

THE STRATEGIC MARKET PLANNING-IMPLEMENTATION INTERFACE IN SMALL AND MIDSIZED INDUSTRIAL FIRMS: AN EXPLORATORY STUDY

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When marketing strategy objectives fail to materialize, is it because the strategy was unsound or the implementation was ineffective, or both? Findings from a two-stage exploratory study of marketing implementation in smaller industrial organizations suggest that the complex interactions between planning and implementation *processes*, and planners and implementors, impact eventual marketing effectiveness. Depth interviews with fifty managers most knowledgeable about their firm's marketing implementation processes shed light on the different ways in which the interactions are managed. Findings suggest that promoting closer interactions between market planners and implementors, or assigning the responsibility of both functions to a person or a group improves likelihood of strategic marketing success. Several implications likely to interest scholars and practitioners are discussed.

INTRODUCTION

The widespread inability to implement strategy may be a sign that accepted approaches to strategy formulation are not as good as many think they are, for a well-conceived strategy is one that is *implementable* . . . A tendency to treat formulation and implementation as two separate phases is at the root of many failed strategies, (Hambrick and Cannella 1989, p. 278).

Leading scholars suggest that the planning and implementation processes are not two but a single phase, and that future strategic effectiveness is likely to depend on *how* they are conceptualized. The increasing concern with marketing's effectiveness coupled with these observations from leading scholars raise several important questions that deserve additional academic inquiry: Are market planning and implementation processes

interrelated? What are some ways in which the relationship is managed? What is the impact of the relationship on marketing's strategic success?

In this paper, we present findings from a recent study that shed light on these questions. Based on our data, we argue that: (a) the market planning and implementation processes are closely interrelated in practice, (b) some ways of managing the relationship are more effective than others, and (c) the synergies resulting from their interaction positively influence marketing's strategic outcomes. We raise several propositions for future confirmatory analysis, and discuss the implications of our findings for practitioners.

Our findings emerge from an exploratory field study of marketing implementation processes we conducted in small and midsized industrial organizations. We studied marketing implementation because despite the growing evidence from scholarly and practitioner literature that it poses a greater challenge than planning, it remains

woefully under-researched (see Walker and Ruekert 1987). The study was exploratory because marketing implementation research, despite valuable contributions from several scholars was still in its infancy (see Bonoma 1985, Cespedes 1995, Varadarajan 1986). Although considerable thinking about implementation had occurred in other academic disciplines (e.g., Galbraith and Kazanjian 1986), a similar *research tradition* did not exist in marketing (see Laudan 1977). For instance, an ontology specifically relevant to *marketing* implementation theories was difficult to trace, and a philosophical methodology for theory building was hard to determine from current writings. Therefore, a study aiming to test theory derived propositions and develop externally valid findings appeared premature. On the other hand, an exploratory approach, more focused on generating internally valid propositions for future testing appeared more appropriate.

Our interest in smaller industrial firms stemmed from the observation that they currently account for nearly half of the country's industrial employment and industrial value added production, and contribute to roughly half of all the exports of manufactured goods (Port *et al.* 1992). Despite their importance, their concerns rarely receive much attention from the scholarly marketing literature. A fresh focus on their marketing concerns promised useful insights for a large number of smaller, innovative organizations that created a bulk of the industrial employment in the last decade even as larger firms right-sized, re-engineered, and cut payroll (Light 1993; Mandel 1993).

Next, we describe the conceptual background of our study, and our method. We discuss how we initially focused on marketing strategy implementation processes and found them inextricably linked with planning. We also highlight *how* we came to focus on the market planning-implementation interface, briefly discuss relevant literature, and describe our pilot and main study.

CONCEPTUAL BACKGROUND AND METHOD

Our field study of marketing strategy implementation processes was conducted in two phases. At the outset, due to the relatively under-developed nature of marketing implementation research, *many* questions appeared worthy of additional scrutiny. Our literature review indicated that a pilot study could shed light on critical marketing implementation issues that managers directly involved in the process viewed as relevant to their day-to-day lives, and help define a sharper focus for a larger scale study. Therefore, we depth-interviewed managers responsible for

marketing implementation from ten smaller industrial organizations (one manager per firm). We asked them to describe the content of their market plans, and their implementation related actions, interactions with others, and learning. The pilot resulted in a set of research questions that: (a) managers viewed as important and directly relevant to their day-to-day marketing practice, (b) the literature had largely ignored, and (c) helped develop an interview protocol to guide depth-interviews during the second phase of the study.

A *key* issue managers raised during the pilot was the close, interactive relationship between planning and implementation processes, and planners and implementors. *All* managers noted that these relationships were complex and impacted eventual marketing effectiveness. Moreover, several managers clearly noted that planning and implementation were so closely linked that they could be viewed as one integrative process, instead of two separate processes. What was unclear after the pilot, however, was *why* very little was written about the interface in the marketing literature.

The Literature

Although we examined the literature closely, we could not identify any specific argument for or against the study of the market planning-implementation interface. The pattern of thinking in the organizational strategy and marketing literature, on the other hand, provided several clues about *why* this interface was understudied. We found, for instance, since Chandler's (1962) treatise on strategy and structure, and the stream of research that followed, strategic planning research was largely separated from strategy implementation research (see Galbraith and Kazanjian 1986; Hofer and Schendel 1978; Lawrence and Lorsch 1967). Current marketing literature reflects this assumption of conceptual separateness as well.

Although normative and prescriptive models for strategic market planning exist, they largely exclude discussion of implementation related issues (e.g., Day and Wensley 1988; Day and Fahey 1990; Sheth and Frazier 1983). Similarly, although the developments in marketing strategy implementation research are meager, they remain unconnected from the market planning literature (e.g., Bonoma 1985; Hardy 1991, see Varadarajan 1986 for a notable exception). *Most* strategic planning, implementation, and control models of marketing (i.e., PIC models) show the two processes as separate, temporally successive, and linked by feedback mechanisms (see Kotler 1994; p.63). While this portrayal correctly suggests that market planning, implementation, and control refer to different conceptual domains, it prompts

an erroneous inference that: (a) market planning and implementation are separate processes, (b) planning mostly occurs before implementation, and (c) their relationship is unidirectional, and mediated by control mechanisms. This problem is exacerbated when leading marketing texts devote a tail end, appendix type chapter to implementation, if at all (see Jain 1993; Kotler 1994). The skewed concern for the *content* of marketing plans and the relative neglect of implementation results in the low degree of interest in the interface between the two processes.

The literature's dominant assumption that strategy development is rational, and based on full information and rational evaluation also contributes to this neglect (see Pettigrew 1985 for further critique). In this way of thinking, the idea that planning *leads* to implementation is strongly held, and by its very nature prevents the focus on their likely *interaction*. Therefore, the literature review provides several ideas about why, despite its perceived importance by managers, empirical evidence about the interface has failed to emerge. In current ways of thinking, market planning and implementation are viewed as temporally successive, conceptually separate rational processes, effectively precluding the concern for *how* they interact, or *how* their interaction might impact strategic marketing outcomes.

On the other hand, implementation research in several disciplines including education (Berman and McLaughlin 1975), and technological process innovations (Leonard-Barton 1988) strongly substantiate our pilot based view that planning and implementation are related, and that the *product* of their interactions impacts strategic outcomes. For instance, Berman and McLaughlin (1975) report that plans and implementation processes interact, *mutate*, and positively impact outcomes. Despite the marketing literature's neglect of this crucial interface, therefore, additional scrutiny promised fresh insights into key issues that concerned managers. Hence, among the many issues we explored in the second, more narrowly focused phase of our study, was the relationship between planning and implementation, and planners and implementors.

Main Study

The second phase of the study involved depth-interviews with forty managers pre-qualified as responsible for their business unit's marketing implementation. In light of time and resource constraints, we chose in favor of breadth (40 firms, one manager per firm) over multiple managers from fewer firms, and in favor of a cross-section rather than a longitudinal design. We used a convenience sample of a variety of small and midsized industrial firms (classified

under the SIC groups 34, 35 and 36), since we aimed to develop propositions for future testing and not generalizable findings. The interview protocol that emerged from the pilot was used to guide the interviews. The findings we report in this paper relate to the following questions on the interview protocol¹:

- *How are marketing plans developed around here? Is there some kind of process?*
- *What is the relationship between those mostly involved in developing the marketing plan and those mostly involved in implementing it?*
- *Is there a relationship between planning marketing strategies and implementation?*
- *Did you meet your targeted goals for that period? What contributed the most to those outcomes?*

Although these questions guided the interviews, probing questions seeking additional information and clarification were asked in conjunction with all questions and to all managers. The interviews lasting 60-90 minutes were tape-recorded and transcribed. Data collection was terminated after 40 completed interviews because several indicators of data saturation began to emerge. For instance, we found that new data was reinforcing themes we had already identified, without adding substantively to the breadth of findings. Participating firms employed between 45 and 650 people, and managers experiences ranged from one to forty years. Fifty-five percent had spent more than ten years implementing marketing plans (see Tables I and II for additional details on the sample).

Each interview transcript, ranging between 20 and 30 double spaced, single sided sheets was content analyzed based on the recommendations of Bogdan and Biklen (1982), Taylor and Bogdan (1984), and Miles and Huberman (1984). First the data were coded to identify the major similarities and differences in the managerial responses to each question. The major themes in the responses to a particular question were developed and supported with actual managerial quotes. In a second iteration, an attempt was made to develop integrated insights into the planning-implementation interface *across* all questions in the interviews. Similar to the previous iterations, each theme across the questions in the interview was supported with actual managerial quotes. Several types of strategic market planning-implementation interfaces, and the tactics employed to manage them were identified in the data.

To reduce some of the problems associated with internal validity that confront qualitative research, an additional researcher was hired for independent content analysis and instrument triangulation.² All interview transcripts with the identities of respondents concealed were made available to the analyst. Five meetings were held with the external researcher and the independently derived findings

were compared and contrasted. There was a near consensus in terms of the identified themes, although a few differences in the terminologies and labels applied to themes were apparent. We next discuss our findings relevant to the central purpose of this paper, i.e., the strategic market planning-implementation interface.

TABLE I
TYPES OF MANUFACTURING FIRMS IN THE SAMPLE

<i>Type of Firm</i>	<i>Number</i>	<i>Percent</i>
Computer and Electronic Equipment	16	40.0
Industrial Machines (e.g., pumps, imaging equipment etc.)	11	27.5
Precision Tool and Dye	07	17.5
Cable Television Equipment	03	07.5
Other	03	07.5

TABLE II
JOB TITLES OF PARTICIPATING MANAGERS

<i>Title/Designation</i>	<i>Number</i>	<i>Title/Designation</i>	<i>Number</i>
V.P Sales and Marketing	10	Director, Sales and Marketing	03
Sales Manager	07	Director, Marketing	02
Marketing Manager	06	President	01
Owner (Chief Stockholder)	05	General Manager	01
V.P., General Manager	04	Manager, Administrative Services	01

FINDINGS

Reinforcing our pilot based view, managers indicate that their market planning and implementation processes are closely related. As part of the day-to-day marketing activities, managers note that improvisations occur in nearly *all* elements of their marketing plans (including objectives, targeted customers, and the marketing mix), and in their implementation actions (including the marketing programs and action routines related to contacting, persuading, and generating sales from customers, and gaining cooperation and commitments from market intermediaries). We also find the market planning-implementation interface in smaller industrial organizations *highly* responsive to market changes and to changes in each other. For instance, managers note that: (a) plans are continually improvised to fit day-to-day market changes, (b) implementation actions are continually adapted to fit with changing market plans, and (c) the market's response to the firm's product offering triggers further changes in plans, and subsequent changes in the implementation as well.

Managers' responses suggest that the improvisations are *emergent* since most all adaptations occur in *real time*, and rarely predetermined (e.g., Mintzberg and Waters 1985). Additionally, each improvisation is incremental, and occurs in response to a contingency of an immediate nature. Instead of resembling a logically connected series of events scripted by a long term plan, marketing implementation is described as an *ad hoc*, unpredictable process. Analogous to Quinn's (1978) notion of logical incrementalism, managers note that radical alterations in plans or implementation actions that represent a fundamental shift in the pattern of resource deployment are rare. Over half the managers (55%) recount that the continual, incremental improvisations in all elements of their market plans and implementation actions helped achieve or exceed their marketing objectives in the most recently ended planning year.

Our findings differ from current views in the literature in several respects. First, in sharp contrast with current literature's view, we find that market planning does not end when implementation begins, and static, pre-determined strategies do not guide implementation actions throughout the year. Planning and implementation processes occur concurrently, and no clear temporal precedence or conceptual boundaries can be identified in the data. Second, contrasting with the marketing literature's assumption of implementation certainty, managers note that the process is fraught with *uncertainty*, and that few milestones and outcomes are reached as and when originally intended. Third, our findings provide contrary evidence to the assumption of rationality that

pervades much of the current thinking about marketing strategy. Market plans and implementation actions are modified not as much from rational analysis of alternatives, as they are from managers' subjective interpretations of their day-to-day situation and *gut feel*. Managers also hold a broader view of marketing implementation success than current views in the marketing literature suggest (see Bonoma 1989 for a notable exception). They recount *both* marketing goals such as sales, revenues, and profits as well as psychosocial objectives such as ensuring employee and customer satisfaction, job security and a sound working environment as valued outcomes of *marketing implementation*. We summarize the major points at which our findings depart from current notions in the literature in Table III.

Factors Affecting the Market Planning-Implementation Interface

We find that two interrelated factors contribute to the responsiveness, i.e., the mutually adaptive, reciprocal improvisations that occur in plans and implementation actions, *during* the process of deployment. First, the responsiveness results from the unrealistic assumptions about the firm, the market, customers, competitors, and the environment that shape marketing plans. Managers note that the premises on which plans are developed often fail to reflect in-depth insights about actual market conditions. Particularly in the instances where planners are isolated from implementors, plans can reflect the former's unsubstantiated views of the market instead of the insights of people operating closest to customers and market intermediaries. Additionally, in such instances, the implementors report that planners often over-estimate the firms' deployable resources and capabilities, and under-estimate competitors' reactions and the time and effort it takes to accomplish objectives. When plans confront the reality of the market, the implementors in our sample note, multiple adaptations in plans as well as implementation actions become essential. A manager from an electronic component manufacturing unit, describing the need for flexibility in the planning-implementation interface due to environmental changes, notes:

You know, plans as written, if they always worked out the way they are written, they would get boring. I think both the planners and the implementors need to be flexible because the planners are trying to write where it is the company wants to go and what markets it wants to participate in, while the implementors are going to go out there

and find out whether or not those plans are realistic, and companies that are successful are those that can allow the plan to grow, and be flexible, and to change with the feedback from the marketplace, or from the people that are out there in the field.

Second, managers suggest that the complex combination of changes in customer preferences, competitive actions, and technology create significant differences between the perceived environment that functioned as a basis for planning, and the environment encountered during implementation. Managers describe day-to-day market

Table III
The Planning and Implementation Interface: Literature versus Findings

The literature frequently depicts market planning and implementation as if:

In the context of smaller industrial firms, the study on the other hand finds that::

Market planning and implementation are independent, sequential processes. Market plans lead to market implementation.

Market planning and implementation are *highly* related. Their relationship is characterized by responsiveness.

Market planning is a rational process, based on full market information and deliberate evaluation of alternatives.

Market plans are often not much more than a set of sales goals, and a rough notion about action steps. Strategies are *emergent* and the nature of the market planning-implementation interface, and *how* it is managed, significantly impacts market outcomes.

Formal marketing strategies hold clear, well defined, actionable implications for implementation directed actions.

Formal market planning is not universally conducted. Clear and direct implications for implementation actions are largely absent.

Future strategic gains in marketing are likely from improvements in implementation instead of improved strategy content (e.g., Bonoma 1985)

The relationship between market planning and implementation processes is complex, and isolating their impact on marketing outcomes is speculative at best.

Effective plans lead to effective market implementation.

Marketing implementation effectiveness is a result of (a) the interactions between planners and implementors, (b) the responsiveness in planning and implementation, (c) direct managerial actions.

Market effectiveness is indicated by sales revenues, market share, customer satisfaction, and other market indicators.

Marketing effectiveness is indicated *both* by market factors and psychosocial outcomes such as employee satisfaction, job security, and creation of a good working environment.

changes as an inescapable fact, and continual adaptations and improvisations in plans and implementation actions as the inevitable dynamics of modern marketing. They commonly indicate that plans and implementation actions are improvised to fit the organization and its limited means in a market with an unlimited potential for change.

The data show a clear, direct relationship between the extent of responsiveness in the planning-implementation interface and the rate of environmental change. Firms operating in markets with relatively stable and predictable customer needs, low competition, and slow technological changes demonstrate a relatively stable interface. Conversely, firms operating in markets characterized by highly demanding customers, intense competition, and rapid technological changes demonstrate a highly active interface. We find three major tactics employed to manage the planning-implementation interface in the data (see Table IV).

Responsiveness via Communications. In fourteen firms (35%), although a relationship between planning and implementation is reported, the owners, superiors, and the main office conduct most of the former, whereas employees, subordinates, regional offices, and sales personnel conduct most of the latter. Managers foster

responsiveness by relying on communications between planners and implementors. Emphasizing the role of communications, a manager notes:

Planning and implementation are connected obviously through (a) high level of redundant, redundant, redundant communication.

Even in the instances where formal strategic market planning is negligible, managers highlight the importance of communications between planners and implementors to ensure that the latest market information reaches the former. A manager explaining the importance of a dynamic relationship between planning-implementation, and noting that it occurs when market and customer needs are well communicated to the planners, and when the firm's marketing agenda is well communicated with the implementors, states:

The key thing to almost any business is just pure communications. If you are communicating well, then the knowledge is flowing back and forth from the field into the planning, back out from planning into the field. So, the key thing is really communications.

Table IV
The Planning-Implementation Interface

<i>Composition of Planners and Implementors</i>	<i>Styles in Managing the Responsiveness</i>	<i>Cited by</i>	<i>Proportion</i>
Some planners and implementors are different persons. Mid to low level interaction reported.	Emphasis on clear directives and communications between planners and implementors.	14	35
Some planners and implementors are different persons. A high level of interaction reported.	Emphasis on joint development of plans. High level of involvement reported.	11	27.5
Planners and implementors are mostly the same persons.	Fusion of function	15	27.5
	TOTAL	40	100

Responsiveness via Involvement. In eleven instances (27.5%), responsiveness is fostered by a high degree of involvement between planners and implementors. Managers are interested in integrating diverse views, frames of references, and capabilities into coherent strategies that enjoy organization wide ownership. Managers report that implementors often possess better understanding of customer needs and market potential, whereas planners are more aware of the firm's capabilities, constraints, and broader objectives. Highlighting the benefits in terms of improved market predictions and assumptions that can result from the involvement, a manager notes:

If you are doing a plan, you can predict only so many steps without jumping in. So if you are in charge of only planning, you are going to make assumptions along the way. If you had the implementor there, he can help you make correct assumptions so that the third, fourth and the fifth step in your plan is more likely to succeed and be more accurate. Because you correctly implement it or use some implementation experience up to that point instead of just planning experience.

The involvement in each others' functional domains offer a quick reality check and appears to improve the effectiveness of *both* functions. The implementors' understanding of market intermediaries and customers are utilized to establish realism in planning and relevance in the market. A manager explaining the key issues of involvement, states:

If you are purely theoretical and you are making this great plan, it probably won't work because you don't get anybody from the bottom half involved . . . You get them both (planners and implementors) involved in both levels and that way you have a better mix.

Similarly, describing the improvements in the implementors' perceptions of the strategy's feasibility that can result from a high degree of involvement, a manager recounts:

I think its the biggest failure of planning just to have one person do the plan and have somebody else try to

implement it. That doesn't work because its not their plan, there is no ownership for the plan, . . . the person (who) implements has to have ownership of the plan. You have to be involved . . . the worst kind of planner is the guy who sits in his office, writes plans and throws them over the transom and says, go implement them.

In sum, the involvement appears to: (a) ensure that strategies reflect the implementors' notion of what is achievable in the market given time and resource constraints, (b) foster flexibility and realism in the planning-implementation process, and (c) promote organizational commitment toward achieving marketing objectives.

Responsiveness via Fusion of Function. Fifteen managers (37.5%), foster a high degree of responsiveness in the planning-implementation interface by fusing the two seemingly discrete functions. In these firms, people chiefly responsible for market planning are also responsible for the implementation. The flexibility in planning and implementation directed actions that this affords is cited as the key advantage of fusion:

Maybe its hard for me to separate the two (planning and implementation functions) because I move quickly back and forth between them. When you're in the implementing mode, I think you have to know how to come back to the plan and change the plan. If all of a sudden in the practical world of implementation the plan just ain't working anymore, it is one thing to be persistent and I consider myself a very persistent person. It's crazy to be persistent if the world has changed.

Managers' internalized learning and experiences are better utilized when the two functions are decentralized and condensed into the realm of one unit's responsibility. The fusion fosters high degrees of sensitivity in the planning and implementation functions that other arrangements infrequently achieve. Describing the improvements in flexibility as a result of the fusion, a manager notes:

(Planners have to be implementors as well because) to do it any other way is to make . . . unreal objectives (and) unreal goals . . . If you have never done

something, you can never really appreciate the difficulties and the time required, the up's and down's, the adjusting that is required to implement successfully.

Managers also report significant reductions in the time it takes to respond to customers needs when planning and implementation functions are fused, since it severely restricts bureaucratic meetings and delays between people focused on different outcomes (i.e., planning and implementation). The fusion engenders high degrees of responsiveness necessary for actual accomplishment of marketing goals. A manager, noting the synergistic and living characteristics of fusion, elaborates:

I don't see a distinction between planners and implementors . . . We're all involved in thinking and strategies and planning and the execution and implementation . . . People who are the ultimate implementors are also the ones that are thinking about what needs to be done and creating the plan. It's kind of a living process.

THEORETICAL IMPLICATIONS AND PROPOSITIONS

We find very few real world examples of the rational, deterministic, unidirectional "customer/situation analysis → segmentation → targeting positioning → marketing mix → deployment → control," normative models of marketing in the firms we sampled. We also find the strategic market planning-implementation interface highly responsive. Concurring with Hambrick and Cannella's (1989) notion, we find that viewing the marketing planning and implementation as a singular, interactive process can contribute significantly to marketing's strategic success. We next discuss several implications of our findings that may interest scholars and practitioners, and develop propositions for future testing.

The Strategic Market Planning-Implementation Synergy

We find evidence that appears to contradict academia's collectively assumed notion of the boundary between the strategic market planning and implementation functions. In the experiences of managers from smaller industrial firms we studied, there is simply a lack of a distinct identity for marketing implementation as conceptually separate from planning, that academia often takes for

granted. Managers responsible for marketing implementation in the firms we sampled neither make such a distinction, nor isolate clearly their implementation activities from their general involvement in managing the marketing function.

The data suggest that while it may be relatively easy to identify whether or not intended marketing objectives are actually achieved in the market, isolating the cause of strategic market failure is more challenging. When, for instance, strategic objectives are achieved, it suggests that in all likelihood, the strategy was sound and implementation effective. Unaccomplished marketing objectives, loss of competitive position, and other negative outcomes of strategy implementation signal the presence of a weak strategy or an ineffective implementation, *or both*. Even though scholars note that marketing's strategic failure is more attributable to weaknesses in implementation rather than in planning (e.g., Bonoma 1985; Walker and Ruekert 1987), at the functional level of analysis, we find the two processes so inextricably linked that similar assertions are at best tenuous. The *real time*, emergent adaptations in marketing strategies as well as implementation actions, and the resulting synergies preclude the attribution of strategic failure to one or the other.

The importance of conceptualizing marketing strategy planning and implementation as a single, interactive process is a clear implication of our data. Reinforcing Hambrick and Cannella's (1989) view about the reasons for strategic failures, our data show that to ignore the planning-implementation interaction is to ignore the resulting synergies and its positive impact on marketing's strategic outcomes. Hence, we propose:

P1: The impact of the interactive effect of planning and implementation processes on marketing's strategic success is greater than their isolated impact.³

The Interface and the Environment

Environmental uncertainty appears to strongly influence the responsiveness in the interface. For instance, we find that accomplishing marketing objectives in rapidly changing markets requires higher levels of responsiveness between planning and implementation. Managers operating in relatively stable markets report that they accommodate the planning-implementation responsiveness by fairly simplistic steps such as rescheduling orders creatively within the production department to prevent bottlenecks. Others more

challenged by changing customer needs and aggressive competitors report that they improvise their market plans and implementation actions on a *day-to-day* basis.

Interestingly, no manager reports dissatisfaction with their chosen style of managing the interface and describe it as appropriate for their particular circumstance. The *communicators*, and their emphasis on one-way communication, persuasion, and "selling" their market related agenda to implementors are observed in firms interested mostly in finding buyers for their existing products. While markets are described as competitive, the technology is often mature, and customer needs stable and predictable. Customers are described as being aware of their needs and focused on gaining the best deals in the market to solve their own production problems. Managers appear to *know* what customers want, and are focused on gaining acquiescence from within the organization to implement this vision.

The *involvers*, with their emphasis on a somewhat interactive communications and joint determination of marketing strategies and implementation agenda, appear to operate in environments with considerable change and volatility. The non-standardized customer needs and the flexible nature of the firm's products involves a higher degree of interaction between planners and implementors. Managers do not know precisely what customers want, and product specifications and other needs are often negotiated with buyers. Products, features, and other marketing mix elements are frequently modified to fit each customer's specific needs and preferences. Unexpected market contingencies, such as competitor activities and technological changes frequently trigger changes in strategies as well as implementation directed actions. Hence, the marketing strategies and implementation directed actions often are jointly determined.

Finally, the major difference between involvers and those that favor *fusion* is that the latter operate in intensely competitive high technology markets and most all marketing functions are performed by technically qualified people. In the latter instance, managers note that customer needs are frequently difficult to determine precisely, and the firm's market offering of cutting edge technology and applications tend to shape customer preferences and choice behaviors. Customers often appear unclear about their new technology/application needs, and the firm's market offering tends to shape and influence the demand patterns. A close working relationship between the firms and their leading customers, aimed at joint development of new products/technologies is often observed in the data. The technology marketing process

appears to require high degrees of adaptations in the market strategies and implementation actions. The propositions that emerge from this discussion are:

- P2:** The greater the responsiveness in the market planning-implementation interface, the greater the likelihood of marketing's strategic success (rate of environmental change remaining constant).
- P3:** The greater the extent of environmental change (due to changing customer preferences, technology, and competitive action), the higher the responsiveness in the market planning-implementation interface essential for marketing's strategic success.

Organizing for Implementation

One of the clearer implications of the study relate to issues of organizational design. Managers report that fostering high degrees of cooperation and integration between market planning and implementation processes is challenging because the organizations are designed for differentiation and division of labor. The divided, compartmentalized organization favors planners who want to plan, and implementors who want to implement, with minimal interaction. We also find that managers spend inordinate energies integrating multiple organizational skills, and the mind-sets and energies of planners and implementors to satisfy customers. This is burdensome because the internal focus on building cooperation deflects managers' attention from customers, competitors, and markets, i.e., the contingencies that presumably *ought* to concern them the most.

Organizations are clearly becoming more cross-functional (see Webster 1992; 1994), and much is written about interface management (see Gupta, Raj, and Wilemon 1986), and cross-functional teams to improve cross-functional integration (see Donnellon 1993). While these mechanisms and managers' personal initiatives are important, our findings question whether: (a) the internal focus on increasing the cooperation between planners and implementors is the best use of a marketing manager's time, and (b) retrofitted mechanisms can overcome the problems created by a fundamentally flawed architectural design and a compartmentalized organization. On the other hand, our findings suggest that achieving and sustaining high levels of responsiveness between market planners and implementors requires: (a) a fundamentally new way of thinking about organizational design, (b) the adoption of *collaboration* instead of *division of labor* as

the basis for designing organizations, and (c) fusion of the market planning and implementation functions into a cohesive unit's zone of responsibility. Elaborating on a preferred way of managing the market planning and implementation interface, a manager from an electronic equipment manufacturer notes:

The best case scenario? Everybody does everything . . . It is hard to work because of the friction of activities. There is so much slippage when I wear the planning hat and when I wear my implementation hat. In practice, I know that it is not as workable as it sounds . . . Time may not permit it, you may have to borrow somebody else's expertise, one way or the other, but it (planning and implementation) ought to be as closely linked as possible.

The advantages of structurally integrating the market planning and implementation functions, and assigning the implementors with the responsibility of planning are clearly apparent from our data. In view of this discussion, we propose:

P4: The greater the extent to which the strategic market planning-implementation functions are structurally integrated, the greater the likelihood of marketing's strategic success.

Managers' Role in Functional Level Marketing

A manager's ability to improvise and take adaptive action appears to differentiate effective from ineffective marketing implementation processes. Additionally, their ability to closely monitor the often subtle shifts in the market and customer preferences, coupled with their ability to foster corresponding changes in the strategies and implementation actions appear to make a critical difference in the firm's strategic success. A bulk of the scholarly literature has focused on the structural-functional issues of implementation (e.g., Galbraith and Kazanjian 1986), and relegated issues of functional level managerial actions to the practitioner literature (e.g., Tregoe and Tobia 1990). Our study highlights both the critical role managers play in making marketing strategies "happen" as well as the need for scholars to focus on some of the critical issues they face. Hence, we propose:

P5: The actions of managers operating closest to customers and market intermediaries affect strategic market's strategic success more

decisively than the marketing plan or organizational design.

IMPLICATIONS FOR MANAGERS

Managers may find our propositions, the theoretical implications of our findings, of interest because they emerge from managers experiences with day-to-day marketing issues. Here, we highlight the several implications of our findings that hold practical significance for managers responsible for planning and implementing marketing plans in smaller industrial organizations.

Co-location

Remote location of planners is cited as a principal reason for lack of realism and inflexibility in marketing plans. The spatial distance between planners and implementors also appears to increase the perceptual distance and adversely effects the latter's interest and motivation. Since functional level marketing implementation processes require high degrees of flexibility on a day-to-day basis, co-location of planners and implementors is clearly implicated. The closer physical proximity promises: (a) greater interaction between planners and implementors, (b) more realistic and flexible plans, and (c) improvements in implementors' level of interest and motivations.

It is important to note that the advantages of co-location extend beyond those that can result from increased communications between planners and implementors. For instance, effective communication between implementors and remotely located planners is possible even without co-location because of the rapid strides in information and computer technology. However, our findings favor co-location over other means of increasing interactions between planners and implementors because: (a) it builds rapport, increases participants' comfort levels, and the likelihood that clarifications and feedback are sought, (b) it fosters a shared understanding of each other's capabilities and constraints, (c) the shared understanding appears to endure because it emerges from informal exchanges and joint problems solving, and results in better decisions about planning *and* implementation, and (d) it allows firms to harness the synergies that result from the close, day-to-day interpersonal contact between a diverse group of market planners and implementors. On the other hand, to rely on communication between implementors and remotely located planners and is to rely on their ability to continually articulate and transmit their emerging experiences in ways that develop a shared understanding. Our data suggest that to expect this from implementors in

smaller industrial organizations struggling to meet customer need, reach sales objectives and raise revenues, is to expect too much. The co-location appears to create more opportunities for intense interaction and synergy that simple two-way communication between planners and implementors often fails to achieve.

Condensation of Functions

Compartmentalization of the organization into groups of people with similar interests and backgrounds, and division of labor as the fundamental basis for organizing may have outlived their usefulness in modern organizations. The data suggest, on the other hand, that redefining the organization to serve customers can offer a source of competitive advantage. Removal of artificial boundaries between market planners and implementors, and assigning people operating closest to the customers the responsibility of market planning and implementation clearly appears advantageous. The flexibility and synergies resulting from this level of decentralization are particularly useful when day-to-day market changes require high degrees of improvisations in plans and high levels of creativity in managers' implementation directed actions. The *fusion of function* promises better utilization of implementors' internalized knowledge and experiences in the market, and more realistic, responsive marketing plans. It also promises rapid improvements in the firm's ability to respond to changing customer needs.

Risk of Reactionary Marketing

A significant component of day-to-day market responsiveness in the sampled firms is more reactive than proactive. Half the managers in the study (n=20) cite *firefighting* as their principal marketing implementation related activity. For instances, price cuts are offered, product features adapted, new communication programs undertaken, trade shows attended, and large teams sent to customer sites to preempt competition at very short notice. Managers are continually addressing the concerns of customers and market intermediaries with creative solutions and spend inordinate amounts of time on the phone dealing with unexpected, unforeseen contingencies.

The data show that (a) flexibility in market planning and implementation is of critical importance because customer needs and market dynamics change continually and (b) high degree of flexibility is difficult to differentiate from firefighting. This *reactionary* mode of flexibility not only wastes resources, it also adversely impacts the firm's focus on the customer. While the flexibility engendered by decentralization, co-location, and fusion of function is

advantageous, a turbulent market place introduces high degrees of reactionism in the marketing strategy. In response to this dilemma, our findings suggest that some of the risks of reactionary marketing may be overcome when employees operating in the trenches, closest to customers: (a) develop a holistic, gestaltic understanding of the firm's market related goals, priorities and action plans, (b) participate in developing a cohesive, unifying organizational culture and a shared sense of values, and (c) this holistic understanding functions as the principal guide for the day-to-day decisions related to improving plans and implementation actions. Improvisations and the interactions between planning and implementation are clearly dysfunctional unless they represent a cohesive organizational effort and move the firm purposefully forward.

SUMMARY AND CONCLUSION

We conducted depth-interviews with managers directly involved in implementing their firm's market strategies from forty small and midsized industrial firms. The weaknesses in our study result from our choices about: (a) including *one* manager responsible for marketing implementation instead of examining multiple perspectives in a smaller number of firms, and (b) choosing a cross-section of forty firms for the main study instead of conducting longitudinal analysis. Additional perspectives, and longitudinal analysis undoubtedly will add new insights to our findings.

Our findings and propositions must be viewed in their appropriate perspective; i.e., the result of an exploratory study based on a convenience sample aiming to gain an in-depth understanding of the strategic market planning-implementation interface. Although our findings may raise several pertinent issues for other types of firms, our propositions relate mostly to a large, yet relatively neglected component of American industry, i.e., smaller industrial organizations. Further research is necessary, however, to improve our understanding of a neglected interface that may determine marketing's strategic success.

We find sufficient evidence in our data to develop propositions that deserve additional, confirmatory analysis using a larger, random sample of firms. We also find that the day-to-day reality of marketing implementation processes managers describe is meaningfully different from the one portrayed in the bulk of the literature. We also find an interactive, responsive interface between strategic market planning and implementation processes in this context. Our findings suggest the need to re-examine, and abandon in the context of smaller size

industrial firms, the conjectural boundaries between planning and implementation function. We also identify several approaches employed to manage the planning-implementation interface, and the environmental factors that appear to influence the choice of such approaches.

Empirical tests of our propositions offer a clear avenue for future research. Efforts to identify alternate ways of fostering responsiveness in the interface, and to assess their relationship with marketing's strategic success are also likely to shed light on this underdeveloped area of academic inquiry.

ENDNOTES

1. Other questions in the interview protocol related to managers interactions with their own teams and other functional groups, their implementation directed actions, and their learning.
2. The independent researcher had a Ph.D. in social sciences, and over 20 years experience in analyzing qualitative data for academic research in three major universities.
3. See Appendix 1 for operational definition of key concepts as implicated by our findings.

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APPENDIX 1 OPERATIONAL DEFINITION OF KEY CONCEPTS

- Concept:* Responsiveness in Planning (used interchangeably with adaptations in planning)
- Operational Definition:* The extent to which the content of the marketing plan, i.e., the sales and market objectives, positioning intents, product features and designs, prices, distribution arrangements and communications (advertising, sales promotions, publicity and personal selling) are **improvised during** implementation, in response to environmental change.
- Concept:* Responsiveness in Implementation (used interchangeably with adaptations in implementation)
- Operational Definition:* The extent to which the (a) the routines of contacting and interacting with customers are improvised, and (b) short term marketing programs aimed at contacting customers and generating sales and revenues are **improvised during** the process of deployment, in response to changing plans.
- Concepts:* Interactive effect OR Responsiveness in the market planning-implementation interface
- Operational Definition:* The product of the responsiveness in planning and responsiveness in implementation.
- Concept:* Marketing's strategic success
- Operational Definition:* Marketing's strategic success is measured in terms of the extent to which (a) marketing goals such sales, market share, revenues, profitability, and customer satisfaction are achieved, and (b) psychosocial goals such as employee satisfaction, job security, and creation of a good working environment are achieved.
- Concept:* Isolated impact of the market plan and implementation actions.
- Operational Definition:* Impact of the **Market plan:** the variability in the data related to market objectives, positioning, target markets, and marketing mix.
The impact of the **Implementation actions:** the variability in the data related to the routines of contacting and interacting with customers are improvised, and short term marketing programs aimed at contacting customers and generating sales and revenues.
- Concept:* Environmental Change
- Operational Definition:* The extent to which the manager perceives changes in (a) customer needs and preferences, (b) competitive activities, (c) technology, and (d) other economic/marketing forces *during* the process of implementation.
- Concept:* Emergent Plans

Operational Definition: Plans are emergent to the extent that its content (i.e., the sales and market objectives, positioning intents, product features and designs, prices, distribution arrangements and communications) are *not* determined in advance, and formulated in response to market changes *during* the process of implementation. Emergent plans are also responsive plans.

Concepts: Communication (*low structural integration*), Involvement (*mid-level structural integration*), and Fusion of Function (*high structural integration*).

Operational Definitions: The market planning-implementation interface is managed by:
Communications (*low structural integration*) when the planners and implementors *mostly* communicate with each other and tell each other to change plans and implementation actions in response to market and environmental changes.
Involvement (*mid-level structural integration*) when planners and implementors *for the most part* jointly determine the improvisations necessary in plans and implementation actions in response to market and environmental changes.
Fusion of Function (*high structural integration*) when *most* planners and implementors are the same persons or the same group.

Concept: Managerial actions

Operational Definition: The variability in the which sampled managers (based on self-perception, *and* on the perception of other participants), display *creativity, risk taking, innovation, perceptiveness, and initiative* in his/her actions.

Concept: Organizational design

Operational Definition: The variability in the pattern of work flows and processes, information and reward systems, administrative mechanisms, and structure.

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