Central Issues in Implementing Market Plans in Industrial Organizations

By Hemant C. Sashittal and David Wilemon

Although smaller industrial organizations perform a vital function in the American economy, their sales and marketing concerns have yet to receive much attention in literature. A field study we conducted, however, sheds light on how marketing plans are actualized and how the implementation processes unfold in small and mid-sized industrial firms. Several findings and implications are discussed that can help managers in these smaller organizations improve not only market planning, but implementation practices.

Small and mid-size industrial organizations, often adept at technology and production, are frequently challenged by the prospects of implementing their marketing agenda. Managers interested in developing marketing plans can seek help from a large number of sources, including self-help books and consultants. On the other hand, insights into marketing implementation, the process of deploying plans and achieving intended objectives, are hard to come by. A distinct body of implementation literature exists, but much of it originates from non-marketing disciplines and is directed toward mid-sized to large organizations. This literature distribution is interesting, since smaller businesses vastly outnumber larger firms, and smaller industrial firms currently contribute to half of all industrial employment, exports, and value-added industry. Despite this importance, what academia says to this productive, innovative sector of the economy often amounts to little more than:

- your concerns are less important than those of larger organizations;
- you ought to develop formal market plans and view your implementation failure as a sign of faulty planning; and
- in general, our recommendations for larger organizations somehow ought to work for you as well.

Our recent study of managers from small and mid-sized industrial firms showed that deploying market plans and attaining objectives is a fundamental challenge. Managers identified as most responsible for their business unit's marketing implementation were asked to describe how they planned and implemented their marketing agenda. We focused on their market planning processes, implementation- related experiences, actions, interactions with others, and learning. Participants included presidents; sales and marketing vice presidents; and sales, marketing and general managers from manufacturers of electric, electronic, computer, and cable TV equipment and manufacturers of industrial tools and machines. Eighty percent of the firms employed less than 150 people, and sales varied from $4 million to $300 million per year. This article discusses several findings that hold practical significance for managers responsible for market planning and implementation in small and midsize industrial organizations. The implications of the study's findings that can help improve marketing practice are also examined.

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The marketing process in smaller industrial firms

Less than 20 percent of the firms studied were developing formal documents that specified the traditional elements of formal market plans. Such elements include sales and market objectives, target customers, positioning intents, and formal decisions on products, pricing, promotion, and distribution. Their current marketing mix, relationships with customers, and market intermediaries, and the actual market position presented a far clearer picture of their marketing strategies. Plans were highly emergent and formative; that is, it was easier to determine rather than what they intended to do. Similarly, marketing implementation in all instances was a deviation from original intents. At no time did any managers mention implementation processes that unfolded in the market as originally conjectured, whether these intents were formally specified in a marketing plan or not.

After distilling the essence of managers' descriptions, two themes common to their experiences were found. The first was a dynamic, responsive relationship between planning and implementation processes, as well as between the planners and implementors. The second was implementation highly sensitive to the day-to-day fluctuations in customer preferences and behaviors and competitive actions. Targeted customers and the marketing mix (e.g., the emerging plan) were continually redefined, and resources were redirected

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across multiple implementation actions and programs. For example, to meet sales and revenue objectives in a changing market, new customers were targeted, new markets were explored, new products were developed, changing product features and designs were adopted, prices were re-negotiated, new distributors and agents were sought, and promotional monies were redirected between trade shows, direct mail, trade publications, and product literature. Not only was improvisation common, but managers cited it as essential for keeping pace with changing markets and achieving sales and revenue objectives.

Similarly, to fit with the emerging plan, managers often defined what needed to be done, who was to do it, and by when, almost on a daily basis. Few were the instances where such action steps were pre-determined or formally documented, and in no instance were they meticulously followed. A circular pattern was clearly visible. The day-to-day market events and unanticipated actions of competitors brought about improvisations in the emerging plans, which then triggered changes in the marketing programs and action steps. Consequently, emerging marketing responses to product offerings and actions led to further changes in targeted customers and the marketing mix.

The ad hoc nature of implementation and the continual improvisations it entailed created a formative, living process. Managers rarely followed a script and produced the emerging plans and action steps in real time. Each improvisation essentially represented a managerial decision to adapt to the environment. Their decisions altered not only the firm's relationship with the market, but the form of most organizations.

Although each adaptation was relatively minor, over time their cumulative effect changed the way firms organized and conducted their business. In other words, the marketing implementation process was the principal vehicle for growth in the smaller industrial firms sampled. For example, the sales and revenues that resulted from successful implementation fueled expansion of production facilities, the development and introduction of new products, the employment of new talent, and the exploration of new opportunities, new customers, and new markets.

Not surprisingly, then, the problems managers experienced with implementation were similar to those encountered during periods of rapid growth. These were problems associated with firefights and unfocused activities, adaptation to environmental change, venturing into the unknown (markets, technologies, and customers), undertaking the unfamiliar, and dealing with the unexpected.

Features of effective marketing implementation

Our attempt to identify the distinct features of effective marketing implementation processes led to several insights that may help the growing number of managers in small and midsize industrial firms improve their marketing practices. These insights involve: listening and implementation, planners and implementors, firefights, and managing people.

Listening and Implementation—Several managers (37.5 percent) noted that the time and energy spent listening to others was directly linked to their implementation effectiveness. Listening helped managers develop strong working relationships with organizational and team members, as well as key customers (including market intermediaries such as distributors and independent representatives). When managers listened, people in the organization felt validated and appeared more interested in supporting their day-to-day decisions to improvise. Listening also connected managers with customer thinking. Effective listeners were more likely to:

- sense impending contingencies;
- initiate searches for new customers and distributors; prepare for changes in product features and designs;
- incorporate new technologies;
- plan ahead for price changes, trade shows, and promotional events; and
- visit key customers to demonstrate commitment before changing market conditions forced hasty reactions.

Planners and Implementors—Several managers (27.5 percent) suggested that entrusting the responsibility of both market planning and implementation to one person or group was important for implementation effectiveness. This suggestion resulted both from necessity. Stringent resources often prevented the hiring of people and having them work exclusively on market planning. However, the data clearly demonstrated that there were advantages to condensing the two functions. A planner-implementor was more likely to develop plans that reflected both the planner's aspirations for the future and the implementor's experience with market reality. The planner-implementors noted that they could rapidly re-draw plans during implementation and maintain high levels of responsiveness to customer needs without engaging in time- and energy-consuming meetings with others.

When the planners and implementors were different, we found that much of the latter's unique insights and learning from experience remained unarticulated and unshared. Implementors noted that market objectives and plans often reflected the planners' vision of what was achievable under the best of circumstances, even though they were supposed to confront the real world of customers and competitors and produce results. When objectives were not accomplished, the planners often questioned the capabilities of the marketing and sales team instead of the relevance of their plans. When the planners' conjectured scenarios failed to materialize, plans were indefinitely shelved and no longer influenced day-to-day activities. Implementors were forced to innovate the content of the market mix and take adaptive actions to reach pre-determined goals.

Firefights—Nearly all managers in the study viewed themselves as action oriented. Although action orientation is generally regarded as beneficial, the study revealed that it was a mixed blessing at best. On one hand, high energy and dynamism were shown to be key ingredients of effective implementation. Few marketing objectives were accomplished unless a cohesive, focused set of activities was performed by the organization. On the other, managers' action orientation was a matter of some concern when it was achieved at the expense of reflection and thinking.

All managers participating in the study were involved in firefights, to one extent or another, as well as attempts to handle problems after they had emerged. Half the managers identified firefighting and stop-gap actions as their principal marketing implementation activities. They not only occupied inordinate amounts of time and energy, but they signaled that a manager was overwhelmed, under-prepared, and losing control of the marketing operations. They caused concern because they appeared to be self-reinforcing, they focused managers on the present, and they inhibited thinking about the future.

Although these findings seemed to suggest the need for adopting formal market planning, in reality, their relationships to incidences of firefighting were weak at best. Managerial involvement in firefights and stop-gap activities in our study was high with little regard to the level of formal market planning they undertook. Most often the firefights resulted not so much from the lack of planning as from unexpected events that would be difficult to foresee and accommodate in any plan. The problem was exacerbated because resource constraints and tight operations prevented the smaller industrial firms we sampled from building down time into plans to accommodate such unforeseen events. Therefore, formal market planning, although beneficial in some respects, was shown to be unlikely to alleviate the problems created by unexpected events or the firefights that resulted from them.

The study suggested instead that effective strategic thinking could help managers overcome some problems associated with excessive firefights. Strategic thinkers were less overwhelmed by the unexpected and were more likely to handle almost any situation. For example, they were more aware of the myriad market contingencies that could affect their implementation initiatives. They used their considerable energies to evaluate the likely impact of competitors' actions, new developments in technology, and shifts in customer preferences. They also were more interested in identifying multiple action alternatives when confronted with a complex problem, and they were less likely to rush to find simple, instant solutions. Although all managers in the study found the notion of instant solutions attractive, the strategic thinkers often asked, "what might be another way?" and "how might our customers, distributors, and competitors respond?"

Despite their companies' organizations, the managers in our study uniformly agreed that cross-functional cooperation was necessary for fast, integrated solutions to customers' problems.

The element of mindfulness was also common to strategic thinkers. They initiated and cultivated close personal relationships with key people in their firms (e.g., their team members, and people in production, engineering and R&D), and in the market (e.g., leading customers, distributors, and independent representatives). They were highly aware of and sensitive to the multitude of often conflicting priorities and interests that exist in diverse functional groups. Strategic thinkers differed from others because they reflected more holistic, integrative insights into their day-to-day decision making, and they had a clear notion of who was likely to support their initiatives and decisions and to what extent. For example, when people within the organization and key distributors became aware of the strategic thinker's day-to-day decisions, they responded positively: "this manager understands my problems, my capabilities, and my constraints." Hence, strategic thinkers not only reacted intelligently to changing market conditions, but they often elicited inordinate degrees of support from within, as well as outside the organization. This support overcame many of the problems associated with resource- and energy-draining firefights.

Managing People —The study's data demonstrated that implementation effectiveness depended on the managers' ability to foster cohesive, customer-directed behaviors from team members and on the ways in which the marketing team contacted customers, solved their problems, filled their needs, and generated sales and revenues. Managers relied heavily on the creativity and initiative displayed by those members acting closest to customers and on the coherence and relevance of their actions.

Effective implementors eschewed traditional patterns of controlling resources and information. They adopted highly supportive and facilitative stances in their relationships with their team members, actively seeking information and resources and making them available. Teams that had access to the information and resources necessary for independent action, could think for themselves, and displayed high levels of creativity were more likely to implement effectively.

Effective implementors were tolerant of mistakes. They were willing to smile through their tears on occasion and were capable of supporting their teams through difficulties encountered during the implementation process. Their supportive stances contrasted sharply with traditional concern for controlling, monitoring, and allocating resources promoted by many management texts. Their methods differed from the behaviors of some managers in our study who wished for clones of themselves and felt that their implementation problems would go away if their team members did things their way. Managers exercising a great deal of control over their teams and engaging in micro-management were significantly more challenged by marketing implementation than those adopting more collaborative, supportive management styles.

Organizing for implementation

Nearly all the firms sampled were designed for production efficiencies. Most were highly compartmentalized organizations where shop floor employees produced, R&D developed new technologies and products, and marketing interacted with current and prospective customers. In most cases, there was little inter-functional interaction and little understanding of the constraints, capabilities, and cultures of other functional groups.

Despite their companies' organizations, the managers in our study uniformly agreed that cross-functional cooperation was necessary for fast, integrated solutions to customers' problems. Some of the more effective managers pointed out that their customers bought an integrated product from their organization. Such products were the result of the cooperation and coordination among the firm's multiple functional groups like engineering/R&D, production, marketing, sales, and customer service.

Most managers relied on their personally developed relationships to gain cooperation from key managers in other functional groups. For example, when a customer requested a modified product design, additional features, or accelerated delivery, managers frequently used their personal influence and hustled these requests through R&D and production functions. The study data raised concerns about this type of hustling, however. It took up inordinate amounts of managerial time and energy and deflected attention from customers and market. It became a fairly routine, infinite activity, since each accommodation meant that the manager had to intervene personally on the customer's behalf. In many instances, it eventually became a political process that involved trading favors. In sum, compartmentalized organizations not only drained managerial energies, they created barriers with the customers.

When faced with compartmentalized organizations, several implementors in the study experimented with new methods of organizing. Some managers integrated the entire repertoire of technological and marketing experts and decision makers, along with key customers and suppliers, into a single, collaborative team. Organizing around the notion of collaboration and the close physical proximity of marketers, engineers, and key customers seemed to align and streamline the marketing implementation process.

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Conclusion

Academic literature, practitioner presses, and consultants present interesting ideas on improving marketing practice with expenditures in marketing intelligence and research, training, motivation and reward systems, control and feedback mechanisms, and innovative marketing programs to improve marketing practice. The problem with this proliferation of advice is that it asks managers from smaller industrial organizations to spend resources that they cannot easily access or may not even have. The managers in our study were struggling to balance the market's unlimited potential for change with the their organizations' limited resources. They were unable to enact several of their own interesting ideas because of stringent working capital. Our study also showed that managers from smaller industrial firms need fresh ideas about how to spend their most available resources—their time and energies, as well as those of their team members. Advice on how to spend money seemed almost irrelevant to them.

We found that marketing implementation processes were more effective when managers:

- rapidly adapted plans and actions to mirror changing market conditions;
- listened to others;
- undertook the responsibility for both planning and implementation;
- displayed higher levels of strategic thinking; and
- adopted facilitative, supportive stances toward their team members.

We also learned that marketing implementation had less to do with formal, rigid planning processes; traditional management functions of controlling and allocating information and resources; and organizational rewards and sanctions. Instead, it was about improvising and creating an environment that fostered clarity, creativity, initiative, and tolerance for mistakes.

In sum, managers interested in conducting an audit of their marketing implementation prowess might begin by answering the following questions:

- How rapidly can your organization adapt to changing market conditions?
- How flexible is your firm regarding targeted customers, the marketing mix, and marketing programs?
- What is the relationship between the market planners and implementors? If they are different persons or group, how often and how effectively do they communicate? Do they have a shared understanding of what the firm intends to

accomplish in the market, the firm's capabilities, and the nature of the effort and the time it takes to accomplish market objectives?

■ How effectively do managers in your organization listen to others? How much effort is devoted to understanding the divergent views and orientations of others?

■ Do your decisions communicate to all participants that you know and understand the divergent points of views and interests in the organization? To what extent do people find your decisions easy to support? When you encounter resistance, might it signal that you are unaware of others' opinions and interests?

■ To what extent is your company involved in ad hoc firefighting? Which firefights can be avoided? To what extent do you engage in strategic thinking?

■ Is your firm organized to solve specific customer needs? What is the level of cooperation among the functional groups in your organization? What inter-functional barriers can be removed?

■ What is your relationship with other functional groups? Are you able to gain their support when customers request something that is not ordinarily done?

■ What is your relationship with your team members? Do they feel encouraged to take initiative and show creativity in the ways they meet their sales and marketing objectives? How tolerant is the organization about mistakes made in trying new things?

■ How do your team members perceive you and the senior management? Do they view you as a controller of information and resources, or as a resource provider and facilitator?

■ Are you able to develop a clear consensus of what needs to be done, by whom, and when before you undertake to implement your marketing plans? What have you and the organization learned about improving marketing implementation? How effectively is this learning incorporated in your marketing implementation efforts? What does your organization still need to learn?

Thoughtful responses to these questions should provide managers with a sound understanding of their firm's ability to implement their marketing agenda.

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