) the company's top management.

However, before engaging in implementing each of the solution-oriented actions, it is imperative that organizational and functional leaders conduct a detailed assessment of where their sales-marketing interface stands so that they understand the exact nature and extent of issues they will need to address. In the next chapter, we present you with a set of tools to do just that.

Chapter Take Aways

- The solutions to improve sales-marketing interfaces can be grouped into three categories: (1) solutions within the sales and marketing functions (assembling the team), (2) solutions at the interface between sales and marketing (winning the game), and (3) solutions at the company level (staying undefeated…over a long term).
- At the functional level, sales and marketing leaders must hire people with the right attitude and skills, provide training to develop a collaborative mindset and skills, and provide leadership to encourage collaboration.
- At the interface level, managers must collaborate to create single marketing-sales processes, place people in the right positions, encourage communication across the interface, and strengthen social bonds between individuals.
- At the company level, top management must ensure that the corporate infrastructure is geared towards encouraging and rewarding collaboration between sales and marketing.
- The variety of solutions presented in this chapter demonstrate the complexity of creating effective sales-marketing interfaces. It requires actions at the level of sales and marketing's rank and file, sales and marketing leaders, and the company's top management to make sure that everything encourages and supports the effective collaboration and communication between the sales and marketing groups.

CHAPTER 5

Assessing Your Sales-Marketing Interface

A Three-Step Interface Assessment Process

In Chapter 3 we looked under the hood of the sales-marketing interface and identified a range of potential causes of dysfunctional interfaces, ranging from individual differences to misaligned organizational systems and processes. We followed this in Chapter 4 by outlining a broad spectrum of solutions that companies may put to use to deal with these root causes and improve their sales-marketing interfaces. These solutions exist at three levels: The sales or marketing function, the interface, and the company. Thus, we used a very large canvas to paint the sales-marketing interface in great detail, warts and all.

However, as a manager in a company, how do you identify and implement the appropriate solutions to improve an ailing sales-marketing interface in *your* company? While the answer to this question is different for each company, and depends on a multitude of idiosyncratic circumstances, it is grounded in a detailed assessment of the sales-marketing interface. In this chapter, we present a systematic three-step process, along with the required tools, that you need to assess the quality and nature of the relationship between sales and marketing in your company.

As practicing managers, you are likely to be putting out multiple fires on a daily basis when it comes to issues related to your sales-marketing interface. You are probably also intrigued (and frustrated, at times) because sales and marketing, with such similar backgrounds and working on such closely related issues, have so much difficulty working together as a team. The sales-marketing interface is very much like any other long-term relationship. As discussed in the previous chapters, each function possesses its own unique characteristics, which can create challenges in their relationship as they work together on a day-to-day basis. Despite these challenges, it is important that each function maintains its uniqueness, because a company stands to benefit from both sales and marketing personnel's individual strengths and their collective interface dynamics. This means that the ideal solution is never for a company to merge its sales and marketing departments to create a hybrid entity that understands both the marketing and sales side of the business. Instead, we strongly recommend that sales and marketing maintain their uniqueness and work tirelessly to find common ground, manage their differences, and come together as a team on important occasions.

Such teamwork is only possible if sales and marketing personnel remain keenly aware of, and deeply invested in each other's activities and the associated challenges, because this allows them to empathize with each other. A failure to find common ground often means that sales and marketing exist at opposite ends of the spectrum, fighting over every tactical and strategic issue, and not supporting (and in some cases even sabotaging) each other's initiatives. Such a dysfunctional sales-marketing dynamic has a negative impact on the company's business performance and future prospects.

To ensure that a company's sales and marketing personnel are able to develop and maintain a healthy and productive interface we suggest a three-step interface assessment process (Figure 5.1):

- *Step* 1*: Identify the underlying currents ("Where do we come from?")*. Whether your company's interface is healthy or in dire need of intervention, the first step is to understand the underlying elements that have brought the interface to its current state.
- *Step* 2*: Take the interface pulse and check its characteristics ("Where are we now?")*. The underlying issues identified in Step 1 may manifest themselves in a variety of symptoms on a day-to-day basis. An accurate understanding of the interface's current dynamic can be obtained by taking its pulse.
- *Step* 3*: Assess the interface's consequences ("Where are we headed?")*. Any troubled interface has potential negative effects on business performance. The best way to avoid unwanted

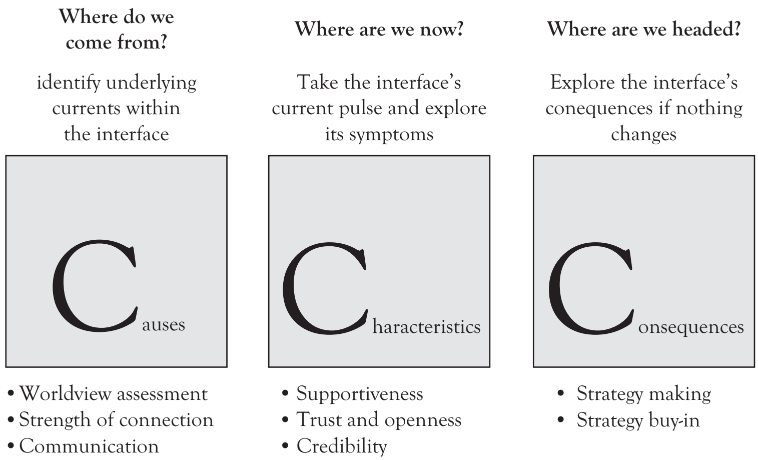


Figure 5.1 The sales-marketing interface assessment C3 toolkit

consequences is to explore them in detail. This paves the way for the development of appropriate solutions.

Going through this process, you will come to realize that assessing your sales-marketing interface is no quick and easy task. On the contrary, it requires a thoughtful, systematic approach. To help you design and implement a tailor-made change program for your company, we present the Sales-Marketing Assessment C3 Toolkit. The tools in this toolkit are based on our collective experience of over 15 years of rigorous research in this area, involving conversations with hundreds of sales and marketing personnel across the globe, as well as the results from other studies in this field.[1-12]

While the tools are designed to give managers a working understanding of what is going on within their sales-marketing interfaces, the actual development and implementation of an effective change program requires significant customization.

How to Use the Sales-Marketing Interface Assessment C3 Toolkit

The tools presented in this chapter will help you to carry out the three steps of our sales-marketing interface assessment process. Each of the tools is designed to capture a specific element of the sales-marketing interface. Most of the tools consist of a series of statements and require company employees to indicate the extent of their agreement with each specific statement on a seven-point scale, where 1 indicates "complete disagreement" and 7 indicates "complete agreement" with the statement.

Before we explain how to use these tools, there are three brief remarks about the language used in these tools. (1) In many of the statements you will read the term "counterparts," which refers to "people from the other function." When someone from sales is completing the tool, "counterparts" refers to the marketing colleagues; when someone from marketing completes the tool, the "counterparts" are salespeople. (2) Throughout all the tools, you will read the term "function." This refers to either sales or marketing, depending on where and how it is used. (3) The terms "salespeople" and "marketers" are used generically to refer to marketing and sales personnel, irrespective of their place within the organizational hierarchy.

Because the tools are designed to assess the sales-marketing dynamic, unless stated otherwise, it is important that both sales and marketing personnel complete each of these tools. Letting sales and marketing leaders ask their deputies and rank and file to complete the tools anonymously ensures that honest opinions are captured and results in the most detailed insights. While a comparison of individual scores is helpful, because it provides insight into the spread of opinions within a group, we will focus on a comparison between the average scores from the sales and marketing teams. Another alternative would be to ask your top management to complete the tools as well, because this will generate useful information about management's perceptions of the sales-marketing interface. Especially when these perceptions can be compared with the opinions from sales and marketing employees themselves.

Depending on your objectives, you may use all tools or focus on a specific set of tools. Viewed collectively, the C3 toolkit allows managers to complete a comprehensive assessment of the quality of their sales-marketing interface and its likely effects on business performance. Alternatively, you may also decide to pick and choose a subset of tools to investigate a specific area depending on your specific situation.

A one-time project to assess your company's sales-marketing interface provides many useful insights, but a better approach is to revisit these tools periodically (every 9 through 12 months) and reassess your interface on an ongoing basis. Comparing data-points over time will help you understand whether your interface is progressing or regressing.

Each description of a tool consists of two parts:

- The actual tool: A series of statements that the respondent must complete
- A guideline to help interpret the scores, as well as some suggestions about how you may address the issue.

Using a tool requires the respondents to express the extent to which they agree with a series of statements. These scores can then be used to calculate average *individual* scores (summing the ratings for the various statements, divided by the number of statements) and average *team* scores (summing the average scores of the individual team members, divided by the number of team members). The results can be used to assess differences between individuals (for instance, different salespeople), between teams (sales versus marketing), and between hierarchical levels (for instance, sales managers and sales reps).

Step 1: Identify Underlying Currents Within the Interface

The assessment of the sales-marketing interface starts with an exploration of the underlying currents (i.e., root causes) that afflict a typical sales-marketing relationship. Drawing on our extensive research in this area that informs much of the materials presented in Chapter 3, we provide three tools that help you make a comprehensive assessment of the many root causes we discussed in Chapter 3, which have wide-ranging effects on your current interface: (*a*) Sales and marketing's worldviews, (*b*) The strength of the connection between sales and marketing, and (*c*) The communication between the two functions. Each of these three areas is explored with a separate tool.

#1: Worldview Assessment Tool

The worldview assessment tool allows you to assess how your marketers and sales personnel view their own and their counterpart function's role in the company. Since we know from prior research that worldviews of both sales and marketing are different, there are separate tools for both functions. (See Tables 5.1A and 5.1B.)

To assess the worldviews of your sales and marketing personnel, you need to calculate the average scores for your sales and marketing teams. Table 5.1C helps you to interpret the average scores for the sales and marketing teams.

Once you have an understanding of how salespeople and marketers view their and their counterpart's roles in the company, you may compare their perspectives to assess the extent and nature of the cultural divide between the two functions. For instance, if the marketing team scores high on how they see themselves (that is, if they see their role as being very strategic), while the salespeople score low on how they see themselves (which means that they see their role as being very operational), the two teams play very different roles in the company. On the other hand, if both teams score high on how they see themselves, each function thinks that they drive the strategy and that the other function must play the second fiddle. In these cases, there is a great likelihood of a power struggle and culture clash between sales and marketing, which will affect strategy development and implementation.

Table 5.1A Worldview assessment tool: sales

How salespeople see themselves							
	strongly disagree						strongly agree
As salespeople...	1	2	3	4	5	6	7
...we play a strategic role in our company							
...we must have an equal say in the strategy development process							
...we cannot afford to lose sight of the day-to-day sales numbers							
...we are hesitant to sacrifice current revenues for long-term gains							
...our job is to put customer's interest before everything else							
...we must be able to adapt strategies to fit our individual sales territories							
...it does not benefit us much to think long-term							
Average score							

How salespeople see marketers							
	strongly disagree						strongly agree
We expect marketers to...	1	2	3	4	5	6	7
...serve as our support function and be there for us when we need them							
...be proactive and reach out to us with offers to help							
...take care of the little things that we cannot get to so that we can focus on selling							
...get out of their ivory tower and be more in touch with market reality							
...be flexible and support us when we adapt strategies							
...develop smart strategies that actually work in the marketplace							
...have our best interest in mind							
Average score							

Table 5.1B Worldview assessment tool: marketing

How marketers see themselves							
	strongly disagree						strongly agree
As marketers …	**1**	**2**	**3**	**4**	**5**	**6**	**7**
…the development of marketing strategy is our key responsibility							
…we cannot afford to take a short-term perspective							
…we cannot devise strategies for specific sales territories, but must focus on the entire market							
…we cannot delegate any part of the marketing strategy development process to the sales organization							
…we cannot make a sale happen; it is salespeople's responsibility							
…we are a strategic function, not an on-call sales support department							
Average score							

How marketers see salespeople							
	strongly disagree						strongly agree
We expect salespeople to …	**1**	**2**	**3**	**4**	**5**	**6**	**7**
…meticulously follow our marketing plans							
…stick to the strategy implementation guidelines we provide and not devise their own processes in the field							
…focus on long-term goals instead of quarterly sales incentives							
…support our strategies wholeheartedly and not cut corners							
…not interfere with the marketing strategy development process							
Average score							

Table 5.1C Worldview assessment tool: interpretation

Scores	Interpretation
How salespeople see themselves	
If the sales team's average score is above 4.5	Salespeople desire to maintain much control over strategy development and implementation
If the sales team's average score is in the range of 3–4.5	Salespeople do not view their role as being strategic; yet, they want to retain some control over the strategy process
If the sales team's average score is below 3	Salespeople are likely to follow directives and work with their marketing colleagues
How salespeople see marketers	
If the sales team's average score is above 4.5	Salespeople view marketers as simply a support function; they expect marketing to support them while they lead
If the sales team's average score is in the range of 3–4.5	Salespeople think of marketers as more than just a support function
If the sales team's average score is below 3	Salespeople believe that marketers will not always go out of their way to support salespeople
How marketers see themselves	
If the marketing team's average score is above 4.5	Marketers view their role to be purely strategic; they are not likely to give up control to salespeople
If the marketing team's average score is in the range of 3–4.5	Marketers view their role as strategic; they are somewhat open to working with salespeople, albeit with some reservations
If the marketing team's average score is below 3	Marketers view salespeople as partners that they must fully support
How marketers see salespeople	
If the marketing team's average score is above 4.5	Marketers expect salespeople to simply follow their directives and not exert any autonomy
If the marketing team's average score is in the range of 3–4.5	Marketers expect salespeople to follow their directives, although they are aware that it may not happen all the time
If the marketing team's average score is below 3	Marketers expect salespeople to influence strategy implementation; they do not expect them to simply take orders

#2: Strength of Connection Tool

The strength of connection tool helps you assess the strength of the bond between your sales and marketing functions. Do sales and marketing communicate frequently with each other? Do they have a good personal rapport? Do they share common objectives? (See Table 5.2A)

In interpreting the scores (See Table 5.2B), the general rule is: The higher the average scores for both teams, the more connected the teams feel with each other. If there are significant differences between the two average team scores, both functions have very different perceptions of the bond with their counterparts. These different perceptions may result in less trust and an overall less effective sales-marketing interface.

Table 5.2A Strength of connection tool

	strongly disagree						strongly agree
Our counterparts...	**1**	**2**	**3**	**4**	**5**	**6**	**7**
...often interact with the rest of the organization							
...frequently communicate with us							
...share much information with us about what they are working on							
...are not protective of their own turf							
...have a good rapport with us							
...are willing to set aside our differences to address customer needs							
...believe that if we succeed, they succeed							
...are as much invested in our success as they are in their own success							
...share our philosophy that we exist to serve the customer							
...rank company objectives over functional objectives							
Average score							

Table 5.2B Strength of connection tool: Interpretation

Scores	Interpretation
If the average team score is above 4.5	The function views their counterparts in a favorable light and feels that they share a strong bond; the higher the score, the stronger the perceived connection
If the average team score is in the range of 3–4.5	The function feels quite neutral about their counterparts; they feel neither greatly connected nor disconnected with their counterparts
If the average team score is below 3	The function feels that their counterparts are disconnected from them and that the bond is weak; the lower the score, the weaker the perceived connection

#3: Communication Tool

To focus more deeply on the interaction between sales and marketing personnel, the communication tool is designed to help you assess the quality of communications between the two functions. Do salespeople and marketers like to interact with each other? Is the exchange of information open and constructive? Does communication flow freely in both directions? (See Table 5.3A)

Table 5.3A Communication tool

	strongly disagree						strongly agree
	1	2	3	4	5	6	7
We frequently communicate with our counterparts							
We use every opportunity (phone calls/emails/conference calls) to communicate with our counterparts							
I enjoy interacting with my counterpart							
When problems arise, we have a candid, yet very professional conversation with our counterparts							
The dialog with our counterparts is always focused on finding solutions to problems, instead of pointing fingers							
When our counterparts ask us questions, we get back to them quickly							
There is a free flow of information in both directions between us and our counterparts							
We often give unbiased feedback to our counterparts on their ideas and activities							
We give our counterparts many opportunities to ask questions and seek clarification on our ideas							
Outside of formal meetings, we regularly interact with our counterparts informally							
Average score							

The higher the average scores for both teams (See Table 5.3B), the more positive they are about the quality of the dialog between sales and marketing. If the scores for both teams are very different, both functions have very different perceptions of how they communicate. This might indicate that one of the functions is more focused on its own problems and objectives than on those of their counterparts.

Table 5.3B Communication tool: Interpretation

Scores	Interpretation
If the average team score is above 4.5	The function believes that they engage in free flowing, transparent, and objective communications with their counterparts; the higher the score, the higher the perceived quality of the dialog
If the average team score is in the range of 3–4.5	The function does not exhibit much enthusiasm toward establishing strong communications with their counterparts; communication is likely to happen only on a need basis
If the average team score is below 3	The function perceives the communication with their counterparts to be poor and feels a need for improved communications; the lower the score, the poorer the perceived quality of the dialog

Step 2: Take the Interface Pulse

While Step 1 allows you to identify and explore the underlying currents that may afflict the sales-marketing interface, Step 2 focuses on how these currents play out in the interface. It is all about taking the pulse of the sales-marketing interface to assess the status quo. We have developed three tools to help you understand the extent to which sales and marketing (*a*) support each other's activities, (*b*) trust and are open with each other, and (*c*) perceive each other as credible partners.

#4: Supportiveness Tool

A first key characteristic of a sales-marketing interface concerns the extent to which both functions support each other. After all, sales and marketing perform complementary and partly overlapping tasks and a successful interface requires both groups to support each other in both strategic and tactical activities. Do salespeople and marketers collaborate? Do they view each other as partners? Do they actually want to help each other? The supportiveness tool helps you to understand what salespeople and marketers think of the support they receive from their counterparts on a day-to-day basis (See Table 5.4A).

Table 5.4B helps interpret the scores. A low average score reflects a low perceived supportiveness from sales or marketing. While this may be problematic, it is also telling when the average scores from the sales and marketing teams are very different. This means that both functions have very different perceptions of the level of support provided in the interface, which may be indicative of ineffective communication or a lack of empathy.

Table 5.4A Supportiveness tool

	strongly disagree						strongly agree
In our company, the sales and marketing functions...	**1**	**2**	**3**	**4**	**5**	**6**	**7**
...collaborate in developing marketing plans							
...work as a team on many strategic and tactical activities							
...extensively co-operate with each other on a day-to-day basis							
...view each other as partners on the same team							
...have equal say in marketing and sales decisions							
...are eager to help each other							
...actively look for ways to support each other's objectives							
...support each other's initiatives even when they do not benefit from it directly							
Average score							

Table 5.4B Supportiveness tool: Interpretation

Scores	Interpretation
If the average team score is above 4.5	The function believes that sales and marketing functions support each other's activities, initiatives, and objectives extensively; they feel that sales and marketing are truly part of the same team
If the average team score is in the range of 3–4.5	The function feels indifferent about their counterparts; they neither feel supportive of nor supported by their counterparts; the functions probably have to go out of their way to generate support from their counterparts for their ideas and initiatives
If the average team score is below 3	The function believes that sales and marketing do not support each other very much; the lower the score, the lower the perceived supportiveness

#5: Trust and Openness Tool

A second characteristic of a sales-marketing interface describes the amount of trust and openness that exists between the two functions. Is there tension between the two functions? Do people keep their promises? Can they be relied on to give honest opinions and feedback? The trust and openness tool captures these elements of the sales-marketing interface (See Table 5.5A).

The higher the average team score, the better their perception of trust and openness in their interactions with their counterparts. If the average team scores for sales and marketing are very different this may be a reflection of a lack of open communication between the two functions and one of the two groups not putting enough effort into the interface (See Table 5.5B).

Table 5.5A Trust and openness tool

	strongly disagree						strongly agree
	1	2	3	4	5	6	7
When we meet with our counterparts, there are not many tensions							
On a day-to-day basis, we have more agreements than disagreements with our counterparts							
If asked privately, my departmental colleagues are likely to offer a positive opinion of our counterparts							
Our counterparts seriously consider our feedback, even when it is critical							
Our counterparts work hard to bring out the best in us							
Our counterparts keep their promises to us							
Our counterparts have open and honest conversations with us							
Average score							

Table 5.5B Trust and openness tool: Interpretation

Scores	Interpretation
If the average team score is above 4.5	The function perceives that they share a high quality relationship with their counterparts; the higher the score, the better the perceived relationship quality
If the average team score is in the range of 3–4.5	The function is indifferent toward their counterparts; they do not engage much with each other, which leads to a neutral relationship between the two functions
If the average team score is below 3	The function views the relationship quality between them and their counterparts to be suboptimal; they feel that the relationship lacks trust and openness, and suffers from conflict

#6: Credibility Tool

The final characteristic describing the nature of the sales-marketing interface, captured by the credibility tool, concerns the extent to which sales and marketing personnel view their counterparts as credible partners. Do they think that their counterparts provide them with useful information? That they are reliable and valuable partners? (See Table 5.6A)

The higher the average team score, the better their perception of their counterparts' credibility. If the average team scores for sales and marketing are very different this reflects an unbalanced relationship in which expectations are not always met and disappointment is likely to abound (See Table 5.6B).

Table 5.6A Credibility tool

	strongly disagree						strongly agree
Our counterparts	1	2	3	4	5	6	7
...do not cut corners in doing their job							
...leave no stone unturned in doing their job							
...put the company's interests ahead of their personal gains							
...are willing to admit their mistakes to us							
...contribute to the company's business performance							
...provide us with useful information							
...are reliable							
...are valuable partners							
...keep their promises to us							
...support our ideas and initiatives							
...have our best interests in mind							
...protect and advocate our interests within the company							
...are excited about working with us							
...treat us as valuable partners							
...understand the daily challenges we have to deal with							
Average score							

Table 5.6B Credibility tool: Interpretation

Scores	Interpretation
If the average team score is above 4.5	The function views their counterparts as highly credible partners; they view them as trustworthy team members who will work in the best interest of the company; the higher the score, the stronger the perceived credibility
If the average team score is in the range of 3–4.5	The function has an ambivalent view of their counterparts; they do not view them as highly credible but also have no reasons to distrust them; they are quite neutral toward them
If the average team score is below 3	The function views their counterparts as not very credible partners, which indicates a lack of trust in the counterparts' abilities or intentions; the lower the score, the worse the perceived credibility

Step 3: Assess the Interface Consequences

Having identified the underlying causes that influence the current state of your sales-marketing interface, and how they manifest themselves within your interface, Step 3 takes a closer look at the effects of the sales-marketing interface on your company. It aims to help you understand how the interactions between sales and marketing personnel within your company affect your company's ability to successfully develop and implement marketing strategies and maintain a competitive edge. We present two tools that help you assess (*a*) whether your company is able to develop and implement marketing strategies successfully and (*b*) the extent to which marketers are likely to achieve a "buy-in" for their marketing strategies from the sales force.

#7: *Strategy Making Tool*

The most critical activity in which marketing and sales are jointly involved is the development and implementation of marketing strategy. The strategy making tool is designed to explore how successful your company is likely to be in developing and implementing new marketing strategies. This tool captures the key elements of the discussion about strategy making presented in Chapter 2. The tool consists of three sections: (1) Developing strategy, (2) Communicating strategy to the sales force, and (3) Implementing strategy (See Table 5.7A).

The interpretation of the results of the strategy making tool is a bit different than the other tools. For each of the three sections of the tool (strategy development, communication, and implementation) the average team scores for sales and marketing can be compared. In general, a higher team score means that the function completing the tool believes that marketing is doing a good job of including sales personnel in the various stages of the strategy process. When the average team scores for sales and marketing are markedly different from each other, both functions obviously hold very different perceptions of how they interact while developing and implementing a new marketing strategy.

Table 5.7A Strategy making tool

	strongly disagree						strongly agree
While developing marketing strategies, marketers…	1	2	3	4	5	6	7
…keep salespeople in the loop							
…invite salespeople's ideas about alternative strategies							
…ask salespeople to "test drive" the new strategy in select sales territories							
…modify the strategy based on feedback from the strategy "test drive"							
Average score							
When communicating a new major marketing strategy to sales, marketers…	1	2	3	4	5	6	7
…clearly explain the logic/rationale behind the strategy							
…seriously answer salespeople's questions about the strategy							
…help salespeople develop action items for their territories based on the new strategy							
Average score							
Once strategy implementation begins marketers…	1	2	3	4	5	6	7
…regularly check-in with salespeople to understand what works and what doesn't							
…offer timely support to salespeople							
…are willing to adapt the strategy so that it addresses individual sales territory needs							
Average score							

Table 5.7B Strategy making tool: Interpretation

Scores	Interpretation
Strategy development	
If average team score is above 4.5	The function believes that marketing adequately involves sales personnel in the strategy development process
If the average team score is in the range of 3–4.5	The function is ambivalent about marketing involving sales personnel in the strategy process; this suggests a lack of well-developed processes within the company to encourage sales involvement in the strategy development processes
If the average team score is below 3	The function believes that sales personnel are removed from the strategy development process and have no say in what and how strategies are developed
Strategy communication	
If the average team score is above 4.5	The function believes that marketing spends enough time communicating marketing strategy, and strategy is not forced on to the sales force
If the average team score is in the range of 3–4.5	The function thinks that the communication about strategy to salespeople is half-hearted and sporadic; this suggests a lack of thought within the company to involve salespeople in the strategic process
If the average team score is below 3	The function believes that marketing spends little time communicating the strategy to salespeople and answering their questions; this suggests that the function believes strategies are thrust upon salespeople
Strategy implementation	
If the average team score is above 4.5	The function believes that marketers stay in touch with and help salespeople out when the strategy is rolled out in the field
If the average team score is in the range of 3–4.5	The function thinks that marketing's support to salespeople is sporadic and may depend on the individual marketing manager; there is no systemic approach followed by marketing
If the average team score is below 3	The function believes that marketing does insufficiently stay in touch with and support the field force after the strategy is rolled out; this indicates that marketing simply hands-off the strategy and does not support it afterwards

#8: Strategy Buy-In Tool

A company's strategy making process will only be successful if the marketers are able to achieve a buy-in of their marketing strategies from the field force. Do marketers encourage salespeople to contribute ideas to new strategies? Do marketers allow salespeople to adapt the marketing strategy if the specific conditions of a sales territory warrant it? This is captured by the strategy buy-in tool, which is to be completed by sales personnel only (See Table 5.8A).

The higher the average score of the sales team, the more salespeople believe that marketers treat them as equal partners in the strategy making process. Such perception may increase the likelihood that they will buy-into the marketing strategies (See Table 5.8B).

Table 5.8A Strategy buy-in tool

	strongly disagree					strongly agree
In our company, marketers…	**1**	**2**	**3**	**4**	**5**	**6**	**7**
…encourage salespeople to come up with ideas for new strategies							
…ensure that their strategies are easy to implement in the field							
…take time to explain the rationale behind the strategy							
…give salespeople the opportunity to poke holes in the strategies they have developed							
…offer unwavering support to salespeople when strategy is taken to the field							
…allow salespeople to tweak the strategy to fit their sales territories							
Average score							

Table 5.8B Strategy buy-in tool: Interpretation

Scores	Interpretation
If the average team score is above 4.5	Salespeople believe that marketers treat them as equal partners and that they have adequate say in the strategy process; as a result, salespeople are very likely to embrace the strategies wholeheartedly
If the average team score is in the range of 3–4.5	Salespeople do not feel that their voice is adequately represented in the strategy process; they may do the minimum work needed to implement the strategy but may not embrace it wholeheartedly
If the average team score is below 3	Salespeople feel alienated from the strategy development process; they may not take any ownership of the strategy and may not implement it in the field

Designing A Program for Improvement

When you use our C3 Toolkit, you will generate many insights about the workings of your sales-marketing interface. First of all, you will probably notice that sales and marketing personnel have different perceptions of the same issues (such as the interfunctional dialog or the overall quality of the relationship), as indicated by significant differences in their average team scores. You are also likely to notice that even within each function, the perceptions and opinions around specific issues (such as the strategy making process) are different depending on who completed the tool. For example, sales and marketing leadership is likely to view things very differently compared to their functional colleagues at the middle or lower levels of the organizational hierarchy. These differences in perceptions are very powerful indicators of how different sales and marketing executives within your company have a varying perspective on how your sales-marketing interface functions. And it is these perceptions that affect how people act on a day-to-day basis and therefore on the functioning of the interface.

Of course, identifying the strengths and weaknesses of your sales-marketing interface, as well as their effects on corporate processes and business performance, should be followed by the design and implementation of a program for improvement.

We strongly believe that there is no "one size fits all" solution that every company or executive using the toolkit can just pick off the shelf and start implementing. The reality of organizational complexity means that the solutions to these issues are numerous, as illustrated in Chapter 4, and depend on numerous factors that are specific to your company as discussed in Chapter 3; such as your organizational structure, culture, the nature of your business, the background of your sales and marketing personnel, or your sales-marketing relationship history and configuration. In addition, several external factors may also be relevant; for instance, the industry you are in, the nature of competition, and environmental, and economic uncertainty. This means that every company needs to develop the set of specific solutions that best matches their circumstances.

Therefore, although our toolkit does not include ready-made solutions for identified problems; to get you started on developing customized solutions for your specific needs, we offer a framework. This framework requires you to examine the critical issues that you have identified through three different lenses: Sales, marketing, and organizational leadership. In short, this requires you to look at each of the concern areas and assess what (*a*) the sales organization, (*b*) the marketing organization, and (*c*) company leadership may do to address the concerns. Exploring critical issues from these three perspectives will result in a more realistic and stronger solution. By way of example, Table 5.9 presents a problem area that was identified using the toolkit (in this case a lack of supportiveness) and outlines some questions that you may ask yourself to identify appropriate solutions.

As we conclude this chapter, we revisit the relationship analogy we used at the beginning. We reiterate that sales and marketing departments and personnel are like companions in a long-term relationship. Just as in any relationship, problems are likely to crop up between sales and marketing departments. When challenges arise, it is crucial that neither the interface personnel nor the company leadership jump to conclusions and try to find a quick fix. There are no quick fixes to these issues. It is always prudent to dig deeper, examine the issue systematically, and invite multiple perspectives on how the issue could be addressed. This is indeed a time-consuming process, but it is *the only* process that will provide long-term benefits. You may be tempted to find short-term, quick fixes to the problem areas—but remember, they are just "short-term" fixes with a significant likelihood that the issues you "fixed quickly" will crop up again and take a more severe form.

To conclude, this chapter offered a series of tools that you can use to assess the quality and nature of the sales-marketing interface in your company. They can be used to identify pain points and start exploring possible solutions. But we also emphasized that there are no quick fixes, because sales-marketing interfaces are complex and problems within them may not be amenable to such quick fixes. The next, and final chapter, adds to that complexity by exploring several organizational challenges that have a direct impact on the sales-marketing interface.

Table 5.9 Analyzing a problem area

Problem area: **The sales and marketing functions have a very low perception of supportiveness; they feel that they do not receive optimal support from their counterparts on a day-to-day basis**		
Marketing must investigate	**Sales must investigate**	**Leadership must investigate**
• How do we contribute to salespeople's perceptions? • What does the sales function expect from us? • Do we fully understand salespeople's expectations? • Is there a systematic process to capture salespeople's expectations? Do we follow that process diligently? Why/why not? • Once we understand salespeople's expectations, how do we use that information? Do we analyze their expectations seriously? • In response to their expressed needs, what support do we offer to our salespeople on a day-to-day basis? • What do we fail to offer? Why? • What prevents effective teamwork between sales and marketing? • How can we proteet salespeople's interests while asking them to support our long-term plans?	• How are we contributing to marketers' perceptions? • When marketers say, "salespeople must support us," what do they really mean? • How can we better understand marketers' expectations? What processes do we currently use to capture these expectations and how can we improve them? • If we introspect, do we believe that we offer our marketing colleagues the optimal support they need? • In which areas do we collaborate well with marketing? What makes that tick? • What collaborative avenues have we not explored yet? • Have we worked (advertently or inadvertently) at cross-purposes with our marketing colleagues? • How can we support marketing's initiatives while not losing focus on our day-to-day sales activities?	• Why did we not see this coming earlier? • Have there been any instances or events in the recent past that may have decreased the supportiveness within the interface? • Where does the problem lie – is it an interpersonal issue, a resource issue, a priority issue, or something else entirely? • How could we intervene to enhance interface supportiveness? • Going forward, what support do we need to extend to optimize interface supportiveness? • How can we monitor the level of supportiveness within the interface on an ongoing basis so that it does not become a problem area in the future?

Chapter Take Aways

- The process of improving your sales-marketing interface starts with an honest assessment of the nature and quality of the interface in your company.
- Assessing the quality of a sales-marketing interface involves more than simply looking at how salespeople and marketers interact inside your company.
- We suggest a three-step process and provide a *C3 toolkit* to assess your sales-marketing interface: (1) Identify the underlying currents that have brought the interface to where it is today, (2) Explore the *characteristics* of the interface to understand its current dynamics, and (3) Assess the *consequences* if the interface remains unchanged.
- When management has used the tools to assess its sales-marketing interface, the next step is to identify the most critical issues that need to be dealt with and to design a change program. Such a change program needs to account for the complexity of the organization in question and requires the design of a custom-made solution.

CHAPTER 6

Challenges to Your Sales-Marketing Interface

In the previous chapter, we suggested a three-step approach, and an accompanying set of tools, that allow sales and marketing personnel to assess their relationship and identify the critical areas for improvement. The toolkit we presented will help you to pinpoint the key underlying elements that influence the interface, take the interface's pulse on a regular basis, and get a sense of how your interface troubles affect the strategic processes in your company. As any practicing business manager is keenly aware of, companies navigate through myriad challenges on a day-to-day basis. Some of these challenges are foreseeable, while others come up without advance warning. Dealing with these challenges involves your sales-marketing interface and impacts your company's strategic and tactical activities.

In this chapter, we discuss a number of these challenges that directly impact your sales-marketing interface. Some of these challenges occur very regularly and are part of the everyday *slippery slopes* that salespeople and marketers have to deal with. Examples are the threat of intensified competition and technological changes. Other challenges present themselves more infrequently, causing periodic shifts in the nature and quality of the sales-marketing interface. An example is a change in key personnel in the company; for instance, when a marketing director leaves and is replaced with someone from outside the company. Irrespective of the kind of challenges that you and your company have to deal with, you need to realize that these challenges can have significant (and potentially harmful) effects on your sales-marketing interface dynamics. But it also means that a good understanding of these challenges and their impacts can help you prepare for them. In this chapter, we discuss several common challenges and explore the properties that a sales-marketing interface needs to possess to deal with them successfully, rather than crumble under the pressures they bring on.

Challenge #1: Competitive Threats

Imagine that your company has enjoyed a strong leadership position in your market for the past few years. The market is in the maturity stage of its life-cycle and a new, credible competitor enters the market. Its sales force is very well-trained and motivated to succeed; in other words, the competitor's primary objective is to steal the leadership position from you. For many managers this scenario is not hard to imagine, because it so closely resembles their reality. If your company is a dominant player in a mature, slow-growth market, you will probably feel the pressure of credible new competitors.

The obvious strategy in such a scenario is to focus your attention on your existing customer base and do everything in your power to retain them. In the face of intense competition that is targeting the same customers, this scenario will put a great deal of pressure on your sales and marketing teams. As a result, if your sales-marketing interface is inherently weak and troubled, it may start to show cracks. Especially when the new competitor manages to snatch a major customer from you, or make significant inroads in markets that you have dominated for years, sales and marketing may start to blame each other for these failures. A series of significant or repeated stressful events may drive your sales and marketing functions apart. If that is the case, increased competition acts as a trigger that throws the interface's functioning into total disarray, which further jeopardizes the company's short and the long-term market position.

But an alternative scenario may unfold when your sales-marketing interface is healthy and ready to face the pressures of intense competition. In this scenario, the competitive challenges trigger a totally different set of events. Faced with competitive threats, the sales and marketing teams recognize that the need of the hour is to set aside their inherent differences and come together as a team, stay united, and do everything in their capacity to deal with the competitive threat. Internal squabbles are forgotten and representatives from both functions communicate more frequently and emphasize joint objectives and tasks above functional goals

Table 6.1 Measures to deal with competitive threats

Organizational measures	How they help the interface deal with competitive threats
Focus on long-term interface health	• Ensures that there are no underlying, contentious issues that simmer beneath the surface • Contributes to a healthy interface that is in a better position to absorb unexpected shocks • Interface personnel are able to regroup all the needed resources and put them to use in times of need
Have leaders intervene early	• Emphasis by leaders that sales and marketing teams are in it together helps interface personnel to focus on larger issues and problem areas • Rallies the troops behind common objectives, preparing to face a common enemy • Nips interpersonal and interfunctional squabbles in the bud; problems become joint problems
Cultivate credibility	• Ensures that sales and marketing personnel view each other as credible and trustworthy partners • Perceptions of credibility make sure that counterpart functions will not question each other's ability or honesty • Focus shifts from interpersonal conflicts to common problems

and activities. Thus, the outside threat triggers a cooperative and a collective response from both sales and marketing aimed at dealing effectively with a common enemy. To help you rally your troops and prepare for and deal with competitive threats, Table 6.1 presents some suggestions.

Challenge #2: Strategy Failure

Every marketing and sales manager knows from experience that developing and implementing marketing strategies successfully is not an easy task. It requires a great deal of work and planning to develop a successful strategy and it takes a lot of coordination within a company to ensure that the strategy is then implemented successfully. As we discussed at great length in Chapter 2, strategy making is just plain hard work.

The reality has always been that not all strategies succeed in the marketplace. For instance, the business environment may have changed, competitors have taken unexpected actions, the strategy was too complex, or people just did not *buy into* the strategy. Experience shows that in business many strategies fail not because they are flawed, but because they are not implemented well, which requires collaboration between the sales and marketing groups.[1] But even those strategies, where sales and marketing have done a meticulous job of working through each of the strategy making stages (as outlined in Chapter 2), may fail to meet projected results. As these strategies begin to show clear signs of ineffectiveness, they introduce stress in the company. An ineffective strategy means that the company not only fails to capitalize on the market opportunity, but it also involves a lot of wasted resources; resources invested in strategy development, and execution that failed to yield the expected returns. Given the central role that sales and marketing teams play in the strategy-making processes, it is to be expected that strategy failure will take its toll on the interface dynamics.

Once again, a strategy failure event may trigger two different responses. One potential response is that sales and marketing personnel independently try to dissect what happened. Their individual analyses are likely to become a fault-finding mission where they are eager to blame their counterpart function for the strategy failure. Such a mutual blame-game has many detrimental effects. First, it shifts the focus away from the problems on hand; the sales and marketing teams do not try to discover what went wrong and where they fell short. Second, because sales and marketing personnel fail to take corrective measures, the likelihood of future strategy failure increases significantly. Third, finger-pointing and blame games sow the seeds of future discontent within the interface, which will have a negative effect on the company's ability to successfully develop and implement future marketing strategies and to implement corrective measures when necessary.

The opposite response is that the failed strategy is treated as an important opportunity to learn. Rather than start blaming each other, sales and marketing personnel reflect on the failed strategy and objectively explore what has gone wrong. Such a post-hoc analysis, if done right, is very enlightening for both sales and marketing personnel in that it helps them to get to the root causes of failure. A sincere effort on the part of both sales and marketing, directed toward identifying what went wrong, how

Table 6.2 Measures to deal with strategy failure

Organizational measures	How they help the interface deal with strategy failure
Revisit the strategy-making process	• Allows both functions to examine blind spots and areas that were inadvertently overlooked before • Urges both functions to re-examine their respective and collective assumptions underlying the failed strategy
Put everything on the table; allow no sacred cows	• Encourages an exhaustive analysis of the failed strategy • Creates the ability and willingness to accept one's own and each other's shortcomings
Provide leadership support to learn from failure	• No blarne is attributed to a specific function; the focus of the investigation remains on system and processes failures • Ensures that sales and marketing personnel feel no need to point fingers at each other • Encourages sales and marketing to step back and learn from failure so as to not repeat the same mistakes again

it can be corrected and how it may be prevented in the future contributes to a better understanding of the strategy making process and improves the sales-marketing interface. Again, the key question is: How do the sales and marketing teams respond to an adverse situation; will they blame each other or will they rally behind common objectives and jointly identify the root causes of failure to learn from their mistakes? Table 6.2 suggests several measures that organizations may take to develop a sales-marketing interface that is willing to learn and jointly address problems in the strategy making process.

Challenge #3: Personnel Changes

An often repeated truth in the world of business is that change is the only constant. While companies are implementing their strategies, based on their analysis of market opportunities and corporate strengths, they have to deal with many changes that may disrupt this process. One example of a common change that may significantly impact the functioning of the sales-marketing interface is a personnel change. We briefly discuss two types of personnel changes: Changes within sales and marketing's rank and file, and changes in the company's leadership.

Personnel Changes Within the Rank and File

Our conversations with numerous corporate executives suggest that, whether or not there exists a good rapport between the sales and marketing teams, largely depends on how well people within the sales and marketing functions get along at a personal level. The simple truth is that if you like the person behind the job title, you are more likely to work with that individual, and try to work out the wrinkles in your relationship, whatever they may be. And the opposite is equally true: If you and your counterpart do not know each other at a personal level, or do not get along; every small wrinkle can develop into a big fissure and working together can be a stressful experience.

In many companies, sales and marketing are not homogeneous functions. Even when they are grouped under the generic "sales" and "marketing" umbrellas, in reality there is a great deal of diversity across both functions and not everyone will be liked by their counterparts. As our research, and numerous other studies show, the sales-marketing interface is often less than optimal.[2] But even in companies with a suboptimal sales-marketing interface, one can often find sales territories or divisions where sales and marketing people work closely together in a harmonious relationship. These local interfaces achieve significantly better results than the rest of the company, which bears the brunt of a suboptimal sales-marketing interface.

A closer look at these localized success stories reveals that it is the personal rapport between the sales and marketing personnel that is responsible for the successful relationship. So, what happens when the very people that managed to forge strong connections leave the company? And what happens when the people who replace them fail to develop the kind of personal rapport that their predecessors had?

A critical barrier that functional leaders may build against such potential instability is the strategy of building bridges between the two functions at multiple levels. Sales and marketing leaders must ensure that their rank and file are connected through multiple relationships at different levels. They may achieve this by providing many opportunities for people to interact with one another on a formal and informal basis in both work and non-work settings. These multiple interactions help to weaken or tear down the walls between the two functions and enhance interpersonal engagement and relationships.

Leadership Changes

Equally important for the sales-marketing interface are changes of leadership within the company. Such changes may occur at the company's top management level, for example when a new CEO or business director is being appointed who is responsible for both the sales and marketing teams. Or the sales or marketing team may get a change in leadership, as it happens when a sales director retires or the chief marketing officer leaves the company.

Although a company's leadership does not necessarily participate directly in day-to-day activities, they will have a significant effect on how sales and marketing personnel work together. A great deal of research in the area of leadership suggests that leaders shape the corporate culture and set the tone for the functioning and behaviors of their deputies.[3] For example, they may send confidential, internal memos to provide their teams with direction about how to work with their counterparts. Or they may influence behavior more indirectly, by using specific language and tone of voice, or by setting an example through their own behavior. The sales and marketing teams will pick up on these clues and adjust their behaviors accordingly.

If the sales and marketing leaders share a good rapport with one another, the departure of one of them can have a destabilizing effect on the interface. If the new leader is selected from within the hierarchy, it is likely that a cordial, healthy interface relationship will continue because the new leader will probably have a similar attitude and working style as the leader leaving the company. But if the new leader is chosen from outside the company, it remains to be seen how the sales-marketing relationship will develop. On the other hand, if the sales and marketing leaders did not get along to begin with, being a major reason for a problematic interface, the departure of one of them presents a great opportunity for the company's top management (for instance, its CEO or COO) to step in, take stock of the situation and appoint someone who is capable of addressing the key problems identified. Such situations also provide top management with the opportunity to forge a stronger sales-marketing relationship.

Challenge #4: Technological Advances

No matter what industry or company you are in, recent years have seen many technological advances that probably have had a significant impact on your business. You may have been confronted by the emergence of new business models, changing customer sophistication and expectations or a proliferation of new channel structures. Many of these changes are driven by the proliferation of Internet connectivity and the subsequent 24/7 availability of information, the advent of social and mobile platforms, and the increasing use of big data. Considering the recent pace of technological change, the impact of new technologies on the business world is unlikely to let up in the foreseeable future.[4] Here, the key question to consider is: What effects will new technologies have on the sales-marketing interface? We briefly outline three major effects.

Better Informed Customers

Many companies have discovered that the growing use of Internet, and related technologies, has resulted in much better informed customers. Customers no longer depend on a sales representative for information about products and services, but use multiple technologies to perform background research on companies, new products and industry trends on their own. As a result, salespeople's role has changed dramatically. Nowadays, it is very common that, even before a salesperson meets a qualified lead to discuss the company's solutions, that potential customer has already done his homework and knows what the company has to offer and how it compares to offers from the competition. They are no longer interested in hearing a typical sales pitch, because they are already familiar with the product features and benefits that the salesperson would normally discuss with them.

The rise of the well-informed customer means that salespeople must fundamentally rethink their approach to selling. In their interactions with customers, their focus must shift to identifying the job that customers try to do and the costs and risks they have to deal with. Only then can they engage customers in thinking about how to reduce these tangible and intangible costs and risks by jointly developing solutions, and how the products and services offered by the salesperson's company may be part of these solutions.

These changes in the nature of the interactions between salespeople and customers imply that marketing also needs to rethink how they support the sales organization. They must develop new ways to help salespeople in becoming a valuable resource for customers. These dramatic shifts in both functions' fundamental tasks mean that sales and marketing personnel must devise new customer and sales-related terminologies (who is a potential customer or a valuable lead?), customer categories (defining new customer segments based on their technological savvy), and collaboration approaches (how should marketing support sales in their pursuit of a qualified lead?). Failure on the part of either sales or marketing to remain flexible and adapt to the new collaborative realities will be detrimental to the long-term health and performance of the sales-marketing interface.

The World of Multi-Channel Marketing

Recent technological developments have further complicated the multi-channel B2B marketing world. B2B companies have always used multiple channels to reach customers, ranging from direct personal selling, catalogs, and the Internet to indirect selling through partners such as dealers, jobbers, and value-added resellers. The rise of mobile and social platforms, as well as extensive penetration of devices such as smartphones and tablets that facilitate access to these platforms, present companies with new channels to target customers. A recent study found that Facebook, LinkedIn, and Twitter are the most frequently employed social media platforms by B2B companies. Further, companies use these platforms for a variety of purposes such as attracting new customers, cultivating stronger relationships with existing customers, increasing awareness, and communicating with customers.[5] Maersk Line, one of the largest container shipping company in the world managed to garner over 1 million "Friends" on Facebook, and 40,000 and 22,000 Twitter and Instagram followers respectively as a result of their foray into the social media space. They also created Maersk Line Social, a social media platform for Maersk Line using which they published articles and stories about Maersk.[6]

This increasingly complex multi-channel environment has significant implications for the sales-marketing interface. Imagine that the marketing department in your company has fully embraced the technological revolution and created a substantial presence on channels such as Twitter, LinkedIn, Google+, and YouTube. What happens if the marketing department fails to keep sales informed about all these initiatives? What if one of your star salespeople is caught off-guard when she discusses some new ideas with a major customer, and the customer happens to mention that they have already read about it on the company's LinkedIn page and saw a couple of videos on your YouTube channel? What if the salesperson discovers that your company is pushing so much information through these technology platforms and inundating customers' in-boxes that they are reluctant to give her face-time? And what if she realizes that the messages reaching customers through these channels contradict her focus and objectives; for instance, when marketers use these channels to urge customers to upgrade to a new version of the product, emphasizing that the current product will be obsolete soon, while most of this salesperson's sales still come from the old version.

The obvious conclusion from these examples is that marketing must "keep salespeople in the loop" about all the direct marketing initiatives they are developing. Even better is for marketing to involve sales in this process. At the very least, marketing must consult with sales before launching such initiatives to prevent sales and marketing from working at cross-purposes. A healthy dialog between sales and marketing ensures that both groups are fully abreast of each other's activities and initiatives, which avoids problems and enhances synergies.

Instant Connectivity

Technology allows a company's employees to stay in touch with each other and their external stakeholders (e.g., customers, dealers, or distributors) on a 24/7 basis. This means that salespeople carrying a mobile device can be contacted at a moment's notice by their marketing counterparts; they are no longer *invisible* or *unreachable*. Moreover, current GPS technology allows companies the ability to track their salespeople's movements, should they wish to do so. And the advent of big data and cloud storage make it possible for companies to create large repositories of information that reside in the cloud and can be accessed by any authorized person through the Internet. As a result, technological advances make the concept of physical distance obsolete and allow people to connect with one another at a moment's notice, and access information instantly from anywhere in the world.

This instant connectivity obviously also affects the sales-marketing interface. Used properly, it allows sales and marketing personnel to quickly connect and communicate when necessary. For example, if a sales team is working on securing an important account, they can stay in touch with their marketing counterparts to regularly update them about the latest changes or to seek additional support or intervention when negotiations enter a critical stage. It also allows marketers to send salespeople critical information just before a customer visit, or even during their sales presentation, or to create customized sales support materials (product specs, pricing sheets, customer testimonials) for specific customer groups. And it provides customers with the ability to access supplier databases and get relevant information when they need it.

Used properly, these technologies have the potential to significantly improve the coordination and collaboration between sales and marketing groups. But there is also a potential downside: Companies must be aware of technology overburdening sales and marketing personnel, causing privacy concerns among sales personnel or customers, and increasing each function's expectations about their counterparts to such a high level that it is bound to lead to disappointment and subsequent relationship deterioration.

Challenge #5: Marketing Dispersion

In contrast to most business-to-consumer companies, many B2B companies do not have all their marketing expertise concentrated in one department. Indeed, some B2B companies do not even have a separate marketing department. And even when they do have a marketing department, many marketing activities are performed by other functional groups within the company that are not called marketing and whose employees lack a marketing background or marketing training. For instance, business developers call on customers to identify future needs and technical services employees visit customers to solve problems. In addition, marketers may also employ resources outside their company, such as advertising and creative agencies, and supply chain partners who also act as additional customer touch-points. This dispersion of marketing activities is very common in B2B companies and has been found to improve business performance.[7]

The increasing dispersion of marketing has a direct impact on the sales-marketing interface. After all, sales is one of the departments playing a key role in many market-related decisions. Sales provides input into decisions about expansion into new geographical markets, developing effective value propositions and designing the appropriate mix of channels to reach customers. Sales is also the primary decision maker for some marketing decisions, for instance, in pricing during negotiations with major customers and in modifying products to suit specific customer requirements.

Marketing's dispersion may have several potential negative effects on the sales-marketing interface. For instance, the inevitable blurring of lines between the two functional groups may result in confusion or conflicts about responsibilities and tasks. How far may salespeople stray from the accepted marketing strategy in times of an economic downturn? What is their room for maneuvering during negotiations with a major customer? In addition, when more entities (both within and outside the organization) are involved in marketing activities, it further complicates the coordination between sales and marketing activities. For example, if sales wants to talk with its marketing counterpart, it may be more difficult to identify the right person to talk to since there are multiple "marketers" within the company.

But the news is not all bad: Marketing dispersion may also have positive effects on the sales-marketing interface. When marketing is spread across more entities than just the marketing department it is less likely to result in a separate marketing subculture, which reduces polarization between sales and marketing and may actually improve communications across the interface.

Challenge #6: Globalization

The increasing globalization of business makes it imperative for sales and marketing managers to deepen their understanding of how the cultural background of individuals impact their thinking and behavior, and how this affects their interactions within an increasingly global sales and marketing workforce. In many major US corporations, it is not uncommon to find non-US born employees in various sales and marketing positions across all levels within the organizational hierarchy. While workplace diversity has significant benefits, such as increasing productivity and creativity, it will also influence the nature of interactions between sales and marketing.

If you are a US-based company, given that some of your sales and marketing colleagues spent their formative years outside of the US, it is plausible that the cultural blueprints prevalent in their native countries shaped their self-concept. Their cultural background, to a significant extent, determines whether they view themselves as being separate from others (individualist self-concept), linked to others through relationships (relationist self-concept), or as being part of a larger group (collectivist self-concept). These cultural differences have a major impact on interpersonal communications; for instance, US and northern European communication styles are quite direct and focused on results, while other cultures may codify their messages in subtle, covert cues in order to preserve relationships and team spirit. Other examples of the influence of cultural background on interpersonal communications concern the definition of personal space, the formality of communications, and the attitude toward time. For example, while Americans consider lateness to be rude, people from other cultures have a more relaxed stance and a different definition of what it means to "be late."

Helping sales and marketing personnel to understand different cultural backgrounds and how these differences influence their interactions within the sales-marketing interface will go a long way to improve the effectiveness of communications in an increasingly global sales and marketing workforce.

Challenge #7: Marketing Accountability

No company has unlimited resources. Companies try to navigate through tough economic times and actively look for ways to cut costs. As part of this rationalization, companies carefully assess their expenses and try to determine the extent to which their investments are paying off. Marketing has long been the exception to this pressure for accountability, because of its focus on strategic tasks whose effects are difficult to capture in simple metrics. But the combination of an economic downturn, better information and technological advances means that marketing is increasingly held accountable for its expenditures. Marketers are required to develop causal links between marketing activities, intermediate marketing outcomes, and financial performance metrics.[8]

The growing call for marketing accountability puts pressure on marketers, but it also provides opportunities to improve the sales-marketing interface. In particular, marketing and sales personnel must take a closer look at the processes each function follows; for example, marketing may assess the new product development, market segmentation and target market selection, lead generation and qualification, or sales support program development processes to identify ways to more efficiently run them or align them more closely with the needs of their sales counterparts. Salespeople, on their part, must closely scrutinize the sales processes they engage in, starting with the initial customer contact all the way through the final sale and post-sale support. They must ascertain how these processes may be better supported by (or may support) marketing processes. In addition, both groups need to develop new metrics that help them to capture the impact of marketing and sales activities on business performance.

Collectively, such analyses will allow sales and marketing personnel to agree on common terminology, definitions, and interpretations around market and customer parameters. It will also help them to pool their resources and rationalize marketing-sales processes so that they can maximize their ROI based on the collectively agreed upon metrics.

Concluding Thoughts

Having read the entire book, you may wonder: So what should I do? What is the silver bullet to the sales-marketing interface troubles in my company? Should I merge our sales and marketing departments into a single unit to avoid all the challenges that arise within this interface? Should I develop a sales-marketing liaison function that serves as a bridge between these two departments? Is it even possible to fix the sales-marketing interface or do I have to accept the inevitable differences and resulting problems, and simply live with it?

We would be wrong if we claimed that there is a silver bullet that will rid the interface of all its troubles. But the good news is that the differences between sales and marketing groups, while very real, are not insurmountable. We urge you to not seek quick fixes. We also urge you to not try to resolve many problem areas within this interface all at once. Instead, it will be more effective if everyone in the organization assumes a holistic perspective and takes a stepwise approach to ensuring that the relationship between sales and marketing groups within the company is based on a strong foundation and nurtured and looked after on an everyday basis.

In this book, we identified many root causes that may help to explain the differences and problems between sales and marketing. Improving your sales-marketing interface starts with exploring these root causes within your company and understanding the factors contributing to these root causes. It also helps to understand how the root causes manifest themselves in your company. Any effective solution should be based on a deep understanding of how the interface problems in your company are related to one another. The next step is to choose a single problem to deal with. You need to identify a specific area of concern, understand all the variables that contribute to the issue, define modest and measurable objectives, and lay out a precise plan that involves equal contributions from both sales and marketing employees to address the issue. We advise that you start with a problem that is very visible and is likely to result in a quick, successful solution. This initial success can be used to validate the approach selected, which may further create momentum within both groups.

As you address a series of interface challenges it is a good idea to move the needle a little bit every time; that is, tackle a specific concern area, resolve it in a comprehensive manner, and then move on to the next area, as opposed to trying to solve all problems at once. We must caution though that you cannot address a specific concern area and then think that the problem has been solved forever. Left unattended, the same problem will probably crop up again in a slightly different form. It is the task of the company leaders to ensure that the company accumulates and nurtures multiple incremental improvements. It is also crucial that these incremental improvements are integrated within the corporate culture so that it will provide an optimal context to build and maintain strong and healthy interfaces.

Developing and sustaining a healthy sales-marketing interface is a shared responsibility of sales and marketing personnel, as well as company leadership. Within each department, functional leadership must cultivate ambassadors for their own function as well as their counterpart function who look after the interests of both parties and help cultivate a healthy interface. In addition, leaders must remain vigilant and spot the early symptoms of interface troubles so that they can address them as they are about to occur.

Strengthening your sales-marketing interface is an ongoing project; it is like mowing your lawn, you need to keep working on it constantly in order to keep it healthy and beautiful. . .weeds must be nipped in the bud before they get a chance to spread.

Chapter Take Aways

- Designing and implementing an effective sales-marketing interface is not a one-shot effort. B2B companies face many challenges on a daily basis that have a direct impact on the relationship between their sales and marketing groups.
- These challenges run the gamut from internal organizational changes to general marketplace trends, and from sudden unexpected changes to more predictable, slow seismic shifts.

- The impact of these challenges depends on the quality of the sales-marketing interface. Where dysfunctional interfaces may perceive additional stress and be further disrupted by these challenges, a healthy functional interface is able to handle the challenges, learn from them, and use the experience to further strengthen the sales-marketing interface.
- Dealing successfully with the challenges that confront sales-marketing interface in any B2B company is an ongoing process that requires inputs from all parties involved: Sales and marketing's rank and file employees, sales and marketing leaders, and corporate leadership.

APPENDIX

The Sales-Marketing Huddle

Workshop Template

For our readers, interested in implementing the ideas and tools presented in this book, we offer a template for what we call the "*Sales-Marketing Huddle*." We do not view the Huddle as a typical workshop or seminar, where sales and marketing personnel are called into a meeting and have to listen to endless presentations by leaders and colleagues. On the contrary, we view it as an opportunity for your sales and marketing teams, as well as the respective functional and organizational leadership, to come together and have a series of structured and frank conversations about various important issues that affect the joint performance of your sales and marketing teams. The ultimate aim of the Huddle is to establish a foundation for improving the dynamics within the sales-marketing interface for the long-term.

We suggest that you set aside at least one and a half day for the Huddle. As we said before in this book, there are no quick fixes that will instantly harmonize your sales-marketing interface. We view the Huddle as an important and necessary first step in setting your sales and marketing teams on a path to success. We also emphasize that by setting aside a chunk of time for this activity, you will be sending a strong signal to your sales and marketing teams about its importance and your commitment to it.

We have designed the template in such a way that the Huddle may be conducted by your sales or marketing leadership. However, in our experience, a better way to orchestrate the Huddle is to hire an outside expert in this area to help you with this crucial activity who can customize it to your specific company or industry context. This will ensure that the Huddle is conducted in an objective manner that addresses all key issues and benefits the company.

In this book, we repeatedly emphasized that sales and marketing organizations within each company are likely to be different. And in many companies the sales force is likely to be much bigger in size compared to the marketing team. Therefore, if it is not feasible to bring the entire field force together with marketing at one location for one and half days, sales and marketing leadership, along with marketing executives may travel to the various regions and conduct these Huddles with their respective sales teams.

Whether you have the entire sales and marketing teams at one location or you conduct a number of different Huddles, two cardinal rules must be stated at the beginning of the Huddle and enforced throughout:

1. The Huddle is *not* a blame game. It is an opportunity for the sales and marketing teams to let down their guard and make an honest assessment of the status quo to identify their shortcomings as a team.
2. The Huddle is an investment in the future. The Huddle's tone must be positive, pragmatic, and forward-looking, so that its outcomes can take the sales-marketing interface forward, not backward.

Pre-Huddle Preparation

We suggest that you implement all the tools from the C3 toolkit we offered in Chapter 5 and collect data from your sales and marketing groups prior to the Huddle. You must also ensure that the collected data have been analyzed using the multiple guidelines offered in Chapter 5 and tentative interpretations have been arrived at. Please make sure that the data are analyzed separately for the sales and marketing groups, as well as for different hierarchical levels.

What follows is a format for a 1.5 day Huddle.

Day 1: Exploring your sales-marketing interface

Step 1: Huddle kick-off (30 minutes)

It is helpful to start the Huddle with a live address by the company's leadership (either a CEO or a COO), who emphasizes the importance of the Huddle for the participants, the sales and marketing functions, as well as the organization as a whole. Sales and marketing leadership may also make initial remarks that serve to emphasize that they view the Huddle as a crucial activity and communicate their commitment to it.

Step 2: Open forum for sales and marketing (60 minutes)
The moderator of the Huddle (preferably an outside expert) outlines the structure of the open forum for sales and marketing. The sales and marketing groups are divided in teams of 6 to 8 individuals per team. Sales and marketing personnel are to be on different teams. For each sales or marketing team, a volunteer is assigned who will capture the conversation on a chart or white board. The teams get approximately 45 minutes to discuss the following:

- How they view their role in the company
- What role they expect their counterparts to play in the company
- What they expect the sales-marketing relationship to look like in the company

These open forums are intended to help characterize what an ideal partnership between sales and marketing looks like from the perspective of your sales and marketing personnel. At the end of the 45 minutes session, each group is given 5 minutes to debrief. Debriefing is to take place in separate rooms for sales and marketing. An assigned volunteer will capture what each group has discussed on a white board. This will summarize the views of the sales and marketing teams on what an ideal sales-marketing relationship may look like in your company.

Break: 15 minutes
Step 3: Perspectives sharing (45 minutes)
The sales and marketing groups are brought together again in one large room and the assigned volunteers share the views of the company's sales and marketing personnel on their notion of the ideal sales-marketing relationship.

At this stage, it is important that neither sales nor marketing personnel are allowed to make any comments or offer any responses or rebuttals to their counterparts' opinions. Needless to say, both the sales and marketing groups do get the opportunity to ask for clarifications or to clear up any misunderstandings.

At the end of Step 3, the expectations of the sales and marketing groups from each other are out on the table.

Step 4: Reflection and comparison (60 minutes)

At this stage, the findings from Tools 4, 5, and 6 from the C3 toolkit are presented to both groups. These tools are used to assess the level of supportiveness, and trust and openness between sales and marketing, as well as the perceptions of each other's credibility.

After the results are presented, the moderator asks the sales and marketing groups to go to separate rooms and reflect upon the survey results. The moderator also asks them to compare the results with the summary of the conversation that was the result of Step 3. Participants are asked to make notes during their reflection-comparison exercise.

After bringing everyone back, the moderator asks each group to share their reflections for 15 minutes. The moderator then uses the questions along the lines of those suggested in Table 5.9 in Chapter 5 (in the Designing a Program for Improvement section) to facilitate a conversation among sales, marketing, and the leadership personnel.

At the end of Step 4, both groups will hopefully have a clear understanding of their notions of an ideal sales-marketing relationship, as well a good idea of where that relationship stands right now. They will also begin to gain some initial insights into the possible reasons why they are not able to achieve their ideal relationship.

Lunch break: 90 minutes

Step 5: Synthesis of the findings (90 minutes)

The moderator presents the findings from Tools 1, 2, and 3. These tools assess the respective worldviews of sales and marketing, the strength of their connection, and the communication between them, all of which may help explain many of the problems that the sales and marketing teams are experiencing.

After the findings are presented, the floor is open for a frank, constructive conversation between the sales and marketing teams. The moderator structures the conversation and directs the discussion in order to understand how the sales-marketing interface communications and connections may be improved. The moderator may also show the groups the relationships between the findings from Tools 1 to 3 and 4 to 6; that is, how a suboptimal sales-marketing dynamic captured by 1 to 3 may affect trust, openness, supportiveness and credibility perceptions between the two teams.

Step 5 concludes the formal parts of the first day of the sales-marketing huddle. If you follow our suggested timeline and start your day at 9 AM, the formal activities outlined in Steps 1 through 5 can be completed by 3:30 PM. The rest of the day and evening may be spent on some fun team-based activities (for instance, a basketball game, or any other team-building fun activity) where mixed sales/marketing teams give employees a chance to interact with one another in an informal manner.

While the sales and marketing teams are enjoying their evening, the moderator does a lot of work in the evening hours to synthesize the learnings from Day 1. He couples it with his own assessment, based on objective observations of the interactions between the sales and marketing groups throughout the day. This is a very critical step, since it allows the moderator to gain a deeper understanding of the sales-marketing interface dynamic. Day 2 begins with the moderator sharing some of his reflections with the entire group.

Day 2: Improving your sales-marketing interface

The moderator opens the day by sharing his reflections (based on the work done by him the previous evening). He may organize the reflections in the form of a SWOT analysis that captures the major strengths and weaknesses of the sales-marketing interface and what that means moving forward. He may also weave in his observations during various conversations on Day 2.

Step 6: Interface disconnects (90 minutes)

The moderator presents the findings from Tools 7 and 8 to the entire group. These findings will help the groups see how the interface dynamics affect the company's strategy processes and the delivery of superior value to customers.

After this presentation, the moderator divides the entire group in teams of 6 to 8 people. This time, the teams must be mixed with both sales and marketing people on the same team. The teams are given approximately 45 minutes to reflect upon the findings from Tools 7 and 8 and identify the areas of disconnect between sales and marketing when it comes to the company's strategy development and execution processes. Each team is asked to identify the three most important areas of disconnect between sales and marketing.

After the teams have done their work, the entire group is brought together again and each team shares the areas of disconnects they have identified. It is very likely that a few consistent themes will emerge from what multiple teams are reporting. The moderator captures and summarizes the five to six major disconnects identified by the group.

Step 7: Summary (45 minutes)

The moderator then takes the stage and brings it all together for the group. That is, he outlines how the problems during the strategy development and execution processes are a function of the different worldviews of sales and marketing, and their strength of connection and communications, as well as the levels of perceived supportiveness, trust, openness, and credibility. This is followed by a Q&A session to make sure that all participants are on the same page concerning the findings so far.

Step 8: Design of action plan (90 minutes)

The moderator challenges the sales, marketing, and leadership groups to reflect on the past day and a half and to examine the five to six major disconnects identified in Step 6. These are used to identify action items that will help address the major areas of disconnect that were identified earlier. These action items must be geared toward rectifying or strengthening the situation and must satisfy the following criteria:

- They are easily implementable
- They are highly visible and palpable for both the sales and marketing personnel
- They have a direct, positive impact on the interface.

An example of an action item may be specific steps sales and marketing teams may take to improve the communication within the interface (identified as an area of disconnect). As a part of this action item, the teams must specify the various activities they will implement to improve interface communication and keep each other in the loop.

Step 9: Wrap-up (30 minutes)
At this final stage, the leadership concludes the Huddle by reflecting on the key take-aways from the Huddle (including findings, agreements, activities, and responsibilities) and setting the tone for cooperation and collaboration for the sales and marketing teams.

As we noted earlier, the Huddle is the first, and a very important step, that will set your sales and marketing teams on the right path. However, as leaders, your work is not done at the conclusion of the Huddle. You need to remain vigilant in the months to come to ensure that the actions identified by each group are being implemented. It is also your job to make sure that both groups continue to explore new action items in the next few months and implement them.

Next, 9–12 months after concluding the Huddle, you may use the C3 toolkit to assess the new improved state of your sales-marketing interface. A comparison with the old situation helps you to evaluate the success of the implemented action items, identify and prioritize action items for the next 6 months and determine when a new Huddle should be scheduled.

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Improving Sales and Marketing Collaboration

A Step-by-Step Guide

Avinash Malshe • Wim Biemans

Sales and marketing are two primary business functions that focus on creating satisfied customers. Due to their complementary orientations and objectives, these two functions are ideally positioned for a fruitful, synergetic collaboration. Unfortunately, the practical reality in many companies is far removed from this utopia. Sales and marketing personnel fail to communicate effectively, resulting in misunderstandings, frustration, and sometimes sabotage. Instead of supporting each other in creating superior value for customers, sales and marketing personnel often fight tiresome internal battles that are a drain on profits, efficiency, and customer satisfaction.

Improving Sales and Marketing Collaboration offers the first comprehensive perspective on the functioning of sales-marketing interfaces in business to business (B2B) companies. Inside, the authors explore their complementary roles in creating superior value for customers, problems that occur, the underlying causes of these problems, and potential solutions. These solutions are accompanied by a series of tools that managers can use to diagnose their sales-marketing interface and develop appropriate approaches to improve this relationship. Additionally, the book discusses a number of challenges that companies encounter and the impacts on their sales-marketing interfaces.

The discussions and tools presented in this book provide managers with a deep understanding of this critical interface, allowing them to apply these insights to improve their sales-marketing interface, which helps them create superior value for customers.

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