Change Management Initiatives: Moving Sales Organizations from Obsolescence to High Performance

Jerome A. Colletti and Lawrence B. Chonko

This paper discusses change management initiatives undertaken by companies for the purpose of sustaining competitive advantage with customers and preventing sales force obsolescence. The paper discusses a number of topics related to change management initiatives including the following: 1) the challenges associated with change management initiatives, 2) experiences with three change management programs, 3) the business life cycle and change implications for sales managers, 4) the wisdom of change management focus being operational or strategic, 5) change management objectives that achieve sustainable competitive advantage through people, and 6) the change management implications of high performance systems for sales managers.

Experience shows that, as sales organizations grow revenues and profits, the management challenges also grow. Experience also shows that, as organizations grow, they experience increased difficulty in competing. Eroding margins, flat or declining growth, and/or slower growth than competitors are symptoms that arise when companies experience difficulties in competing. Discount selling, new products that are mislaunched, and competitors using niche strategies to take business from the company are all events that occur as companies experience difficulties in competing. In other words, customers may be saying that something the supplying organization is doing is becoming (or has become) obsolete.

Jerome A. Colletti is President and Chief Executive Officer of The Alexander Group, a marketing and sales management consulting firm. The firm, founded by Mr. Colletti and two associates in 1985, helps companies to increase sales and profits through effective implementation of marketing strategy and the efficient use of sales resources. Mr. Colletti has consulted to companies in a wide variety of industries. His worked has covered issues including reinvention of large, complex organizations, sales strategy for new markets and new products, design of new forms of sales organizations, sales compensation and recognition programs, marketing and sales support expanse control, and sales personnel development in rapidly changing industries. Mr. Colletti has a Bachelor of Arts from St. Mary's University and an MBA from the University of Wisconsin, Madison. He is the author of over 40 articles, monographs and book chapters.

Professor Chonko has been at Baylor since 1985. Prior to that he spent seven years at Texas Tech University. Among his first responsibilities at Baylor was to found the Center for Professional Selling in which he still plays an active role. Prof. Chonko is author or co-author of six books. He has also served as editor of *The Journal of Personal Selling and Sales Management*. Author of over 100 papers, his articles have appeared in leading journals including *Journal of Marketing*, *Journal of Marketing Research*, *Academy of Management Journal*, *Journal of Personal Selling and Sales Management*, and *Journal of Business Research*.

When such results and events occur, management looks in many directions to determine what seems to be leading to this lack of effectiveness. One direction that it often considers is an examination of the sales force, as the sales force is a primary source of revenue generation and growth in many organizations. Such an examination might include, but not be limited to, questions such as:

Has our sales force become obsolete in some way?

Are our salespeople selling to the "best" customers—those that are growing and offer continued opportunities for profitable business?

What role can the sales force play in promoting quality, raising prices, and selling more profitable business?

How does our sales force compare to other sales forces of top producing companies?

Overall, what is our evaluation of our sales force? Do we have a high performance selling organization, or are we facing a challenge to build one?

Changes in the marketplace and/or the competitive environment can render a sales force and its strategies and tactics obsolete. Webster defines obsolescence with terms like "outmoded," "no longer current," "going out of use," and "no longer in use." By whatever definition of obsolescence, clearly, if a sales force is described in this way, the battle cry for change must be sounded.

Journal of Personal Selling & Sales Management,
Volume XVII, Number 2 (Spring 1997, Pages 1-30).

The quest for sales effectiveness is a continuous challenge as customer expectations change and can sometimes change faster than organizations can respond . . .

As such questions as those noted above become increasingly frequent, and as top executives have rushed to counter symptoms of obsolescence, many sales organizations and their leaders have recognized that selling involves many work processes beyond the traditional notions of closing sales, prospecting, and making sales call. Further, these sales organizations are also recognizing that sales processes are impacted by other processes within the organization (Tanner and Honeycutt 1996). Such a philosophy, while certainly healthy, has led sales organizations to seek change management strategies such as total quality management, reengineering, and reinvention to respond to new marketplace and competitive circumstances and to avoid obsolescence.

Most writers in the area of sales management advocate that sales force change management efforts should be coordinated with the company's overall marketing strategy (e.g., Churchill, Ford, and Walker 1990; Stanton, Buskirk, and Spiro 1995). However, there has been little empirical research concerned with this linkage (Strahle et al. 1996), although these authors do provide some evidence that a firm's business strategies do lead to changes in sales strategies. Viswanathan and Olson (1992) also provide corroborating evidence linking sales management activities and policies with SBU strategies. They focus on three sets of sales activities: 1) selling activities and account management policies, 2) organization of the selling effort, and 3) evaluation of the selling effort. They attempt to develop an understanding of these activities as they fit into the larger strategic objectives of the SBU.

On a more specific level, Cravens et al. (1993) incorporated a TQM perspective into salesperson performance evaluations. They found substantial differences in performance evaluations produced by various approaches to measurement of sales performance. One of their conclusions was that introduction of a quality perspective into performance measurement will require considerable changes in traditional sales management approaches.

The quest for sales effectiveness is a continuous challenge as customer expectations change and can sometimes change faster than organizations can respond with new products, service strategies, sales strategies, or other methodologies to cope with changes in customer requirements. A company's need to continuously improve sales effectiveness, involving the ability to attract, retain, and expand profitable business with customers, can manifest itself in many ways. As noted earlier, marketplace changes have led many sales organizations to implementing change management programs, such as total quality management (Cravens et al. 1993) or reengineering (Tanner and Honeycutt 1996).

The thesis presented in this paper is that a key ingredient of successful change management initiatives is the organization's personnel. Yet, a company's people are often overlooked in terms of their importance to change management programs. One reason is that success in leading and managing people is not very visible and is difficult to measure. Critical organizational elements as culture are difficult to describe, and the effects of culture on the behaviors of people are often viewed as "soft" aspects of business. But how an organization operates because of the way it manages and leads its people is, while difficult to measure, also difficult to copy. Therefore, well managed companies, combined with such things as technology and strategic position, provide a source of sustainable competitive advantage for the organization. In this context, the following aspects of change management programs will be discussed:

the challenges associated with change management initiatives;

experiences with three change management programs;

the business life cycle and change implications for sales managers;

change management focus—strategies or operational efficiencies;

change management objectives—sustainable competitive advantage through salespeople;

high performance systems—change management implications for sales managers;
lessons learned—key change management skills.

Challenges Associated with Change Management Programs

Managers often understand that change is needed in order to cope with the realities of the marketplace. However, they often misunderstand what it takes to bring about change. In general, managers make two assumptions about change. The first is based on financial considerations—the notion that creation and implementation of companywide programs (e.g., mission statements, corporate culture, training courses, quality circles, and "pay-for-performance" programs) will improve financial performance and will change the organization. The second assumption is that employee behavior will be changed by changing the company's formal structure and systems (Beer et al. 1990).

In fact, in a four-year study conducted by these authors (Beer et al. 1990), they identified one of the key and often overlooked challenges of change management programs: companywide change programs often represent the greatest obstacle to the revitalization of a company. They also found that the more successful change programs often started at the periphery of the company, namely in a few plants or divisions. And these change programs were led by division general managers, not CEOs. One of the hallmarks of these successful change programs was the avoidance of focus on formal structures and systems. Oftentimes, ad hoc arrangements were created to solve problems, and the focus for change was on the work itself, not on abstractions such as participation and culture. In other words, people at all levels of the organization were involved from beginning to end.

A second difficulty according to Beer et al. (1990) is that most change programs do not work because the theory of change is basically flawed. But change managers must consider the following people-based reality—that employees and management will not simply fall in line with every change management initiative sent their way. In fact, as reported by Laabs (1996), approximately twenty percent of the people in an organization will be change friendly, fifty percent will be "fence sitters," and thirty percent will resist or even deliberately try to make the initiative fail. Beer et al. (1990) argue that most change theory is based on the belief that the place to begin is with the knowledge and attitudes of individuals, only twenty percent of whom will be change friendly, initially. Further, changes in these attitudes will lead to changes in behavior. Such behavioral changes, repeated many times, will lead to changes in organizational-wide behavior. In fact, Beer et al. argue that the opposite is true. Most individual behavior is shaped by organizational roles. Therefore, the most effective way to change behavior is to place people in new organizational contexts, therefore providing new roles, new responsibilities, and new relationships.

There may be some other reasons why change management programs experience difficulty. Consider the results of an American Management Association survey conducted with 259 executives in 1994 and reported in Laabs (1996):

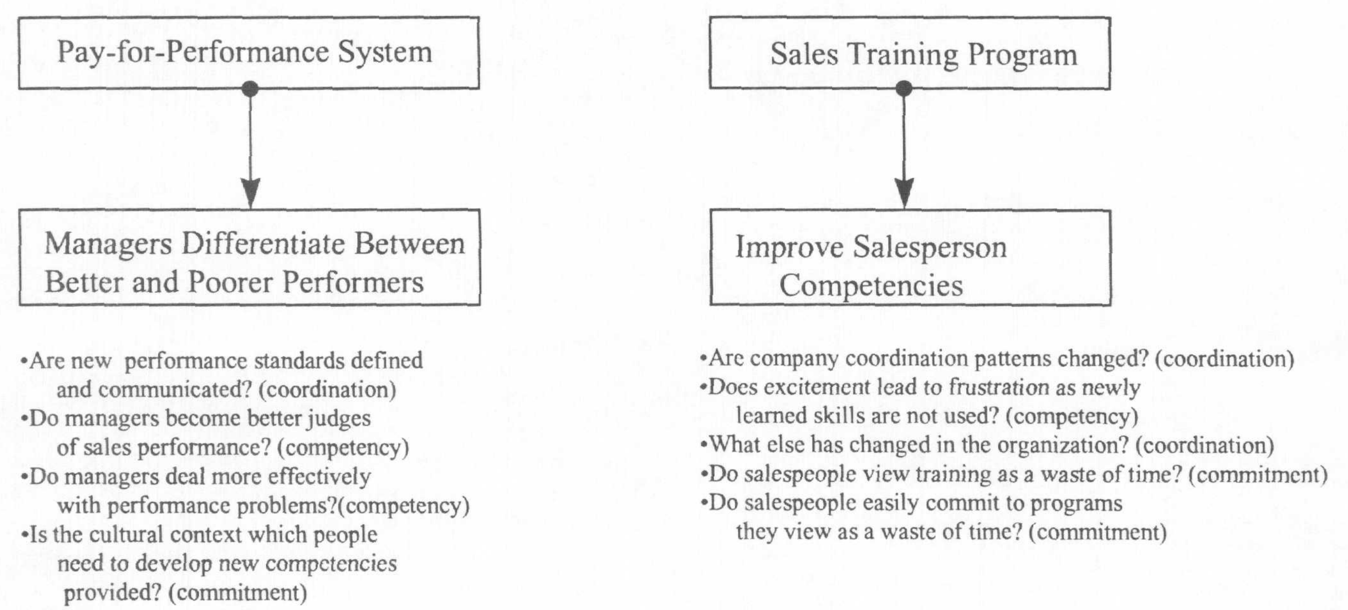
eighty-four percent of executives said they had at least one change initiative going on in their organization;
nearly half of the executives said they had three or more change initiatives underway, including agendas such as growth, productivity, competition, and globalization;
only sixty-eight percent of these executives' companies had established any sort of formal change management program to support change management initiatives.

What does it take to initiate companywide change? There are at least three interrelated factors that are necessary if an organization is to be revitalized (Beer et al. 1990):

Coordination (teamwork) is necessary if the organization is to discover and act on opportunities.
Commitment is essential for the effort, initiative, and cooperation that coordinated action demands.
Competencies (newly learned) are necessary if people are to act as a team to solve problems.

Figure 1 provides an overview of two generic sales-related programs and why they will not work if they do not encompass all three of these elements. These elements are captured in the questions that are provided with the pay for performance system and the sales training program schemas in Figure 1. Technologically and strategically competent managers can design excellent pay and training programs. But if "people-oriented" questions such

Figure 1
Why Change Does Not Work: Two Sales Related Examples



as those listed in Figure 1 are not addressed, then the program will be lacking in coordination, commitment, and competencies.

Experience with Three Change Management Initiatives

With the above change management difficulties in mind, we present a brief discussion of organization experiences with three change management orientations: 1) reengineering, 2) total quality management, and 3) reinvention.

Reengineering

In the seminal work of Michael Hammer and James Champy (1993), *Reengineering the Corporation*, the authors define reengineering as "the radical redesign of business processes for dramatic improvement." In Hammer's (1996) more recent effort, *Beyond Reengineering*, the emphasis of reengineering has changed from radical organization redesign to process redesign. He argues that there are two key reengineering ideas that are related but distinct. The first is the alignment of the organization around its processes. The second is making major changes in how processes operate.

Hammer (1996) notes that the key to recognizing a successful organization is to distinguish genuine superiority from luck. A lucky organization does not deliver great products year in and year out in the face of changing markets and technologies. Successful companies need great process and the character to find new processes when old ones become obsolete. He provides five key themes that are prevalent in successful organizations:

1. *Open inquiry.* Open companies willing to face reality and admit that old models are obsolete will be in position to create new models. In too many companies, people are afraid to be honest. Often this results from the "shoot the messenger" syndrome, which leads people to keep their mouths shut while obsolescence erodes the soul of the organization. Deming (1986), in his seminal work on quality, argued strongly that fear must be driven from the organization.
2. *Morale.* People who are happy and secure about their fellow workers and the organization are willing to confront problems.

They are also willing to take the difficult steps needed to resolve these problems. If problems are allowed to fester, those people who really care, and many others in the organization, suffer serious morale problems.

3. *Humility*. Unfortunately, when organizations become successful, they often become complacent. They adopt an arrogant attitude..."We're good and nobody can touch us." Well, successful organizations are identified not by their company, but by their humility, the willingness to admit that not all is perfect and that change may be needed.
4. *Learning*. A learning organization is not characterized by slogans, speeches, and buzzwords. Real learning occurs only as a result of thorough and open examinations of policies and processes, measured goals, and experimentation with new methodologies.
5. *Sustainability*. The above four items are of little value if they do not permeate the entire organization. If they do not, they will fade like last month's sales contest. An organization that depends on the greatness of one or a few people will soon suffer when those people depart.

The essence, then, of reengineering is the total overhaul of the organization. It is not the sum total of individual, cafeteria-style improvements. It is revolutionary, not evolutionary. It is linked to a guiding overall vision. It has been touted as the way of setting an organization back on the right path to competitiveness. While the above five key themes appear to place a high value on the organization's people, and despite all of the accolades, many reengineering efforts have been failures (Geisler 1996). Reasons for failure cited include unrealistic expectations, lack of measurable goals, and over-optimism concerning changes. According to Geisler (1996), the reason most often given for failed reengineering efforts is implementation:

Employees are accused of developing cynicism, resisting change, and continually lacking involvement in the procedures;

Managers are accused of unwillingness to change attitudes and perspectives, failure to establish and follow the new vision of the organization, inadequate leadership, and too much focus on cost cutting and narrow technological objectives;

Implementers are blamed for taking too little time to execute and evaluate changes, choosing the wrong champions for the effort, and, in general, taking the easy way out;

Implementers are accused of focusing on tasks not processes and of overhauling only part of the system.

In the rush to change, companies have often underestimated the people-related weaknesses inherent in any radical change management program. Change management programs, indeed, have validity in that they call for reevaluation of processes using analytical techniques that question both the needs for organizational processes and the way the processes are designed. However, it is precisely this call for severe change that often leads organizations to a piecemeal approach to change. For example, the essence of reengineering its total transformation. Reengineering emphasizes the need to "obliterate" and recreate (Geisler 1996). Even when this approach is fully undertaken, another inherent weakness appears to be the organization's willingness to say "nothing we are currently doing is viable from a competitive perspective." If that is what is being heard by employees, then how many of them begin to ask questions like, "Is nothing that I do (or have done) worth keeping?"

Regarding reengineering efforts, Geisler (1996) offers five indicators of failure:

Low morale. Low morale is often indicated by the number and intensity of employee complaints. There may also be a pervasive lack of trust in leaders, increased absenteeism, unwillingness to work longer hours, and an overall sense of the "doldrums."

Declining unit performance. While business units require some time to adjust to change, a persistent and sharp drop in performance should be viewed as an indicator of failure. This indicator is particularly damaging when performance declines in several units located along a value chain, for example, research and development—product development—marketing—sales.

Discrepancies in performance. Disparities in unit performance are key indicators of change management failure. Such discrepancies are suboptimal as they lead to coordination and communication problems in the organization.

Increased cost of human resources. While many companies downsize when they undergo dramatic change, in the process they have stripped themselves of key personnel and skills which can only be reclaimed through adding to the workload of those who remain or through creative hiring. Each of these is a costly activity.

Inadequacy of short term benefits. Tangible benefits such as cost saving and process improvements are great. But if these benefits are isolated and their sum is merely cumulated, they may not be enough to overcome an overall climate of despair and trepidation that goes with change management programs.

Total Quality Management

In sales, there has been a great deal of pressure to get suppliers involved in quality programs. Total quality management has become the "in thing to do" and has taken on the qualities of a fad, much like quality circles of a decade ago (Neal and Tromley 1995). Indeed, despite pleas from Deming, himself, slogans, exhortation, targets for the sales force, and posters with quality slogans have come to dominate TQM efforts (Deming 1986). In addition, employees indicate that they have increased paperwork, increased frustration with time spent in meetings, and gained little in the way of productivity gains that could be obtained by spending time on their primary job activities (Neal and Tromley 1995).

In TQM efforts, quality is, too often, determined solely by senior management who is responsible to customers, employees, suppliers, and shareholders for the success of the business. These senior managers allocate resources, decide which markets to enter, and select processes that will enable the organization to fulfill its mission. TQM initiatives rest on three quality principles (Tenner and DeToro 1992):

1. *Customer focus.* Quality is based on the notion that everyone in the organization has a customer, and these customers' requirements, needs, and expectations must be met every time if the organization is going to meet the needs of its external customers.
2. *Process improvement.* Continuous improvement is built on the philosophy that work is the result of a series of interrelated steps and activities that result in some output(s). Variability in processes must be minimized and results acceptable if the organization is to be able to meet customers' requirements.
3. *Total involvement.* The active leadership of senior management is required in order to use all of the talents of the employees in the organization to gain a competitive advantage in the marketplace.

Tenner and DeToro (1992) go on to describe several supporting elements required for the successful undertaking of a total quality initiative in an organization. These include: 1) leadership, 2) education and training, 3) a supportive structure, 4) communications, 5) reward and recognition, and 6) measurement. But, like reengineering, TQM has not resulted in overwhelming success stories. According to Harari (1997), there are a number of reasons for the failure of TQM initiatives:

a focus on internal processes rather than external results;
a focus on minimum standards;
the development of a TQM bureaucracy that may be as cumbersome as the pre-TQM bureaucracy;
the delegation of quality to quality czars and experts rather than to people accountable for business results;
the lack of demand for truly radical organizational reform;
the lack of demand for changes in management compensation;
the lack of demand for entirely new relationships with outside partners;
the appeal to faddism, egotism, and quick-fixism;
a drain on entrepreneurship and innovation from the organization culture;
no place for love.

A quick examination of these ten items, again, leads to the conclusion that an organization's people are easily overlooked in change management initiatives.

Reinvention

"Reinvention," according to *The American Heritage Dictionary of the English Language*, means to make over completely or to bring back into existence or use. Unfortunately, reinvention is also described with phrases like "to do something again, from the beginning, especially in a needless or inefficient effort."

Figure 2
Sales Organization Reinvention Survey Results

The Alexander Group's survey of "Sales Organization Reinvention Change Initiatives." These companies participated in one or more of the seminars sponsored by The Alexander Group in association with The Conference Board on "Reinventing the Sales Organization" in 1994 and 1995.

What are the objectives of reinvention and what was the most difficult aspect of change?

Objectives:

93% - improved sales productivity
85% - improved sales coverage to current customers
84% - grow sales overall

Most Difficult Aspect:

54% - implementing changes in process, programs, and practices
48% - formulating changes required to meet objectives
47% - implementing changes in personnel

What was most frequently changed?

65% - field organization structure
62% - customer segmentation
58% - sales jobs
58% - training
52% - performance measurement

What was not changed?

76% - recruitment
72% - sales channels
68% - compensation
65% - sales personnel profiles
59% - teams

What were the expected results?

75% - grow revenues
74% - increase sales productivity
69% - improve customer satisfaction
56% - increase profit margins
48% - reduced selling expense

Reinvention strategies represent somewhat of a departure from strategies of total quality management and reengineering. Reinvention shifts the focus away from radical breakthroughs toward incremental innovation and change (Brown 1991). Reinvention focuses on an organization's most pressing problems, but attempts to redefine those problem in order to come up with new, and sometimes radical, solutions. Reinvention strategies emphasize the importance of research and, in particular, research that is conducted with customers. The focus is on working with customers to co-produce the work systems they will need in the future. A second focus of reinvention research is to make customers aware of latent needs, then customizing systems to fit those needs.

In the conduct of the research completed by the Alexander Group, Figure 2 presents a summary of some of the key findings relating to sales force reinvention efforts. The focus of this research has been to observe companies in the process of change and attempt to document what works and what does not. While the participants observed in Figure 2 represent a broad cross-section of industries, the results should not be construed in any way to be a statistically valid sample. The data presented in Figure 2 provide support for the use of reinvention strategies as the vehicle to becoming a high performing sales organization.

The literature is replete with stories that have attempted to reengineer, reinvent, apply TQM, or employ some other radical change strategy in an effort to revitalize their sales organizations. However, as we have discussed, such strategies have often disappointed managers and shareholders when the measure of performance has been the sustaining of continuous and profitable revenue growth. A vice president of sales and marketing for a technology company noted, "We have to find ways to truly add value to the right customers, rather than finding ways to do business less expensively with everyone." Statements like this are the catalysts for change and lead to the search for change initiatives that overcome difficulties described in the preceding section of this paper.

The Business Life Cycle and Change Implications for Sales Managers

Like products, a sales organization has a life cycle. At some point a sales organization's sales level off as markets become saturated, or competitors arise, or traditional sales strategies become stale. Any of these forms of obsolescence require serious change—the ability to adopt and implement new business management processes in order to target, sell, and service customers (old and new) effectively. In general, it can be said that a sales force suffers from some form of obsolescence when it falls behind in the company's planned growth cycle or the industry growth cycle. It is important for management to understand the nature of the problems that a sales organization will encounter as the company grows. In each phase of growth, the problems differ. Therefore, the solutions providing for change will differ. What works to offset sales organization problems in the early stages of the business life cycle may not work to counter problems in the mature stages of the life of a company.

Figure 3 illustrates a company life cycle and divides that life cycle into four phases: 1) start-up, 2) volume growth, 3) market share, and 4) optimization. Like the product life cycle, as companies and their sales force move through these phases, sales managers must seek to generate new competencies and new competitive advantages if their organizations are to sustain growth.

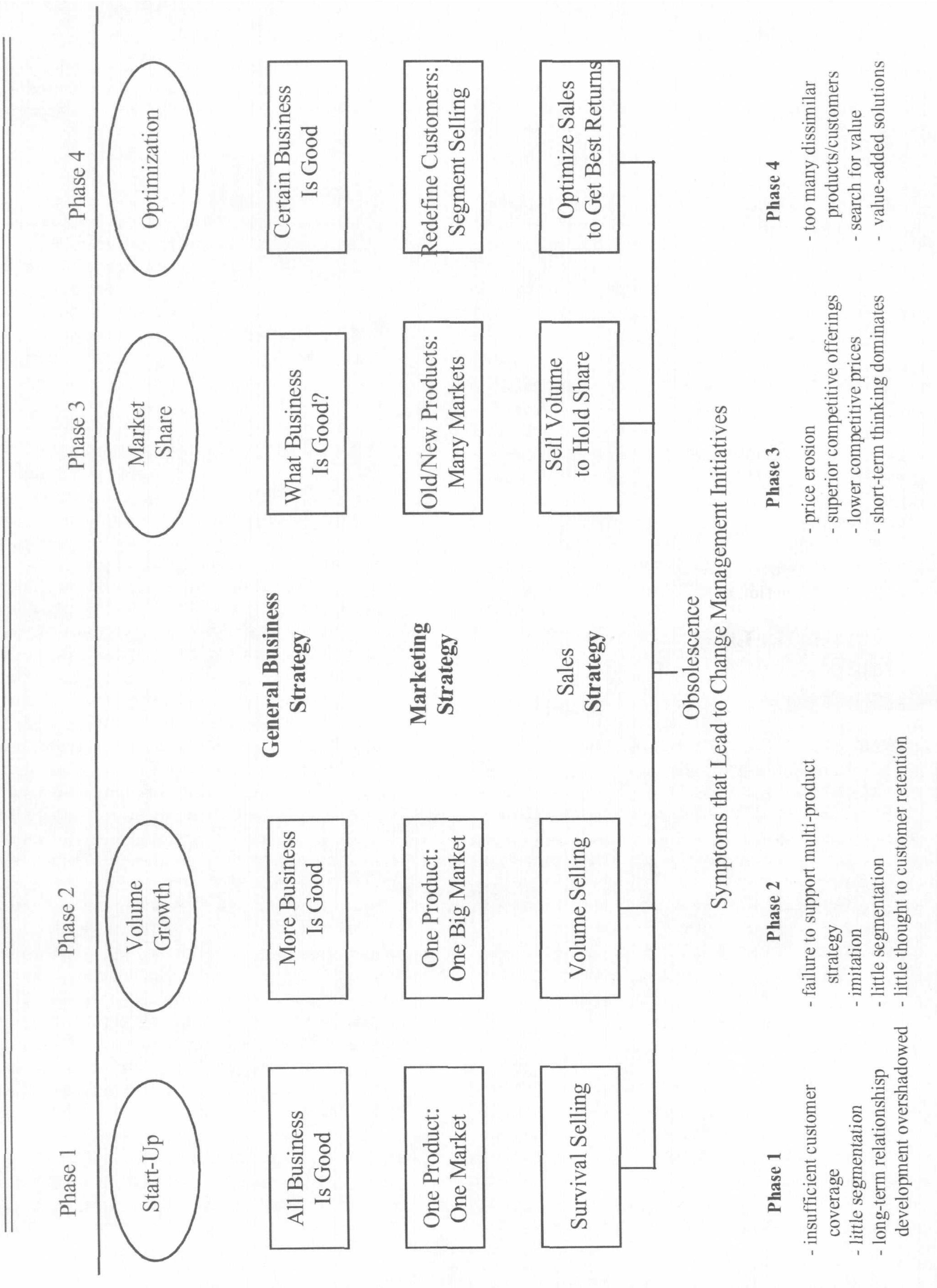
The Start-Up Phase

In the start-up phase, new companies generally are looking for any business they can find, although most will tell you that they have a plan which includes primary and secondary targets. In a general sense, selling of anything is good as long as it is done ethically and the product(s) sold help solve a customer problem. In general, early sales strategies are not complex, often with one product being sold to one market. Managers may require salespeople to undergo relatively little market segment analysis except to identify a group of customers it considers to be primary customers for its product(s). Obviously, one sales force focus is on selling volume as the company must have revenues to survive. However, this focus can, and often does, overshadow a more important sales force focus—the need for managmeent and salespeople to stress the development of long-term relationships with customers—and can be a contributor to obsolescence. The drive for volume often places demands on salespeople to attach a lower priority to relationships-building activities and concentrate on selling activities. Unfortunately, in this stage of the company cycle the management of the business infrastructure (the roots of many change programs) is often ignored. Thus, in the early life of a company, the seeds are planted for the possible need for radical change in the future. These include some of the problems identified in Figure 3.

The Volume Growth Stage

The Volume Growth stage is similar to the growth stage of the product life cycle—sales increase at an increasing rate. Profits grow as unit costs decline. The primary strategic focus still remains sales revenue. Unfortunately, sales growth is seductive, and management often gets caught up in its success, ignoring many of the strategic and tactical details that have led to success but that are also capable of being imitated and improved upon by competitors. Signs of obsolescence are often ignored as little thought is given to change management, segmentation strategies, customer retention

Figure 3
Sales and Change Management Strategies Vary with the Sales Life Cycle



strategies, alternative channels of distribution, or business infrastructure. Much attention is given to production—as the market grows, a key concern (justifiably so) is how to price sufficient quantities to satisfy marketplace demand. However, once again, the seeds of change are planted as management does not pay sufficient attention to all of the factors, events, etc., that will impact the future marketplace and the company's future performance. Figure 3 identifies a few of the problems that can occur at this stage of the business life cycle.

Sales executives at public network carriers would appear to have many reasons to feel confident in their business and in their sales efforts. With the advent of recent telecommunications legislation, the information highway services that are emerging, and usage levels rising, it would seem that the telecommunications industry is riding a tremendous growth curve. However, snafus such as the recent America On-Line experience would suggest that players in the telecommunications industry face some concerns. Is sales effectiveness in this industry at excellent levels? Which companies in this industry are postured to compete and be successful in the future? What role will the sales force play in the efforts of the future successful companies? How will these companies have to reallocate resources to areas where they must protect revenues or grow by winning new customers, or adapt to changing regulatory requirements?

Clearly, business growth is something that is on the mind of all sales executives and sales force members. As many organizations have experienced strong growth at some point in time in their lives, the drive for increased sales has led many of these organizations to overlook the examination of the question, "Who are our best customers?" Too often, in this stage of growth, all customers are treated equally, sometimes with the noble idea that some of the smaller customers offer great future potential. Unfortunately, this means that resources are over-allocated to some customers and under-allocated to others.

The Market Share Phase

As the business achieves continued success, more and more competitors enter the marketplace. The once new company that created the marketplace faces the challenge of holding onto its better customers and growing at the same time...with a completely different competitive environment facing it. Unfortunately, confusion can reign because of the lack of attention paid to details in the previous two phases of the marketplace. When management cannot explain why something is occurring, it is difficult to understand how they can create strategies and tactics to react to what is occurring in the marketplace.

In this phase, reaction may dominate management thinking, another sign that obsolescence may be occurring. For example, some companies may try to launch new products, but they do so unsuccessfully as they have lost their competitive edge in the marketplace. This may be particularly true of the sales force which may not have changed sales strategies, adjusted to new competitive offerings, or had experience in reacting to changes in customer preferences. The problem is further exacerbated by the fact that competitors often gain competitive advantage by entering the market with superior products or comparable products offered at lower prices. Unfortunately, short-term thinking dominates, and the pioneering company counters with price discounts and other quick fix approaches as shown in Figure 3, but does little to educate its sales force in other marketplace phenomena. The result is often that margins deteriorate. Management then reacts by looking at eliminating unprofitable customers or downsizing the sales force in an effort to improve margins through cost cutting methodologies. The "pioneer" struggles to prevent its own obsolescence but remembers little of what made the company successful in the first place...aggressive marketing and sales along with innovative marketplace strategies and tactics.

One of the changes that companies must consider is extending beyond their traditional markets in an effort to improve their effectiveness. If companies continue to focus only on their existing markets, they run the risk of obsolescence due to saturation of those markets and the fact that their best customers will still look attractive to competitors. Tupperware for years focused on domestic markets with its flagship "Tupperware parties." However, today, faced with growth challenges, Tupperware has made serious inroads into international markets to achieve revenue growth goals. Indeed, much of the company's growth has come from a combination of introducing new products into new markets in the international sector.

Sea-Land, Inc., an ocean cargo carrier, has been an industry leaders since 1956. The company's innovative approach to identifying and targeting customers is one thing that sets Sea-Land apart from many of its competitors. Sea-Land targets customers that offer the greatest opportunity for growth using a "customer-segmentation" process. While this approach is available to all companies, the passion with which it is approached by Sea-Land executives is what distinguishes Sea-Land from other companies. Briefly, Sea-Lands' customer segmentation approach involves four steps (*Economic Press* 1996):

1. *Narrowing customer focus.* In 1994, Sea-Land had 164,000 customers, the vast majority of which could be classified as small, occasional shippers. Sea-Land sales representatives called on them without really differentiating the small customer from the large customer. Further, there was no mechanism in place to determine how well (or poorly) salespeople were allocating their time with customers. Given this situation, Sea-Land management undertook to create a system which would allow for the identification of those customers who afforded the greatest growth opportunities.
2. *Identifying valuable customers.* Sea-Land adopted a customer segmentation model that emphasized five areas: a) the amount of revenue from a customer, b) the average and total profit realized with each customer, c) the growth potential, both in revenues and container loads, d) the amount of business each customer was willing to award one carrier, and e) the predictability and/or consistency of customers' shipping needs.
3. *Aligning the most appropriate level of sales and series resources to each customer segment.* Using the information in item 2, above, Sea-Land management can now determine the most appropriate sales and service channels to deploy by customer segment. Today, a variety of sales channels is now used to access customers, maintain account relationships, and service customer needs.
4. *Using the customized sales and service process.* Sea-Land, as mentioned above, employs direct sales channels (e.g., telemarketing, direct mail, traditional salespeople, or consultative selling programs to high profile customers) and indirect channels (e.g., using manufacturer's representatives from firms in related fields to service its accounts).

The Optimization Phase

Many companies do successfully move from the Market Share Phase to the Optimization Phase of the Growth Cycle. Often this occurs more as a result of trial and error than through any form of strategic thinking. The trial and error (which is not all bad if thought out) results in understanding that only certain kinds of customers are profitable and are worth the investment of direct sales coverage and superior customer service. Thus, the company redeploys resources toward these better customers who, if cultivated properly, offer opportunities for sustainable growth. A key goal for sales-oriented companies is the search for value and the development of value-added solutions that apply to these selected customers as many similar competitive products exist. However, the company must be careful because, in the event that change management falters, today's value added solutions may be imitated and/or improved upon by competitors, and the company again faces the challenges of the Market Share Phase.

Encyclopedia Britannica, (E.B.) Inc. was once a dominant player in the reference encyclopedia market. However, Britannica became a victim of product and sales obsolescence. In 1995, the company chose to stay with its 118 pound set of hardcover reference books. Meanwhile, competitors elected to offer customers CD-ROM versions of their information for a fraction of Britannica's price. Combined with this development was the company's traditional approach to the marketplace—customers could purchase only through an E.B. sales representative, most of whom had been trained to sell in the home of the prospect.

Within months, the use of this approach led to a rapid deterioration in revenues. One reaction by the company was the reduction of sales offices from 91 to 20. A second company reaction was the invitation to the most productive salespeople to convert from independent contractors to E.B. employees. The company had invited those people who had rigorously adhered to the "traditional" way of doing things" to join them in their change efforts. The initiative did not take long to unravel. In April 1996, E.B. announced that it was dropping its door-to-door sales methodology in North America. Britannica disbanded its network of sales representatives as the company moved to implement faster, more convenient ways for customers to buy. In this case, increasing sales effectiveness did not require making the sales force more productive. Rather, it necessitated an abandoning of previously successful sales strategies in favor of the implementation of a new model.

Change Management Focus: Strategies or Operational Efficiencies

How can sales managers effect change in turbulent sales environments? First, they must recognize one of the difficulties encountered in change programs is the failure to distinguish between operational effectiveness and strategy (Porter 1996). The chase after elusive objectives such as productivity, quality, and speed has led to a number of management tools and techniques—total quality management, benchmarking, time-based competition, outsourcing, partnering, reengineering, and change management. According to Porter (1996), such programs have resulted in operational improvement, but many companies have been frustrated by their inability to translate these operational gains into sustained profitability.

In sales, operational effectiveness means performing similar sales activities better than competitors can perform them. It refers to the many practices that allow a sales organization to better use its inputs. Operational excellence is primarily concerned with achieving excellence in individual activities. Strategic positioning, on the other hand, requires the performance of different sales activities or the performance of similar sales activities in different ways. Strategy is about combining activities. To distinguish between the two, consider a typical sales force. This sales force can provide competitive advantage only when the company's products/services embody premium technology and its marketing approaches emphasize customer assistance and support. In other words, there is a combination of activities that must fit together in order for customers to "see" excellence. Emphasis placed on any one of these activities, without consideration of the effect on and fit with other activities, may result in operational efficiencies in that activity. However, it may not result in discernible advantage for the company's position as a whole. So, while the sales force may be excellent in what it does, if it must sell products and/or services that are at a competitive disadvantage, the sales force cannot be very successful.

Oftentimes, threats to a company's sales strategy are seen to originate outside the company because of such things as changes in technology or changes in competitive activities. However, greater threats to strategy can come from within the organization (Porter 1996). Sound strategies can be undermined by a misguided view of competition, by organizational failures, or by a strong desire to grow without the infrastructure to support it. Further, forecasts of heated competition have led managers to imitate (benchmark) everything about competitors. Too often, the result is that managers seek change for change sake. To that end, the pursuit of operational effectiveness is seductive because it is concrete and actionable. Such concrete and actionable results are very appealing to managers who are under increased pressure to produce measurable performance improvements. And one result of benchmarking may be that all sales organizations look similar as they all imitate the best practices of their competitors

Schaffer and Thomson (1992) provide another viewpoint concerning why change programs are not successful. Companies introduce change programs under the false assumption that if they carry out enough of the "right" improvement activities, actual performance improvements will be inevitable. Such programs, they argue, confuse ends with means and processes with outcomes. Table 1 presents several insights into why activity-centered programs do not work. Schaffer and Thompson (1992) further observe the belief that once managers benchmark their company's performance against competition, assess their customers' expectations, and train their employees in a step-wise approach to problem solving, sales will increase, inventories will decline, and quality will improve. In essence, managers do not focus on results because they are led to believe that the right change management programs will allow the results to take care of themselves.

Whitney (1996) notes that organizations can stray from their strategy if managers pursue non-strategic growth targets. His argument is rooted in the difference between economic growth, which is vital for survival, and forced growth, which is not rooted in sound strategy. As an example of non-strategic growth, Whitney (1996) refers to diversification that is based either on the notion that it pays to own some countercyclical protection or on the notion that a good manager can manage almost anything. While there are examples in which both of these assumptions have proven true, most evidence suggests that strategy based on these assumptions is destined to failure.

Table 1
Six Reasons Why Activity-Centered Improvement Programs Do Not Work

1. They are not keyed to specific results. In activity-centered programs, salespeople often change the way they work with each other and with customers. They receive new training. Their performance is measured in new ways. They become increasingly aware of customers' attitudes. The expectation is that these activities will lead to improved results. However, they are rarely told how these activities are supposed to lead to results.

2. They are too large scale and diffused. Most companies choose to launch a vast array of activities simultaneously across the entire organization. There may be some results improvement, but no one can know for sure which activities are leading to which results.

3. Results is a four-letter word. When activity-centered programs fail to yield results, managers seldom complain. They do not want to be accused of being preoccupied with the short term at the expense of the long term. Yet, managers must see a demonstrable link between investment and tangible results in the short run...and the long run.

4. Delusional measurements. Too often, measures of activities are equated with improvements in performance. Too often, a company will proclaim the merits of a program with the same pride they would proclaim in results improvements.

5. Staff and Consultant Driven. Improvement programs are often designed by staff specialists, external consultants, faculty or other experts who are not under pressure to achieve results from the implementation of their suggestions. Such program designers often require only the belief that their programs will work and the funds from management to implement them. However, such programs are often discrete, generic packages that are rarely aimed at specific results. Training programs, task-based teams, new quality measurement systems, quality improvement programs, empowerment strategies, and the like are often well received because they allow managers to temporarily relieve themselves of the pressures of results improvements.

6. Bias to Orthodoxy not Empiricism. Activity-centered programs soften have no clear cut beginning or end. And they often have no clear linkage between cause and effect. Therefore, there is little opportunity to learn useful lessons and apply them to future programs. Evidence that activity programs really work is hard to obtain. Therefore, managers operate on faith, and future programs are based on little more than the hope that the "right steps" are being taken.

Source: Schaffer and Harvey (1992)

Whitney (1996) also notes that organizations often fail to refocus because they are preoccupied with the present and the past. Success can lull organizations into complacency and, worse, arrogance. But past successes can rarely be repeated as too many things about an organization's marketplace change. However, because the future brings uncertainty, the human nature side of organizations leads them to concentrate on the details of what happened yesterday or what is happening today. Whitney (1996) offers several guidelines for strategic renewal. These are illustrated in Table 2.

Companies that compete effectively on one dimension are usually effective in other areas as well. When an organization is good at such things as speeding new products to the market, responding quickly to customer complaints, maintaining consistency of product quality, having knowledge of customer needs, and possessing the ability to exploit new opportunities, it is usually a reflection of something more fundamental. Stalk et al. (1992) call this capabilities-based competition. They define a capability as a set of business processes that is strategically understood. They go on to say that

Table 2
Guidelines for Strategic Renewal

Strategic Importance —Customers	High	Medium	Low	N/A
• Feed between customer's needs and company capabilities?				
Present performance				
Realistic potential				
• Ability to serve customer compared with major competitor?				
Present performance				
Realistic potential				
• Health of customer's industry, present and future?				
• Health of customer, present and future?				
• Customer's prospects for growth, present and future?				
• Can the company learn from this customer?				
• Will this customer help attract other customers that fit the company's capabilities?				
Summary: Is this customer strategically important?				
Significance — Customers				
• What is the customer's quintile rank?				
• Is there reasonable expectation that this rank will improve in the future?				
• Are there any mitigating factors that reduce this customer's significance?				
• Are there other important considerations?				
Summary: Is this customer significant?				

Source: adapted from Whitney (1996)

there are four basic principles of capabilities-based competition:

1. The building blocks of corporate strategy are not products and markets but business processes. These would include sales processes.
2. Competitive success depends on transforming a company's key processes into strategic capabilities that consistently provide superior value to the customer. The sales force can be a source of competitive advantage.
3. Companies create these capabilities by making strategic investments in a support infrastructure that links together and transcends traditional strategic business units and functions. The sales force must be strategically positioned as part of a larger business team.
4. Because capabilities necessarily cross functions, the champion of a capabilities-based strategy is the CEO. The CEO must recognize the value that an excellent sales force can bring to an organization.

Change Management Objectives: The Sales Force as a Source of Competitive Advantage

All organizations that seek change are also seeking competitive advantage. While competitive advantage often is discussed from the perspective of the environment in which companies operate, the external environment alone is insufficient to explain the achievement of competitive advantage (Barney 1995). Companies that enjoy competitive advantage have recognized that internal attributes can be sources of that advantage. Such resources and capabilities (e.g., Prahalad and Hamel 1990) can be discussed from four perspectives: 1) the question of value, 2) the question of rareness, 3) the question of imitability, and 4) the question of organization (Barney 1995).

The Question of Value

The key question here is whether or not a company's resources and capabilities add value by enabling the company to exploit opportunities and/or neutralize threats. Changes in customer tastes, industry structure, or technology can render once valuable resources and capabilities as less valuable. By addressing the question of value, management can link internal and external analysis. Resources are valuable only when they are applied to the management of opportunities and threats.

The Question of Rareness

If one company's particular resources and capabilities are controlled by many organizations, then those resources and capabilities are not likely to be sources of competitive advantage. Valuable, but common, resources and capabilities are the stuff of parity. Therefore, a key question for management is the number of competitors that also possess valuable resources and capabilities. Such common resources and capabilities may, indeed, be necessary for survival, but they are rarely the source of sustainable competitive advantage.

The Question of Organization

To fully realize its potential, a company must organize to exploit its valuable, rare, and inimitable resources and capabilities. Elements of a company such as formal reporting structures, explicit control systems, and compensation policies are relevant to the question of organization. Organization resources have limited ability to create sustainable competitive advantage in and of themselves. However, when combined with other resources and capabilities, they can enable a company to realize its full competitive advantage (Amit and Shoemaker 1993).

The Question of Imitability

A company that owns valuable and rare resources and capabilities can possess competitive advantage temporarily. And, if these rare resources and capabilities are difficult to imitate, then the advantage might be capable of being sustained for some time. Imitation can occur in at least two ways—duplication and substitution (Barney 1995). Duplication occurs when one company builds the same kinds of resources and capabilities as another. Substitution occurs when one company substitutes some resources and capabilities for other resources and capabilities. As discussed earlier, many change management initiatives focus on operational efficiencies. Oftentimes, these initiatives result from benchmarking, a process frequently reduced to identification and imitation. When imitation occurs, competition advantage is lost.

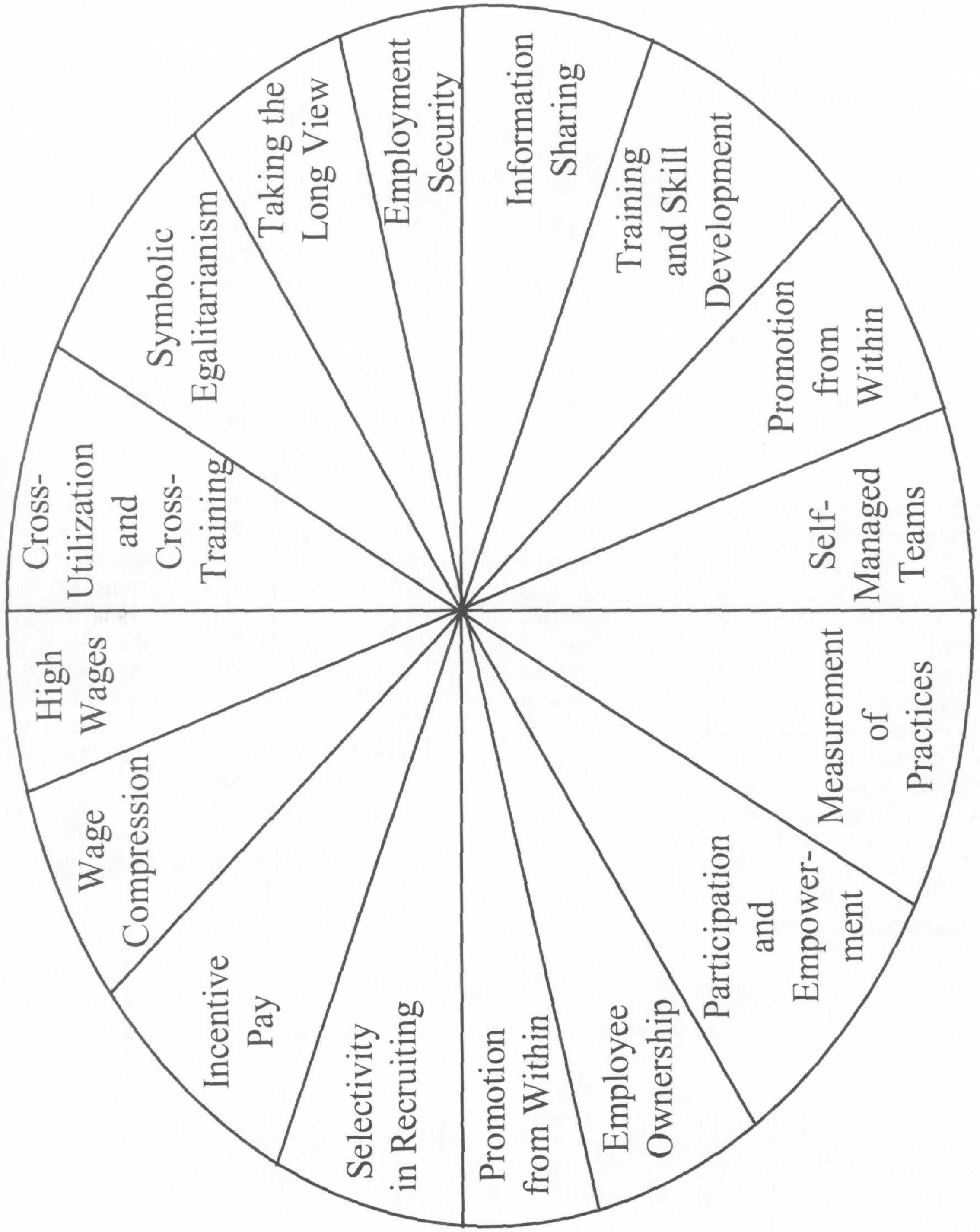
As many sources of competitive success have become less important, a critical differentiating factor for many organizations are its employees (Pfeffer 1995). What is important to realize about success and competitive advantage through people is that it cannot be readily imitated by competitors. There are two primary reasons for this. The first is that the effective management of people is often not as visible as effectiveness of other factors such as product quality or customer knowledge. The second is that an organization's culture, how people are managed, and the effects of this on behavior and skill development are often dismissed as the "soft side" of a business. Even if they are not overlooked, it is difficult to understand the dynamics of how one company operates because the way people are managed is often a function of many activities. This combination of activities makes it very difficult for competitors to become imitators of management practices.

Pfeffer (1995) enumerates thirteen practices that appear to characterize companies that are effective in achieving success through the management of people. These are illustrated in Figure 4 and briefly described below and related to the sales organization where appropriate.

Employment Security. Employment security signals long-standing commitment on the part of the organization. Norms of reciprocity tend to guarantee that this commitment will be repaid.

Selectivity in Recruiting. In general, research demonstrates that the most productive employees are about twice as productive as those employees

Figure 4
Sixteen Practices for Managing People



source: Pfeffer (1995)

who are the least productive (Schmidt and Hunter 1983). Thus, it is important to get the right people into sales positions. Moreover, if someone feels that he/she has passed through a rigorous selection process, then there is a feeling that he/she has accomplished something—that he/she is part of an elite organization. While high expectations for performance are created, a message is sent that people matter.

High Wages. Paying people more is helpful but not necessary to the recruitment of excellent salespeople. High wages tend to attract more applicants, allowing organizations to be more selective in whom they choose to employ in selling positions. Perhaps, more importantly, higher wages send a message that the organization values its salespeople. In general, employees will view these higher wages as a gift and work more diligently to achieve results (Akerlof 1984).

Incentive Pay. We know that salespeople are motivated by more than money. However, when salespeople are asked to bear increased responsibilities for performance, they would like to share in the benefits of that improved performance. Consider a situation in which all the benefits of improved performance accrue to top management. How long will it be before salespeople realize that they are in an unfair situation, become discouraged, and reduce their efforts?

Employee Ownership. Employee ownership provides two benefits. One is that the creation of ownership can align employee interests with those of the shareholders. Second, employee ownership puts stock in the hands of the employees. When this happens, employees are more likely to take a long-term view of the organization and its strategies (Rosen et al. 1986).

Information Sharing. To be a source of competitive advantage, the sales force must have access to information necessary to do what is required for success. While some may be concerned that information leaks to competitors are magnified as more people gain more information, some would suggest that such information is probably already in the hands of competitors (Pfeffer 1995).

Participation and Empowerment. When organizations share information with salespeople, they have taken an important first step in encouraging salespeople to have broader participation and empowerment in controlling their work processes. In general, evidence suggests that participation increases satisfaction and productivity (Levine and Tyson 1990). Indeed, an old concept, autonomy, was the focus of many job redesign programs that became part of the quality of work life movement two decades ago (Hackman and Oldham 1980).

Self-Managed Teams. Teams work because of peer monitoring and the creation of expectations of team members that are brought to bear to coordinate and monitor work effort and results. Much could be said about sales teams. Suffice it to say that sales teams are becoming more and more prevalent as selling organizations seek ways to create advantage with customers.

Training and Skill Development. Many organizations have made recent commitments to training and skills development. However, training only produces results if salespeople are allowed to use their newly learned skills. Too often, organizations provide extensive training but do not change organization structures so as to allow salespeople to use their new skills. The result is that training has little apparent effect.

Cross-Utilization and Cross-Training. There are great potential benefits that occur when people do multiple jobs. One obvious benefit is that multiple jobs make work more interesting. Variety, another old concept, allows for changes in pace, changes in activities, and changes in the people with whom one comes in contact. A further benefit associated with variety is that, as people shift from one thing to the next, process must be kept simple so that new tasks can be learned quickly. Still another benefit is enhanced job security.

Symbolic Egalitarianism. Many organizations that achieve competitive advantage through people have various forms of symbolic egalitarianism—ways to signal that there is such a thing as comparative equality, and it is not the case that some think and others do (Pfeffer 1995).

Wage Compression. When tasks are somewhat interdependent and cooperation is needed to produce results, wage compression can lead to gains in efficiency by reducing internal competition (Lazear 1989). Large differences in rewards can motivate people to achieve those awards, but the result may also be that individual salespeople spend great effort ingratiating themselves and not really performing the tasks that result in effectiveness for the organization (Milgrom and Roberts 1988). Thus, there are circumstances in which wage compression can actually produce overall higher levels of performance.

Table 3
Guidelines to Consider when Retrofitting an Organization

- Conduct a diagnosis of the organization's environment and social and technical systems.
- Understand that the change is not a "quick fix" and will take time and money.
- Make sure the design changes fit with the long-term strategic plan of the organization.
- Benchmark successful retrofits.
- Create a plan that encompasses all systems and functions in the organization.
- Implement, in phases, paying attention to effects on all parts of the system.
- Develop a human system for redeploying employees and managers whose positions are eliminated.
- Focus on ways to "increase the pie" —increased market share, sales, and profit— rather than on reduced costs.
- Measure, calibrate, and reward results.

Source: Neal, and Tromley (1995)

Promotion from Within. Promotion from within encourages training and skill development as the availability of promotion opportunities can tie individuals to the organization. Promotion from within also requires that today's supervisors know tomorrow's supervisors very well, leading to better choices for promotion. Promotion from within also offers incentives and provides a sense of fairness and justice in the workplace (Pfeffer 1995).

The Long View. Achieving competitive advantage through the sales force takes time. On the other hand, if achieved, such competitive advantage is likely to be more enduring.

Measurement of the Practices. Measurement serves several functions. First, the obvious function is feedback regarding performance. Second, measurement ensures that what is being measured will be noticed. A consistent finding is that measures affect employee behavior (Ridgeway 1956). Things that are measured are discussed, and things that are not measured are not.

Overarching Philosophy. An overarching view of management provides a way of connecting various individual practices into a coherent whole. It also allows the organization to persist and experiment when things do not work immediately. Further, an overarching philosophy makes it easier to explain what the organization is doing to secure internal and external support.

High Performance Systems: Change Management Implications for Sales Managers

High performance systems focus on outcomes and on concrete changes in the work itself (Pasmore 1988). The unit of analysis is the entire organization. High performance systems have two subsystems. The first is the social system which is generally based on team approaches to improving quality and competitiveness. People-focused activities like selection, training, and rewards are key elements of the social subsystem (Lawler 1992). The technical subsystem consists of equipment and work process that are set up to encourage flexibility among team members. The design of the workplace emphasizes skill variety and employees know what their contribution is to the organization (Cummings and Huse 1990).

Neal and Tromley (1995) provide an excellent discussion of still another change management approach, retrofitting organizations toward becoming high performance systems. They define a retrofit as the upgrading and updating of the social and technical systems of an existing organization, and it entails significant cultural change. As noted in the definition, there are three key elements associated with retrofitting an organization: 1) culture, 2) human resource and social systems, and 3) tech-

A high-performance sales organization out-performs its competition and consistently meets or exceeds the needs of its customers.

nology and work design. A sales organization considering any change management initiative would do well to consider these factors. Table 3 presents some guidelines to consider in retrofitting an organization.

Culture. Any change management initiative begins with an existing organization culture. If projects are conducted on an incremental basis, culture is rarely considered. And when culture is considered, it is usually focused on behavior changes without making changes in underlying values, beliefs, and assumptions that make up the culture. When values and beliefs remain the same, behavioral changes are likely to be short lived, and management spends considerable time and energy monitoring and controlling behavior (Sathe 1983).

Larger-scale retrofits require culture change. If the existing culture is not compatible with planned changes, the entire retrofit effort may be undermined (Schwartz and Davis 1981). Change in culture requires a clear articulation of vision, which must be closely tied to the operational goals of the organization. Salespeople must understand how changes will increase the effectiveness of the organization and, ultimately, lead to greater job security and more meaningful work.

Human Resource and Social Systems. The design of human resource and social systems should be such that they help the organization meet concrete and measurable goals and place a high value on the quality of work life. Three key elements of human resource and social systems are: 1) recruiting and selection, 2) training, and 3) rewards.

1. *Recruiting and Selection.* Key elements of recruiting and selection for an organization undergoing significant change revolve around the willingness and ability of new salespeople to learn and to work in a team environment. One element of the recruiting process that is key is the hiring of sales managers whose leadership style must fit the "new" culture of the organization. The recruiting and selection program must be viewed from a long-term perspective, as it will inevitably involve long-term culture change (Neal and Tromley 1995).
2. *Training.* Training must focus on skills development, both social (e.g., group dynamics, communication, leadership) and technical (e.g., sales and business skills). For organizations that are serious about retrofitting, a part of the culture must be continuous training of the sales force (Weisbord 1990).
3. *Rewards.* Retrofits that have included drastic culture change have been responsible for some innovative reward programs (Lawler 1992). The reward system may be the most difficult system to redesign when an organization undergoes significant change. The key factor is to design the reward system so that it is tied directly to organizational goals and that it rewards employees for optimizing the entire system rather than their particular function (Lawler 1991).

Technology and Work Design. Changes in this aspect of the organization require that salespeople participate in the decision making aspects of the organization. Often, this is accomplished through the use of self-managed teams, with team members' technical and social skills being called upon for effective performance. One element of technology and work design that should appeal to salespeople is that such endeavors are most effective when specifications about how work should be done are minimized (Cummings and Srivastasa 1977).

What is a High Performance Sales Organization?

A high-performance sales organization out-performs its competition and consistently meets or exceeds the needs of its customers. Hewlett-Packard Company's Computer System Organization (CSO) is an excellent example of a high performing sales

Table 4
Characteristics of a High-Performance Sales Organization

- Revenue growth at a rate greater than the industry
- Demonstrated success with selling new products
- Proven track record of successfully acquiring significant numbers of new accounts
- High rate of customer retention (i.e., low to no "churn" in accounts)
- Proven success in account penetration (i.e., selling across multiple buying centers in the same account)
- Sales personnel retention, low turnover
- Sales expense ratio lower than industry average

Source: Colletti and Wood (1996)

organization. In a four-year period (1991-1994), CSO revenue grew by fifty percent. In 1994 alone, revenue grew by 19 percent. In the Unix computer systems market, CSO grew its 1994 worldwide business by 40 percent over 1993 revenues, while the industry grew at a rate of 5 percent (Levine 1995). Impressive results like these are one of the prerequisites for a high performance sales organization.

Hewlett-Packard achieved its results through a program of attracting, retaining, and expanding business with the right customers. However, Hewlett-Packard also attained status as a high-performing sales organizations through its people—the ability to employ dedicated teams of professionals drawn from throughout the organization. These teams develop, maintain, and recreate competencies to sustain consistent growth, a second prerequisite of high-performance sales organizations. Table 4 summarizes the characteristics of high-performance sales organizations. This list has resulted from continued research conducted by The Alexander Group which has included:

conversations with over 1,500 executives at many sales management conferences sponsored in association with The Conference Board;

surveys conducted among companies that have attended these conferences;

in-depth interviews of conference participants to understand what it takes to create and maintain high-performance sales organizations;

the result of many consulting projects with clients designed either to reinvent their sales organizations or increase effectiveness of one or more aspects of their sales organizations.

Change Management Strategies for High-Performance Sales Organizations

Sales force change management programs involve a systematic realignment of sales resources to serve the best customers effectively. Change initiatives require that sales leaders change their thinking and their strategy. As indicated earlier, one of the key elements of a change strategy is customer segmentation—knowing how to select and focus on the right customers. This is a competency that high-performing sales organizations must have if they are to experience long-term successes. One of the difficulties that many organizations thinking about change management initiatives have experienced is that they focus on the structure of the organization to the exclusion or underplaying of customer focus. The ability to view one's business through the eyes of customers and then realign resources to serve the right customers is a competency that is paramount in the undertaking of any change strategy relating to the sales force.

Of course, sales force change initiatives involve much more than a customer focus. In The Alexander Group's research on reinvention in the sales force, one thing that was discovered is that companies do not necessarily call their strategies by any particular terminology. However, the research did reveal that most companies who had implemented successful change programs followed a five-step process: 1) assessment, 2) redesign, 3) measurement, 4) sales support programs, and 5) implementation. In each of these phases, management teams were created to assess and build the company's strengths and to ascertain opportunities for improvement.

Assessment. The assessment phase of a change management project involves examination of the customer environment in which the company operates. In this phase, the company is explicitly acknowledging what is commonly known—that many customers are changing the way they buy and the way they wish to conduct their business. If the sales force does not anticipate and/or react to such changes, they risk becoming obsolete.

Many of Hewlett-Packard's customers have moved from proprietary systems to open systems so that they could mix and match hardware and software from several vendors to meet a variety of application needs (Levine 1995).

At Lexmark International, a producer and marketer of computer keyboards, printers, electric typewriters, and related supplies, the challenge was to work with end users of the company's products rather than focus exclusively on resellers' needs. Without addressing customers' customer needs, Lexmark had experienced lost sales even before it had a chance to be considered.

Pharmaceutical manufacturer and marketer, The Upjohn Company, observed that pharmaceutical decision makers were changing, but the company's traditional selling process addressed only prescribing doctors. Issues related to managed care organizations were largely ignored by this traditional process as managed care organizations use different purchase criteria. Upjohn's sales force had to develop new skills and new strategies to meet the needs of the large and growing managed care market.

As noted in the above examples, sales organizations must be responsive and adaptive to change. If sales force strategies and tactics, marketing strategies and tactics, and other elements of the organization are not aligned with customer needs and in tune with changing customer requirements, the sales force will become obsolete—sometimes very quickly. While this can be a difficult and time-consuming process, there are some generalizations that can be made about buyers that can serve as guides for companies who may be observing symptoms that their sales force is becoming obsolete:

1. The use of salespeople to educate customers about products seems to have eroded. New products are generally not new. They may be micro-segmented, they may be knock-offs, they may be improved versions of existing products. Therefore, customers are already informed, to a great degree, about developments in the marketplace.
2. Trade magazines, trade shows, and targeted database mailing systems often beat the salesperson to the customer with information about product developments. When the salesperson arrives at the customer's place of business, the information about product developments is old news.
3. Buyers are likely to be more receptive to in-depth specifics and custom design possibilities for specific applications. Many salespeople can improve in this area, an opportunity for competitive advantage.
4. Many buyers no longer require salespeople to place orders or to provide general information. Computer databases, 800 numbers, fax machines, and express mail/shipment have reduced the value of the outside salesperson as an information provider.
5. Increasingly, much of what customers buy takes on the characteristics of commodities that are readily available from many suppliers. Buyer loyalty to salespeople has waned, as buyers have experienced increased pressures to reduce prices that they pay for such commodities and commodity-type products.
6. The cost of in-person sales calls has grown dramatically such that many companies are allowing customers to "self-serve" in areas of service that were traditionally provided by salespeople.
7. Many large customers have reduced their "perceived value" of salespeople.
8. Many customers claim that they are seeing more salespeople than ever, that they have less time than ever to see these salespeople,

Table 5
Six Steps to Effective Change

- Mobilize commitment to change through joint diagnosis of business problems.
- Develop a shared vision of how to organize and manage for competitiveness.
- Foster consensus for the new vision, competence to enact it, and cohesion to move it along.
- Spread revitalization to all departments without pushing it from the top.
- Institutionalize revitalization through formal policies, systems, and structures.
- Monitor and adjust strategies in response to problems in the revitalization process.

Source: Beer, Eisenstat, and Spector (1990)

and that many of the salespeople they see are not worth seeing.

Change Vision. Companies who undertake change management programs must have a clear vision concerning what needs to be done to improve sales effectiveness and where they expected to end up when the change program was implemented. These companies must endeavor to avoid the tendency to do things quickly to obtain short-term results without making sure that all of the aspects of the change program are in place. DEC undertook the effort to totally redesign its business, completing the transition in 1994 (Brandel 1994). Their approach was to convert the Computer Systems Division to the core business, including systems, PC software, and a direct sales force that focuses on the company's top 1,000 customers. Previously, DEC salespeople had supported all 8,000 of the company's customers. DEC also sold its disk and tape operations to Quantum Corp., a move that changed the vision of the company from one of providing complete solutions to one of emphasizing the core element of the business, its systems.

A second consideration is making sure that the field sales force "buys in" to the change management program from its earliest stages. What management views as needed change may not always be the right thing to do. Even when the changes are needed for the company's future success, the reasons for the change may not be very clear to the salespeople in the field. Hurried implementation means that the company's management is continuously trying to "sell" internally as the company moves from one phase of the change management program to another. Obtaining sales force commitment will allow for easier implementation of all aspects of the change management program.

Management must also be prepared for any change initiatives. Usually, change programs are considered because of situations such as declining or flat sales, growth that is slower than competitors, or products that have not been launched properly. Such circumstances carry a high sense of urgency and a high propensity to seek "quick fixes." Such "fire, aim, ready" approaches often prove more costly in the long run as the company does not correct the problem(s) that led to the initiation of a change program, and other problems occur because the changes that were effected multiply the effect of the original problems.

Companies considering change would do well to start by thinking small and allow their thinking to get larger only in reaction to answers to their investigations. Table 5 provides several recommendations for companies wishing to implement change management programs. For example, a customer focus means understanding the things that the company and its salespeople can do to lead to higher performance. A complete restructuring of the sales organization may be necessary, but only after lesser intense options, such as improved account management or improved after sales service, are evaluated and shown to be insufficient to produce desired effectiveness. Table 6 presents some of the benefits of results-oriented change management programs that emphasize what the company wants to achieve before undertaking significant change management initiatives.

Customer Focus. Being customer focused is much easier to discuss than it is to implement. Clearly, a part of customer focus means the alignment of selling strategies and tactics with customers' buying processes. This is difficult as managers strive to mange for today's success while simultaneously try-

Table 6
Benefits of a Results-Driven Approach

1. Companies introduce managerial and process innovations only as needed. Changes in management style, work, goal setting, information systems, and customer relationships are introduced only when the change appears capable of improving progress toward measurable goals.
2. Empirical testing reveals what works. Each change is introduced sequentially; therefore, the extent of the impact of change on results can be measured.
3. Frequent reinforcement energizes the improvement process. Success is a powerful motivator. By replacing large-scale, amorphous improvement objectives with shorter-term incremental projects that quickly yield tangible results, managers can enjoy the fruits of success. Demonstrated capacity to succeed reinforces perceptions of abilities to succeed in the future.
4. Management creates a continuous-learning process by building on the lessons of previous phases in designing the next phase of the program. Results-driven programs begin by identifying the most urgently needed performance improvements and developing incremental goals to be achieved quickly.

Source: Schaffer and Thomson (1992)

ing to forecast what future buying paradigms will actually look like. Since market change is continuous, sales organizations must examine buyer segments regularly. New segments may require new channels, the use of sales specialists, the use of teams, or other changes, all of which require effective implementation if they are to yield improved effectiveness.

One methodology for evaluating customers is presented in Table 7, which concerns the decision surrounding the strategic renewal of customers. Briefly, the approach attempts to characterize customers according to three dimensions: their strategic impact on the supplier organization, their significance to the supplier organization, and their profitability to the supplier organization. Different courses of action with each customer are recommended based on the customer's positioning on these dimensions.

Redesign

After assessing the environment in which customers buy, the typical sales force change management project moves into the redesign phase. In this phase, change initiatives are likely to be associated with one of the three following aspects of sales effectiveness:

Leadership and Management Skills. Customers motivate change. For change management programs to be effective, management must be willing and able to be out in front of customers in terms of how to conduct business effectively. Many customers, particularly larger ones, impose new and stringent requirements on suppliers. Oftentimes, these arise in conversations with other customers and/or suppliers. Such requirements changes require management flexibility and agility, including developing a broader range of skills in order to conduct business with high level customers. Such skills include financial; communications up, down and laterally; and consensus building within and across organizations in order to meet customer needs.

Sales Strategy. Sales strategy represents a plan of action that defines how the company deploys sales resources to sell products or services to customers. A key aspect of sales strategy is buyer segmentation, which allows the company to identify the right customers to target and the most appropriate products and services to meets customers' needs. Buyer segmentation offers great opportunities to grow revenues and increase productivity but is often overlooked as the responsibility, as this undertaking often falls into the gap between sales and marketing responsibilities. As an example of buyer segmentation strategies, consider U.S. West's Public Service business—pay phones (Colletti and Wood 1996).

U.S. West's customers are business owners, site providers, municipalities, states, local, county, and city governments, and people who have property where U.S. West can place pay phones. The com-

Table 7
Strategic Renewal of Customers

Customer Evaluation			
Strategic	Significant	Profitable	Comments
Yes	Yes	Yes	Excellent customers are attractive to aggressive competitors; are your products and services right? Are you on best terms with all buying influences? Focus company resources on present and future customer needs.
Yes	Yes	No	Try to improve profitability through changes in pricing, mix, services offered. If these do not work, consider joint ventures. If customer provides access to other markets, stay with the customer, but be prepared for an exit that will not damage the company's reputation
Yes	No	Yes	Keep this customer if a learning opportunity is provided or if there is access to other markets/customers through this customer. If the customer creates administrative headaches not consistent with the company's strategic plan, exit.
Yes	No	No	Evaluate customer's strategic importance with new members of the company. If customer remains strategically important assign a team to improve profitability, then redo the strategic importance test.
No	Yes	Yes	A tough call, but if the company's core competencies and customer's needs are not compatible, do not drain resources and divert focus. Spin off customer to another division, sell to a distributor, or exit.
No	Yes	No	Size of customer is not sufficient to keep. Spin off customer to another division or company where it can be profitable. Divest before it depletes management energy.
No	No	Yes	Company may have to "fire" a customer. Try to sell or spin-off. Realize that the company will profit from only those customers that have a future with the company.
No	No	No	Drop the customer.

Source: adapted from Whitney (1996)

pany installs the phones, services them, collects money, and shares revenues with the location owner/manager. The business is very competitive and likely to be more so as AT&T and MCI consider entry into the pay phone market.

Historically, U.S. West Public Service was organized geographically. An account executive in a particular territory was responsible for all pay phones in a territory and all the revenues generated by each of those phones. Because of coverage problems, management challenged one of their basic assumptions—that all business was good business. U.S. West segmented its accounts on their attractiveness to Public Service, addressing issues like identification of the users, the percentage of collect calls made from a phone, and the needs of

Companies that have implemented change strategies also have found that they must change what they measure and how they measure it.

the site providers. They learned that accounts with multiple locations and with a history of growth were the most attractive customers with which to conduct future business. Interestingly, the most attractive segment turned out to be the prison system— city- and state-run jails. However, this segment had no specialized sales coverage.

U.S. West continued its segmentation analysis until the majority of its customers had been accounted for. The major discovery was that different customers offered differing potential, and that when this potential was matched with the most appropriate sales resource (e.g., telemarketing, account representatives), it was possible to achieve growth at a much faster rate than the company had experienced prior to the implementation of the segmentation methodology.

Sales Processes. In attempting to accomplish objectives set forth with new strategic initiatives, companies often find they must change the way they sell. Sales processes have to be redesigned for old customers, new customers, or both. Often, this redefinition of sales process carries with it a need to redefine the sales job, as illustrated in Figure 5.

As an example, Lexmark realized that it could no longer rely solely on its traditional sales contacts— the resellers. The resellers' customers, those who actually used the products, were a critical aspect for Lexmark's future sales success. In order to implement this multidimensional focus, Lexmark had to redeploy its sales resources. Traditionally, eighty-five percent of Lexmark's sales force worked with resellers, and fifteen percent worked with end users. Lexmark reversed these figures, and the eighty-five percent of the sales force working with end users were all provided with a trial printer. The sales strategy moved from one in which features and benefits were presented to one which included a trial use period for the end-user customer. The result was a dramatic increase in sales revenue (Colletti and Wood 1996).

To complement and support changes in sales process, some organizations may find it necessary to make structural changes. However, such redesign logically follows changes in customer orientation, sales strategy, and selling process. For example, Pharmacia Biotech, a seller of instruments and supplies for pharmaceutical and biotechnology research, discovered that it had five distinct sales jobs. Each job had salespeople representing different product areas but calling on the same customers. The company changed its structure from one of deploying product specialists to one of deploying account specialists. An account specialist who required technical help could call on one or more product specialists in an effort to better service accounts (Colletti and Wood 1996).

In all this, several recommendations are offered. At the risk of saying these sound quite simple and common sensical, keep in mind the increasing frequency and magnitude of change management programs and the primary reason for these initiatives— changes in the marketplace.

- Find customer needs and fill them.
- Fill customer needs at a cost less than what the customer will value and pay for it in order to make a profit.
- Make decisions in the context of what the customer wants whenever possible.
- Make longer, but less frequent, sales calls in order to save "drive-time" and increase "in-person" time.
- Attempt to visit with multiple buying influences simultaneously when possible.
- Focus outside salespeople on solving problems.
- Allow telemarketers, inside salespeople, and direct mail to take orders and promote products.

Measurement

Companies that have implemented change strategies also have found that they must change what they measure and how they measure it. Prior to their change experience, U.S. West Public Service used base revenue and new revenue as performance measures. However, as their change program was implemented, they discovered that these two mea-

Figure 5
Using the Sales Strategy Matrix to Redesign Sales Jobs

One of the most common problems experienced by sales companies is the misalignment of business objectives and the selling behavior of the sales force. The Sales Strategy Matrix is a helpful tool to use to align the role of the sales job with the achievement of a company's business objectives.

Sales Strategy Matrix

BUYERS		Current	New
	Prospects	Conversion Selling	New Market Selling
	Customers	Maintenance Selling	Leverage Selling

Products

As the matrix shows, there are two variables: buyers and products. Buyers are either customers or prospects, and products are either current or new. The combination of buyers and products defines the selling circumstances faced by sales representatives in each of the four quadrants of the matrix. The four selling circumstances are:

1. *Maintenance Selling.* Sell customers current products on a reorder basis. The sales job focus is to successfully manage the current base of business.

2. *Leverage Selling.* Involves maximizing the customer relationship by selling a broader range of products to current customers or selling to more customers within the current account.

3. *Conversion Selling.* Try to get the competitors' customers to switch to the company's products.

4. *New Market Selling.* Probably the most difficult of any sales job, the salesperson must attract new customers by selling new products.

One of the key values of the matrix is the provision of a framework to help salespeople understand where current business is coming from and how much selling resource is used to attract, retain, and/or expand the business. Companies who adopt the matrix approach use it to guide the following performance planning analysis:

1. *Financial.* Analysis of sales and margin results by quadrants to understand the current source of business.

2. *Selling Expense.* Allocation of sales expenses to each quadrant to further understanding of the costs of doing business.

3. *Time.* Examination of sales force activity by quadrant to show how much time salespeople are spending on each of the four selling circumstances.

sures did not account for "churn"—the number of buyers who became customers only to switch to another vendor within months. Nor did these measures account for profitability or customer satisfaction. Consequently, U.S. West now employs performance measures, including profitability of phones installed, customer satisfaction, and customer follow-up. These latter dimensions are included as customer retention is a key element of any sales force change management program.

Ceridan Employer Services, a division of Ceridian International, sells payroll, human resources software and services, professional services, employee advisory programs, and tax filing services. Historically, salespeople had been compensated on the basis of volume. Clearly, volume is important, but Ceridian now has more of a customer focus—employing customer profitability as a performance measure in an attempt to ascertain if it is conducting business with the right customers. Ceridan also employs "activity drivers" in its performance measurement program. It operates on the supposition that if salespeople perform the right activities, the results in terms of sales and profitability will follow. Activity drivers used include getting deeper into the customer's account, developing solid account profiles, understanding customer and prospect needs, and referring prospects to other elements of Ceridian's business to leverage and take advantage of the customer base.

Productivity and Investments in the Sales Function. Companies look to sales force change management programs to produce:

- revenue growth in strategic areas such as new customer acquisition or new product introductions;
- greater sales productivity;
- improved selling expense allocation such as shifting resources to improve customer coverage.

To increase sales productivity a key aspect of change management programs lies in increasing the salesperson's return-on-time invested in the job. In an ideal world, management would be genius enough to create a thirty-six hour day. Unfortunately, the task of improving return on time invested usually boils down to the old problem of taking a twenty-four hour day and allowing salespeople to spend more of that day on critical sales and customer-focused activities and less of that day on activities that might be better performed by others or in some other way. In short, companies must make it easy for the sales force to conduct business with their own companies. Recent successes by Texas Instrument can be attributed, at least in part, to the company's foresight in using new technology to support its sales force (Dellecave 1996). TI's nearly 2,000 sales representatives are equipped with state of the art technological support that aids them in their ability to meet the demands of their electronics products customers.

To achieve gains in sales productivity also may require investments in the sales force. In an age of cost cutting and downsizing and other such economic focused tactics, companies have suffered from too few salespeople being available to work on the growing business. There is some evidence that companies have gone too far with downsizing and are suffering from corporate anorexia. These companies are too lean to take advantage of revenue growth opportunities from new markets or current customers (Wysocki 1995).

Sales Support Programs

Training, compensation, rewards and recognition, sales automation, and supervision are all examples of sales support programs that companies provide to their sales forces in order to direct and energize performance. These should not be forgotten in the implementation of change management strategies, as illustrated in the following examples:

- Colonial Pacific Leasing, a subsidiary of Pitney Bowes Credit Corporation, recognized that its salespeople were spending considerable time with smaller- and mid-sized accounts. As a result, larger accounts were not being given the attention needed. In implementing a change management program, the company obviously had to change its focus to larger accounts. It provided salespeople with training in areas like account management, strategic planning, and business development in a course called "Front-Line Training."
- Ryder System found it necessary to provide its sales force with laptop computers with CD-ROM capability. Its experience was that customer demands for information were increasing, and salespeople could not always recall, from memory, the appropriate answers, processes, procedures, and so on. The laptop approach provided salespeople with the ability to have access to a data bank of

responses to every customer question or problem encountered by salespeople. Ryder's focus was to deploy the sales force as a key business asset, equipping it to provide a consultative approach to their customers with a level of confidence that was based on their new found ability to respond quickly and accurately to customer concerns.

Automatic Switch, the world's largest manufacturer of automatic transfer switches and switch gears for emergency power systems, has undertaken a change management program that provides salespeople with the status of customer orders via computer hook-up from a remote location. The availability of timely order information allows salespeople to inform customers with up-to-date information about their order status, as well as up-to-date information regarding other customer related developments.

Marketing and Sales Collaboration. Invariably, as companies recognize that they have some form of "disconnect" between how they conduct business and the way customers want to buy, they should recognize that they have a need to examine the effectiveness of the collaboration between marketing and sales. The "culture clash" that results from the "coffee room turf wars" may be more real than apparent, even though the discussions of encroachment on each other's territory are conducted in jest.

Many companies have large gaps between marketing and sales in spite of the fact that there are ample opportunities to collaborate without encroachment. For example, the sales force can provide marketing with invaluable customer information and work with marketing to suggest modifications in products that will fit customers' changing needs. Marketing, on the other hand, can provide the sales force with information and other tools that assist salespeople in targeting those customers and prospects who offer the best opportunities.

Manufacturers such as Ford Motor Company and Whirlpool have initiated Web sites to create a direct link to customers, providing those customers with more control over the sales process (Horowitz 1996). Prior to this, manufacturing organizations had typically employed their sales forces to "push" products via distributors and retailers who, in turn, promoted products to final consumers. Now, with the employment of the Web sites, these companies have adopted a "pull" strategy to promote directly to their customers.

Implementation

After companies ascertain what is to be changed and how to change it, size and complexity of the sales organization will often determine how quickly the company moves towards implementation. Many companies undertake a pilot test of their proposed change program so they can experiment with aspects of change in one geographic area or with a particular industry or company type.

Upjohn began its change management program in one state, Minnesota. Traditionally, the state had been organized geographically into two districts of thirty and thirty-two salespeople. However, the state of Minnesota is fairly integrated in its health care delivery with three plans representing 85 percent of the prescription volume. As a result, Upjohn organized its sales force by physician and plan affiliation. It created three teams, each with eleven people, and each dealing with one of the three major plans, regardless of where physicians are located. Upjohn often has representatives from all three teams in one building on the same day, but they all focus their efforts on decision makers, not just the physicians.

Sales Force Motivation. To sustain sales force morale and motivation during change management program, implementation is of paramount importance. Again, some old stand-bys are important—the effective use of compensation and other sales force motivators. CEO John Brown has motivated his sales force to achieve a minimum of twenty percent annual growth for a period of 17 years (Brewer 1994). Top salespeople are hired and paid on a commission basis. In addition, salespeople can concentrate on selling, as administrative responsibilities such as call reports have been eliminated. When change management programs are implemented, management must work to sustain desired sales force direction, otherwise salespeople will easily fall prey to what they do best, even if that is not consistent with the company's changed direction or customers' changed requirements. In order to sustain desired direction, management should consider undertaking programs such as the following:

dialogue among executives about current sales organization effectiveness;

management dialogue with the sales force concerning concepts, models, process, and techniques related to the change management program;

management discussions with salespeople that speculate on how sales organizations of the future will look;

management discussion with the sales force concerning the challenges associated with making the transition from the older sales organization to the high performing sales organization.

Lessons Learned—Key Change Management Skills

Managements that wish to undertake change management programs with the objective of creating or sustaining high-performing sales organizations and avoiding sales force obsolescence should consider the following recommendations.

Act Before It Is Too Late. In other words, act like a learning organization. Most companies that undertake change management programs do so because they are experiencing problems or they have anticipated that problems will occur in the future unless changes are made. In these companies, the widespread perception exists that the sales force had been successful. Naturally, most organizations will say that they already have a high-performing sales organization; therefore, there is little need to change. One key to the effectiveness of change management programs is to develop mechanisms to anticipate marketplace changes so that management can begin developing change strategies in anticipation of these marketplace changes.

Involve Marketing and Sales on a Broad Scale. Many executives hold the viewpoint that it is easy to identify what changes are needed in order to increase sales organization effectiveness. They also hold the viewpoint that the difficulty in undertaking change programs is in gaining support for the change as change impacts careers. Willingness to change is related to involvement in planning, designing, and implementing change. In The Alexander Group research, many mangers stated that, if they could undertake their change programs over, they would secure the involvement of more people earlier in the process.

Assemble and Use Factual Information. Salespeople are notorious story tellers. Unfortunately, this skill can become a liability if sales force members rely too heavily on anecdotal evidence or suggestions from the last customer they visited to implement change. In The Alexander Group research, executives emphasized the need for more thorough analysis of hard information concerning where business was coming from, what new business was available, where growth opportunities lay, and how changes in buying practices could affect decisions about channels of distribution and customer coverage. Many of these companies made sound change management decisions, but they also noted those decisions could have been reached faster and implemented more quickly if they had relied less on anecdotal information and more on facts.

Invest in Tools, Processes, and Programs. In The Alexander Group research, most companies reported that they underestimated the magnitude of the change required to meet changing customer requirements. Typically, underestimates involved elements of the sales infrastructure, such as sales forecasting and planning models, sales information systems, territory alignment and sales force deployment, training, and compensation—all necessary to support a high performance sales organization.

Communicate Change to Customers. Too often, companies are reluctant to communicate change to customers. To the customer, change seems to just happen. Sometimes this lack of communication is rooted in executive fears that communicated changes must be implemented even in the face of newer evidence to suggest that the proposed change may not be best for the customer or the company. Again, referring to The Alexander Group research, a dominant finding is that executives should communicate more with customers concerning the various aspects of their change management programs.

References

Akerlof, George (1984), "Gift Exchange and Efficiency Wage Theory," *American Economic Review,* 74, 79-83.

Amit, Raphael and Paul Shoemaker (1993), "Strategic Assets and Organizational Rent," *Strategic Management Journal,* 14, 33-46.

Barney, Jay B. (1995), "Looking Inside for Competitive Advantage," *Academy of Management Executive,*" 9, 4, 49-61.

Beer, Michael, Russell A. Eisenstat, and Bert Spector (1990), "Why Change Programs Don't Produce Change," *Harvard Business Review,* (November-December), 68, 158-166.

Brandel, Mary (1996), "Digital Fills in Blanks on Organizational Redesign," *Computerworld,* 16, (July 25), 12.

Brewer, Geoffrey (1994), "20 Percent - Or Else," *Sales and Marketing Management,* 64, (November), 6-12.

Brown, John Seely (1991), "Research That Reinvents the Corporation," *Harvard Business Review,* 69, (January-February), 102-117.

Churchill, Gilbert A., Neil M. Ford, and Orville C. Walker (1990), *Sales Force Management,* Homewood, IL: Richard D. Irwin.

Colletti, Jerome A. and Wally Wood (1996), *Managing for Revenue Growth: Achieving Top-Line Growth Through a High Performance Sales Organization,* Scottsdale, AZ: AGI Press.

Cravens, David W., Raymond L. LaForge, Gregory M. Pickett, and Clifford E. Young (1993), "Incorporating a Quality Improvement Perspective into Measures of Salesperson Performance," *Journal of Personal Selling and Sales Management*, 13, (Winter), 1-14.

Cummings, Thomas G. and Edward F. Huse (1989), *Organization Development and Change*, St. Paul, MN: West Publishing.

Dellecave, Jr., Tom (1996), "Chipping In," *Sales and Marketing Management*, 66, (June), 34-37.

Deming, William E. (1986), *Out of the Crisis*, Cambridge, MA: Massachusetts Institute of Technology Center for Advanced Engineering Study.

Economics Press, Inc. (1996), "The Strategic Edge," 67, (June), 101, 4.

Geisler, Eliezer (1996), "Cleaning Up After Reengineering," *Business Horizons*, 31, (September-October), 71-78.

Hammer, Michael (1996), *Beyond Reengineering*, New York: HarperBusiness.

———— and James Champy (1993) *Reengineering the Corporation*, New York: HarperBusiness

Harari, Oren (1997), "Ten Reasons TQM Doesn't Work," *Management Review*, 29, (January), 38-44.

Horowitz, Alan S. (1996), "The Next Sales Force," *Computerworld*, 16, (November 18), 3-6.

Laabs, Jennifer J. (1996), "Change," *Personnel Journal*, 53, (July), 54-63.

Lawler, Edward E. (1990), "The New Plant Revolution Revisited," *Organizational Dynamics*, 13, (Autumn), 4-14.

———— (1992), *The Ultimate Advantage: Creating the High-Involvement Organization*, San Francisco, Jossey-Bass.

———— (1991), *High-Involvement Management*, San Francisco, CA: Jossey-Bass.

Lazear, Edward P (1989), "Pay Equality and Industrial Politics," *Journal of Political Economy*, 97, 3, 561-580.

Levine, David I. and Laura D'Andrea Tyson (1990), "Participation, Productivity, and the Firm's Environment," in *Paying for Productivity: A Look at the Evidence*, Alan S. Blinder, ed., Washington, D.C.: Brookings Institution, 183-243.

Levine, Daniel S. (1995), "Justice Served," *Sales & Marketing Management*, 65, (May), 53-61.

Milgrom, Paul and John Roberts (1988), "An Economic Approach to Influence Activities in Organizations," *American Journal of Sociology*, 94, (Spring), S154-S179.

Neal, Judith A. and Cheryl L Tromley (1995), "From Incremental Change to Retrofit: Creating High Performance Work Systems," *Academy of Management Executive*, 9, 1, 42-53.

Pasmore, William A (1988), *Designing Effective Organizations: The Socio-Technical systems Perspective*, New York: John Wiley & Sons.

Pfeffer, Jeffrey (1995), "Producing Sustainable Competitive Advantage Through the Effective Management of People," *Academy of Management Executive*, 9, 1, 55-69.

Porter, Michael E. (1996), "What Is Strategy?" *Harvard Business Review*, (November-December), 74, 61-78.

Ridgeway, V.F. (1956), "Dysfunctional Consequences of Performance Measurement," *Administrative Science Quarterly*, 1, 1, 240-247.

Rosen, Corey M., Katherine J. Klein, and Karen M. Young (1986), *Employee Ownership in America*, Lexington, MA: Lexington Books.

Sathe, Victor (1983), "Implications of Corporate Culture: A Manager's Guide to Action," *Organizational Dynamics*, 6, (Autumn), 5-23.

Schaffer, Robert H. and Harvey A. Thomson (1992), "Successful Change Programs Begin With Results," *Harvard Business Review*, (January-February), 70, 80-89.

Schmidt, Frank L. and John E. Hunter (1983), "Individual Differences in Productivity: An Empirical Test of Estimates Derived from Studies of Selection Procedure Utility," *Journal of Applied Psychology*, 68, 407-414.

Schwartz, H. and S. M. Davis (1981), "Matching Corporate Culture and Business Strategy," *Organizational Dynamics*, 4, (Summer), 30-48.

Stalk, George, Philip Evans and Lawrence E. Schulman (1992), "Competing on Capabilities: The New Rules of Corporate Strategy," *Harvard Business Review*, 70, (May-June), 57-69.

Stanton, William J., Richard H. Buskirk, and Rosann L. Spiro (1995), *Management of the Sales Force*, Homewood, IL: Richard D. Irwin.

Strahle, William M., Rosann L. Spiro, and Frank Acito (1996), "Marketing and Sales: Strategic Alignment and Functional Implementation," *Journal of Personal Selling and Sales Management*, 16, (Winter), 1-20.

Tanner, Jr., John F. and Earl D. Honeycutt, Jr. (1996), "Reengineering Using the Theory of Constraints," *Industrial Marketing Management*, 25, 1-9.

Tenner, Arthur R. and Irving J. DeToro (1992), *Total Quality Management*, Reading, MA.: Addison-Wesley Publishing Company.

Viswanathan, Madhubalan and Eric M. Olson (1992), "The Implementation of Business Strategies: Implications for the Sales Function," *Journal of Personal Selling and Sales Management*, 12, (Winter), 46-57.

Weisbord, M.R. (1990), *Productive Workplaces: Organizing and Managing for Dignity, Meaning, and Community*, San Francisco: Jossey-Bass.

Whitney, John O. (1996), "Strategic Renewal For Business Units," *Harvard Business Review*, 74, (July-August), 74, 84-98.

Wysocki, Jr. Bernard (1995), "Big Corporate Layoffs Are Slowing Down," *The Wall Street Journal*, (June 12), 1.