

Team selling
in business-to-business relationships

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The best moments usually occur
when a person's body or mind is stretched to its limits
in a voluntary effort to accomplish something difficult
and worthwhile.

Mihaly Csikszentmihalyi (1991), *Flow: The psychology of optimal experience*, p. 10

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1 Objective of the work

1.1 Focus on content

Demanding love - under this unusual heading Jeffrey K. Liker and Thomas Choi published their study results on the success factors of the Japanese car manufacturers Toyota and Honda on the American market in the Harvard Business Manager (cf. on the following Liker/Choi 2005, p. 60 ff.). The authors had studied the development in the American and Japanese car industry over more than two decades and intensively interviewed 50 managers of Toyota and Honda in the USA and Japan as well as 40 American supplier companies. The authors had set out to find the answer to a simple question: Why are the Japanese so much more successful in terms of supplier relations than the American local heroes Chrysler, General Motors and Ford?

Liker and Choi's findings show that the Japanese take "both" parts of the word business relationship very seriously. Unlike their American competitors, who tend to try to achieve their business goals by deliberately bullying their suppliers, the Japanese first build a very close relationship with their core suppliers. These relationships are characterised by intensive communication with a view to mutual learning, a strong basis of trust, but also by comprehensive control and the demand for discipline in all areas. Each supplier should get the feeling that his Japanese partner wants to help him to systematically improve. On the basis of this intensive relationship, business is then built in the sense of **joint value creation**. Through this approach, Honda, for example, increased the productivity of its suppliers by 50 percent, improved quality by 30 percent and reduced their costs by 7 percent. Of course, all this is not entirely altruistic, because the supplier companies have to share 50 per cent of the cost savings with Honda (Liker/Choi 2005, p. 71).

For years, companies in business-to-business (B2B) business relationships have been trying to tap into these value-added potentials of a high degree of customer proximity, which have become clear in this example (on customer proximity of industrial goods companies, cf. Homburg 2000). This is especially true for relationships with a company's particularly important key customers, the key accounts (cf. among others Capon 2001, Jensen 2001, Pardo 1997, Sharma 1997, Sidow 2002). One example is

the intention of many companies to regularly measure and systematically increase the satisfaction and loyalty of their customers (cf. among others Bauer/Huber/Bräutigam 1997, Beutin 2003, Homburg/Bucerius 2003). The fact that immense potential still lies dormant here is shown by the results of a cross-industry study, according to which in practice more than 80% of companies operate below the optimal level of **customer proximity from** the point of view of profitability (Homburg 2000, p. 210).

The shift of a business relationship from a pure transactional relationship to a joint value creation between supplier and customer also entails a change in the company's internal organisational set-up (Weitz/Bradford 1999, p. 242). While pure transactions can be handled between a seller on the supplier side and a buyer on the customer side, a joint value creation should involve all functional areas involved. The multifunctional group of people on the customer side (the buying centre, cf. Johnston/Bonama 1981), which is relevant for value creation, is then mirrored by a multifunctional sales team on the supplier side: "As products, pre- and post-sales services, and buyer requirements become more complex, salespeople must interact more closely with one another than ever before. Team selling is now a fact of life in marketing" (Strutton/Pelton 1998, p. 1). It is not so much a question of whether a supplier company should engage in **team selling** at all. Customer requirements often make it unavoidable that several people on the supplier side are involved in value creation. It is more a question of how the organisational set-up can be optimally designed by management: "...large, complex customers are serviced by many individuals, and coordination of these individual efforts is necessary for the seller to become the preferred supplier" (Moon/Armstrong 1994, p. 19). This quotation also illustrates how the problem of team selling arises in practice. Usually several people on the supplier side are already involved in a business relationship and the management is now faced with the task of adequately coordinating these people, i.e. forming a team (on the necessity of team selling see, among others, Hutt/Johnston/Rochetto 1985, Moon 1996, Moon/Armstrong 1994, Moon/Gupta 1997).

The coordination of employees in teams has been common in business practice for a long time. As early as 1995, 68% of Fortune 1000 companies stated that they regularly use teams (Lawler/Mohrman/Ledford 1995). In addition to the simple necessity of teams to deal with complex and interdependent tasks in business relationships, there

are other advantages of **teamwork**. Firstly, companies in B2B business relationships are increasingly forced to combine their vertical, functional hierarchical structures with horizontal, multifunctional, process-based structures. The use of multifunctional teams lends itself to these hybrid organisational structures (Day 1999, p. 194). Secondly, increasingly complex and dynamic business environments require fast-learning or interactive organisations. Multifunctional teams enable a better exchange of information between the "functional silos" in a company and also a better exchange of information with the customers: "The essence of interactive strategies is the use of information from the customer rather than about the customer" (Day 1999, p. 202). Thirdly, this implies that the use of teams also contributes to the de-bureaucratisation of the company structure. The tendency towards bureaucracy is particularly noticeable in large companies, which negatively influences their proximity to customers (Homburg 2000, p. 188; Simon 1991, p. 258 f.).

The other side of the coin, however, is that working in teams is not without problems. According to Pelled/Eisenhardt/Xin (1999), for example, damaging emotional or personal **conflicts** between team members can seriously damage teamwork (cf. in detail for a discussion of the causes of inefficiency in teams Levi 2001, Tjosvold 1991b, p. 45 f.). Consequently, the first challenge for senior management in B2B business relationships is to ensure high quality teamwork among its employees at the customer interface. To put it bluntly, the team members must be really hot to achieve sales success "together" with the customer: "A hot group is just what the name implies: a lively, high-achieving, dedicated group, usually small, whose members are turned on to an exciting and challenging task" (Leavitt/Lipman-Blumen 1995, p. 109).

In addition to successful interaction between the members of the sales team, senior management must in particular ensure that the sales team is successful with the customer. As we showed at the beginning with the concrete example, this is on the one hand about the successful development of a relationship with the customer, and on the other hand about the successful development of the acquisitive potential that lies hidden in the business relationship (cf. Gutenberg 1979, p. 243 ff.). The economic success, i.e. the **business from the relationship**, thus forms the final goal of a sales

team. To a certain extent, the success of the relationship is causally upstream of this final goal.

These two challenges of senior management with regard to the successful organisation of team selling are the **main focus of our work**. Firstly, we pursue the goal of identifying central factors with which senior management can optimally shape teamwork and the success of a sales team. Secondly, we are also concerned with the priority in shaping these factors. To this end, we will analyse how strong the influence is that the individual factors that can be shaped exert on the quality of teamwork and on relationship success in the business relationship. To ensure that our recommendations are highly transferable, we will use data from a large cross-industry sample of sales teams in B2B business relationships with key accounts and analyse them using advanced quantitative statistical methods.

1.2 Positioning and research questions

More than ten years ago, James A. Narus and James C. Anderson called on ambitious scientists to become active in the highly practical research field of team selling. In B2B business relationships, recommendations for the design of an optimal interaction between the sales team on the supplier side and the buying centre on the customer side would be particularly valuable: "Articles in the business press suggest that more and more firms are turning to groups to manage marketing activities. Yet, the marketing literature is deficient in its examination of group-on-group relations. Clearly, significant conceptual, empirical, and managerial contributions must be made by academics in this area of study" (Narus/Anderson 1995, p. 39). However, our review of empirical research on team selling in section 2.3.3 will reveal that very few academics have heeded this call. Close to the positioning of our research project, there are only two works that can base their management-relevant recommendations for action on a large quantitative sample: Helfert (1998) and Stock (2003).

Due to the author's many years of practical experience, the present research work in this relatively unoccupied research field of team selling has been guided by very simple questions relevant to practice. In section 1.1 we explained that we are interested in factors by which senior management can shape team selling in a company. We also

explained that the employees involved in the business relationship are usually already present and that the first step is to coordinate them in the best possible way. Consequently, we would first like to provide management with relatively easy or short-term factors with which they can weld a sales team together and ensure success with the customer. Our first research question is:

Research question 1: *How do key factors that are relatively easy to shape by management or can be shaped in the short term influence the success of sales teams in business-to-business relationships?*

Once the group of people involved in the business relationship is effectively coordinated at the customer interface, management can also think about shaping factors that are difficult or long-term to shape. This leads us to the next research question:

Research question 2: *How do key factors that are difficult for management to shape influence the success of sales teams in business-to-business relationships?*

These two questions form the actual research focus of our work (cf. Figure 1-1). In addition, we would like to generate well-founded statements for corporate practice on how and with what priority these factors should be shaped. We therefore also need to know how strongly these designable factors and their respective facets are pronounced in practice. The last research question is therefore:

Research question 3: *What is the current state of practice?*

In addition to addressing these three research questions, our investigation will continue to be guided by the following guidelines:

- The study aims to bridge the gap between business relationship research on the one hand and team research on the other.

- The study should have a solid theoretical foundation (Homburg 2000, p. 155).
- The study is to concentrate on a few factors in team selling that can be shaped. This means that only a partial model and not a total model is sought to explain the success of sales teams in B2B business relationships (cf. Homburg 2000, p. 155). With this requirement, the complexity of the resulting causal model can be kept within limits and thus the empirical verification of the model can be ensured at all (on the necessity of limiting the complexity of causal models cf. Baumgartner/Homburg 1996).
- The study should aim at a high generalisability of the empirical results and therefore be based on a large quantitative sample (on the dimensionality of empirical studies cf. Stock 2003, p. 134 ff.).
- Finally, the study should ensure a sensible balance between scientific rigour and practical relevance. This means that we will "not" follow Marie Curie's advice: "...scientific work must not be considered from the point of view of direct usefulness of it. It must be done for itself, for the beauty of science" (Curie 1921, p. 2, on the demand for scientific stringency and practical relevance cf. Varadarajan 2003).

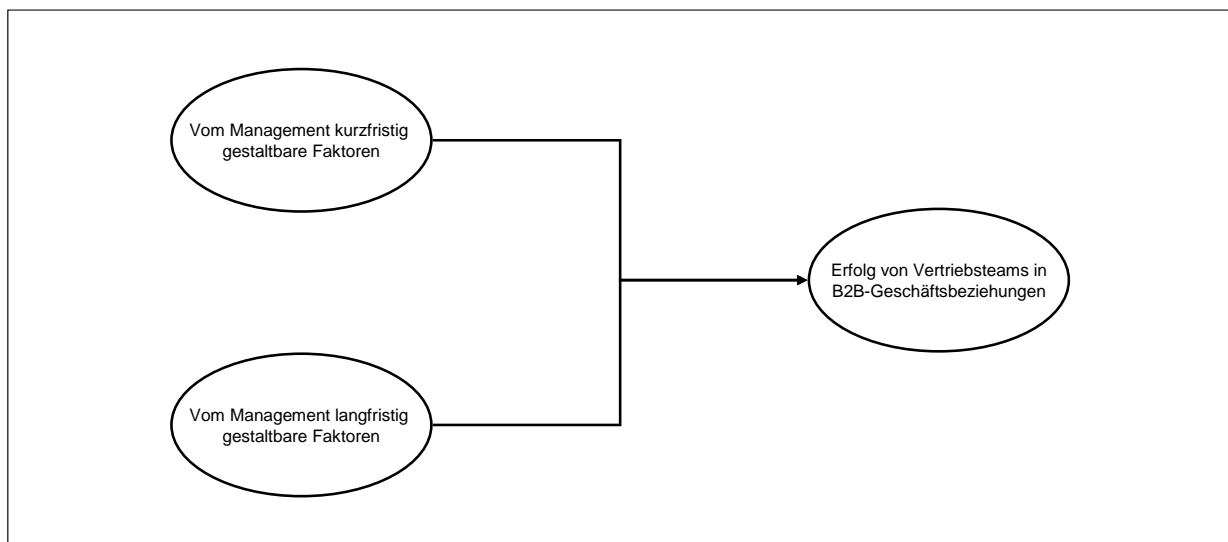


Illustration 1-1: Research focus of the work

3.2.3 Empirical results

Our hypotheses H_1 to H_{15} , which together form our model of the short-term shapeable factors in team selling, are examined with the help of causal analysis (cf. section 2.4.1). In the underlying causal model (cf. Figure 3-4), these shapable factors form the exogenous variables ξ_1 to ξ_6 and explain the team process and the relationship success in the business relationship (cf. the endogenous variables η_1 and η_2). These two endogenous variables in turn explain the final goal of a sales team, the economic success in the business relationship (cf. the endogenous variable η_3). Thus, in addition to the directional dependency relationships between six exogenous variables and two endogenous variables ($\gamma_{11} - \gamma_{26}$), our structural model also includes the directional relationships between the endogenous variables (β_{21} , β_{31} and β_{32}).

The results of the empirical testing of our model are shown in Figure 3-4. Overall, it can be seen that the global measures for **assessing the model quality** generally show good values ($\chi^2 / df = 2.03$; RMSEA = 0.084; AGFI = 0.95; GFI = 0.96), which, apart from a very slight deviation in the RMSEA (a maximum value of 0.08 was required), lie within the limits recommended in the relevant literature (cf. Table 2-6 in Section 2.4.1). We consider another quality criterion to be the fact that this model is already identified by the Lisrel software after a very small number of iterations. Consequently, the model describes the structures found in our empirical data well overall.

As local measures of quality we consider the squared multiple correlations of the dependent variables. These correspond to the proportion of variance of the variables in question (R^2) that is explained by the structural model. Overall, the short-term design factors we selected explain 47% of the variance in the quality of teamwork in a sales team. With regard to success, 31% of the relationship success and even 50% of the variance of the economic success in the business relationship are explained only by these six variables. These values can be described as very good (for the exact interpretation of explanatory content in causal models see Homburg/Pflesser 2000b, p. 650 ff.). We have thus really succeeded in identifying "central" factors in team selling that can be shaped in the short term.

Let us look at our hypothesis framework and the strength of the respective identified effects. To simplify matters, we will speak of a very strong effect (relative to the other effects in the model) if the magnitude of a path coefficient is greater than 0.3. For a value greater than 0.15 we speak of a strong effect and for lower significant values only of an effect.

Hypotheses 1 and 2 are confirmed. There is a strong positive relationship between the extent to which team leadership is shared by the whole sales team and the quality of their teamwork. Furthermore, the relationship success in the business relationship is also very strongly positively influenced by **leadership decentralisation** in the sales team.

Our hypotheses regarding the influence of **task interdependence** and **goal interdependence** ($H_3 - H_6$) are also empirically proven. Both factors strengthen the quality of teamwork in the sales team, with the strong positive influence of goal interdependence dominating. Relationship success in the business relationship is only positively influenced by the extent of goal interdependence. Here, the very strong negative influence of task interdependence is dominant. Thus, the higher the extent to which the tasks resulting from the business relationship require cooperation between the individual team members, the lower the relationship success in the business relationship. In other words, this result means that the complexity that a client company brings to a supplier company should be reduced. In the course of this, management should ensure that the task overlaps between the individual members in the sales team are specifically "disentangled".

Let us turn to the degree of influence of senior management on a sales team, represented by the variables **autonomy** and **support**. The autonomy of a sales team has a positive effect (confirmed by H_7), the degree of support from senior management even has a very strong positive effect on the quality of teamwork (confirmed by H_9). Contrary to our expectation, however, it turns out that both factors do not have a positive but even a weak negative effect on the relationship success in the business relationship. Thus, we cannot confirm H_8 and H_{10} on the basis of our data. This result suggests that the degree of autonomy of a sales team and the level of support should be designed very carefully by management. We see this result in line with two other

empirical papers. Steward and Barrick (2000, p. 141 ff.) can show that a high degree of autonomy of a team is only beneficial if the team task is conceptual and not purely operational in nature. Bonner, Ruekert and Walker (2002, p. 242) demonstrate that only a "supportive" role of senior management has positive effects on the success of NPE teams. As soon as this support turns into an influencing or directive role, it has negative effects.

Let us move on to the effects of **communication decentrality**, the extent to which several team members from the supplier company are in exchange with the client company. Both hypotheses, H_{11} and H_{12} , are confirmed. Communication decentrality has a strong positive effect on the quality of teamwork and even a very strong positive effect on relationship success in the business relationship. This last effect (γ_{26}) forms the strongest single effect in the entire model. We find this remarkable insofar as, to our knowledge, this design factor has not yet received any attention in research on team selling.

Let us look at the hypotheses on the dependency relationships between the endogenous factors in the model. Here, the hypotheses H_{13} and H_{14} are confirmed first. The **quality of teamwork** in the sales team has a strong positive influence on the relationship success in the business relationship and even a very strong direct positive influence on the economic success in the business relationship. We consider this result to be very important. Even if no relationship with the customer company is sought or if there is no relationship potential on the customer side, the quality of the teamwork in the sales team is nevertheless of very high importance for the economic success of the business relationship. In conclusion, H_{15} is also confirmed. The **success of the relationship in the business relationship is a** very strong positive determinant of the economic success in the business relationship.

Let us now briefly analyse the effects of our six factors that can be shaped in the short term. It is noticeable that the quality of the team process can be increased primarily by means of the factors support, leadership decentralisation, goal interdependence and communication decentralisation. The relationship success in the business relationship can primarily be positively influenced by reducing the task interdependence in the sales team. At the same time, the sales team should be "opened up to the customer" by

increasing leadership decentralisation and communication decentralisation. We will discuss the direct and indirect effects in our model of short-term factors in team selling in more detail later in our impact-versus-level analysis (see section 4.3).

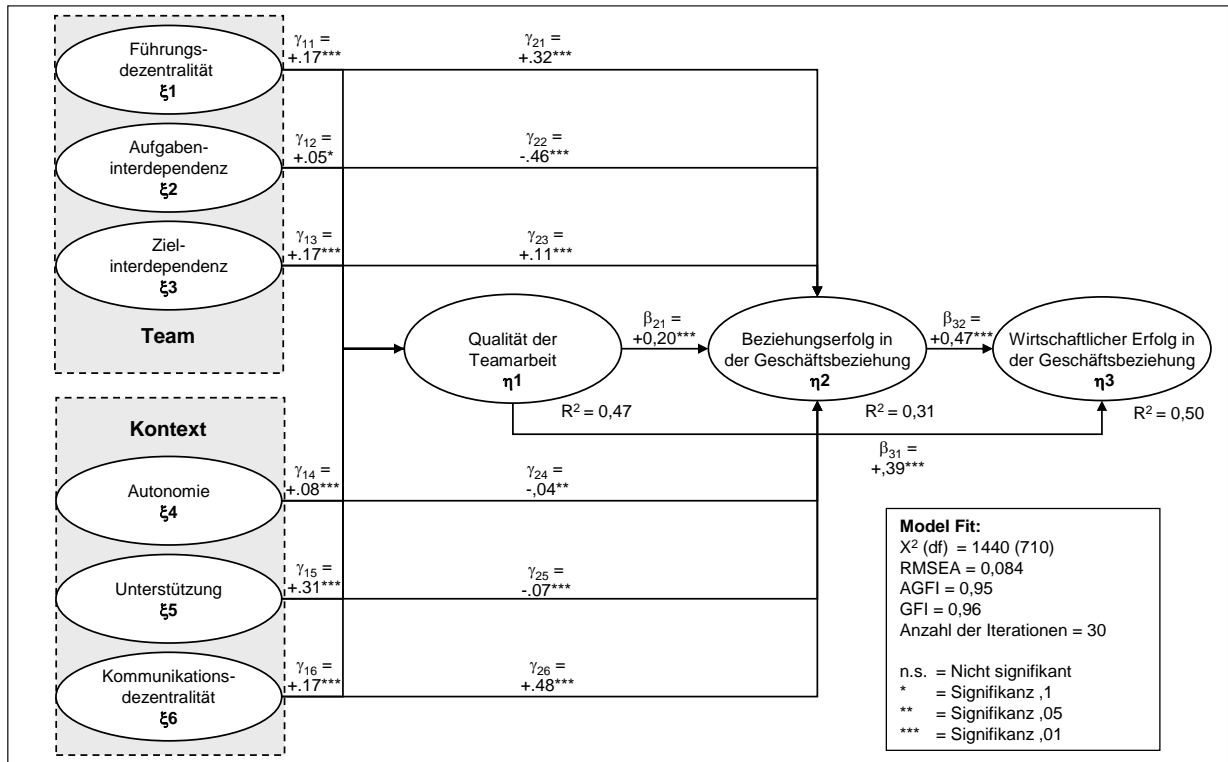


Figure 3-4: Results of the hypothesis testing of the model of short-term factors in team selling

3.3.3 Empirical results

The hypotheses in our model of the factors that can be shaped in the long term in team selling (H_{13} - H_{23}) together again form a dependency structure in the form of causal chains. Therefore, we again use the causal analytical approach to test them (cf. section 2.4.1). Our causal model shown in Figure 3-6 contains our four factors in team selling that can be shaped in the long term as exogenous variables (ξ_1 - ξ_4). The three endogenous variables (η_1 - η_3) comprise the factors to be shaped: the quality of teamwork as well as the success of the relationship and the economic success in the business relationship. Furthermore, the path coefficients described in Lisrel notation emerge from the model. They describe the effects of the exogenous variables on the endogenous variables (γ_{11} - γ_{24}) as well as the effects of the endogenous variables on each other (β_{21} , β_{31} and β_{32}).

Let us first assess the overall **goodness of fit** of our empirical model using the global goodness of fit measures (cf. Table 2-6 in Section 2.4.1). It can be seen that the values are at a good level ($\chi^2 / df = 2.12$; RMSEA = 0.087; AGFI = 0.97; GFI = 0.97). Except for a very slight deviation in the RMSEA, all values meet our required aspiration levels. This model is also identified by the Lisrel software after a very small number of iterations. Consequently, our model of the factors that can be shaped in the long term in team selling describes the structures found in our empirical data well overall.

The respective squared multiple correlation (R^2) of the dependent variables is also given as a local measure of quality in our model. Here, the values for the explained variance of the relationship success in the business relationship (27 %) as well as for the economic success in the business relationship (45 %) can be considered good. We consider the fact that these four factors, which can be shaped in the long term, explain a whole 84 % of the variance in the quality of teamwork to be an outstanding result (on the interpretation of explanatory contents in causal models, cf. Homburg/Pflesser 2000b, p. 650 ff.). This means that here, too, we have done justice to our claim to identify "central" factors that can be shaped in the long term in team selling.

The postulated effects between the three endogenous variables (β_{21} , β_{31} and β_{32}) were already proven in the previous model of short-term factors in team selling. The renewed

verification in this model with changed exogenous factors underlines this result. Let us now turn to our hypotheses regarding the influence of our four long-term factors. With regard to the strength of the effects identified by the Lisrel software, we again speak of a very strong effect in relative terms if the magnitude of the path coefficient is greater than 0.3. With a value greater than 0.15 we speak of a strong effect and with smaller significant values only of an effect.

Hypothesis 16 is confirmed, i.e. there is a very strong positive correlation between the **quality of the team members' skills** and the quality of the teamwork of a sales team. The high value of the path coefficient (+0.77) underlines the high relevance of this long-term factor in team selling. By contrast, we cannot confirm the postulated direct positive correlation between the quality of the team members' skills and the relationship success in the business relationship; the path coefficient γ_{21} is not significant. However, the following caveat must be added to this result that this factor primarily has an indirect effect on success via the process construct. The slight problem of multicollinearity in this model (cf. section 3.3.2) can lead to the indirect effects γ_{11} and β_{21} being amplified and thus the direct effect γ_{21} being disproportionately weakened in our model.

Let us look at the effects of our two cultural facets. Hypotheses 18 and 19 are confirmed. The **team orientation of the corporate culture** exerts a very strong positive influence on the quality of teamwork and a positive, albeit only weakly significant, direct effect on relationship success in the business relationship. In the case of the **performance orientation of the corporate culture**, only hypothesis 21 can be confirmed. This construct has a very strong positive influence on relationship success in the business relationship. In contrast, we cannot confirm the postulated positive influence of this factor on the quality of teamwork. Quite contrary to our expectations, there is even a strong negative correlation between these two variables. In order to explain this result to some extent, we consult the operationalisation of the construct (cf. Table 3-14). This assesses the performance orientation of the corporate culture primarily with regard to the individual employee. It could be argued that a high level of this factor promotes "lone wolfism" in a company. While this could affect the quality of interaction in the sales team, it could still positively influence team success by increasing the willingness of each individual in the team to perform. Taken together, our findings suggest that both facets of corporate culture are important for the success

of a sales team. The team orientation of the corporate culture promotes the quality of interaction in the team and the performance orientation of the corporate culture significantly determines team success. We see this result in line with other works in this field, which suggest the necessity of a balanced development of these two culture-related facets in a company (cf. the explanations on the "adhocracy culture" in Homburg 2000, p. 198 f.).

Let's move on to the factor of **asymmetry in the business relationship**, which can be shaped in the long term. We can confirm our two hypotheses 22 and 23. Asymmetry in the business relationship has a negative influence on the quality of teamwork in the sales team and a strong negative influence on the relationship success in the business relationship. Thus, a high asymmetry between a supplier company and a customer company in terms of the level of mutual alignment of tasks and goals has a negative, and directly negative, impact on the success of this business relationship.

If we look at all the interdependency relationships in Figure 3-6 across the board, it becomes apparent that the quality of the team process can be influenced in the long term primarily by means of two factors: Improving the skills of the team members and increasing the team orientation of the corporate culture. The success of the business relationship, on the other hand, can be shaped in the long term primarily by means of the other two factors: Increasing the performance orientation of the corporate culture and reducing the asymmetry in the business relationship. We will discuss the direct and indirect effects in this model in more detail in our impact-versus-level analysis (see section 4.4).

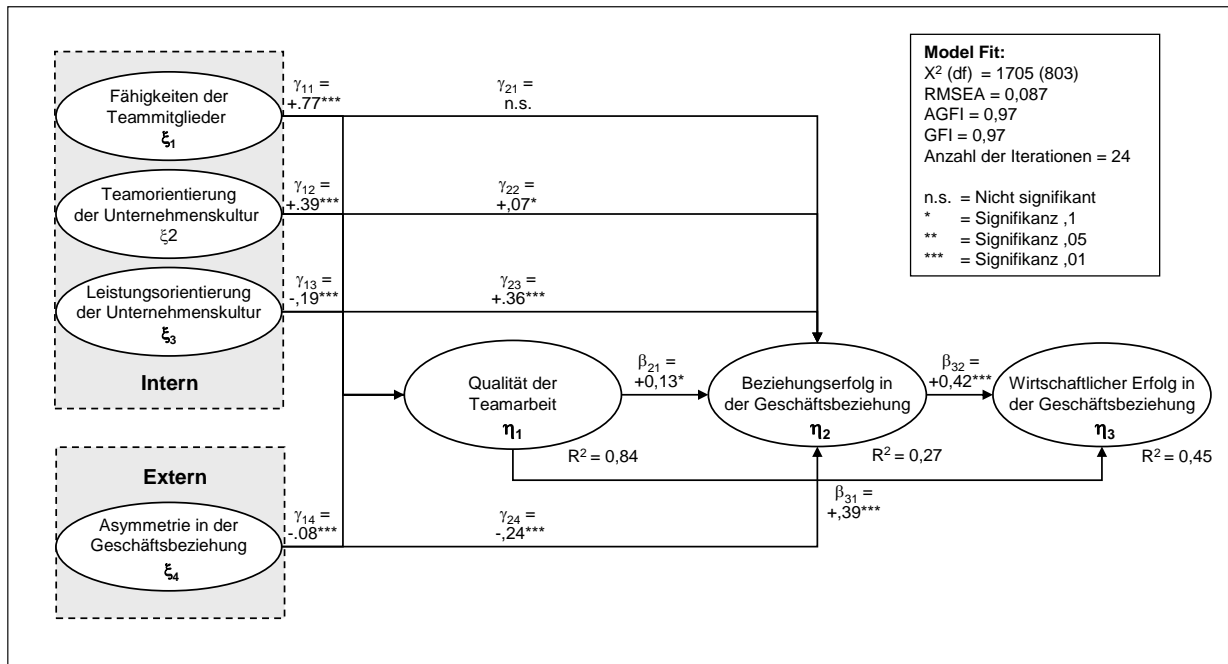


Figure 3-6: Results of the hypothesis testing of the model of the factors that can be shaped in the long term in team selling

3.4.3 Empirical results

For the empirical investigation of the postulated moderating effects, we resort to moderated regression analysis (cf. section 2.4.1). A separate regression equation was set up for each of the three hypotheses. The results are graphically illustrated in Figure 3-8.

We can confirm hypothesis H_{24} , i.e. the higher the **task interdependence** in the sales team, the stronger the positive effect of target interdependence on relationship success in the business relationship. If we consider this moderating effect together with the already proven, very strong negative direct effect of high task interdependence on success, the very high practical relevance of this result becomes immediate. Since task interdependence is primarily caused by the client company, the management of a supplier company can, in addition to unbundling tasks, also increase success by specifically increasing target interdependence in the sales team. This can be done, for example, by adequately designing team-related incentive systems.

Hypothesis H_{25} also proves itself empirically. The higher the **relationship potential in the business relationship**, the stronger the positive effect of the quality of teamwork in the sales team on the relationship success in the business relationship. Let us consider the confirmation of hypothesis H_{13} , the direct positive effect of the quality of teamwork on relationship success. The per se high significance of the quality of the interaction in the sales team for the relationship success in the business relationship is thus further strengthened if the customer has a high relationship potential or a high willingness to develop the relationship facets.

Finally, we can also confirm the moderating effect postulated in hypothesis H_{26} . The higher the **quality of the team members' skills**, the weaker the positive influence of the quality of teamwork in the sales team on the success of the relationship in the business relationship. To put it bluntly, this result says: "Good ones can also do it alone" (quote from Prof. Dr. Dr. h.c. Christian Homburg on the occasion of the presentation of the empirical results). A supplier company can consequently compensate for weaknesses in teamwork in the sales team by deploying employees with very high skills at the customer interface.

Also worth mentioning is the fact shown in Figure 3-8 that all base effects are significant (i.e. the effect of the independent variable on the dependent variable that is not influenced by the moderator, cf. also Section 2.4.1). The effects postulated in the hypotheses H_6 and H_{13} can thus be confirmed again within the framework of the moderated regression.

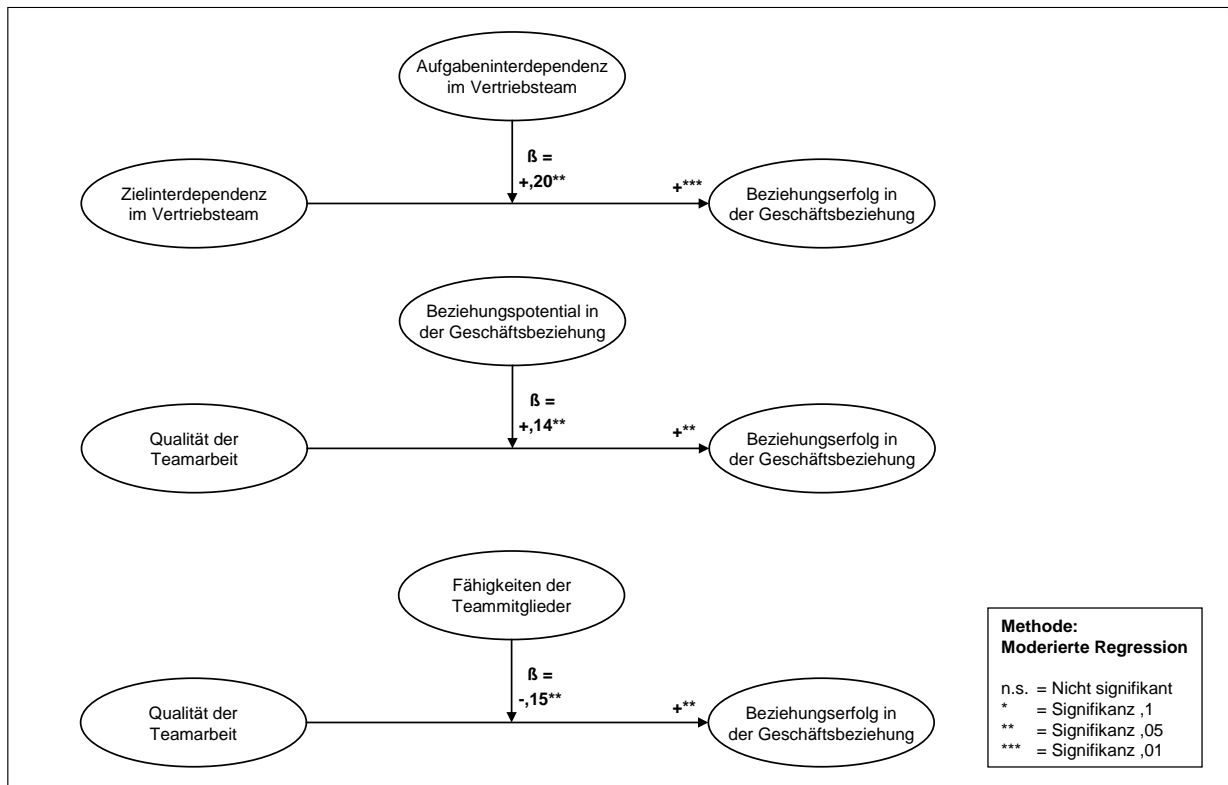


Figure 3-8 Results of the hypothesis testing on moderating effects

4 State of Practice

In the previous chapter, the empirical results on our two causal models were briefly presented in an overarching manner. Now we will discuss in detail the direct and indirect effects of the individual constructs as well as the manifestations of their individual facets in business practice. First, we discuss the state of practice in the quality of teamwork (section 4.1) and in success in B2B business relationships (section 4.2). For this, we draw on the respective mean values (MW) of the individual facets of our measured constructs (cf. the tables on construct measurement in sections 3.2.2, 3.3.2 and 3.4.2). All mean values refer to our standard scale from 0 (lowest value) to 10 (highest value). We will specifically address those facets that are below average in practice and where there is therefore a concrete need for action. Afterwards, in section 4.3 we will discuss our factors that can be shaped in the short term and in section 4.4 our factors that can be shaped in the long term in team selling. Based on the characteristics of these constructs in practice and their respective direct and indirect effects, we make a rough classification according to their priority. We then show which facets of these factors require the most action. Chapter 4 is rounded off with measures for the concrete design of the individual factors. In this context, we go into the evaluation of the qualitative part of our state-of-practice survey. Here we received 6290 individual responses from the team members on company-specific measures with regard to the concrete design of the individual factors.

4.1 Quality of teamwork

Our empirical results have shown that a sales team can increase the relationship success in the business relationship with its client company by improving the quality of its teamwork. This positive influence of the quality of teamwork is stronger the higher the relationship potential in the business relationship is. In addition, the quality of teamwork has direct and indirect positive effects on the economic success in the business relationship.

The respondents see the quality of teamwork in their sales team at a medium to high level (mean = 7.7). If we look at the mean values of the individual indicators of this

construct (cf. Table 3-10 in section 3.2.2), there is a need for action in the following facets:

The lowest level of mutual support among team members in completing work tasks (MW = 7.2). There is also a need for action in structuring and coordinating the work assignments of the individual team members (MW = 7.4). Furthermore, team spirit and team cohesion (MW = 7.6) lag slightly behind the mean value for the quality of teamwork. At the same level is the balance of member contributions in the sales team (MW = 7.6). Looking at these facets in an overarching way, it becomes clear that two things are at the core. In rational terms, the task-related networking of the team members should be optimised and in emotional terms, the team spirit in the sales team should be specifically increased through appropriate training measures.

4.2 Success in business-to-business relationships

Our empirical results show a very strong positive correlation between relationship success and economic success in B2B business relationships. If we look at the degree of these two success components in practice, the surveyed teams judge that they generally achieve a high level of **relationship success** in the business relationships with their key accounts (MW = 8.5), but that the **economic success** of these business relationships is rather at a medium to low level (MW = 6.3). It should also be noted that these estimates of success should be regarded as upper limits, as the respondents generally tend to overestimate their own success (! 2 sources).

The lowest value of all **facets of relationship success is shown** by mutual structural commitment (MW = 8.0). Consequently, in practice there is a certain reluctance to make relationship-specific investments, i.e. to adapt systems, processes, products or technologies to the respective business partner in order to better tap the potential of the joint business relationship. We had already pointed out in section 2.3.2 the risk that a business partner exploits the dependency resulting from these investments (opportunistic behaviour). Our empirical result suggests that this risk is clearly seen in practice and is deliberately kept within limits, even if this entails losses in the exploitation of joint economic potential. Starting points for hedging the risk of business

relationship-specific investments lie, for example, in building mutual trust (Ganesan 1994, p. 1; Miyamoto/Rexha 2004, p. 317), in particularly customer-oriented interaction behaviour (Homburg 2000, p. 151), in establishing common business relationship norms (Rokkan/Heide/ Wathne 2003, p. 221) or in concluding explicit joint contracts (Jap/Ganesan 2000, p. 241). Another relationship facet that is below average is the mutual alignment of tasks and goals between the supplier and client company (MW = 8.3). This is also critical, of course, since it is only in the course of this coordination process that two companies jointly reveal ways in which the "common pie" of their business relationship can be enlarged (cf. the comments on "Pie-Expansion Efforts", Jap 1999).

If we look at the individual **facets of economic success in the** business relationship, one facet is particularly weak in business practice: the utilisation of profit or earnings potential (MW = 5.7). The utilisation of sales and turnover potential (MW = 6.1 each) as well as the joint value creation with the customer are also at a low level (MW = 6.2).

We see our results in line with other scientific findings on the connection between **customer proximity and profitability** in business relationships (cf. Homburg 2000, p. 168; Simon 1991, p. 271). According to this, companies tend to operate below the optimal level of customer proximity. The economic success of business relationships can thus be further increased by improving the relationship between the companies and by improving the quality of the customer-related teamwork of the supervising sales team. Since it is certainly out of the question that customer proximity causes costs, it is ultimately a matter of companies optimising their customer proximity situationally and not maximising it (Simon 1991, p. 271). In the area of very high customer proximity values, there is even a negative association between customer proximity and profitability, i.e. a company can also be too close to its customers (Homburg 2000, p. 168).

4.3 Factors in Team Selling that can be shaped in the short term

We will now go into the practical implications from our model of short-term designable factors in team selling and undertake a detailed **impact-versus-level analysis**. This

means that we will bring together the mean values of the manifestations of these factors with their direct and indirect impacts and thus derive priorities in the design of these factors.

The **priorities of the short-term factors in Team Selling** are shown in Table 4-1. The first two columns show the individual factors and the mean values of their values. These mean values refer to our standard scale from 0 (lowest possible value) to 10 (highest possible value). This is followed in three columns by the overall effects that the individual factors have on the quality of teamwork (Q.d.T.), on relationship success in the business relationship (B.i.d.G.) and on economic success in the business relationship (W.E.i.d.G.). These total effects are obtained by adding the standardised path coefficients of all direct and indirect effects in our causal model (cf. Figure 3-4). The scale ranges from -1 (strongest possible negative effect) to +1 (strongest possible positive effect). For example, the effect of the factor leadership decentrality on relationship success in the business relationship (+0.35) results from adding the direct effect between the two constructs (+0.32) with the product of the two path coefficients of the indirect effect via the mediator quality of teamwork ($0.17 \times 0.20 = 0.03$). To discuss the strength of the effects, we will again use our terminology introduced in section 3.2.3. In relative terms, we again speak of a very strong effect for an effect greater than 0.3, a strong effect for a value greater than 0.15 and only an effect for smaller significant values. Based on the manifestations of the individual factors in practice and their respective overall effects, we have made a rough classification in the last column regarding the priority in their design. In the following, we will discuss the constructs in order of priority and show the greatest need for action in their individual facets (cf. the tables on construct measurement in section 3.1).

Factor	Expression (0 ≤ X ≤ 10)	Overall effect on: (scale: -1 ≤ X ≤ 1)			Priority (1 ≤ X ≤ 6)
		Q.d.T.	B.i.d.G.	W.E.i.d.G.	
Leadership decentralisation in the sales team	5,3	+0,17	+0,35	+0,23	2
Task interdependence in the sales team	7,6	+0,05	-0,45	-0,19	1
Target interdependence in the sales team	5,6	+0,17	+0,14	+0,13	3
Autonomy of the sales team	7,3	+0,08	-0,02	+0,02	6
Support of the sales team	6,8	+0,31	-0,01	+0,12	5
Communication decentralisation of the sales team	6,7	+0,17	+0,51	+0,31	4
Q.d.T. = Quality of teamwork, B.i.d.G. = Relationship success in the business relationship, W.E.i.d.G. = Economic success in the business relationship.					

Table 4-1 Priorities of the factors that can be shaped in the short term in team selling

The highest priority should be given to reducing **task interdependence** in the sales team. Task interdependence is relatively high in the key account management teams and at the same time exerts a very strong negative influence on relationship success as well as a strong negative influence on business success in the business relationship. We see this as a clear indication that the sales teams are overburdened with the interdependent tasks resulting from their business relationships and remain in a rather reactive position. The customer-related coordination mechanism chosen by the companies does not do justice to the complexity of the tasks (cf. on this the explanations on the optimal fit in Olson/Walker/Ruekert 1995, p. 48 ff.). In other words, the buying centre on the customer side (produces the task interdependence) and the selling centre on the supplier side (must cope with the task interdependence) are not optimally coordinated. Let's look at the mean values of the individual facets of the construct task interdependence. Here it stands out that the team tasks can only be fulfilled if the members of different functional areas work closely together (MW = 8.4). This indicates that the requirements of the respective customer and the functioning of one's own organisation block each other, i.e. the functional areas involved are not set up in such a way that they can adequately manage the customer-related processes. Furthermore, it is also strongly felt that the team tasks can only be fulfilled if the team members work closely together (MW = 8.1). A possible starting point would be to

disentangle the tasks between the team members and thus ensure an increase in customer orientation in the distribution of tasks in the team. Further starting points for coping with task interdependence are provided, for example, by the explanations on the design of positive interdependence in teams (Deutsch 1973, Janssen/Van De Vliert/Veenstra 1999, Tjosvold 1991a), on the mirror image set-up of teams on the supplier and customer side (Hutt/Johnston/Ronchetto 1985, p. 37), on the design of interdependencies between these teams (Zerbe 2000, p. 251 ff.) as well as generally the scientific findings on adaptive orientation in sales (Boorum/Goolsby/Ramsey 1998, Hutt 1995, Weitz 1981, Weitz/Sujan/Sujan 1986).

The second highest priority should be to increase **leadership decentralisation** in the sales team. The involvement of all team members in the leadership of the sales team is relatively low in practice, although it exerts a strong positive influence on the quality of the teamwork and on the economic success in the business relationship. Relationship success in the business relationship is even more strongly influenced by leadership decentralisation. We would like to summarise this result with a finding from the work of Stock (2003). The author shows that a central team leader positively influences the extent of cooperation and the process quality of decision-making in a sales team to a certain extent, but too much influence has a negative effect (Stock 2003, p. 287 f.). Together with our result, this indicates that in practice it is primarily a matter of withdrawing the generally too strong influence by a central team leader and thus specifically strengthening the sales team's own leadership. If we analyse the individual facets of this construct, the greatest need for action is in two areas. Firstly, team performance should be assessed jointly by all team members to a greater extent (MW = 4.6). Second, all team members should also be more involved in setting team goals (MW = 5.2).

Third on our priority scale is the design of **goal interdependence**, i.e. the extent to which the responsibility, appraisal and compensation of sales team members is based on the fulfilment of team goals. In practice, goal interdependence (MW = 5.6) is very low relative to task interdependence (MW = 7.6), although it exerts a strong positive influence on the quality of teamwork and also positively influences the two success components. The central goal in shaping interdependence ultimately lies in the highest possible degree of cooperation in the sales team. It can be regarded as established

scientific knowledge that cooperative efforts by individuals lead to better results than competitive or individualistic efforts (cf. a summary of the results of 378 studies in this regard; Johnson/Johnson 1989, p. 170). Due to the high level of task interdependence determined by the demands of the customers, the breeding ground is extremely favourable for adjusting the goal interdependence accordingly. This can improve the cooperation of the team members and bring about a higher utilisation of potential in the business relationships (cf. our result on the moderating effect of task interdependence in section 3.4.3). It is an almost paradoxical state of affairs that the interdependence of key account management teams in practice is primarily hybrid, i.e. high task interdependence with simultaneously low target interdependence. Improving this state, which we see as a requisite of the lone wolf culture in sales, is certainly one of the greatest potentials for improving the performance of sales teams (cf. our comments on the problem of hybrid teams in section 2.3.5). Finally, let us analyse the mean values of the individual facets of goal interdependence. It is striking that the remuneration of team members should be much more oriented towards the achievement of team goals than towards the achievement of individual goals (MW = 4.1). Team performance is also not used enough for the assessment of individual team members (MW = 5.1).

Next on our priority scale is increasing the **communication decentralisation** of the sales team. This means that several team members of the sales team should be in direct exchange with the client company. This construct has an overwhelming influence on the success of the relationship and also has a very strong impact on the economic success in the business relationship. Furthermore, increasing communication decentrality also has a strong influence on the quality of teamwork. If we look at the two facets of this exchange between several team members and the contacts on the customer side, the communication that goes beyond the purely business-related is particularly low (MW = 6.7). Consequently, the personal connection with the customer seems to be still too much limited to the central person of the key account manager in practice.

In the last two priority positions in our table are two factors where our results suggest the design of an optimal level: the **support** and **autonomy** of the sales teams. By support we mean the extent to which senior management provides the team with the

necessary power as well as the necessary resources. Autonomy describes the extent to which a team is independent of management external to the team in terms of the process of service delivery. Both factors thus refer to the influence that the team-external management exerts on the sales team. Both factors, especially the level of support, improve the quality of teamwork. Via this process mediator, both factors also exert a positive influence on the economic success in the business relationships. However, our results also indicate a weak, but significantly negative direct influence of both factors on the relationship success in the business relationships (see also Figure 3-2). This result is in line with other scientific studies, which also point to the necessity of a balanced influence by the team-external management (cf. Bonner/Ruekert/Walker 2002, DeCarlo/Agarwal1999, Ford/Fottler 1995, Wagemann 2001). We are of the opinion that these two factors should be shaped by senior management in the sense of team coaching in such a way that the sales team itself becomes convinced that it is up to the task (cf. also our comments on the factor "potency" in section 2.3.5). Finally, let's look at individual facets of these constructs that are disproportionately underdeveloped. On the one hand, there is potential for optimisation in the support of the sales teams with material resources (MW = 6.3) and personnel resources (MW = 6.4). On the other hand, the teams surveyed are granted relatively little autonomy by senior management in decisions regarding service delivery (MW = 6.4). Also, team members could only agree to a very limited extent with the statement that team-external managers rarely interfere in the work of their team (MW = 6.8).

4.4 Factors in Team Selling that can be shaped in the long term

Let's move on to the state of practice in the long-term factors in team selling that we have examined. We again carry out the **impact-versus-level analysis** presented in the previous section 4.3. Table 4-2 shows the following results of this analysis in aggregate: the degree or mean values of the factors that can be shaped in the long term in our sample, their respective overall effect on the quality of teamwork (Q.d.T.), on relationship success (B.i.d.G.) and on economic success in the business relationships (W.E.i.d.G.) as well as a rough priority ranking in the shaping of these factors. We will now go into detail on the individual constructs in this order.

The highest priority should be given to improving the **quality of team members' skills in the** long term. This construct has an overriding influence on the quality of teamwork in the sales team. The two components of success are also positively influenced, with economic success in the business relationship in particular being determined by the skills of the members in the sales team. We had also shown that the higher these individual skills are, the less important the quality of teamwork becomes for the success of a sales team (cf. section 3.4.3). Similar to the

Factor	Expression ($0 \leq X \leq 10$)	Overall effect on: (scale: $-1 \leq X \leq 1$)			Priority ($1 \leq X \leq 4$)
		Q.d.T.	B.i.d.G.	W.E.i.d.G.	
Quality of the skills of the team members	7,9	+0,77	+0,10	+0,34	1
Team orientation of the corporate culture	7,0	+0,39	+0,12	+0,20	3
Performance orientation of the corporate culture	7,9	-0,19	+0,34	+0,07	4
Asymmetry in the business relationship	3,9	-0,08	-0,25	-0,14	2

Q.d.T. = Quality of teamwork, B.i.d.G. = Relationship success in the business relationship, W.
E.i.d.G. = Economic success in the business relationship.

Table 4-2 Priorities of factors that can be shaped in the long term in team selling

discussion of the success values, we also assume here that the surveyed team members tended to overestimate their own abilities. Therefore, facets whose mean values lag behind the other facets are particularly interesting. These are first and foremost the team members' personal empathy (MW = 7.4) and their ability to deal well with personal conflicts (MW = 7.4). The compatibility or complementarity of the team members' personal qualities is also comparatively low (MW = 7.7). Taken together, we are of the opinion that the professional-rational skills, which tend to be more highly developed, should be better balanced with the social-emotional characteristics of the team members. Finally, we refer to further work on conducive professional skills and personal characteristics of team members (e.g. Barry/Steward 1997, Brown/Mowen/Donavan/Licata 2002, Henning-Thurau/Thurau 1999, Kohli 1989) and on the high importance of mutual compatibility of individuals in a team (e.g. Belbin 1981, Belbin 1993, Polzer/Milton/Swann 2002, Prichard/Stanton 1999).

The second priority in the long run should be to reduce the **asymmetry** in the business relationship. We had defined asymmetry as the extent of the imbalance between the

provider company and the client company in terms of the level of mutual alignment of tasks and goals. Our further analyses also confirmed our assumption that the asymmetry is to a large extent to the disadvantage of the provider company. The higher this asymmetry is in a business relationship, the lower the quality of teamwork in the sales team and the success in the business relationship. The negative influence of asymmetry on the success of the relationship is particularly pronounced here. In our opinion, asymmetry reflects the power relations in a business relationship. Since these are difficult to influence, the weaker side ultimately has only one option. The business partner must be permanently made aware of the joint value creation potentials resulting from a balanced adjustment of tasks and goals in personal discussions (cf. for further details among others Brennan/Turnbull/Wilson 2003, Buvik/Reve 2001, Joshi/Stump 1999, Scheer/Kumar/Steenkamp 2003, Sengupta/Krapfel/Pusateri 1997).

thThe comparatively low degree of **team orientation in the corporate culture** compared to the high degree of **performance orientation in the corporate culture** is supported by the following quote: "Effective German leaders are characterised by high performance orientation...[and] low team orientation...A "tough on the issue, tough on the person" leadership approach appears to explain Germany's economic accomplishments in the second half of the 20th century. However, it does not seem to be a promising approach to meet the challenges of globalization in the 21st century...A "tough on the issue, soft on the person" leadership approach seems to be the right recipe for German managers" (Brodbeck/Frese/Javidan 2002, p. 16).

The team orientation of the corporate culture, which is neglected in practice, has a very strong positive effect on the quality of teamwork in the sales team, a strong positive effect on economic success and also has a positive influence on relationship success in the business relationship. Here, the facet employee orientation in particular is relatively weak in the companies (MW = 6.7). The performance orientation of the corporate culture exerts a strong negative influence on the quality of teamwork opposite to the team orientation. However, the two success components are positively influenced by performance orientation, with relationship success in business relationships in particular being significantly supported by performance orientation. In this construct, two facets are weak relative to the other facets. These are the employees' measurement of clear results (MW = 7.3) and the extent to which the

companies attach importance to a quick implementation of adopted measures (MW = 7.5). For additional practice-relevant design recommendations with regard to the individual facets of corporate culture, we refer to further work in this area (e.g. Ellemers/De Gilder/Van den Heuvel 1998, Homburg/Pflesser 2000c, Jaworski/Kohli 1993, Pflesser 1999, Ridnour/Lassk/Shepherd 2001, Skinner 2000).

4.5 Measures to shape team selling

In addition to the quantitative questions, our questionnaire also included **qualitative questions** aimed at concrete measures for shaping the individual factors. One question, for example, was: "What concrete measures are taken to ensure optimal management of the team? For ten such questions, we received an average of 629 responses per question (1.83 responses per question and participant) from the 344 questionnaires included. The answers were clustered into thematic blocks and then sorted by importance. The most important clusters, i.e. topic blocks that generally accounted for more than ten percent of the responses, are discussed below. In addition, we will further increase the practical relevance of our statements by also listing measures at the end of the summary for the respective question that only appeared sporadically, but which we consider innovative and thus trend-setting.

The respondents see concrete measures with regard to optimal **team leadership** first in the area of communication. Good communication is characterised by direct, fast, open and regular communication of relevant information. In this context, regular meetings, clear communication structures and an established reporting system are also mentioned. Another central cluster of measures is a participative/democratic management style in the sales team. A flat hierarchy structure, a high degree of delegation of responsibility as well as a strong involvement of all team members in the decision-making processes are in the foreground. It is interesting that in the course of the development of democratic leadership facets, the existence of a team leader nevertheless appears to be important. However, the role of this person is shifting. Support, intervention in critical situations, situational coaching, conducting team training and regular feedback to the team members are required of the team leader. Team leadership should be rounded off by clearly defined and, if possible, jointly

determined team tasks and team goals. Finally, we see the joint definition of standard operating procedures (SOPs) for common processes as an innovative measure to relieve team leadership.

Measures that work towards close **cooperation between** the members of a key account management team should primarily start with a regular and regulated exchange of information between all team members. When setting tasks and goals, the involvement of all team members is conducive to subsequent cooperation. Especially when setting and distributing tasks, the need for a precise definition of responsibilities and processes is pointed out. Adequate physical proximity of the team members is also conducive. Innovative measures here include the introduction of team-based remuneration systems. Furthermore, the possibility of team members accessing common databases, networking their IT systems and the joint use of CRM programmes is conducive. Finally, team-internal interaction can also be increased by explicitly communicating to customers that they can contact any team member directly, depending on their concerns.

Granting a certain degree of decision-making autonomy is the most important measure to ensure the **independence of** a sales team. By this, the respondents understand freedom of decision and autonomous action within predefined areas of responsibility as well as explicit limits and budgets. Organisational aspects of autonomy form a second large cluster. This includes that the respective sales team has a clear place in the company and that an organisational demarcation is made along with it. Concrete measures are, for example, a spatial demarcation of the team, an integration into an independent sales division as well as a clear customer allocation. It can go so far that the sales team acts as an independent profit centre. Team-specific target agreements are another frequently mentioned measure to increase the independence of sales teams. An innovative measure in the context of independence is the establishment of direct access of the team to the management. This also shows the close connection that the respondents see between the constructs of independence and support.

Let us turn to measures to ensure adequate **support for** a sales team. The provision of human resources is the first priority here. Cross-team and cross-divisional meetings, followed by the provision of personnel where necessary, are designed to facilitate the

sales team's access to the resources it needs in research and development, marketing, market research, logistics and other specialised support areas. Power support comes in the form of direct reporting from the team to senior management, assigning mentors, or sending representatives of the team directly into the company's leadership circle. Second is the support of the team with material resources, such as adequate financial budgets and IT resources. Support through a suitable organisational structure is also mentioned. Starting points here are the integration of the team into a matrix organisation, process-based organisational structures and customer- or sales channel-oriented structures. For the support of internationally active customers, the integration of the team into a transnational or global sales organisation is mentioned, as well as the support of a coordinating Global Key Account Manager. The companies also frequently mention that due to their high customer orientation, the importance of the respective customers is implicitly present in the company at all times and consequently an automatic, proactive support of the sales teams by their own organisation takes place. Innovative is the mirroring of the customer- or sales channel-oriented structure of the sales area also in other support functions (e.g. sales channel-oriented structure of market research). Furthermore, the assignment of team mentors as contact persons for other functional areas as well as the circulation of monthly reports on important or escalating customer-related matters are helpful.

When asked about measures to increase **team orientation** in the companies of the surveyed participants, three focal points emerge. First is the extent to which teamwork is generally anchored in the different functional areas of the company (e.g. in the form of cross-functional project teams, management teams, global teams, etc.). Secondly, it is mentioned that there are often training measures aimed at increasing the quality of the teamwork of the employees. Thirdly, the extent to which tasks and goals are formulated at the team level, as opposed to individual targets, is crucial. An innovative measure is to promote teamwork in the company by consciously presenting team successes to the outside world. Contributions to this effect in a regularly published staff newspaper are suitable for this purpose.

Performance orientation in the company results primarily from the quality of the target agreements. Care should be taken to ensure that the company goals, team goals and personal goals are clearly visible to each employee and that these goals are also

mutually consistent. Motivational measures lie in the fact that individual targets are coupled with regular target reviews, performance appraisals in the form of personal feedback discussions and performance-related remuneration systems. Team-based remuneration systems and incentive measures were mentioned as innovative measures (quote: "Celebrating success together").

Let's look at measures that influence emotional and **rational facets of the business relationship with a client**. First we asked for concrete measures to increase two rational facets, the factual exchange of information and the mutual adjustment of tasks and goals. The most frequently mentioned aspect is the contact or exchange of information with the customer. This should take place personally and regularly. Furthermore, contact persons from different functional areas on both sides should be able to exchange information directly (increase of communication decentralisation). Finally, a continuous automated data exchange with the customer should be established. A second cluster of measures is the physical meeting of both parties in the form of personal customer visits. Here, too, regularity and direct involvement of different functional areas and hierarchical levels is important. Regular presentations, for example, can make the business relationship more transparent for both parties. In subsequent workshops, joint process optimisations or joint future actions can then be initiated. This can go as far as joint target agreements and the formulation of joint strategies aimed at long-term joint value creation for both parties. An innovative measure is to involve representatives of the business partner in their own creative processes, e.g. in the form of joint brainstorming sessions on new products.

For a structural bond with the client company, measures are seen primarily in the area of mutual adaptation or networking of the IT systems. The advice here is very sector-specific. In general, they are aimed at increasing the efficiency of the processes within the jointly designed area of the value chain (supply chain management). In second place are adjustments at the product level. The measures range from customer-specific product packaging and services to customer-specific product modifications and joint new product developments. Innovative measures to promote this close customer connection are very diverse. One possibility is to offer financing models that make it easier for the partner to make large business relationship-specific investments (e.g. financing offers for silos in the chemical industry). Another approach, which we

see as particularly forward-looking, is explicitly aimed at strengthening a client's position in its competitive environment. This can be done, for example, by binding this customer exclusively to a certain area of its own product range.

Let's move on to the **emotional facets of the business relationship** with a client company. Here, in a first question, we were interested in measures with which the surveyed sales team promotes the relationship of trust with their respective customer. In first place here are activities that increase the quality of personal interaction with the customer. In this context, regular, long-term contact with consistent contact persons at different hierarchical levels and early or proactive communication are particularly important. The second large cluster of measures illustrates the very close interlocking of rational and emotional facets in a business relationship. The customer's perception of the company's own performance determines the level of trust placed in it. On the one hand, this performance is about reliability (measured by the degree of delivery reliability) and the general binding nature of promises made. On the other hand, product quality, the price-performance ratio, the quality of customer service and general technical competence are also subsumed under this. Almost the same importance is attached to openness and honesty. Fair and open dealings, clear and comprehensible behaviour and honesty in the event of problems are required. The latter also includes the explicit admission of one's own mistakes. An innovative measure that sends a strong signal of the ability to act is the granting of a very high level of decision-making authority to the responsible sales team on site.

Finally, we also asked about concrete measures with which the companies shape social exchange and long-term personal relationships with their customers. Joint activities play a dominant role, but especially invitations without a direct business connection, such as joint dinners, cultural events or invitations to sporting events. This is followed by personal meetings with a business connection, for example in the form of customer events or trade fairs. Another set of measures is aimed specifically at the quality of the personal relationship with individual contacts on the customer side. It is important to signal interest in the private person. The maintenance of personal customer data, regular meetings as well as individual attentions (e.g. flower greetings in case of illness) play a major role. Finally, we emphasise that changes in customer contact staff are critical and should be avoided if possible.

5 Implications of the work

In this chapter we first summarise the key findings of our study (section 5.1). This is followed by implications from our work for further scientific research on team selling (section 5.2). We conclude with condensed management-relevant recommendations for action with regard to an optimal short-term and long-term design of team selling in B2B business relationships (section 5.3).

5.1 Summary of key findings

The starting point of our work was the realisation that in practice supplier companies in B2B business relationships usually move below the optimal level of customer proximity from a profitability point of view. This closeness to the customer or this closer relationship building is particularly important with customers who, in addition to pure transactions, also have starting points for joint value creation. To put it bluntly, these business relationships are about not only sharing the "common cake" with the customer, but first enlarging it together with the customer and then sharing it. Another complicating factor is that large customers (key accounts) in particular expect a supplier company to have a mirror image of their multi-functional and multi-personnel buying centre, which is also able to optimally manage the complexity of the tasks assigned to it. This leads to the problem of an adequate multi-personal set-up on the supplier side, its team selling. Here, the management is essentially faced with two challenges. First, the employees in the sales team must interact optimally with each other, i.e. a high quality of teamwork is required. Secondly, this team must shape the relationship with the client company and secure the resulting business. In addition to a very high practical relevance of team selling, there is a glaring **research gap** in this field. We position our work in this gap.

The present work pursued three goals. First, we wanted to identify central factors that can be influenced by management in the short and long term with regard to the design of team selling. Secondly, we wanted to quantify the strength of the influence of these individual factors on success in the business relationship and compare the effects with each other. Thirdly, we wanted to ascertain the state of practice, i.e. generate

statements on how strongly the individual facets of these factors are already pronounced in corporate practice and where there is therefore a need for action. These goals formed the basis for the formulation of three **research questions** (section 1.2).

To answer the questions raised, we drew on three theoretical reference points (section 2.2) and conducted a systematic review of empirical work on teams in organisations (section 2.3). This approach led to an increasingly refined scientific **positioning of** our work. In addition, we were able to systematically substantiate the relevance of the designable factors we investigated (section 2.3.6). With regard to the effects of these factors, we formulated 26 hypotheses. Taken together, these form our model of the factors in team selling that can be shaped in the short term (section 3.2), our model of the factors in team selling that can be shaped in the long term (section 3.3) as well as moderating influences on selected effects within these models (section 3.4).

As part of the **empirical study**, 279 team members from 155 key account management teams were interviewed in writing. These teams were recruited from the 100 largest companies within each of five industries. We analysed this sample using multivariate data analysis methods (e.g. causal analysis) and descriptive statistics. Now we can answer our research questions:

***Research question 1:** How do key factors that are relatively easy to shape by management or can be shaped in the short term influence the success of sales teams in business-to-business relationships?*

Answering this research question breaks down into three areas: conceptualising success, identifying key design factors and quantifying the strength of the influence of these factors.

Success in B2B business relationships can be divided into two central dimensions: relationship success in the business relationship and economic success in the business relationship. Relationship success describes the extent to which the relationship potential is exploited. This relationship potential is the maximum willingness of a customer company with regard to the development of the rational and emotional components in the business relationship with a supplier company. Based on

the findings of existing research, we have conceptualised these two components using central variables. The rational component comprises the mutual factual exchange, the mutual adjustment of tasks and goals and the mutual structural bond. The emotional component includes mutual social exchange, mutual trust and mutual social bonding.

Our empirical results reveal that the separation between the rational and the emotional components is not sufficiently clear. This means for a supplier company that, if at all, it must specifically shape both relationship components with a client company. The six facets of these two components were then aggregated into one construct, the relationship success in the business relationship.

In our work, we have identified six **central factors** that can be **shaped relatively easily or in the short term by management**. Three of these factors relate to the design of the team:

- **leadership decentralisation** in the team: the extent to which team leadership is shared by the whole team.
- **task interdependence** in the team: the extent to which individual team members need to work together to complete team tasks.
- **goal interdependence** in the team: the extent to which the responsibility, assessment and remuneration of team members is based on the fulfilment of team goals.

Three other factors relate to the design of the team context:

- team **autonomy**: the extent to which a team is independent of management external to the team in terms of the process of service delivery.
- the **support of** the team: the extent to which senior management provides the team with the necessary power as well as the necessary resources.
- the **communication decentrality of** the team: the extent to which several team members from the provider company are in communication with the client company.

Let us move on to quantify the strength of the influence of these factors on the **quality of teamwork**, on relational success in the business relationship and on economic

success in the business relationship. We were able to show that all six factors positively influence the quality of teamwork in the sales team. The team process is most strongly determined by the support of the team by senior management. The factors leadership decentrality and goal interdependence in the team as well as the context-related factor communication decentrality also have a strong effect. Relative to the other factors, the quality of teamwork is most weakly positively influenced by task interdependence in the team and by the autonomy of the team.

The two factors of leadership decentralisation in the team and communication decentralisation in the team contribute positively to the **success of the business relationship**. By shaping these factors, management can "open up" the sales team to the customer. The design of a high level of goal interdependence also has a positive influence. In addition, we can show that task interdependence in the team has a very strong negative influence on relationship success. To this end, one must bear in mind that the task-related overlap between the team members is to a large extent caused by the complexity of the sales task, i.e. by the requirements of the client company. Management is therefore required to disentangle this task interdependence accordingly.

Contrary to our expectations, both team autonomy and team support have a weak negative effect on relationship success in the business relationship. The balance of support and granted autonomy ultimately manifests the influence that senior management exerts on the sales team. Our results suggest that the optimal level of this influence should be designed very carefully. Finally, we can empirically confirm a strong positive influence of the quality of teamwork in the sales team on relationship success in the business relationship.

We can confirm the direct positive effects of the quality of teamwork and the relationship success in the business relationship on the economic success in the business relationship that we postulated. Both effects are even very pronounced. If we add up the indirect effects of all factors that can be shaped in the short term on the **economic success in the business relationship**, the following picture emerges. The communication decentralisation of the team has a very strong positive effect, the leadership decentralisation in the team has a strong positive effect and the factors goal

interdependence, autonomy and support have a positive effect on economic success. In contrast, the factor task interdependence in the team has a strong negative influence (cf. Table 4-1 in Section 4.3).

***Research question 2:** How do key factors that are difficult for management to shape influence the success of sales teams in business-to-business relationships?*

To answer this research question, we identified key factors that can be shaped in the long term and quantified the influence these factors have on the team process and on team success.

We have identified the following key factors that can be shaped in the long term:

- the **quality of the team members' skills**: the extent to which the professional skills and personal qualities of the individual team members are suitable for the fulfilment of the team task and the extent to which they complement each other.
- the **team orientation of the corporate culture**: the extent to which team-related values of the corporate culture are pronounced.
- the **performance orientation of the corporate culture**: the extent to which performance-related values of the corporate culture are pronounced.
- the **asymmetry in the business relationship**: the extent of the imbalance between the supplier company and the client company in terms of the level of mutual alignment of tasks and goals.

We can show that the **quality of teamwork** is supported to an overwhelming extent by the quality of the skills of the team members. The team orientation of the corporate culture also shows a very strong positive influence here. This is countered by a strong negative influence of the performance orientation of the corporate culture. Asymmetry in the business relationship also has a negative influence on the quality of teamwork in a sales team.

With regard to the shaping of **relationship success in the business relationship**, however, the picture is different. Relationship success is driven to a very high degree by the performance orientation of the corporate culture. The team orientation of the corporate culture also shows a positive direct influence. This is countered by a strong negative influence of the factor asymmetry in the business relationship. The direct positive influence of the quality of the team members' skills on the relationship success in the business relationship that we postulated proves not to be significant, i.e. the positive influence of this factor manifests itself here indirectly via the improvement in the quality of teamwork.

We then added up all the indirect effects that the respective factors that can be shaped in the long term have on the economic success in the business relationship. This results in a very strong positive influence of the quality of the team members' skills, a strong positive influence of the team orientation of the corporate culture and a positive influence of the performance orientation of the corporate culture. This is countered by a negative effect of asymmetry in the business relationship (cf. Table 4-2 in Section 4.4).

For two selected dependency relationships in our models, we hypothesised three **moderating effects**, all of which proved true in the moderated regression analysis:

- The higher the task interdependence in the team, the more important is the design of the target interdependence in the sales team with regard to the relationship success in the business relationship.
- The higher the relationship potential in the business relationship, the more important the quality of teamwork in the sales team is for relationship success in the business relationship.
- The higher the quality of the skills of the team members in the sales team, the less important the quality of the teamwork is for the relationship success in the business relationship.

Research question 3: What is the current state of practice?

To answer the third research question, we analysed the variables of our two research models descriptively. In doing so, we were interested in the current state of corporate practice with regard to the expression of the individual factors and their respective facets.

The companies surveyed see the **quality of teamwork** in their sales teams at a medium to high level. The following facets of teamwork are disproportionately underdeveloped: mutual support of team members, coordination of work assignments, team spirit (cohesion) and the balance of member contributions in the team.

With regard to the success achieved by the sales teams, it can be stated that the **relationship success is** generally seen at a high level in practice, but the economic success in the business relationships tends to be at a medium to low level. Among the relationship-related facets, structural commitment has the lowest value, i.e. there is a general reluctance to make relationship-specific investments. The mutual adjustment of tasks and goals is also disproportionately low. With regard to the facets of **economic success, it is** particularly noticeable that the profit and earnings potential of the customers can only be insufficiently tapped by the supplier companies.

Within the framework of an "impact-versus-level analysis", we then contrasted the characteristics of the factors that can be shaped in practice with their respective impacts. This resulted in the following **order of priority for the factors that can be shaped in the short term in** team selling:

1. Reduction of task interdependence in the team
2. Increase leadership decentralisation in the team
3. Increasing goal interdependence in the team (this is especially important in the case of high
Task interdependence in the team)
4. Increase the communication decentralisation of the team

5. Ensure the optimal (not the maximum) level of support for the team from senior management.
6. Allow the team the optimal (not the maximum) level of autonomy

Our impact-versus-level analysis revealed the following order of priority for the **factors that can be shaped in the long term in team selling**:

1. increase the skills of the team members
2. Reduction of asymmetry in the business relationship
3. Increase the team orientation of the corporate culture
4. Increase the performance orientation of the corporate culture.

5.2 Implications for science

We will now assess what contribution our research makes to the scientific penetration of the research field of Team Selling. We are primarily concerned with implications that go beyond our purely empirical findings. Specifically, we will address conceptual, empirical and methodological aspects of our work.

The central **conceptual contribution of** our work lies in linking previous research on teams in organisations with business relationship research. In our two integrative research models, we consider variables borrowed from team research (e.g. leadership decentrality in teams) as well as constructs from business relationship research (e.g. mutual trust in business relationships). Our work enjoys a unique position in conceptual terms through the separation into the two success components of relationship success and economic success in the business relationship, but especially through the conceptualisation of relationship success as the "utilisation of potential" of central rational and emotional relationship facets. On the other hand, to our knowledge there is no other work in team research that makes a subdivision into factors that can be shaped in the short term and those that can be shaped in the long term. In addition, the theoretical anchoring of the work in the Syntality Theory by Raymond B. Cattell is a novelty in the field of team selling research.

We see two overarching **empirical contributions of** our work that go beyond the empirical findings already presented. First, our work provides an empirical model of short-term configurable factors in team selling that is independent of the staffing of a sales team (i.e. independent of the skills of the team members). In practice, the problem of team selling often arises in exactly this way, i.e. the members of a sales team already exist and in the short term the management's main concern is to optimally design the team structure. The second empirical contribution of our work lies in the investigation of constructs that, to our knowledge, have not yet been considered in research on team selling. Specifically, this concerns the constructs of communication decentrality, team orientation and performance orientation of the corporate culture as well as the construct of asymmetry in the business relationship.

We see the central **methodological contribution of** our work in the data basis of our empirical study and in the data analysis procedures we have chosen. Our data basis gives us a unique position in the research field of team selling. Our large sample consists only of key account management teams from the 100 largest companies within each of five target industries. We also deliberately limit the team size to three to a maximum of twelve team members in order to rule out the risk of the research unit breaking up into sub-teams. Together with the multi-informant approach we have chosen (usually two informants per team), this procedure ensures a high validity and transferability of our results. To analyse the empirical data, we use causal analysis, a very powerful dependency analysis procedure. The use of this relatively elaborate and complex statistical procedure allows us to make a quantifiable distinction between direct and indirect effects within multi-level causal impact chains.

Our work is also subject to certain restrictions, which at the same time offer a **starting point for further research**. A first restriction is the limitation of the sample to German-speaking countries. Here, the author sees starting points for future work which, for example, aim to verify the findings for the American and Asian regions.

A second restriction relates to the research design. A useful extension of our multi-informant approach could be a full dyadic approach, combining provider-side data with customer-side data. This work is also based on a static design. Research that takes a

dynamic view would be very interesting here. For example, phase models of the emergence, development and stabilisation of sales teams could be examined here.

Another restriction results directly from the chosen data analysis procedure. The causal analysis suggests that we keep the complexity of the research models within limits. This leads us to deliberately limit ourselves to a few factors that can be shaped. We would like to invite subsequent researchers to complement this work with other factors in team selling that can be shaped in the short and long term. Here, for example, it would make sense to include the interaction between the different sales teams in a company (e.g. best practice transfer as a facet of inter-team coordination).

A fourth restriction lies in the limitation of our investigation to monotonous linear effect relationships. The constructs autonomy and support in particular lend themselves to a further investigation of non-linear relationships. Our empirical results suggest that the effects of these variables are of an inverted U-shaped nature. Here, the author would be very interested to know where the respective saturation point lies and how this balanced influence can be targeted by senior management.

There is also a need for further research as a result of our finding that the rational component in a business relationship is very closely intertwined with the emotional component (problem of the lack of discriminant validity). Here, a study would be desirable that describes these two components even more precisely, differentiates them from each other and analyses their respective determinants and effects on success.

5.3 Management-relevant recommendations for action

Finally, we would like to give managers who are concerned with the optimisation of team selling in their companies concrete design recommendations that result directly from our study. The most important result of our work is that the quality of teamwork and the success of a sales team can be significantly increased by means of the factors we identified that can be shaped in the short and long term.

As a starting point for improving the quality of team selling in a company, the author recommends first assessing the quality of teamwork in the sales team as well as the success in the business relationship. We have identified suitable measurement indicators for this (cf. Tables 3-2, 3-3 and 3-10). In order to improve the quality of team selling in a targeted way afterwards, our work provides management with the following six factors that can be shaped in the **short term**:

- 1. Priority: Reduce task interdependence in the sales team.** This is understood as the extent of the necessary cooperation of the individual team members in the completion of the team tasks. Since task interdependence is determined in particular by the complexity of the sales task (i.e. by the requirements of the customer company), management is encouraged to disentangle this task interdependence between the team members in a targeted manner. This applies in particular to those team tasks that can only be managed if different functional areas work closely together (disentanglement of functional task interdependence).
- 2. Priority: Increase leadership decentralisation in the sales team,** the extent to which leadership is shared by the whole team. This primarily concerns the joint assessment of team performance and the joint setting of team goals by all team members.
- 3. Priority: Increase goal interdependence in the sales team,** defined as the extent to which the responsibility, appraisal and remuneration of individual team members is based on the achievement of team goals. The greatest need for action in practice is the creation of team-based appraisal and remuneration systems. Increasing goal interdependence is particularly important when task interdependence is very strong in the team.
- 4. Priority: Increasing the communication decentralisation of the sales team.** This describes the extent to which several team members from the supplier company are in communication with the client company. By shaping communication decentralisation, management can open the team to the customer in a targeted way.

5. **Priority: Designing an optimal level of senior management support for the sales team.** This is understood as the extent to which senior management provides the team with the necessary power as well as the necessary resources. In particular, sufficient support in terms of material and human resources should be ensured with regard to the requirements of the team's respective sales task.
6. **Priority: Designing an optimal level of team autonomy.** This is understood as the extent to which a team is independent of senior management in terms of the process of service delivery. Here, in practice, the greatest deficits are found in the degree of decision-making autonomy granted to a sales team and in the degree of interference by managers external to the team in the team's work.

In addition, we recommend that managers specifically influence the following **long-term** factors in team selling:

1. **Priority: Increasing the quality of the team members' skills.** We understand these as the extent of the professional skills and personal qualities of the individual team members that are suitable for the fulfilment of the team task, as well as the extent to which they complement each other. In practice, sales teams show the greatest deficits in the ability to deal with personal conflicts, in personal empathy and in the compatibility of personal skills in the team. These need to be developed in a targeted manner over the long term through suitable team-related training measures. Important here is also our finding that weaknesses in teamwork can be compensated for by a higher quality of the team members' skills.
2. **Priority: Reduction of asymmetry in the business relationship.** It describes the extent of the imbalance between a supplier company and a client company in terms of the level of mutual alignment of tasks and goals. In practice, this asymmetry, which is detrimental to joint value creation, is usually to the disadvantage of the supplier company.
3. **Priority: Increase the team orientation of the corporate culture.** It describes the extent to which team-related values of the corporate culture are pronounced. Here, the greatest need for action exists in the companies in the facet of employee orientation.

- 4. Priority: Increase the performance orientation of the company culture**, i.e. the extent to which performance-related values of the company culture are pronounced. Managers can address the two biggest deficits in practice by measuring the performance of their employees against clear results and by emphasising the importance of implementing measures quickly once they have been adopted. Furthermore, care should be taken to ensure that the team orientation of the corporate culture is balanced with the performance orientation of the corporate culture at a high level.

Our work began with the realisation that team selling already exists in some form in most companies before it is even specifically designed by management. In summary, we have shown in our work how team selling can be optimally designed in the short and long term. Interested managers thus have a tool to align their sales teams with a view to optimally exploiting the potential of their business relationships.

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Lieber Herr Stephan,

es hat mich sehr gefreut, dass Sie mir nun endlich eine Vorabversion Ihrer Dissertationsschrift zugesandt haben. Wie von Ihnen gewünscht, habe ich die Arbeit schnell quergelesen. Die Lektüre war aber sicherlich sorgfältig genug, dass mir signifikante Probleme mit der Arbeit aufgefallen wären. Detaillierte Korrekturanmerkungen habe ich allerdings nicht gemacht.

Insgesamt habe ich von der Arbeit einen guten Eindruck. Es gibt keine signifikanten Probleme. Aufgefallen ist mir, dass die Sprache an manchen Stellen etwas "unakademisch" wirkt. Hierauf sollten sie bei der Fertigstellung der Arbeit noch etwas achten.

Ich möchte vorschlagen, dass Sie nun die Arbeit zügig fertigstellen und mir dann bald die Erstversion zukommen lassen.

Es sollte auf jeden Fall möglich sein, das gesamte Dissertationsverfahren noch in diesem Jahr abzuschließen.

Geme können wir zur weiteren Vorgehensweise auch nochmals telefonieren.

Mit freundlichen Grüßen,

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