

Abstract

Sales Complexity - The Measurement, Evaluation and Management of a Recent Challenge for the Sales Persons' Performance

Schmitz, Christian; Zupancic, Dirk¹

¹ Dr. Christian Schmitz and Dr. Dirk Zupancic are both postdoc fellows in the field of Business-to-Business Marketing at the University of St.Gallen, Institute of Marketing and Retailing, Switzerland.

Sales Complexity - The Measurement, Evaluation and Management of a Recent Challenge for the Sales Persons' Performance

The basic conditions of selling and sales management in business-to-business markets have changed dramatically during the past decade. Sales organizations face a more complex work environment influenced by several internal and external parameters. The market is driven by increasing customer expectations, dynamic changes in products, increasingly complex buying situations and a high diversity in the customer bases. Concurrently, many market organizations are confronted with scarce internal resources due to cost reduction, a high variety in the product and brand portfolio, a high number of new IT-systems as well as a greater extend of outcome responsibility that puts pressure on account managers. The challenge to deal with an increasing complexity is not unique to the sales function. But, as salespeople serve as an interface function between the own company and customers, they are particularly affected by dealing with rapid internal and external changes and the persistent pressure to achieve a balance between internal and external demands. Figure 1 provides examples of the parameters that drive the perceived complexity on the level of an individual sales person.

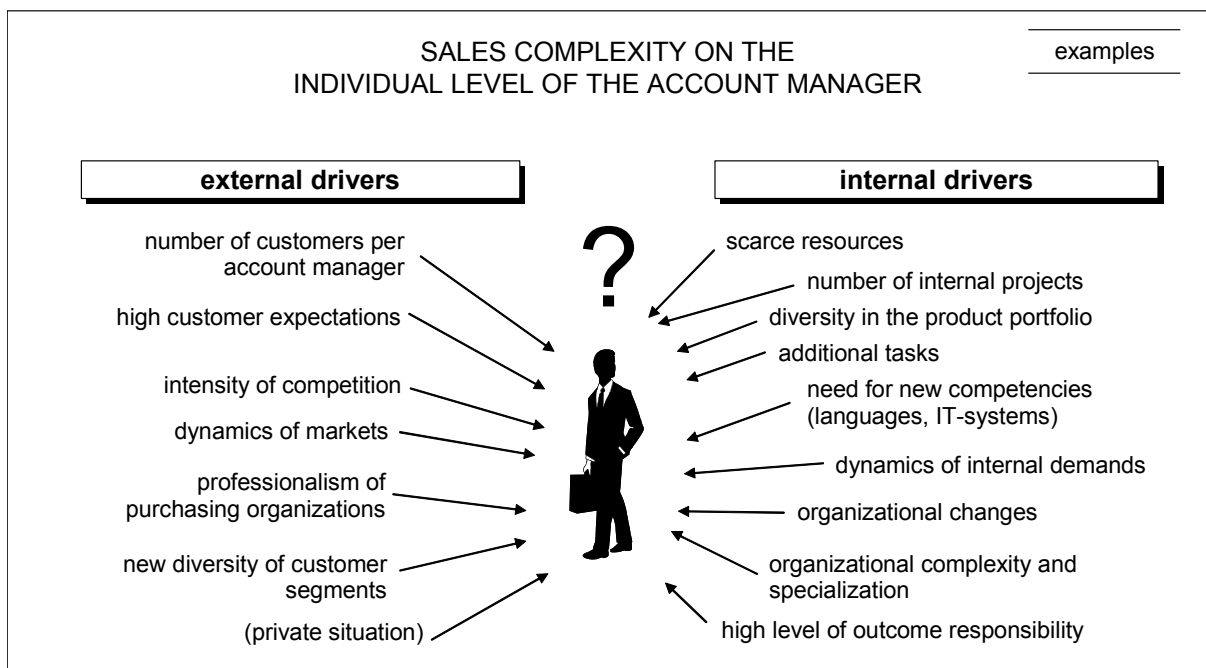


Figure 1: Parameters that drive the complexity on the level of an individual sales person.

On the individual level of the account manager, the challenge of a new complexity results in emotional dissonances (e.g. decreasing commitment, frustration, stress, dissatisfaction etc.) and problems in determining the "right" goal oriented prioritization of issues (e.g. spending the appropriate amount of time on internal and external issues, balancing short term and long term requirements etc.). Thus, the individual salesperson's performance is threatened by the perceived complexity. Consequently, with regard to the aggregated level of the sales organization, this influences the realization of organizational goals, e.g. employee and customer satisfaction lag, employee retention decreases, and sales per sales person declines. Therefore both, the account management and the sales management, need new coping strategies.

Today, many authors underline the following: with regard to the turbulent business environment, the sales function becomes a dynamic source of value creation and innovation within the firm. Therefore, scientific research must develop instruments that can comprehend the phenomenon of sales complexity. Furthermore, sales research must examine drivers, conse-

quences and managerial responses related to the phenomenon of complexity in the sales organization. Figure 2 shows a framework for future research opportunities. The aspects displayed indicate a possible research path and show important research issues. With the examination of each stage, sales research can generate valuable practical insights for sales organizations.

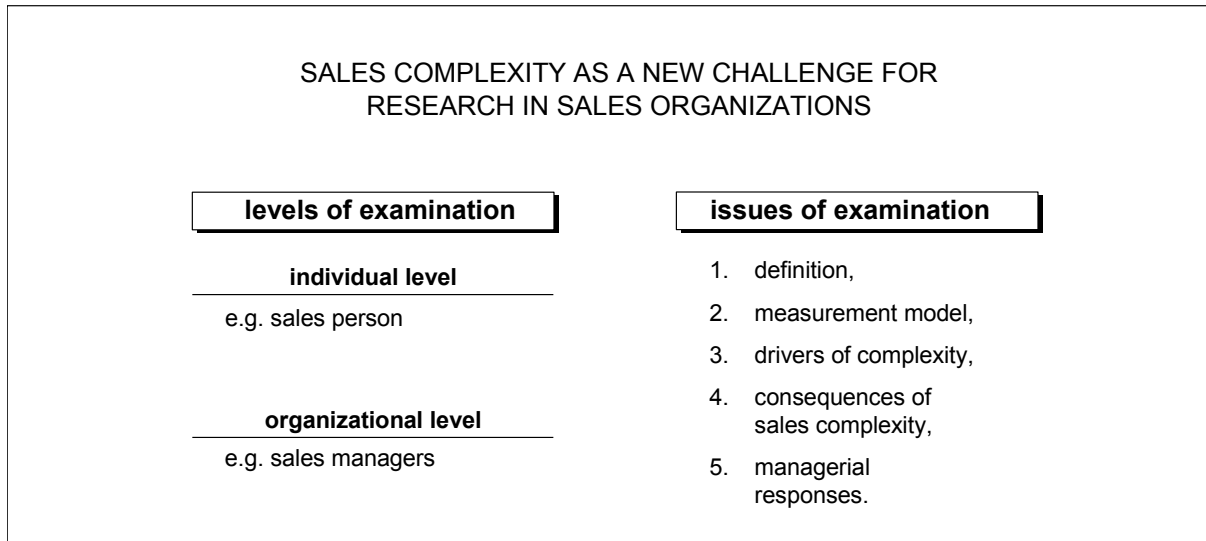


Figure 2: Levels and issues of examining the sales complexity phenomenon

Ongoing Research Project on Sales Complexity

Currently a research team at the University of St.Gallen is already working on the phenomenon of "sales complexity". Based upon 21 qualitative interviews and two focus group interviews among sales persons in an international sales organization both definition of sales complexity and the conceptualization for its measurement were developed. A multi-item measure for "sales complexity" as well as selected drivers and consequences of sales complexity are currently under examination in a field study, that is undertaken in industrial market organizations in European countries.

We are searching for research partners in North America for a cross-regional comparism of research results. Researchers interested in this project are welcome to join and contact us: christian.schmitz@unisg.ch