



Salespeople are from Mars, Purchasers are from Venus: Matching Sales to Purchasing

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You must be lucky enough to meeting the right people who want to stick their neck out for you.

I cherish that luck.

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CHAPTER

1

INTRODUCTION

CHAPTER I: INTRODUCTION

There is no business without sales and no sales without customers. The bridge that spans business-to-business (b-to-b) selling and their customers is termed a buyer-seller relationship. The buyer-seller liaison is grounded on a relationship (Andersen and Narus 1990), episodes of interactions (Håkansson 1982), and an exchange of either products, services, information, money, or a social transaction (Ford et al. 2008). Furthermore, the intersection between buyers and sellers is embedded in the Buyer-Seller literature, which has a long history in two well-developed research domains: with the Marketing & Sales literature on the seller side of the buyer-seller dyad (e.g., Flint, Woodruff, and Gardial 1997), and in the Purchasing and Supply Management (PSM) literature (Emiliani 2010). Both domains are changing at a rapid pace due to several trends such as the changing nature of competition, an ongoing shift from products to services (Ostrom, Parasuraman, Bowen, Patrício, and Voss 2015), the internal dynamics in the customer's buying unit, and advances in technology that has made it easier for customers to access information. This has resulted in an increased scrutiny on best practices of salespeople to deal with such situations (Adamson and Dixon 2011).

The contemporary buyer-seller environment presents salespeople with the challenge of finding ways to overcome the current ineffectiveness of many previously effective sales approaches (e.g., Dixon and Toman 2012). The effectiveness of many sales approaches has been questioned based on the ongoing paradigm shift in the purchasing domain (Spina, Caniato, Luzzini, and Ronchi 2013). Purchasing based changes have had, and are expected to continue to have a tremendous influence on the buying process (Ostrom et al. 2015). Yet, the different roles in buyer-seller relationships are, in the Marketing and Sales domain, either studied from the buyer's perspective (e.g., Ravald & Grönroos 1996; Parasuraman 1997; Lapierre 2000; Ulaga and Eggert 2006) or from the seller's point of view (e.g., Simpson et al. 2001; Walter et

al. 2001; Möller and Törrönen 2003). Buying organizations, however, are gradually shifting power to the purchasing function (e.g., Cousins, Lawson, and Squire 2006). For sales practitioners and sales researchers, this ongoing shift demands a study in the evolution of the purchasing function in order to improve their sales approaches.

On the other hand, not all companies are in support of the incremental rise of the purchasing function. Research points out that many purchases are increasingly being outsourced (e.g., Huber 2010). At the same time, other functions are also gaining importance within their companies. Consider the growing importance of b-to-b marketers (e.g., Hutt and Speh 2012) who are rapidly taken over the pre-sales phases in response to the changing digital sourcing behavior at the purchasing side. On top of this, the operations function is vital for the success of a selling company, too. The ongoing shift from products to services, for instances, increases the pressure on this function. Thus, the changing business landscape requires the whole organization to be flexible and adapt to the changes happening. Alignment between internal functions has always been considered to be crucial, but is limited to silo mentalities and misalignment of Key Performance Indicators (KPIs). However, there is only a small body of research that examines the relationship between functions across organizations.

1. Why is it Important to Study the Purchasing Function for Sales Research?

One of the major progresses realized at the buying side is the rise of procurement. Purchasers increasingly have gained budget responsibility, reaching 50 to 90 percent of cost of goods sold, to the extent that purchasing is rapidly becoming a critical resource for the buying firm (Sheth, Sharma, and Iyer 2009). At the same time, procurement has progressed from being seen as an administrative cost center to become a strategic pillar for the organization (e.g., Töytäri and Rajala 2015). Part of this purchasing evolution involves top management's support to further reduce the buying company's maverick buying, which was defined by Angeles and

Nath (2007) as “the purchase of goods or services without using the firm’s formally defined processes and authorized vendors”. This suggests the end of traditional selling methods, such as ‘backdoor selling’, where the salesperson deliberately tries to avoid the purchasing function (Spekman and Carraway 2005). Purchasers are thus increasingly gaining support within their organization to the level that the future success of the sales function will depend heavily on the liaison with these “empowered purchasers” (Spina et al. 2013).

Another prominent change concerns “when” salespeople enter the purchasing process. For example, a recent Microsoft (2015) report places the salesperson’s entry into the buyer’s process even later, at 70% of the way through the process for complex products. Although the preciseness and generalizability of these numbers may be arguable, they indicate a sustained and substantial change of when purchasers involve salespeople in their decision process. Thus, when salespeople are consulted, it is of the utmost importance that the salesperson is prepared in relation to what the buyer already knows and what is expected from salespeople. The question is - how effective are salespeople at accomplishing this task when they enter the sales process, effectively, ‘late in the game.’ Yet, there is only a limited body of research available that details what these changes in the buying process entail for salespeople.

In an initial response by the sales side to regain control over the sales process, sales practitioners recently introduced the concept of insight selling (e.g., Shultz and Doerr 2014). This sales approach suggest salespeople to start educating and persuading the customer with fresh ideas and new knowledge. However, this stream of research is still very fragmented. One variation on insight selling is the Challenger Sale technique (Adamson, Dixon, and Toman 2012) and has recently gained attention by practitioners and sales researchers. The advantages of using this sales method are multiple, but an undifferentiated Challenger Sale approach holds consequences for selling companies.

First, the Challenger Sale approach suggests salespeople to bring a sales message with the purpose of disrupting the needs of the customer (Dixon and Adamson 2011). This requires the sales function to enter the customer's buying process in the specification phase, or as early as possible, which then has a tremendous impact on the sales cycle time of the selling organization.

Secondly, by amending the customer needs through a series of thought provoking insights, the salesperson can strongly influence the selection and decision criteria of the customer's buying process in such way that it becomes easier for the sales function to connect the unique competitive advantages of the selling firm with the latent customer needs. This way of selling is similar to SPIN selling (Rackham 1995). However, the Challenger Sale approach makes abstraction of the situation and problem type of questions by actually defining the customer's situation and current/future problems rather than probing the customer's needs. This would indicate that the salesperson needs to have a deep knowledge of the customer's situation and problems, as well as a clear understanding of the competitive position of the sales organization. When the salesperson oversees competitors that are better positioned to solve the freshly raised customer problem(s), it is likely that the more knowledgeable customer will select the competing supplier. The success of the Challenger Sale approach, thus, strongly depends on sales messaging that focuses on unique selling advantages that match the latent needs of the customer. Yet, there is little research reporting the specific customer needs in order to guide the sales function and sales managers in conveying insights adapted to the changing customer needs.

The above identified limitations to the use of the Challenger Sale approach are in line with Rapp et al. (2013) who raised possible issues related to the research methodology and generalizability of the results of the Challenger Sale. One observation is that the research methodology only samples salespeople, and thus only takes the supplier's point of view.

Despite calls to further examine the customer side of the buyer-seller relationship (Williams and Plouffe 2007), literature still lacks research that examines the effects of the evolution and practices of the purchasing function and how this is impacting the sales organization, the sales function, and consequently sales management.

Contemporary research suggests that the purchasing function has needs that are distinct from other members of the buying center, and sales strategies need to explicitly recognize the role of the purchasing function (Williams and Plouffe 2007). Moreover, the purchasing function cannot be seen as static in the selling process and this calls for selling organizations to reshape their sales approaches given the empowerment of procurement.

2. Research Gaps and Research Questions

The identification of the main research gap is built on three antecedent steps. First, research states that purchasing-based changes strongly influence the buying process (Ostrom et al. 2015). At the same time, there is a silo mentality in Buyer-Seller relationship research (e.g., Valtakoski 2015). Hunter and Perreault (2007) suggest that there is a strong expectation misalignment between purchasers and sellers. Despite calls for further examination of the customer side of the buyer-seller relationship (e.g., Williams and Plouffe 2008), and requests to better serve customer needs (e.g., Panagopoulos et al. 2011), there is, to the best of the author's knowledge, no body of research reporting on the specific purchaser's needs at the customer side to guide sales in the era of empowered B2B purchasers.

The research question of the first essay draws on the silo approach in Buyer-Seller literature research and the lack of cross-functional research (e.g., Valtakoski 2015). Hence, is there a disconnect between the purchasing and the Buyer-Seller literature? If yes, what are possible directions for future sales research?

The second essay builds on the need for salespeople to adapt their sales approaches in the era of empowered purchasers (e.g. Spina et al. 2013). The research questions in this article is: How can salespeople effectively create value for purchasers by transferring knowledge?

For the third essay, the research gap emerged after examining the extant sales strategies. These sales strategies are not always effective. For example, relationship selling (e.g. Dobsha and Mick 1998); Value Selling (e.g. Hinterhuber 2008); Key Account Selling (e.g., Pardo 1997); and Solution Selling (e.g., Johansson, Krishnamurthy, and Schliessberg 2003). There is no research indication how these sales strategies correspond to the purchasing needs on an organizational level of a purchasing firm. Hence the research question is twofold: First, how do buyers perceive sales strategies? Second research question: How should sales strategies be matched to the buyer's needs?

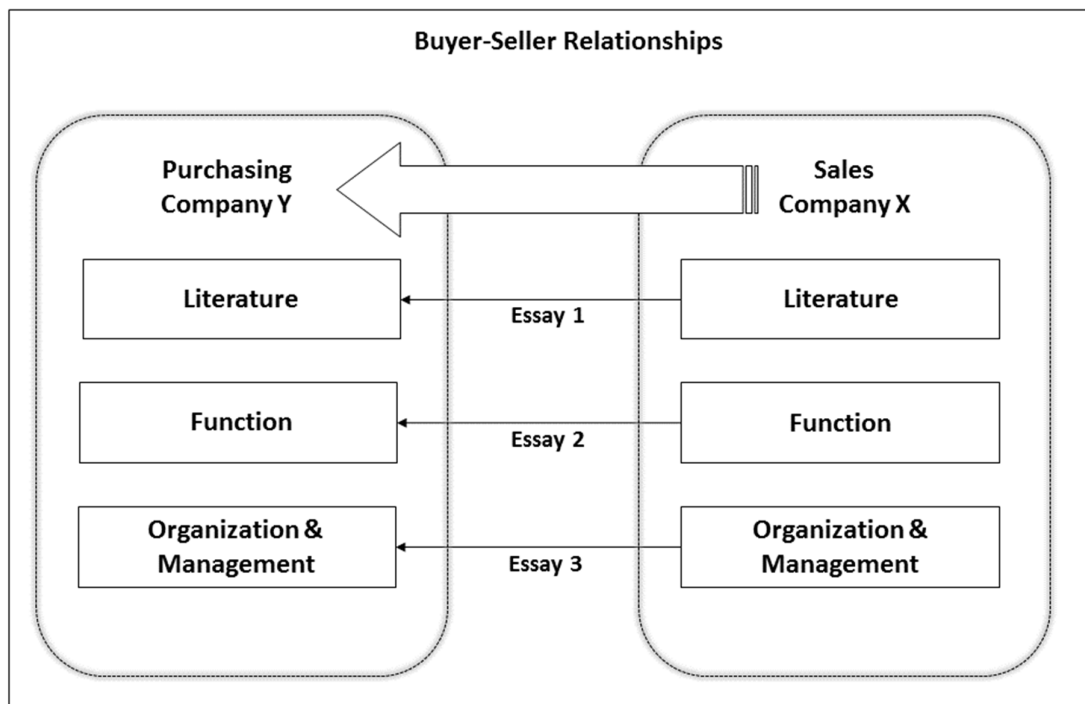
3. Red Thread

This doctoral thesis analyzes the domain of Buyer-Seller Relationships in B2B contexts, with an emphasis on Personal Selling and Sales Management. The objective of this dissertation is to obtain a better understanding of how changes in market conditions and advances in technology have empowered the B2B purchaser, thereby creating new challenges to the sales organization and sales function. This thesis consists of three research essays, each one structured around one of the above mentioned research questions. Figure 1 below illustrates a simplified representation of how these essays are connected to each other. In a nutshell, the three essays are written based on insights gained from the purchasing perspective, and have implications for salespersons. Moreover, they relate on three different levels. First, Essay 1 connects the sales literature with the purchasing literature and consists of a literature review of the current status of the purchasing and sales literature. Next, Essay 2 suggests the salespersons to address the purchasing function language and purchasing practices, thus relates to buyer-

seller relationships on the individual salesperson level. Finally, given the changes in purchasing on a departmental level, how should sales strategies be adapted? Hence, Essay 3 matches sales strategies to the evolution of purchasing needs on the organizational level and the unit of analysis is also the salesperson.

For Essay 2 and Essay 3, I followed a qualitative methodology because the purpose was to examine the attitudes of purchasers, and to extend the existing theory of value-based selling (Essay 2) and adaptive selling behavior (Essay 3) (Dubois and Gadde 2002). For these essays, the unit of analysis is the individual salesperson, but Essay 3 also has implications for the sales organization and sales management.

Figure 1: Dissertation Outline



4. Contributions of this Dissertation

4.1. Research Contributions

The main research pillar of this dissertation is relationship marketing in B2B (e.g., Snehota and Hakansson 1995). Moreover, the focus is put on Buyer-Seller relationships (e.g., Dwyer, Shurr, and Oh 1987) and contributions are made to the Buyer-Seller literature by stressing the need for sales researchers and sales executives to deepen their knowledge on the purchasing side.

Next, this doctoral thesis also adds to cross-functional relationship marketing (Weitz and Bradford 1999) because of the cross-functional methodology approach across the three essays.

The research contribution of the first essay is a presentation of a research grid for future sales research. This framework depicts avenues for future sales research that encompasses the important topics that are considered to be important for the Purchasing & Supply Management and the Buyer-Seller research domains from the PSM and Buyer-Seller research field that are embedded in the buyer-seller dyad.

Drawing on three identified areas of research that need further development in the Buyer-Seller literature in Essay 1, the second essay draws on three most important research topics at the sales side (Selling Process and Techniques; Buyer Behavior; and Sales/Marketing Strategy) combined with three under researched research topics from the PSM side (Innovation, Risk Management, and Knowledge Management).

The contribution of the second essay entails how the sales side should first understand specific purchaser's jargon, the strategic importance of their offer while looking through a purchaser's lens (Kraljic Purchasing Portfolio Matrix (Kraljic 1983; Van Weele 2005)), to then adapt the sales approach based on particular knowledge needs by the purchaser (Knowledge Management (Meso and Smith 2000)). This results in a selling approach that further advances the current versions of Value-based selling (Ulaga and Eggert 2006), and contributes to the

sphere of salespeople who succeed by a better presentation of the competitive advantages of the offer related to future benefits and risk reduction (Cost Benefit Analysis (Prest and Turvey 1965)).

The third essay contributes to the Buyer-Seller literature and presents how different levels of professionalism at the purchasing organization (Procurement Maturity (Reck and Long 1988)) influence the buyer's openness to extant sales strategies (Strategic Alignment Theory (e.g., Chorn 1991)). This research article points out that different evolution stages imply different purchasing needs. As a result, I present the most desired sales approaches based on the purchasing maturity level (Adaptive Selling Behavior (Spiro and Weitz 1990)) and, thus, enhance the sales efficiency of the sales function (Resource Allocation Theory (e.g. Zoltners & Sinha 1980)).

4.2. Managerial Contributions

The first essay of this dissertation is based on an extensive review of the Buyer-Seller literature and is a call to sales practitioners to pay more attention to the purchasing function and to develop sales strategies and sales approaches that cater to the customers' purchasing function. Furthermore, this research identifies directions for future sales research.

This study proposes a future research matrix grounded on the identified research articles that have implications for sales organizations, sales managers, and the sales function. Next, a review is conducted on the traditional and emerging/trending PSM research topics, to then study how much the current Buyer-Seller literature is corresponding with these identified PSM research topics. Lastly, buyer-seller researchers are surveyed on what they value as important research topics in the Buyer-Seller domain. Their ideas are then tested with the important, but scarcely addressed PSM research topics in a research gaps analysis. This final gap analysis provides a basis for avenues for future sales research, which is the main contribution of this essay.

Essay 2 deals with the role of the salesperson who creates value for the purchaser by managing corporate knowledge that addresses the purchasing function needs. These salespeople succeed by understanding the jargon of the purchaser, as well as understanding the criticality of the purchase for the purchaser by including the widely used Kraljic Purchasing Portfolio Matrix (Kraljic 1983). Specifically, this research indicates three key needs of empowered customers that influence the sales messaging of salespeople: Need for innovation, need for reducing risks, and need for reduced operating costs. This essay could be seen as an impetus for practitioners who want to further improve their value selling pitch by “translating” the purchasing jargon and by focusing on the purchaser’s perceptions of knowledge transferring salespeople. This essay suggests salespeople to adjust their sales messaging depending on how the purchaser classifies the importance of the seller’s offerings to their own situation. The sales function is also instructed on how they can increase the effectiveness of their insight selling approach grounded on a better understanding of the purchasing function language and needs. The result of well implementing these propositions that are grounded on the type of the purchase from a purchasers’ perspective, is to have better positioned sales messages through the use of commercial knowledge and by the help of influence tactics.

Finally, the third essay matches existing sales strategies according to the purchasing maturity of the customers. The maturity of the customer’s purchasing department is defined by Reck and Long (1977) in four gradual steps of professionalism. This research essay draws on these steps by first identifying the purchasing department’s maturity level, followed by an examination of what sales strategies are best suited to match the specific needs associated with the four levels of purchasing maturity. This essay presents a guidebook for sales managers on how they can better align their sales strategies to the progression of different levels of purchasing maturity.

ESSAY 1: AN AGENDA FOR INQUIRY FOR SALES

This essay was written in collaboration with Rangarajan, D. (Vlerick Business School);
Sharma, A. (University of Miami), Niladri, S. (University of Missouri).

CHAPTER II:

AN AGENDA FOR INQUIRY FOR SALES

1. Concise Summary of the Research

In this essay, I detail the level of connect between the Buyer-Seller literature and the purchasing function that is embedded in the Purchasing and Supply Management (PSM) literature. This connect is built on three phases of literature review to identify future avenues for future sales research.

The first literature review in this essay specifies that the Buyer-Seller literature is still overseeing the purchaser needs. In the next step, the disconnect between the Buyer-Seller literature and the PSM literature is presented in two stages. The first stage highlights that the Buyer-Seller domain is only responding to a few traditional and emerging PSM research topics. In the second stage, researchers from the buyer-seller field are surveyed on the important sales topics when examining the intersection of purchasing and personal selling & sales management. A research gap analysis is then used to test these responses with the available Buyer-Seller research on the body of PSM research. Based on the identified research gaps, this essay concludes that there is a serious disconnect between the two research domains and suggests these areas as directions for future sales research.

1. Introduction

'One Million b-to-b sales jobs will be eliminated by 2020' (Hoar 2015).

The above statement utters traditional salespeople to advance their old sales practices and line up with the digital changes that foster the buying situation at the customer's side.

In today's changing business world, Spina et al. (2013) argue that the future success of salespeople will depend on how the sales function interacts with the buying unit of a purchasing company. Interestingly, in the customers' Decision Making Unit (DMU), power is gradually shifting towards the purchasing function (e.g., Cousins, Lawson, and Squire 2006). In the advent of buyers' empowerment (Flint, Blocker, and Boutin 2011) and the increased strategic company focus on procurement (Rust, Moorman, and Dickson 2013), purchasing is rapidly becoming a critical resource for the buying firm (Sheth, Sharma, and Iyer 2009). Moreover, purchasing departments are evolving to become more strategic rather than transactional (e.g., Töytäri and Rajala 2015). As an example, a survey of CEOs from a broad range of industries, conducted by the Institute of Supply Management (Derry 2014) found that 85% of CEOs state that purchasing plays a key role in their company's strategy formulation; 80+% of CEOs reported that purchasing is critical in strategy execution; and, 58% felt that purchasing was a source of competitive advantage.

Looking through a sales lens at the buyer-seller relationship, Dixon and Adamson (2011) indicate that the sales function is invited remarkably late to the buying process. At the same time, selling firms are challenged by the dropping effectiveness of traditional selling strategies (e.g., Lichtenthal and Tellefsen 2001; Adamson and Dickson 2012), which pressures the selling company to rethink its current sales approaches to the rules of the empowered buyer. Today's situation in the selling field indicates a possible 'lost in translation' between both functions.

Regarding the possible mismatch between the purchasing and the sales side, this essay is structured around three stages of literature review, that flow together in a research framework with avenues for future sales research.

The first review consists of an in-depth examination of 329 coded research articles in the Buyer-Seller literature. This review highlights a number of gaps in the contemporary Buyer-Seller domain with a primary finding that sales researchers are not paying sufficient attention to the purchasing function needs.

In the second phase, the extensive Buyer-Seller literature is reviewed on the emerging topics in PSM literature. This review presents the disconnect between both literature streams from a PSM perspective. The PSM research topics that need further development in the Buyer-Seller research are presented in a research question matrix for sales researchers.

Thirdly, an overview is drawn on what marketing and sales researchers value as important research topics when studying the buyer-seller domain. Hence, a group of seventy-five b-to-b marketing and sales scholars were surveyed on the established research topics in b-2-b marketing (Williams and Plouffe 2007), and were asked to rate these topics related to future research on the intersection of buyer-seller relationships.

Finally, the results of the third phase are then used to connect with the important, but under-researched PSM research topics in the Buyer-Seller literature. Hence, this joining of literature streams serves as the basis for the final research framework with possible avenues for future sales research based on the importance for both fields and the extant research in the Buyer-Seller literature.

2. The Changing Purchasing Function – A Challenge for Buyer-Seller Relationships

Den Butter and Linse (2008) state that companies are increasingly studying the long-term advantages of empowering the procurement function. However, the function has not received

the attention it deserves because of the difficulty to estimate the long-term savings or advantages deriving from strategic decisions made by purchasers. Instead, it is still easier for top management to calculate the purchasing department's contribution by its short-term price or cost reductions. Secondly, the successes and achievements that are founded on a long-term procurement vision are typically shared with other functions within the company (Den Butter and Linse 2008).

Yet, procurement is increasingly receiving a higher strategic role within the buying company (Rust, Moorman, and Dickson 2012), as the purchasing function is evolving to become more strategic rather than transactional (e.g., Töytäri and Rajala 2015). Sheth, Sharma, and Iyer (2009) state that purchasing is rapidly becoming a critical resource for the buying firm, which has led to the empowerment of B2B purchasers (Flint, Blocker, and Boutin 2011).

As a result, the purchasing function is gradually climbing the four steps of the purchasing maturity ladder (Reck and Long 1988; Shiele 2007). Purchasing departments, thus, initially start with a strict price focus, to then take a cost focus, followed by a solution orientation, and finally the purchasing department adopts a strategic focus (Reck and Long 1987). The boost of internal support enforces companies to touch their next level of procurement maturity (Shiele 2007) and allows purchasers to take more control in the decision making process.

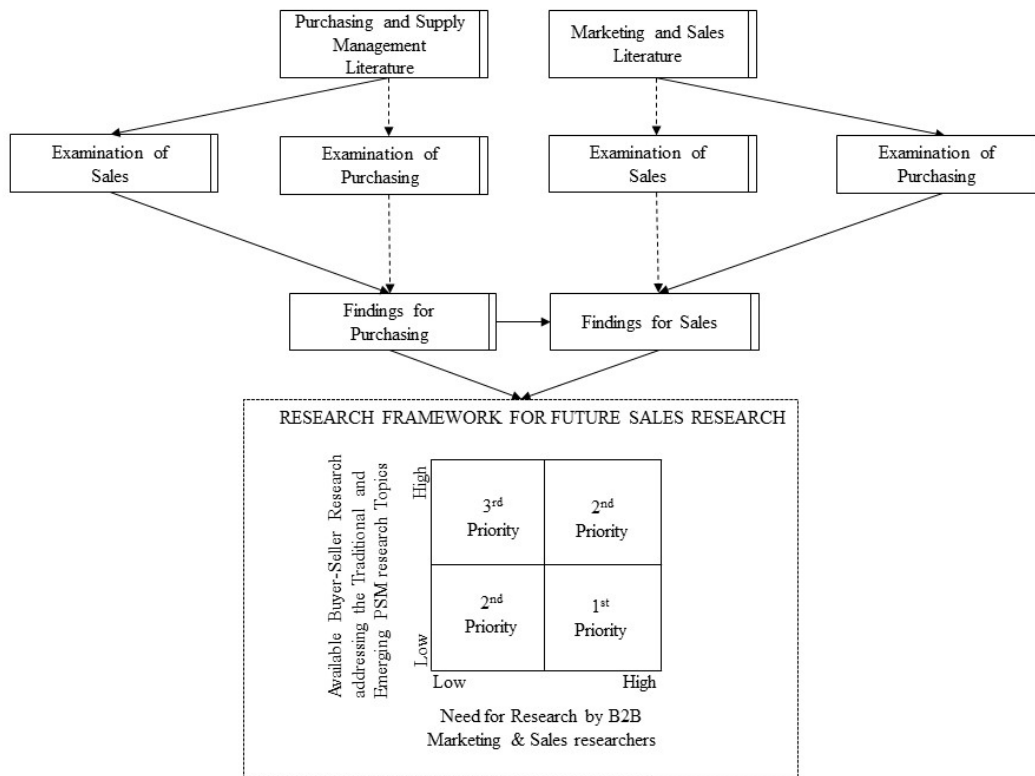
Despite the ongoing power shift towards the purchasing function (Cousins, Lawson, and Squire 2006), Buyer-Seller literature is still very sparse on the evolution of the purchasing function within DMUs of the customer. In the next section, this essay examines the cross-literature gaps between the two domains.

2.1. Cross-Literature Gaps

Regarding the possible mismatch between the PSM literature and the extant Buyer-Seller literature, the following sections review both streams of literature to identify possible directions for future sales research.

The initial review consists of an examination of the Buyer-Seller literature on the purchasing function and the purchasing function needs. Following this review, an overview of the implications of these sampled papers is drawn on three levels of the sales side of the buyer-seller equation: i) the sales organization, ii) sales management, iii) the sales function. Then, further review is conducted on the intersection of the PSM and the Buyer-Seller domains, but now from a purchasing perspective. Ensuing this review, the disconnect between the Buyer-Seller literature and the traditional/emerging PSM research topics is tested in a gap analysis of research topics. Furthermore, a survey identifies the research topics that are considered to be important for the Buyer-Seller domain and these are tested with the available research on the traditional and emerging PSM research topics. This analysis then leads to a set of prioritized directions for future buyer-seller research for sales researchers. Figure 2 below illustrates the way that the above described review approaches are connected to each other and how they lead to the prioritized directions for future sales research.

Figure 2: Research Framework for Future Sales Research



3. Methodology

In surveying the extant Buyer-Seller literature stream that was published in top tier journals between 1980 and 2017, we identified 329 research articles that are focusing on the following topics: Buyer-seller relationships; Buying behavior; Relationship marketing in b-to-b; Sales approaches; and Sales strategies. The distribution of these articles is classified per journal and the number of articles per journal is hereafter mentioned between brackets after the journal name. The journal list for this examination include the following Marketing and Sales journals: *Industrial Marketing Management* (109), *Journal of Business & Industrial Marketing* (54), *Marketing Science* (30), *Journal of Retailing* (25), *Journal of Marketing* (24), *International Journal of Research in Marketing* (12), *Journal of Personal Selling & Sales Management* (10), *Journal of Marketing Research* (9), *Journal of the Academy of Marketing Science* (8), *Journal*

of Consumer Research (4), *Marketing Letters* (5), *Journal of Applied Psychology* (2), *European Journal of Marketing* (0), and *Psychology and Marketing* (37).

4. Research in Buyer-Seller Literature on the Purchasing Function

This review of the Buyer-Seller literature on the purchasing function is based on 329 coded research articles that were published in fourteen key marketing and sales journals since 1980. Of this set of papers, 150 research articles were not considered for further review because they did not fit our research purpose, either because of their focus on consumer behavior (e.g., Chen and Yang 2007; Akcura, Gonul, and Petrova 2004); were dealing with methodology issues (e.g., Easton 2010; Erdem 1996); were totally not related to buyer-seller relationships (e.g., Ferguson 1996); or were invited commentaries (Daly and Nath 2005). Of the remaining 179 research articles, 139 papers are based on empirical/case study work, 38 are conceptual pieces, and two papers are conceptual but only include a minor empirical part (Gronroos and Helle 2012; Viio and Gronroos 2016). The coding of the research articles was done by one researcher and consist of seven coding variables, derived from the coding categories used by Williams and Plouffe (2007). These variables are Article type (conceptual or empirical); Data set; Data collection method; Sampled unit; Data analysis method; Key findings; and Implications for sales (sales organization, sales management, sales function).

The data collection methods of these 165 articles and the number of times that they were used is mentioned between brackets is described next. The data collection methods are: Survey research (51), questionnaire research (9), interviews (29), case study research (11), secondary data extracted from a company database (8), field experiments (1), literature reviews (10), simulation (1), mixed methods including a survey and interviews (24), and mixed methods including a survey and secondary data from a company database (3).

Seventy-one papers sampled different functions including the purchasing function as part of a mixed sample, and only twenty-one research articles of the total set of articles sampled the purchasing function as the focal group of attention. Moreover, in this review only twelve articles were identified that specifically address the purchasing function needs. The key findings are briefly outlined in the next paragraphs, and the implications for sales are presented in Table 1 at the end of this review section.

In the study by Hung and Lin (2013) 298 procurement professionals were surveyed on task and relationship conflicts to develop better communications between purchasers and salespeople. Ulaga and Eggert (2006) sampled senior purchasing managers in their qualitative study combined with a cross-sectional survey. Next, Plank and Ferrin (2002) collected survey data from 122 members of the National Association of Purchasing Managers and examined the concept of perceived value through a buyer's lens in decision making. Tellefsen (2002) used a questionnaire and sampled 113 purchasers to find that the individual purchaser's needs for certainty, efficiency, and intrafirm power dominate commitment over the buying firm's organizational needs.

On the other hand, Heide and Weiss (1995) surveyed organizational buyers who were purchasing computer workstation equipment and the authors highlight the individual experiences that effect the purchaser's consideration and switching behavior. In a survey of 840 organizational buyers, Wood, Johnson and James (2014) tested three sales approaches on relational outcomes, with the buyer's gender as a moderating variable and found that not all types of selling approaches are equally effective.

Akrouf et al. (2016) was added to this review because the researchers developed a new affective trust scale that has implications for both research and practice based on fifteen interviews with purchasing managers and a survey of 153 decision makers. As a result, key parameters in buyer-seller relationships can be identified by using this new scale. Likewise,

Bunn (1993) conducted eleven in-depth interviews with purchasing executives and developed a survey for members at the National Association of Purchasing Management. The results of this work lend support for particular buying decision approaches based on four situational traits: Purchase importance, task uncertainty, extensiveness of choice, and perceived buyer power. Similarly, in the paper by Guenzi, De Luca, and Spiro (2016) 134 b-to-b buyers were surveyed. Their results indicate that, based on the purchase importance for the customer, salespeople should choose their sales orientation and adaptive selling approach. As a final paper that addressed the purchasing function needs, Paesbrugghe et al. (2017) first interviewed thirty-four buyers to identify the different needs linked to the four levels of purchasing maturity, to then match existing sales strategies. Table 1 below presents an overview of this stream of literature.

Table 1: Research That Examined the Purchasing Function Needs to Make Implications for Sales

<i>Reference</i>	<i>Data set</i>	<i>Is only the purchasing function addressed/ sampled?</i>	<i>Implications for Sales Function</i>	<i>Implications for Sales Management</i>
<i>Akrou, Diallo, Akrou, and Chandon (2016)</i>	Interviews with 15 Purchasing managers + three surveys of 153 decision makers	No	Salesperson should collect information to assess the stage of the relationship before money is being used to target customers	Affective Trust Scale could be very useful to guide managers in taking the right decision by balancing the sentiment of security and affective attachment dimensions of affective trust
<i>Bunn (1993)</i>	Interviews with 11 purchasing executives + survey at National Association of Purchasing Management	Yes	A tool by which sales representatives can develop adaptive selling approaches based on a small set of buying situations and corresponding buying decision approaches	Yes, limited to sales interactions based on buying situations
<i>Geiger, Durand, Saab, Kleinaltenkamp, Baxter, and Lee (2012)</i>	Survey of Sales and purchasing managers	No	No	Sales managers are advised to permanently develop and execute activities that highlight and increase the relationship value for their customers.
<i>Guenzi, De Luca, and Spiro (2016)</i>	Survey of 134 b-to-b buyers, assuming they are purchasers	No	Salespeople willing to win customer trust should modify their approach across the relationship life cycle	No
<i>Heide and Weiss (1995)</i>	Interviews with organizational buyers	No	No	Salesforces of vendors that are enhancing cooperation between vendors must be compensated
<i>Hung and Lin (2013)</i>	Survey of 298 procurement professionals	Yes	When the interpersonal incompatibilities between a purchaser and a salesperson are high, salespersons should start the communication with the purchaser	Provide communication skills training in order to lowering the purchasers' perceived task conflict. This will improve the buyer–seller relationship.
<i>Hunter, Bunn, and Perreault (2006)</i>	Interview + Survey of 636 members of the Institute of	Yes	Salespeople who are able to share their analysis of	There might be an disproportionateness between purchase importance from the

<i>Reference</i>	<i>Data set</i>	<i>Is only the purchasing function addressed/ sampled?</i>	<i>Implications for Sales Function</i>	<i>Implications for Sales Management</i>
	Supply Management		information can easily draw the attention to the purchase	customer and cruciality from the seller's perspective.
<i>Paesbrugge, Rangarajan, Sharma, Syam, and Jha (2017)</i>	Interviews with 34 buyers	Yes	No	How to match sales strategies to the four levels of purchasing maturity
<i>Plank and Ferrin (2002)</i>	Survey of 122 respondents (members of National Association Of Purchasing Managers)	Yes	The sales approach should be based on the buyer's valuation priorities	No
<i>Tellefsen (2002)</i>	Survey of 113 purchasing managers	Yes	No	Salespeople should be trained and stimulated to use collaborative negotiating styles. This would help to moderate the information control problem, which would improve the purchasing manager's certainty
<i>Ulaga and Eggert (2006)</i>	Qualitative study and a cross-sectional survey among senior purchasing managers	Yes	Personal interactions that add value for the purchaser, create access to know-how, and decrease the time to market are contributing to secure a central supplier position	No
<i>Wood, Johnson, Boles, and Barksdale (2014)</i>	Survey of 840 organizational buyers	No	Not all types of selling approaches are equally effective when tested on relational outcomes	No

4.1. Implications for Sales

The literature review in the above section only yielded twelve research articles that are grounded on the purchasing function needs, including those papers that sample the purchasing function as part of a DMU, to make implications for sales organizations (3), sales management (8), and the sales function (6).

A notable observation, especially given the literature scope from 1980-2017, is that six out of twelve research papers were published between 2012-17. This lends support to the idea that the Buyer-Seller literature is only recently starting to focus on purchasing needs on the buyer side, before making implications for the seller side. These implications for the sales organization, sales management, and the sales function are outlined in the next three subheadings respectively.

4.1.1. Implications for Sales Organizations

In order to secure a key supplier position, Ulaga and Eggert (2006) propose that sales organizations should create value through personal interaction and service, access to know-how, and decreased time to market. Next, Heide and Weiss (1995) are concerned about the uncertainty of the changes happening in the technology landscape because it advances the sourcing efforts of buyers and limits the chances of switching between different vendors. Finally, although the implications made by Tellefsen (2002) are positioned towards the marketing function, the paper also makes implications for sales organizations. They state that the purchaser-supplier relationship will be stronger when the selling firm not only addresses the needs of the buying firm level, but also considers the individual purchasing manager level.

4.1.2. Implications for Sales Management

The sampled research papers in this review that have implications for sales managers are mainly characterized by improving the buyer-seller relationship. For example, Geiger et al.

(2012) suggest sales managers to constantly develop and implement actions that show and improve the relationship value for their customers. Likewise, Tellefsen (2002) guides sales managers in enhancing the interpersonal process during the purchaser-seller relationship with the purpose of addressing the purchasing manager's needs.

Furthermore, Bunn (1993) developed a tool that can be used to alter sales interactions based on different buying situations. On the other hand, two articles discuss a solution for sales managers on how to deal with the desired risk reduction at the purchasing side. First, the affective trust scale could be very useful to guide managers in taking the right decision by balancing the sentiment of security and affective attachment dimensions of affective trust (Akrouf et al. 2016). Similarly, Hung and Lin (2013) advise sales managers to offer communication skills training to their salespeople with the objective of decreasing the purchaser's perceived task conflict.

4.1.3. Implications for the Sales Function

In this section, the sampled Buyer-Seller research that has implications for the sales function mainly discusses sales approaches and communication strategies. As an example of guidance on sales approaches for the sales function, Bunn (1993) developed a tool by which sales representatives can develop adaptive selling approaches based on a small set of buying situations and corresponding buying decision approaches. In a similar vein, the sales approach should be based on the buyer's valuation priorities (Plank and Ferrin 2002). Akrouf et al. (2016) advise salespeople to first collect information to assess the relationship stage before spending money for targeting customers. Also, the salesperson should start communicating with the purchaser when the interpersonal incompatibilities between both are high (Hung and Lin 2013). Guenzi, De Luca, and Spiro (2016) suggest salespeople who are willing to win customer trust to modify their approach across the relationship life cycle. Wood et al. (2014) propose that not

all types of selling approaches are equally effective when they are tested on relational outcomes.

In short, the current Buyer-Seller literature that accounts for the purchasing function needs mainly examines sales approaches. Yet, Buyer-Seller research should have broader implications for sales and thus, should not be limited to success factors of sales approaches only. Future research should guide frontline salespeople to a growing understanding of the purchaser's buying process and how they should adopt the same language as the purchaser.

In the following section, a review of the PSM literature identifies the most important research topics in the purchasing field. This will then lead to a further examination of the disconnect between the Buyer-Seller literature and the PSM domain.

5. Research in Purchasing and Supply Management Literature on the Sales Function

The latest status of the purchasing domain is presented in this section to further elaborate on possible avenues for future Buyer-Seller research, as well as a basis to identify topics that should get more attention in the Buyer-Seller literature. In effect, the body of Buyer-Seller literature is tested with the traditional and emerging topics in the PSM literature. This review approach is similar to Wotruba (1996) who reviewed the trends in buyer-seller relationships, and subsequently made implications for the sales function.

5.1. Summary of Extant research on Trends in PSM

The review of the published research articles since 2008 in the *Journal of Supply Chain Management* and the *Journal of Purchasing and Supply Management* -two top tier journals of the PSM literature stream- yielded 200 research articles when searching for the keywords Sales, Selling, Supplier, and Seller.

Our research also included two comprehensive overviews of trends in the purchasing function and how this affected their relationships with their suppliers. First, Spina, Caniato, Luzzini,

and Ronchi (2013) analyzed more than thousand peer-reviewed articles in PSM literature (till 2010). Additionally, Esposito and Passaro (2013) find that the PSM literature is characterized by many disruptive changes in technology and market settings and highlight emerging topics for research in the PSM domain. An overview of the traditional (descending in importance) and emerging or trending PSM topics can be found in Table 2.

Table 2: Important Research Topics in PSM literature

Traditional Research Focus in Purchasing Literature (SP 2013)	Emerging or Trending Topics in Purchasing Literature
Partnerships; Cost; Outsourcing. Reverse marketing; E-purchasing; Innovation; Quality; Trust; Global-local Sourcing; and Risk Management.	Global-local Sourcing (SP 2013); Risk Management (SP 2013; EP 2013); Contract Management (SP 2013); Globalization (SP 2013; EP 2013); Partnership (SP 2013); Trust (SP 2013); Green and Sustainability Management (EP 2103); Ethics and Corporate Social Responsibility (EP 2103); Innovation (EP 2103); Knowledge and HR Management (EP 2103); and Disaster Management (EP 2103).

Legend: SP 2013 = Spina et al. 2013; EP 2013 = Esposito and Passaro 2013.

However, not all of these traditional and emerging topics in the PSM literature are addressed by today’s Buyer-Seller literature. The following extensive review of the Buyer-Seller literature indicates that there is extant work on only a selection of the traditional and emerging topics of the PSM literature.

6. Addressing Traditional and Emerging Topics in PSM Literature by Buyer-Seller Research

The author systematically coded the Buyer-Seller literature (329 articles mentioned earlier) on the topics in the PSM literature identified. Next, the coded Buyer-Seller articles are paired with the important PSM topics to test the connect or disconnect between both literature streams. The numbers between brackets after the following research topics signify how many papers from the buyer-seller field address the particular PSM topic. Of the eleven most traditional

topics in PSM literature (Spina et al. 2013), the following topics are most addressed in Buyer-Seller research: Partnerships (22), Trust (16), and Cost (15). On the other hand, literature is very sparse on the subjects Outsourcing (1), Reverse Marketing (2), E-Purchasing (3), and Quality (4). Also, literature is very scarce on the topics Innovation (8), Global-local Sourcing (7), and Risk Management (9). An overview of the available Buyer-Seller research on the traditional PSM research topics is depicted in Table 3.

Yet, Partnerships, Globalization, Global-local Sourcing, and Risk Management are, at the same time, the most emerging research topics in PSM literature. The other trending PSM topics that are hardly addressed by the Buyer-Seller literature are: Contract Management (4), Ethics and Corporate Social Responsibility (3), and Knowledge and HR Management (8). Despite that 'Green and Sustainability Management' and 'Disaster Management' are two of the most emerging topics in PSM literature, there is no Buyer-Seller research addressing these topics in the review sample. The other emerging topics, Globalization (12), Innovation (8) are only moderately addressed by the Buyer-Seller literature. The research topics Trust (16) and Partnerships (22) are gaining importance. An overview of how the extent Buyer-Seller literature already addressed the emerging PSM research topics is presented in Table 4.

Table 3: Traditional Topics in PSM literature Addressed by Buyer-Seller Literature: Number of Papers per Topic

Purchasing Topics	Number of Articles	Articles (References)
Partnerships	22	Comer and Zirger (1997); Eggert, Ulaga, and Hollmann (2009); Ganesan (1994); Hingley (2005); Huntley (2006); Lancaster and Lages (2006); Ono and Kubo (2009); Paesbrugghe et al. (2017); Schertzer, Schertzer, and Dwyer (2013); Spekman and Carraway (2006); Stremersch et al. (2003); Ulaga and Eggert (2006); van Riel et al. (2011); Wagner and Benoit (2015); Wang, Siu, and Barnes (2008); Wong, Tjosvold, and Yu (2005); Dearden, Gary, and Yoon (1999); Kim (1999); Kim (2003); Gassenheimer and Ramsey (1994); Tikoo (2002); Mentzer, Min, and Zacharia (2000).
Trust	16	Ganesan (1994); Garbarino and Johnson (1999); Grayson and Ambler (1999); Guenzi, De Luca, and Spiro (2016); Hawes, Strong, and Winick (1996); Morgan and Hunt (1994); Oakley and Bush (2016); Tax, Brown, and Chandrashekar (1998); Valtakoski (2015); Wang, Siu, and Barnes (2008); Yen and Barnes (2011); Coulter and Coulter (2003); Wang et al. (2008); Van Bruggen, Kacker, and Nieuwlaet (2005); Lusch, O'Brien, and Sindhav (2003); Gruen and Shah (2000).
Costs	15	Blut et al. (2016); Brown et al. (2012); Heide and Weiss (1995); Kahn and Raju (1991); Lancaster and Lages (2006); Luo and Donthu (2007); Paesbrugghe et al. (2017); Persson (2010); Pick and Eisend (2014); Rangan, Moriarty, and Swartz (1992); Simonson, Nowlis, and Lemon (1993); Streukens, van Hoesel, and Ruyter (2011); Weber (2000); Yu (2015); Myers, Daugherty, and Autry (2000).
Innovation	8	Brencic, Pfajfar, and Raskovic (2012); Chang, Cheng, and Wu (2012); Charterina, Basterretxea, and Landeta (2016); Deshpandé and Farley (2004); Kim and Srivastava (1998); McQuiston (1989); Prior (2012); Weiss and Heide (1993).
Risk Management	9	Brown et al. (2011); Brown et al. (2012); Claycomb and Frankwick (2010); Hewett, Money, and Sharma (2006); Jennings and Plank (1995); Tuli and Bharadwaj (2009); Valtakoski (2015); Walsh (1995); Wilson, McMurrian, and Woodside (2001).
Global-local sourcing	8	Dadzie, Johnston, and Pels (2008); Hewett, Money, and Sharma (2006); Samaha, Beck, and Palmatier (2014); Simonson, Nowlis, and Lemon (1993); Tsybina and Rebiazina (2013); Yen and Barnes (2011); Graça, Barry, and Doney (2016); Zhang and Zhang (2014).
Quality	5	Ferguson (1996); Roman and Martin (2008); Simonson, Nowlis, and Lemon (1993); Smith (1998); Tax, Brown, and Chandrashekar (1998).
E-purchasing	4	Borders, Johnston, and Rigdon (2001); Chakravarty, Kumar, and Grewal (2014); Lancaster and Lages (2006); Muylle and Standaert (2016).
Reverse marketing	2	Andersen (2005); Gupta, Melewar, and Bourlakis (2010).
Outsourcing	3	Stremersch et al. (2003); Ndubisi (2013); Ndubisi et al. (2016).

Table 4: Emerging Topics in PSM Literature Addressed by Buyer-Seller Literature Number of Papers per Topic

Topic	Number of Articles	References
Partnerships	22	Comer and Zirger (1997); Eggert, Ulaga, and Hollmann (2009); Ganesan (1994); Hingley (2005); Huntley (2006); Lancaster and Lages (2006); Ono and Kubo (2009); Paesbrugge et al. (2017); Schertzer, Schertzer, and Dwyer (2013); Spekman and Carraway (2006); Stremersch et al. (2003); Ulaga and Eggert (2006); van Riel et al. (2011); Wagner and Benoit (2015); Wang, Siu, and Barnes (2008); Wong, Tjosvold, and Yu (2005); Dearden, Gary, and Yoon (1999); Kim (1999); Kim (2003); Gassenheimer and Ramsey (1994); Tikoo (2002); Mentzer, Min, and Zacharia (2000).
Trust	16	Ganesan (1994); Garbarino and Johnson (1999); Grayson and Ambler (1999); Guenzi, De Luca, and Spiro (2016); Hawes, Strong, and Winick (1996); Morgan and Hunt (1994); Oakley and Bush (2016); Tax, Brown, and Chandrashekar (1998); Valtakoski (2015); Wang, Siu, and Barnes (2008); Yen and Barnes (2011); Coulter and Coulter (2003); Wang et al. (2008); Van Bruggen, Kacker, and Nieuwlaet (2005); Lusch, O'Brien, and Sindhav (2003); Gruen and Shah (2000).
Globalization	13	Behyan, Mohamad, and Omar (2015); Dadzie, Johnston, and Pels (2008); Djeflat (1998); Iyer, Sharma, and Evanschitzky (2006); Lai et al. (2015); Leach (2009); Madhavara, Badrinarayanan, and Granot (2011); Morris, Hansen, and Pitt (1995); Viswanathan, Rosa, and Ruth (2010); Yen and Barnes (2011); Graça, Barry, and Doney (2016); Sharma (2016); Zhang and Zhang (2014)
Risk Management	9	Brown et al. (2011); Brown et al. (2012); Claycomb and Frankwick (2010); Hewett, Money, and Sharma (2006); Jennings and Plank (1995); Tuli and Bharadwaj (2009); Valtakoski (2015); Walsh (1995); Wilson, McMurrian, and Woodside (2001).
Knowledge and HR Management	8	Hunter (2014); Lehtimäki, Simula, and Salo (2009); Geigenmüller and Mitrega (2012); Ulaga and Eggert (2006); Watkins and Hill (2009); Schrock et al. (2016); Coulter and Coulter (2003); Wang et al. (2008).
Global-Local Sourcing	7	Dadzie, Johnston, and Pels (2008); Hewett, Money, and Sharma (2006); Samaha, Beck, and Palmatier (2014); Simonson, Nowlis, and Lemon (1993); Tsybina and Rebiagina (2013); Yen and Barnes (2011); Graça, Barry, and Doney (2016).
Innovation	7	Brencic, Pfajfar, and Raskovic (2012); Chang, Cheng, and Wu (2012); Charterina, Basterretxea, and Landeta (2016); Kim and Srivastava (1998); McQuiston (1989); Prior (2012); Weiss and Heide (1993).
Contract Management	4	Ehret and Haase (2012); Mooi and Ghosh (2010); Seshadri and Mishra (2004); Wang, Bradford, and Weitz (2008).
Ethics and corporate social responsibility	3	Arnett, German, and Hunt (2003); Clarke, Flaherty, and Zugelder (2005); Fisher (2007).
Green and Sustainability Management	0	
Disaster management	0	

Hence, the above identified disconnect between the Buyer-Seller literature and the PSM domain, from a sales perspective, creates a basis for a first set of avenues for future sales research. Next, the traditional and/or trending PSM research topics that are currently scarcely addressed by today’s Buyer-Seller literature are linked to the sales organization (SO), sales management (SM), and the sales function (SF). This leads to a research questions matrix in Table 5 below and on the next page.

Table 5: Framework with Directions for Future Sales Research Based on Traditional and/or Trending Topics in PSM Literature

Traditional or Trending Purchasing Topic that are Poorly Addressed by Extant Literature	Personal Selling and Sales Management Research (Sales Organization as a sub topic of Sales Management)
<i>Global-Local Sourcing</i>	Sales Management; Sales Organization
<i>Risk Management</i>	Sales Organization
<i>Contract Management</i>	Sales Management
<i>Green and Sustainability Management</i>	Sales Organization
<i>Ethics and Social Responsibility</i>	Sales Organization; Personal Selling
<i>Knowledge (and HR) Management</i>	Sales Management; Sales Organization; Personal Selling
<i>Disaster Management</i>	Sales Organization
<i>Outsourcing</i>	Sales Organization
<i>Reverse Marketing</i>	Sales Organization
<i>E-Purchasing</i>	Sales Management
<i>Quality</i>	Sales Organization
<i>Innovation</i>	Sales Organization

Possible Directions for Future Sales Research
How is the [Research Topic] effecting the [SO/SM/SF]?
How is the [Research Topic] effecting the [SO/SM/SF] and consequently impacting [SM/SF; SO/SF; or SO/SM]? For example, we assume that E-purchasing has an impact on the sales organization. Consequently, how is this impacting the role of sales managers and frontline sales employees?
How is the [Research Topic] related to [other Research Topic(s)] and consequently impacting the [SO/SM/SF]? For example, Risk Management comes into play when sourcing globally for local markets. How is this impacting the Sales Organization, Sales Management, and or the Sales Function?
Are current sales practices at the [SO/SM/SF] level addressing purchasers' needs?
How can the [SO/SM/SF] further adapt to the purchasers' needs when the buying company is concerned about [Topic]?
What is the best suitable approach for the [SO/SM/SF] given the purchasing function is concerned about [Topic]

6.1. How can Buyer-Seller Literature address the PSM literature?

The analysis of the Buyer-Seller literature suggests that this stream of research still underestimates the vital role played by the purchasing function in buyer-seller relationships. Next, I identify directions for future research within the buyer-seller domain that are based on what both research domains of the buyer-seller equation regard as important to study. The previous sections first identified the research topics that are important in the PSM literature, followed by how the extent Buyer-Seller domain is addressing these topics. Next, I add what marketing and sales scholars consider to be important avenues for future research, to then blend both streams of literature in an all-encompassing framework for future sales research.

To identify what contemporary marketing and sales scholars regard as important research topics for the buyer-seller field, I first draw on research by Williams and Plouffe (2007) who

identified twenty important sales topics. Their categories and descriptions (Plouffe, Williams, and Wachner 2008), are detailed in Table 6 below and have been used widely in sales research (e.g., Geiger and Guenzi 2009). In the next section, a sample of marketing and sales scholars are surveyed on these research topics. We did not test the research topic General Selling and Sales because there is no specific coding category that can be assigned to the research topic (Plouffe, Williams, and Wachner 2008).

Table 6: Categorization of Sales Research Areas (Plouffe, Williams, and Wachner 2008)

<i>Topic</i>	<i>Description</i>
<i>Selling Process and Technique</i>	Individual-level approaches to improving the effectiveness of customer and prospect interactions and sales outcomes.
<i>Buyer Behavior</i>	Theories and models associated with the activities, emotions, and responses of prospects and customers.
<i>Sales/Marketing Strategy</i>	Higher-level sales management issues related to the firm's overall or marketing strategy.
<i>Technology/Sales Force Automation</i>	The impact and usage of new and emerging technologies and innovations by the sales force in the conduct of their day-to-day work.
<i>Measurement</i>	Work that advances the science and practice of conducting empirical research in sales.
<i>Intra-organizational Issues</i>	Factors and processes associated with how the salesperson manages his or her internal work environment and those within it.
<i>Sales Evaluation and Performance</i>	Research that endeavors to understand how to measure/assess the performance of salespeople.
<i>Training</i>	Strategies and techniques to ensure the sales force is prepared to serve its customers and prospects.
<i>Recruiting and Selection</i>	The process and characteristics by which salespeople are recruited and selected for the firm.
<i>Compensation</i>	Remuneration schemes and plans for rewarding the sales force.
<i>Supervision</i>	The direction, management, guidance, and mentoring of first-level salespeople.
<i>Forecasting</i>	Processes and techniques for predicting sales volume and trends in the future.
<i>Motivation</i>	Theories and practices designed to better understand salespeople's goal attainment, retention, and satisfaction.

<i>Topic</i>	<i>Description</i>
<i>Turnover and Retention</i>	The extent to which salespeople are retained, and factors that negatively/positively influence this outcome.
<i>Social, Legal, and Ethical Issues</i>	Assessment of how the sales function affects, or is affected by, social, legal, and ethical trends/issues.
<i>Sales Organization and Positions</i>	The deployment of sales personnel, organizational structure, and titles/job responsibilities of salespeople.
<i>Time and Territory</i>	Factors that influence and mechanisms by which the salesperson works his or her geographic Management territory or sales assignment (e.g., assigned industry).
<i>Quotas</i>	Raw amount and metrics associated with what the salesperson is expected to sell for his or her firm.
<i>Budgeting and Cost Analysis</i>	Planning and monitoring associated with the significant expenditures made on the sales force.
<i>General Selling and Sales</i>	Work that clearly pertained to the rubric of “sales and sales management,” but for which no Management clear-cut topical coding category could be assigned.

6.2. Prioritizing the Next Steps by Surveying Marketing and Sales Scholars

The purpose of surveying marketing and sales scholars was to deepen the understanding that arose from the review analyses in the above sections. Therefore, I created a list of 440 b-to-b marketing and sales scholars at two journals that both publish on buyer-seller relationships, and all members of an academic body (the Global Sales Science Institute) that focuses on sales research. These leading researchers in b-to-b marketing and sales were invited to participate in a survey where they were questioned on the importance of sales topics for future sales research in the context of buyer-seller relationships, derived from the Williams and Plouffe’s (2007) classification. The first wave of this survey yielded 51 valid responses. After one week, the sampled scholars received a reminder to participate in this survey or to complete the survey when they did not fill out the whole survey. This second wave resulted in an additional 24 respondents, thus yielding a total of 75 full responses. On a Likert scale from one to seven, the researchers were asked to score the importance of the identified topics by Williams and Plouffe (2007) when studying the buyer-seller domain, where 1 is not important and 7 is very important. An overview of the results is presented in Table 7 below.

Table 7: Top and Bottom Ranked Research Areas

<i>Rank</i>	<i>Williams and Plouffe (2007)</i>	<i>Average</i>	<i>Standard Deviation</i>
1	Selling Process and Technique	5.57	1.45
2	Buyer Behavior	5.56	1.4
3	Sales/Marketing Strategy	5.41	1.53
4	Technology/Sales Force Automation (SFA)	5.25	1.79
5	Sales Evaluation and Performance Measurement	5.23	1.59
6	Intra-Organizational Issues	5.16	1.47
...
17	Time and Territory	4.14	1.55
18	Quotas	4.08	1.75
19	Budgeting and Cost Analysis	3.89	1.64

The respondents in this sample express that the topics ‘Selling process and Technique’ (average score of 5.57; standard deviation: 1.45) and ‘Buyer Behavior’ (average score of 5.56, standard deviation: 1.40) should be considered as the two most important areas of future buyer-seller research. This is followed by the research topics ‘Sales/Marketing Strategy’ (average score of 5.41, standard deviation: 1.53) and ‘Technology/Sales Force Automation’ (average score of 5.25, standard deviation: 1.79). The lowest standard deviation of all Williams and Plouffe’s (2007) topics was noted for the research topic ‘Buyer Behavior’.

In Figure 3, the research topics that are considered to be valuable for future sales research (descending in ranked importance by sales researchers) are connected to the PSM topics that

are identified in Table 3 and in Table 4 as under-researched in the Buyer-Seller literature (descending in number of available research that addresses the particular PSM research topic in Buyer-Seller literature). Thus, the lines in Figure 3 that move from the upper left to the bottom right are representing the topics that are seen as important for the buyer-seller domain side and need further development in the Buyer-Seller domain.

As a result, these combinations of research topics should get first research priority in future buyer-seller research. The most important research topics at the sales side are Selling Process Technique; Buyer Behavior; Sales/Marketing Strategy; and Technology/Sales Force, whereas at the purchasing side there are thirteen PSM research topics that are insufficiently addressed in Buyer-Seller literature. These topics are: Risk Management; Knowledge and HR Management; Innovation; Global-Local Sourcing; Quality; Contract Management; E-Purchasing; Ethics & Corporate Social Responsibility; Reverse Marketing; Outsourcing; Green & Sustainability Management; Disaster Management.

The combination of the four most important research topics at the sales side and the thirteen insufficiently addressed PSM research topics in Buyer-Seller literature presents fifty-two possible avenues for future sales research.

For example, a possible future research endeavor could examine how sales processes and sales techniques should be adapted when the buyer is managing extreme risks, or contested by disaster management. A second exemplar route for future research that can be derived from this cross-literature gap analysis is how buyer-seller relationships are being impacted due to changing buyer behavior in the area of Green and Sustainability Management.

On the other hand, there is also a set of research topics that should get less attention by sales researchers when conducting future buyer-seller research. For example, the combination of research topics between 'Budgeting and Cost Analysis' and Partnerships, Trust, Cost, or

Globalization is not considered as important for the Buyer-Seller domain, while, at the same time, there is already a vast amount of research available on these topics.

Figure 3: Cross-Literature Research Topics Gaps

	Selling Process and Technique	Buyer Behavior	Sales/Marketing Strategy	Technology/SFA	Measurement
Risk Management					
Knowledge Management					
HR Management					
Innovation					
Global-Local Sourcing					
Quality					
Contract Management					
E-Purchasing					
Ethics and Corporate Social Responsibility					
Reverse Marketing					
Outsourcing					
Green and Sustainability Management					
Disaster Management					

6.4. Possible Research Questions

As mentioned above, the participants were also asked to share possible research questions on the research topics by Williams and Plouffe (2007) when they considered these topics as important for future buyer-seller research. A selection of the research questions and comments that were shared on the six most important research topics can be found in Appendix 1

7. Conclusion: The Road Ahead – Paving the Path for a Strengthened Purchaser-Seller Relationship

This essay looks at the effect of changes happening at the buyer side that impacts the sales function as one of the most overlooked areas of study in the Buying-Selling domain. Selling firms are challenged by the dropping effectiveness of traditional selling strategies (e.g., Lichtenthal and Tellefsen 2001; Dickson and Adamson 2011). The purchasing function is rapidly gaining strategic importance to the extent that the function is now starting to dominate the buying process (Cousins, Lawson, and Squire 2006).

This essay is built on three different parts of reviewing the Buyer-Seller and PSM literatures to examine how sales literature is progressing towards PSM literature and the purchasing function needs. The first review that urges sales researchers to implement the purchasing function needs into their future buyer-seller research, as well as sales practitioners strongly suggested to recognize and align their sales organization, sales management, and sales function with the needs of the purchasing function at the customer side. These two conclusions are grounded on an extensive review of 329 Buyer-Seller articles that are sampling the purchasing function. This review only yielded six articles, or two per cent of the sample, that address the purchasing function needs and subsequently makes implications for sales.

In the second phase of review, the important PSM research topics were reviewed in the Buyer-Seller domain. This phase first identified the research topics that are considered as

important in the PSM literature, but are still scarcely addressed by the Buyer-Seller research field. The extensive literature review was plotted in a confrontation matrix and denotes that the traditional PSM research topics Outsourcing; Reverse Marketing; E-Purchasing; Quality; Global-local Sourcing; and Risk Management have been scarcely addressed in the Buyer-Seller domain. Moreover, the trending PSM research topics Global-Local Sourcing; Risk Management; Contract Management; Ethics & Corporate Social Responsibility; Innovation; Knowledge (and HR) Management are poorly addressed by buyer-seller researchers. Also, the Buyer-Seller literature is blank on two other emerging topics, Disaster Management and Green & Sustainability Management.

In the third step of reviewing the connect between purchasers and sellers, the important research sales topics are tested for 'future-proof buyer-seller research'. To find out what contemporary sales researchers regard as important research topics for the buyer-seller field, I first draw on research by Williams and Plouffe (2007) who identified twenty important sales topics, followed by a survey of 75 sales researchers who were questioned on what they consider to be important avenues of future buyer-seller research.

In a final evaluation of the connect between the PSM and Buyer-Seller domain, the three parts of review are fetched together into a research framework for future sales research. Interesting avenues for future sales research are derived from this framework.

This essay contributes to the Buyer-Seller literature by pointing sales researchers and sales practitioners in the direction of developing sales strategies, sales approaches, and sales practices that are better aligned with the growing importance of the purchasing function and its needs. Moreover, this study disclosed the unaddressed or scarcely addressed traditional and trending PSM research topics in the Buyer-Seller domain, and at the same time, are also considered to be important for the sales domain.

SALESPEOPLE AS KNOWLEDGE
MANAGERS: A PROCUREMENT
PERSPECTIVE

This essay was written in collaboration with Rangarajan, D. (Vlerick Business School and Ghent University) and Hochstein, B. (University of Alabama)

CHAPTER III: Salespeople as Knowledge Managers: A Procurement Perspective

1. Concise Summary of Research

In this chapter, I discuss how the empowerment of the procurement function has recently become a major disruptor of traditional sales practices. Sales researchers recognize the importance of these changes and suggest that in response salespeople should use an adapted sales message based on specific knowledge needs of the purchaser. This implies a holistic approach to selling where salespeople expand from product specialists to broadly aware “overseers” of customer specific situations, in relation to their offerings. Yet, little is known about the salesperson role as a knowledge manager and most research on the topic is conducted from *only* a sales perspective, largely ignoring what purchasers have to say on the subject. Given these deficiencies in the literature, I interviewed thirty-five purchasers to explore this area.

1. Introduction

The contemporary purchaser-seller environment presents salespeople with the challenge of finding ways to overcome the ineffectiveness of many previously effective sales approaches (e.g., Adamson, Dixon, and Toman 2012). The efficacy of many sales approaches has been threatened based on an ongoing paradigm shift in the procurement domain (Spina, Caniato, Luzzini, and Ronchi 2013). The resulting changes have, and are expected to continue to have, a tremendous influence on the procurement process (Ostrom et al. 2015). One prominent change concerns “when” salespeople enter the buying firm’s procurement process. Thus, the present research suggests that when salespeople are consulted, it is of the utmost importance that the salesperson should be prepared in relation to what the purchaser already knows. The question is - how effective are salespeople at accomplishing this task when they enter the sales process, effectively, ‘late in the game.’ Thus, the objective of the current research is to explore what contemporary salespeople should and shouldn’t be doing at this juncture, as based on the opinion of their customers, strategic procurement agents.

In pursuit of this objective, I start by considering changes to the procurement function of many industrial firms and how these changes relate to the sales function. A key factor driving procurement to consult salespeople later in the process is the increased availability of digital information (Verona, Prandelli, and Sawhney 2006). This notion is consistent with supply chain literature that indicates that buying firms are increasingly empowering their internal procurement function with more strategic responsibilities than in the past, which differs from a traditional mechanical and clerical procurement role (Tassabehji and Moorhouse 2008; Flint, Blocker, and Boutin 2011). While this trend may be seen as positive (i.e. firms utilize available information to make internally-driven choices), it may also result in firms making less educated decisions, as traditional sources of insight (i.e. salespeople) become less prominent. Traditionally, salespeople provide external knowledge to help a procurement firm make better

decisions. However, given the near expert status of many strategic procurement departments this formerly critical salesperson provided information may be viewed as confusing, threatening, or even with suspicion. To reduce these potential issues, recent research (e.g., Verbeke, Dietz, and Verwaal 2011; Rapp, Bachrach, Panagopoulos, and Ogilvie 2014) has suggested that modern salespeople need to approach selling as a knowledge broker (KB) who takes a holistic view of adding value.

The KB role is characterized by a salesperson who takes a holistic view of their customer's situation, assesses it, and imparts scarce knowledge (unknown by the customer, yet known by the KB) to recommend a value creating solution (Rapp et al. 2014). To offset situations where customers use largely internal information to make a decision, the KB essentially "filters" the customer's situation through their product, customer, and market knowledge to identify areas where customer information is missing or misinterpreted. Then, the KB employs selling-related knowledge to select an appropriate sales strategy to clearly communicate with their customer (Verbeke et al. 2011). By identifying and imparting this new and situationally relevant information to the customer, better customer decisions can be made and the potential for value creation by the salesperson exists. In essence, an effective KB validates what the customer knows and fills in any missing information. But, virtually no research has considered how customers view the salesperson as a knowledge manager with the aim of creating customer value. Given this lack of research, it is unknown how increasingly strategic procurement agents view salespeople and their attempts to add value.

Given this literature basis, strategic purchasers and knowledge managing salespeople, and the limited research that addresses either topics from a purchaser's point of view, the current research employs a grounded theory approach to address its main research objective. A grounded theory approach is effective to extend theory based on the responses of content area experts. The current study draws upon the insight of a focus group of procurement executives,

which is used to inform a larger study of in-depth interviews of 35 procurement employees (agents, managers, and CPOs) in a cross-section of B2B industries. The results of our study provide both provocative and compelling findings concerning how purchasers view salespeople and their offerings. These findings include the notion that it is important for salespeople who want to create value by sharing knowledge to understand that purchasers categorize the product they sell, based on its strategic importance to the buying firm. Building upon this finding, I develop different value-based sales messages concerning total cost of ownership grounded on the purchaser's classification of a salesperson's offer.

The remainder of this paper is organized as follows. First a literature review is provided concerning change in the procurement and sales functions. Then, the qualitative, grounded theory study is presented, including our study protocol and specifics of our data sample of procurement professionals. The results of our study are used to inform further literature review to support development of our conceptual model and propositions. The manuscript closes with conclusions for scholars and managers, and limitations that engender future research.

2. Changes to the Procurement and Sales Function

A notable observation upon reviewing both the procurement and sales/marketing literatures is that there is limited cross-pollination between them, as identified in Essay 1. Based on an extended review of the literature, it is apparent that only a few cross-disciplinary studies exist that examine purchaser needs in relation to the sales function. One study, while not cross-disciplinary, takes the perspective of how sales firms should adopt an “anticipatory” approach to purchaser needs, and adjust their message/approach in expectation of what they think their customers require (Blocker, Houston, and Flint 2012). However, studies on sales issues, based on data collected from purchasers, is rather limited. A few notable exceptions include the purchaser perspective of gender on sales approaches and relational outcomes (Wood, Johnson,

and Boles 2014) and the effectiveness of different sales strategies (Essay 3). This literature gap reflects a potential source of misalignment in what I know about purchaser expectations and what salespeople deliver. This type of expectation misalignment has been demonstrated to have a negative effect for both parties (Hunter and Perreault 2007). Thus, the following literature review highlights salient, complimentary, and informative cross-disciplinary research concerning salesperson and purchaser perspectives of sales interactions.

2.1 Changes in Procurement: Agents as Strategic Purchasers

The procurement and supply management (PSM) literature indicates that many changes are happening in the procurement function (e.g., Spina et al. 2013). One recurrent theme in the PSM literature is that purchasers are becoming increasingly strategic in their organizations (e.g., Tassabehji and Moorhouse 2008). Consequently, procurement agents are empowered and encouraged by their top management to embrace more strategic responsibilities (Tassabehji and Moorhouse 2008; Flint, Blocker, and Boutin 2011). Alternatively, literature also states that purchasing of indirect products is increasingly being outsourced (e.g., Huber 2010). Another limit to the growth of the purchasing function is that purchasing is evolving to a team responsibility rather than an individual approach (Ellram and Pearson 1993). Despite the trend of Decision Making Units are becoming larger, the final buying responsibility increasingly lies in the hands of the purchasing function (Cousins, Lawson, and Squire 2006). Thus, when a particular purchase is the reason for things to go wrong or results of the purchase are missing the mark, other functions will point fingers or will blame the purchasing function, which amplifies the buyer's risk aversion. On the other hand, the successes and achievements that are founded on a long-term procurement vision are typically shared with other functions within the company (Den Butter and Linse 2008). Moreover, the purchasing function still has to go a long way to reach the status of strategic and critical (Cox et al., 2005). The reason is that top management often fails to grasp the potential of the purchasing function, one that goes beyond

an administrative function. (Ramsay 2006). A final limitation to the rise of the purchasing function is that different firms can be in different stages of purchasing maturity (Reck and Long 1988). I will elaborate on this issue in Essay 3.

Many other organizational functions have also gained top management support and, hence, responsibilities within the organization. For example, b-to-b marketers are more and more taking the lead of the pre-sales phases in response to the changing digital sourcing behavior at the purchasing side (e.g., Hutt and Speh 2012). The intra-organizational alignment between the marketing and sales function is required to enhance customer value (Guenzi and Troilo 2007). On top of this, the operations function is vital for the success of a selling company, too. The ongoing shift from products to services, for instances, increases the pressure on this function. Thus, the changing business landscape requires the whole organization to be flexible and adapt to the changes happening (Zablah et al. 2014).

The strategic focus of procurement is an expansion of procurement's previous role, which was more associated with cost cutting and efficiency and as a value-enhancing function, rather than a strategic resource (McIvor, Humphrey, and McAleer 1997). For example, recent research by Rust, Moorman, and Dickson (2013) state that a buying company can achieve financial benefits in three ways; either by decreasing costs, by increasing revenues, or by combining both. In their study, the addition of "increasing revenues" represents the expanding strategic role of procurement agents.

The move to the strategic role of procurement is due, in part, to the availability of information and the ability to exploit a mix of the information during the sourcing process (Webster 1991; Moriarty and Spekman 1984), which has been made largely possible owing to the investment of supplier firms- on digital marketing channels like websites, social media, etc (Karjaluo, Ulkuniemi, Karjaluo 2015). During this process, purchasers assess the completeness of the information/knowledge they need and the information/knowledge they

already possess. Information/knowledge completeness is determined and any deficiencies are compared with the availability and accessibility of the required knowledge/information. Even at a time of limited development of online information, Deeter-Schmelz, Kennedy, and Norman (2002) found that purchasers perceive Internet information sources as more useful than personal sales visits in bridging completeness gaps. Since then, the research has indicated that the Internet has an even greater impact on the way purchasers access and consume information (Grönroos 2008; Spina et al. 2013). Today, business customers are increasingly empowered by information, which has become increasingly accessible via digital marketing channels (Keinänen and Kuivalainen 2015; Lamberton and Stephen 2016; Verona, Prandelli, and Sawhney 2006). However, some research has noted that moves toward more strategic procurement may hold potential risks for both purchaser and supplier firms.

2.1.1. Information Overload

Information overload has been suggested as one concern, as purchasers can become overwhelmed with too many details. For users of digital channels, information overload occurs when information from a variety of sources becomes overwhelming and actually leads to less accurate, less qualitative, and more subjective buying decisions (Hsu and Liao 2014; Chen, Shang, and Kao 2009; Edmunds and Morris 2000). The use of digital channels for businesses purchase decisions is expected to provide much of the same results as those seen in personal purchase decisions, where information overload leads to confusion and suboptimal decision making. While many procurement firms are increasingly adept at processing large quantities of information (Kim, Suresh, and Kocabasoglu-Hillmer 2015), it is the potential for subjective, rather than objective, decision-making that should be of concern to selling firms. Yet, as previously indicated, procurement firms are becoming increasingly strategic and involving salespeople later, if at all, in their sourcing process (Adamson, Dixon, and Toman 2012; Anderson, Narus, and Wouters 2014). Thus, the product/solution selected by procurement, with

limited salesperson input, may not be optimal. This scenario poses many problems salient to the selling firm related to customer expectations not being met, including: customer dissatisfaction, negative word of mouth, and/or increased switching intentions (Liu and Leach 2001). However, the concerns don't end with information overload, access to information has also shifted the balance of power between purchasers and sellers, with sellers now assuming greater power during sales interactions, which poses additional problems.

The increasingly strategic role of procurement, specifically concerning information sourcing, has resulted in a shift to the balance of power from the supplier firms and their salespeople to the buying firm and purchasers. This shift in the balance of power has impacted both sides of the interaction, which, in some cases, has resulted in attempts to circumvent the strategic procurement process. On the sales side, many salespeople have responded by simply going around the procurement agent. This approach, termed backdoor selling, typically develops based on a salesperson's perception that purchasers are trying to erode the high quality solutions and offers they present (Steinmetz and Brooks 2010). In prior literature, this approach has found some support as an effective sales tactic (e.g., Steinmetz and Brooks 2010), while more recent literature has suggested that backdoor selling is declining (e.g., Spina et al. 2013). Regardless, the concept of back-door selling indicates that some salespeople attempt to disregard the strategic role of procurement, if procurement is perceived to devalue sales input. Circumventing the strategic role of procurement is not only found in regard to salespeople, I next look to a similar phenomenon on the procurement side, maverick buying.

From a purchasing company's perspective, the counterpart of backdoor selling is called maverick buying. Angeles and Nath (2007) define the concept of maverick buying as "the purchase of goods or services without using the firm's formally defined processes and authorized vendors." Maverick buying represents both extremes, rational and emotional, of decision making (Karjalainen, Kempainen, and Van Raaij 2009). Karjalainen and Van Raaij

(2011) provide reasons for why this occurs ranging from very rational (e.g., no contract available, no knowledge of a contract, product not suitable for use) to highly emotional (e.g., established relations with another supplier or feelings of injustice). The challenge for buying companies is to identify maverick buying in their organization, and reduce it to more effectively become strategic in their strategic procurement (Trent and Monczka 2003). The challenge for selling firms, and their salespeople, is to find an effective way to navigate the changing procurement process.

2.2.2. Kraljic Purchasing Portfolio

Given the apparent importance of strategic procurement frameworks, and the prominence of the Kraljic matrix for practitioners (Lamming and Harrison 2001; Gelderman and Van Weele 2003), as well as its prominent position in the procurement research (Caniëls and Gelderman 2005), I draw upon literature concerning the model to support our remaining results. The simple matrix categorizes procurement decisions based on the profit and supply risk impact of the good or service on the buying company. The profit and supply risk axes result in four product quadrants: 1) Leverage products have a high profit impact but implicate a low supply risk; 2) Strategic products have a high impact on the production and delivery costs; 3) Non-critical products which are characterized by low supply and low financial impact risks; 4) Bottleneck products have a relatively smaller influence on the company financials but these products are associated with a higher than average supply risk (Kraljic 1983).

I highlight this model for two main reasons. First, from a procurement perspective, Kamann (2000) states that the seller's side of the purchaser-seller relationship is considered as an omitted element in Kraljic's model and its approach does not cover possible strategies and reactions from suppliers. Second, the gap identified by Kamann (2000) is clearly evident in the results of our study, with many participants nearly demanding that sales organizations take the time to comprehend and understand the classification, and thus the strategic importance, of the

products they sell to the firms that are purchasing them. Again, an identical sales presentation for all four quadrants, from non-critical to strategic products, will not be effective since the classification in the buying matrix is company specific. For example, cleaning products will be categorized differently by purchasers in a cleaning firm (most likely as strategic products) than purchasers working for a finance company (most likely as non-critical products) and, thus, requires a different sales approach.

2.2.3. Advantages and Concerns about Using the Kraljic matrix

The use of the Kraljic matrix has some drawbacks. First, research states that there is no standard approach to analyze a purchasing portfolio and requires human judgement to avoid measurement and strategic issues (Gelderman and Van Weele 2003). Opposing this view, Syson (1992) states that the Kraljic classification is the best tool for diagnosing the type of purchases and the consequent purchaser's approach. On the other hand, Olsen and Ellram (1997) are concerned about the power balance that can be exploited. Other researchers are concerned that the Kraljic matrix is too simple to infer important strategies (Dubois and Pedersen 2002). Another drawback is that most research related to the use of the Kraljic approach only examines the buyer's side, without taking the supplier's reactions to changes happening at the buyer's side of the buyer-seller dyad into account (Kamann 2000). Likewise, the power potential of the supplier is not incorporated in the Kraljic matrix, which limits the derived strategy formulation for purchasers (Lilliecreutz and Ydreskog 1999). This power balance was also researched by Gelderman and Van Weele (2000) who refer to the underlying reasons of conflict of interests to explain the natural interest to be power dominant in Buyer-Seller relationships. Gelderman and Van Weele (2003) supports this view and state that the categorization of the supplier's offer in the Kraljic matrix will always be subject to the relative power positions.

2.2.4. Summary

In summary, this review of the procurement literature suggests it is imperative that salespeople develop ways to appropriately and professionally respond to increasingly strategic purchasers. The availability of information has caused procurement to engage with salespeople much later in their sourcing process than in the past, which can lead to negative outcomes for salespeople when the purchaser becomes overloaded with information. Additionally, information induced changes in the balance of sales interaction power, from seller to purchaser, can lead to counter-productive attempts to circumvent the strategic procurement process. At issue is the reality that these problem areas are impeding traditional ways that salespeople add value and reduce risks prior to a final procurement decision. Thus, sales firms and salespeople should endeavor to adopt a new approach to selling, especially in regard to strategic procurement decisions. To address this notion, I now turn to sales literature and background on how salespeople may be able to overcome these problems by managing and selectively sharing scarce knowledge in order to create value to their strategic clients.

2.2 Changes in Selling: Salespeople as Knowledge Managers

On the sales side of the interaction, the concept that purchaser information increases are dramatically affecting sales interactions has been gaining traction for some time. For example, many business press reports suggest that traditional B2B sales is diminishing, including a Forrester Research report that suggests one million sales jobs will be lost in the United States by 2020 (Hoar 2015). In scholarly research, the theme of dramatic change in sales has been emerging for well over a decade. For example, Jones, Sundaram, and Chin (2002) highlight that customer expectations, increased use of technology, and increased knowledge expectations of salespeople are forcing sales firms to adapt in many areas. Sheth and Sharma (2008) state that because of increasing service expectations by customers, sales firms need to become 'hyper' customer focused. As a final example, Adamson, Dixon, and Toman (2012)'s article

the “End of Solutions Selling,” suggests that only a select few salespeople, who take a radically different approach will succeed in changing sales environments.

Some have suggested this radically different approach is a knowledge managing role. To act in this role, salespeople must take action by expanding their knowledge beyond traditional boundaries and by employing approaches previously avoided (see Rapp, Bachrach, Panagopoulos, and Ogilvie 2014 for one salient example). More specifically, knowledge management for sales messaging has been characterized as the process of frontline salespeople, with superior knowledge, translating salient knowledge into value creating insights (Homburg, Wieseke, and Bornemann 2009). Yet, despite acceptance of the importance of value-adding sales messages via knowledge sharing, only limited research has investigated specifics of the role salespeople can play here, and largely from a seller perspective. Thus, I suggest the remainder of this research, which offers a more specific explication of the salesperson’s role to create customer value by sharing knowledge, from a purchaser perspective, fills a sizeable gap in the sales and marketing literature.

Dave Snowden, knowledge expert and founder of Creative Edge, points out that knowledge is most useful when it is needed, a notion that suggests brokering salient knowledge adds value. In broad terms, brokering is defined as a process of translation, coordination, and alignment of perspectives in an effort to link and facilitate transactions between parties (Wenger 1998, p. 109). Since knowledge can be seen as a vital factor in sustaining competitive advantage for the knowledge holder (Spender 1998; Gomes and Dahab 2010), transferring useful knowledge has the potential to create value. In sales, an empirical foundation for the importance of the salesperson’s role as knowledge manager is found in the Verbeke et al. (2011) update of the Churchill et al. (1985) meta-analysis of sales performance drivers. The updated meta-analysis identifies selling-related knowledge, defined as “the depth and width of knowledge base that salespeople need to size up situations, classify prospects, and select appropriate sales strategies

for clients” (Leong, Busch, and John 1989, p. 164), as the most important sales performance driver. Adaptiveness, defined as “the altering of sales behaviors during and across consumer interactions based on perceived information about the selling situation” (Weitz, Sujan, and Sujan 1986, p. 175), is identified as the second most important sales performance driver. In discussion of the findings, Verbeke et al. (2011) conclude that in the current knowledge economy, salespeople will find a competitive advantage and increased value creation by brokering unknown or misinterpreted (termed ‘scarce’) knowledge to purchasers.

However, the Marketing and Sales literature leaves many areas unexplored concerning information and knowledge transfer types (see Essay 1), specifically concerning value creation. I start by briefly exploring how purchasers approach information. For example, research indicates that information is not equally utilized by all purchasers and is processed/interpreted using different objective and rational standards by different purchasers (Staw 1997). A study based on interviews with 46 B2B firms illuminates this idea and finds that purchasing managers tend to focus only on extra benefits that are relevant and add credibility to them within their organization (Anderson, Narus, and Wouters 2014). These differences found in how purchasers use and process information supports the need for salespeople to modify their sales messaging how they transfer information in different procurement situations. In the following sections I develop the notion of how salespeople create competitive advantage through knowledge transfer of specific types of information and knowledge in their sales pitch.

Information is data that is organized, structured, and, when placed in context, has meaning (Glazer 1991). There are many ways to further delineate information, but for the purposes of our study, I investigate hard and soft information in relation to salespeople value creation. Berger and Udell (2002) specify that hard information is quantifiable information, such as key performance indicators, that is objectively assessed by purchasers. Conversely, soft information is qualitative in nature, such as customer reviews, that is subjectively assessed by

purchasers. The differences between these information types is salient because they impact a receiver's ability and openness to accept and process the information (Laroche et al. 2004). In essence, purchasers considering hard information, in contrast to soft information, rely on interpretations of measurable, tangible benefits that can be confirmed, which makes hard information easier for a salesperson to transfer to a purchaser, or for the purchaser to obtain independent of the salesperson (Berger and Udell 2002). Thus with self-informed strategic purchasers, transfer of hard information has limited potential for value creation, as gaining information without the aid of a salesperson is possible. However, a potential competitive advantage, increased value creation, exists for sales messages that include soft information, which is more difficult for strategic purchasers to gain from external means. Thus, I suggest that effective sales messages should focus on transfer of soft information per given purchasing situation. But, information alone is not knowledge, it is rather a building block of knowledge (Fahey and Prusak 1998). Two types of knowledge are of interest to our study of sales messaging.

Knowledge is broadly defined as the personalized and structured information possessed in the minds of individuals (Barrutia and Gilsanz 2013). At a more specific level, I draw upon the Matusik and Hill (1998) knowledge typology, which describes differences in knowledge and separates explicit knowledge from tacit knowledge. Explicit knowledge is characterized as knowledge that can be communicated, handled, spread, and stored with relative ease. Nonaka, Toyama, and Nagata (2000) further describe explicit knowledge as publicly available, accessible, and derived from different media (e.g., Internet, newspapers, books, etc.). Explicit knowledge is classified as basic knowledge (Dyer and Singh 1998) that is simple to exchange (Li et al. 2010). Specifically, in a business context, explicit knowledge is often transferred via digital marketing channels (Cousins, Lawson, and Squire 2006). For example, explicit knowledge can be transferred by a firm using a customer testimonial on its website open to all

customers and prospects. In contrast to explicit knowledge, tacit knowledge is less tangible, personalized, and not widely available. Tacit knowledge is not formalized, but is embedded in morals, commitment, deeds, and procedures (Seidler-de Alwis and Hartmann 2008). An example of tacit knowledge is the know-how that is needed by a firm that wants to have a customized CRM system in order to integrate the new system into the firm's existing sales process. As illustrated, transferring tacit knowledge is more complex and difficult than transferring explicit knowledge.

Successful transfer of knowledge is required if value creation is to occur. To aid in transfer, the order of knowledge transfer is important; as explicit knowledge should be transferred before tacit knowledge can be exchanged (Filiari et al. 2014). Thus, explicit knowledge is considered an antecedent of tacit knowledge. To move to the more complex tacit knowledge, guidance from a holder of the knowledge, such as a salesperson, is recommended (Wang, Arnett, and Hou 2016). I propose that, similar to the transfer of soft information, transfer of tacit knowledge provides an opportunity for salespeople to highlight their competitive advantages and to increase value creation with purchasers. In essence, the ability to effectively transfer tacit knowledge such as proprietary, competitive, and/or interpretive knowledge, scarce to the purchaser, is where salespeople have the opportunity to add the most value in their sales message with purchasers. However, the transfer of tacit knowledge bears risk, so I briefly explore complications that could arise from a sales message based on tacit knowledge transfer. Sankowska (2012) states that sharing of knowledge is perceived as an action that involves risk for the knowledge provider because of the potential loss of a competitive advantage by disclosing valuable knowledge to the other. At the same time, the recipient of knowledge is also exposed to a certain risk, as there might be lack of evidence that using the shared knowledge is not harmful to the receiver.

Transferring tacit knowledge is difficult, as the knowledge is closely held and not easy to articulate, which can be problematic (Van Baalen, Bloemhof-Ruwaard, and Van Heck 2005). For example, tacit knowledge transfer is, essentially, the sharing of propriety knowledge, which can diminish the transferring firm's competitive advantage (Gnyawali and Park 2011). Therefore, it is essential for selling firms, and their managers to carefully monitor and control salesforce sharing of organizational tacit knowledge and implement controls to address seller opportunism. If the knowledge is deemed appropriate to transfer, sellers must first find effective ways to enable the transfer to purchasers (Li et al. 2010). Accomplishing this facilitation involves comprehension of knowledge barriers (Szulanski 1996), such as the purchaser's absorptive capacity for new knowledge (Li et al. 2010; Mahoney, Williams, and Szulanski 2003).

Absorptive capacity is typically described at the firm level, but is also applicable to individuals. The concept is defined as the ability to embed and leverage external knowledge to enrich innovation and to improve performance (Cohen and Levinthal 1990). For firms, and procurement agents, with high levels of absorptive capacity, barriers are easier for salespeople to overcome, as absorptive capacity holds little benefit in the absence of new sources of knowledge, so these firms seek out new knowledge (Fosfuri and Tribó 2008). Thus, the purchaser's level of absorptive capacity is an important basis for salesperson adaptiveness. Synthesizing the previous points, I suggest that a key tenant of KBs is their ability to identify aspects of the strategic purchaser, such as information/knowledge deficiencies and their absorptive capacity (at both firm and individual levels). Correct identification of these elements allows for effective transfer of appropriate soft information and tacit knowledge, resulting in value creation.

To conclude, I provide a process overview of value creation by sales messaging that is based on scarce knowledge. I draw upon recent marketing literature (specifically, Dixon and

Brent 2012; Rapp et al. 2014; Verbeke et al. 2011) to describe the role of the KB, which is to: (1) develop a deep and ever expanding knowledge base (e.g., product, firm capability, markets, etc.); (2) build a holistic understanding of customer's expressed and unexpressed needs at multiple levels; (3) link specific customer needs to personal (salesperson), internal (firm), and external (business partners) knowledge bases to determine knowledge scarce to the customer; (4) influence customers by translating and imparting scarce information and knowledge derived from multiple sources (e.g., soft information, tacit knowledge, new perspectives, etc.); and (5) create value across interactions by aligning perspectives of the customer, the firm, and external partners to propagate mutually beneficial transaction between the parties.

Despite the previous conceptual understanding of the salesperson's role in conveying different types of knowledge via sales messages, no research, to our knowledge, considers how purchasers view salesperson efforts to be value creators by sharing knowledge, or if purchasers even distinguish a difference. In addition, viewing salespeople through the lens of procurement provides a potentially interesting perspective, as many salespeople are thought to not grasp the serious changes reshaping their role in the purchaser-seller's landscape (Moncrief and Marshall 2005; Dickie and Trailer 2007; Sheth and Sharma 2008). In other words, it is entirely possible that salespeople are not aware, or have not currently adopted the sales messaging role to share selective know-how. To advance theory, from a new perspective, I utilize a grounded theory approach to further study this topic.

3. Grounded Theory Methodology

Given the newness of managing scarce knowledge in sales messaging to the sales literature, and the lack of cross discipline sales-procurement literature to further inform our research, a theory development approach is employed to advance our study (Zaltman, LeMasters, and Heffring 1982; Glaser and Strauss 1967). The qualitative, grounded theory approach is chosen

because it is commonly used to generate theory of a process, action, or interaction based on the views of participants in the process (Johnson 2015). This method is used to extend the existing theory of value-based selling. An overview of the specifics of our grounded theory method, consistent with the best practices for qualitative study of sales topics, (see Johnson 2015) is next presented. Then, the findings of our study are used to inform further literature review designed to support and strengthen the qualitative findings, in an effort to explicate a well-developed theory.

3.1 Data Selection

The participants in this study shared their opinions on two different topics. During the interviews, our grounded theory method covered two broad, yet specifically non-related, procurement topic areas. More specifically, I point out that the participants of this study are identical to that of Essay 3, yet the data and topic are completely independent from each other and have a clear and different purpose, analysis, and contribution to sales and procurement literatures (e.g., Ellram and Tate 2016 outline the use of the same data set for multiple research articles).

The process of this research began with a focus group discussion with eight different purchasers from a manufacturer of industrial boilers. The topics that arose during the discussion served as the groundwork for our initial research protocol. In the next step of our learning process, I searched the literature (e.g., Tassabehji and Moorhouse 2008) to further refine the study in an effort to enhance rich discussions with our participants. To confirm the validity of our research, I used a convenience sample for the first four interviewees. The resulting study protocol, used for subsequent interviews is available in the Appendix 1. The questions of the protocol were designed to not guide the interviewees toward common answers, nor to lead participants towards preliminary ideas of the researchers (Marshall 1998). Thus, with the

study's question protocol prepared and tested, I began our study by identifying industries and potential participants.

Companies were selected to be included in the study based on their firmographics (i.e. industry, country, and financial). The study used a theoretical sampling procedure, including a snowballing technique as well as LinkedIn contacts to recruit qualified participants. This process included contacting the most senior level procurement employee within each firm. Titles of the participants include: purchaser, procurement director, and chief procurement officer. All participating companies were based in West-Europe and a majority of these firms only focused on B2B customers. A total of seventy senior purchasers were contacted which resulted in 28 companies that agreed to participate (40% response rate). From these firms, including the focus panel, 35 purchasers were interviewed. Each interview followed the study's protocol. After each interview the protocol was adjusted based on preliminary analyses of the interview to better reflect the phenomenon of interest, in conformity with the rules of grounded theory. To continuously improve the quality and depth of the interviews, the most current question was sent to the interviewees one week prior to their scheduled interview. The study participants reflect a wide distribution of industries, financial size, responsibilities, and titles (see Table 8).

Table 8: Study Participant Summary Information

<i>Participants</i>	<i>Sample Characteristics</i>	<i>Number of Participants</i>
<i>1. Title</i>	CEO, Managing Director	7
	Vice President Procurement	3
	Chief Procurement Officer (CPO)	2
	Purchasing Director	9
	Procurement Manager	7
	Purchaser	5
	Other	2
<i>2. Responsibilities</i>	Direct Purchases	10
	Indirect Purchases	6
	Direct and Indirect Purchases	19
<i>3. Industry</i>	Heavy Industrials	25
	Goods and Services	10
<i>4. Company Orientation</i>	Mainly focused on B-to-b	23
	Mainly focused on Business-to-Consumer	11
	Mainly focused on Business-to-Government	1
<i>5. Financial Returns</i>	<50 Million USD	12
	50-500 Million USD	11
	501 Million- 1 Billion USD	1
	>1 Billion USD	11

3.2 Data Analysis

Data were collected over an eleven-month period, concluding upon reaching the data saturation point at the twenty-eight interview (Strauss and Corbin 1990). The saturation point was realized by gradually combining the preliminary findings of each interview, which were inductively coded following the rules of grounded theory research design (Strauss and Corbin 1990)) to extend the existing theory of value-based selling. Following these procedures, the interview transcripts were reviewed and coded as I proceeded using NVivo 9 software. Ultimately, the 28 individual interviews and one focus group totaled 30.5 hours of audio recordings, with each one lasting between 40 and 110 minutes. A total of 133 nodes were

coalesced into 34 concepts and subsequently were converted into 12 themes. As previously mentioned, our interviews focused on two broad procurement topics, which is indicated in the large number of themes. The present research focuses on only seven of these themes, and the data concerning unrelated themes was not used in this study. Finally, the ideas and theories for this paper were verified and fine-tuned by the participants after all interviews had been conducted. From their feedback, I selected the most important themes for the present research based on the following criteria: 1) the procurement topic is not obvious from a sales research point of view, 2) the theme was advanced by multiple study participants (Bendapudi and Leone 2002), and 3) post interview feedback by participants indicated the topic as one that would most help salespeople relate to procurement agents. Thus, I advance the overall theme of how salespeople can function as knowledge brokers, or the negative consequences of being viewed otherwise, based on procurement agent insights.

4. Study Results

The results of the present research are unique for two reasons. First, the results reflect procurement agent perspectives and illuminate how previously identified changes (in the procurement literature) to the procurement function affect salespeople trying to sell to their firms (a topic area that has not been studied). Second, the procurement agents of our study advance new insights, not presently found in either the sales and procurement literature. These findings, supported by concepts found in the literature provide the rich results that managers are looking for. In essence, the present research has asked sales firm customers to reveal the “secrets” of how they view salespeople and in what ways salespeople can be more effective in terms of sales messaging. These findings are the main contribution of the present research.

4.1 The Strategic Focus of Procurement Affects Salespeople

Our study reconfirmed the strategic focus of procurement and the empowerment of purchasers in their organizations (Tassabehji and Moorhouse 2008; Flint, Blocker, and Boutin 2011). Additionally, I support the research by Van Weele et al. (2009) that underlies how procurement departments continuously want to climb the procurement maturity ladder, or move from a price to a strategic focus. In addition, our results indicate that purchasers are gradually taking the lead in the buying process. Conversely, I find that most salespeople only desire to engage with procurement in the buying company as a last resort, essentially because they are concerned about purchasers who will erode the profit margin of their offering. For sales managers, the following quotes should be considered critical if their salespeople attempt to by-pass procurement.

“The game changer is that our management has seen the value and the results of an empowered purchasing department. Now, only procurement decides and signs agreements, no one else.” (Auto Assembly)

“It is important that procurement is on board.” (Chocolate Producer)

“There is support from the whole organization. It will be made clear to suppliers that the (procurement) department holds the final decision.” (Beverage Distributor)

“When salespeople systematically avoid procurement, they will be facing a very tough price negotiation in the end because, at that point, it is the only way how we can contribute to our firm.” (Logistics Company)

Hence, it becomes clear that the sales function should realize changes concerning procurement. This theme of our study makes it clear that salespeople who fail to recognize the strategic importance of procurement and view purchasers as foes to “get around,” are likely to fail.

4.2 Ineffective Sales Messages

One of the striking findings of our interviews was that the fundamental needs of purchasers are still not well understood by a majority of salespeople. Purchasers appreciate salespeople who have the goal to add value rather than salespeople who are focused on internal gain, such

as achieving their quota of customer visits goals. In fact, purchasers suggest that salespeople should ‘up their game’ in an effort to improve the quality of sales interactions and reduce unneeded meetings. A highly salient point concerned that it shouldn’t be the *seller’s view of the product* that drives the need for sales interactions, but rather the *product’s strategic position to the purchaser* that does (in reference to the Kraljic procurement portfolio matrix). For example, the purchasers in our sample made it clear that for products that are considered as non-critical to their firms, the goal is to make the procurement process as time and cost efficient as possible. Thus, for these situations, salespeople that propose things such as auctions, e-procurement and e-billing will ultimately be more effective, perhaps with less direct sales interaction. The following comments represent the theme that salespeople are often not acting as knowledge brokers that take a broader view of their customer’s needs, but rather as salespeople internally focused on their own needs. Consider the following quotes made by participating purchasers on this problem.

“The sales person was ‘just shooting’ at as many prospects as possible, without guidance. The company did not use the information they have because they are too much volume driven.” (Car Rental)

“Sales is slow in adapting to the revolution in procurement.” (Heavy Equipment)

“I strongly dislike salespeople who have nothing to say when they come to my office. I will send them home when they only try to have a chit chat.” (Road Builder)

“The salespeople differentiate too quickly on price.” (Glass Manufacturer)

“Sales teams should take the time to understand all of our needs and look for ways how they can help us. This is not happening very often.” (Machine manufacturer)

“About the value propositions: When they (salespeople) directly start about their price, they immediately lose their credibility.” (Banking)

To make sure I asked about knowledge brokers, in a frame more common to procurement agents, I asked about the concept of insight selling to make it clear what I was discussing. To represent insight selling, I drew upon Rapp et al. (2014)’s review of the Challenger Sale Model (Adamson, Dixon, and Toman 2012). This form of insight selling is a sales strategy that has

gained quite some interest at the seller's side and raises some mixed feelings at the purchaser's. Our interviewees state that the perceived selling organization's credibility is a crucial element in their openness to insights and advice from the related salespeople. However, in this realm, where salespeople may be more likely to act as value creators via their sales messaging, most salespeople still miss the mark. Moreover, purchasers have a very negative view on salespeople who are missing the required level of credibility. This is illustrated by, for example, the following illustrative quotes they have made:

“When I receive a phone call from a salesperson who tries to sell me the moon, it will not take long before I end the call.” (Furniture Manufacturer)

“‘We can do everything better’ will not be perceived as true because otherwise the purchaser would already be aware of it. Actually this approach works against the salesperson!” (Heavy Equipment)

“Not every salesperson should try to be a challenger salesperson. It is very important to know the needs of the customers very well before you try to give advice to a purchaser, unless you want to lose this customer.” (Telecom Provider)

These remarks highlight an overall theme of that most salespeople are not effective in their frontline role when conveying value-based sales messages. At this juncture, I point out that those salespeople who do act as value-based knowledge managers are viewed as having a clear competitive advantage. Further, given the relative lack of managing the scarce insights adapted to the purchaser's buying situation, those that are skilled to do so experience little competition from other salespeople.

4.3 To Twist the Calculation of a Value-based Sales Pitch, Trust Is Required

Moreover, our interviewees sharpened Rapp et al. (2014)'s point of view on trust as a necessary prerequisite of knowledge brokering. Responses stressed that credibility of the salesforce is interlinked with the level of trust they put in the delivery of the selling company's offer. In the words of a CEO interviewed in our study:

“Our supplier base is mostly Chinese. There is a problem about trust in China. Will I receive the order... on time?” (3D Machine Manufacturer)

Other interviewees perceive trust as an indication of a future successful relationship:

“Trust is important. It is not a guarantee for success but it is a prerequisite.” (Beverage Distributor)

“I am open for proactive salespeople with innovative ideas, but under the condition that this salesperson is seen by us as trustworthy (customer can build on this company), has know-how, and is not just a person who wants to close the deal or tries to sell each single new product in the market.” (Heavy Equipment).

“Most of the time, it are the innovative companies that are trustworthy that will win the contract.” (Road Developer)

Moreover, purchasers are being held accountable for suppliers who fail to avoid critical industry-specific risks associated with the purchase, such as customer data leakage, food safety, or theft of intellectual property. These risks have to be understood and tackled by the selling firm because the purchasers know that fingers will point in their direction when they fail to control for these strategic company risks in the sourcing process.

“Sharing knowledge does not mean a lot because the arguments have to be proven first and it is difficult to estimate the value of the offer.” (Textile Industry)

“It is about trust. They need to gain trust, step by step, and they need to be able to prove the possibilities of the product they are trying to sell.” (Car Assembler)

“You don’t just trust the supplier with a theoretical model of quality. You need to have technical and testing possibilities. You have to be able to put it in the laboratory.” (Glass Manufacturer)

Finally, consider the experience of another CEO who participated in our study:

“It takes up to one year before we see the after-service reports. Therefore, we do not put our trust in attractive contracts when our brand name is at risk.” (Furniture Manufacturer)

4.4 Purchasers Assess a Salesperson’s Knowledge Based on Internal Metrics

When the selling company reaches the required level of trust by the purchaser in their offering, selling teams can start to unlock the potential of knowledge brokerage. However, understanding what the “required level of trust” is, may be the key to salespeople becoming accepted as knowledge-based value creators by procurement agents. At this level, our respondents explained that salespeople should use sales messages based on procurement perspectives of the product they are selling. This idea leads to the key finding of the present

research. Thus, the remainder of the present research is devoted to developing how salespeople, realizing the strategic importance of their product to the purchaser, can capitalize on the different strategic goals of purchasers. By doing this, I expect salespeople to more effectively select the correct types of information to present to purchasers and thus increase the likelihood that they are viewed as a knowledge manager.

As indicated by many of our study's participants, not all product purchase situations are created equal. While this concept is not new to anyone that has studied the procurement literature (For an overview see Caniels and Gelderman 2005), and several procurement models have been advanced to describe this concept (e.g., Lamming and Harrison 2001), it seems apparent that salespeople have not been notified. In fact, our participants indicate that the vast majority of salespeople do not grasp the strategic implications of purchasers using procurement portfolios. As the following quotes indicate, salespeople may apparently have little consideration of how the strategic importance of a product affects how the procurement agent makes decisions.

“Never make your salespeople also your purchasers! They will always try to buy as cheap as possible, they will try to sell as cheap as possible, and they do not care about the complaints about the products because they just buy on price. The opposition between procurement and sales should be retained so the price/quality purchases will be kept on a high level. Otherwise everyone works with horse glasses on and standards will disappear.”
(Furniture Manufacturer)

“When it (salesperson's product) is a very critical part for our organization, then we expect the salespeople to know it is crucial to us.” (Industrial Manufacturer)

“The salesperson must understand the drivers of the purchaser.” (Compressor Manufacturer)

“Everything depends on the market you are in. For example, BIC pens will be available from more than 1000 suppliers. We focus on the Kraljic buying model, it doesn't seem that sales is on the same page with us. It is all about turnover and risk.” (Heavy Lifting Company)

Though the concept that strategic importance was advanced in various ways, the Kraljic procurement portfolio matrix was spontaneously mentioned in twenty-two out the interviews

and thus confirms procurement literature (e.g., Caniels and Gelderman 2005) on the importance of this matrix as indicated by the following quotes:

“We use Kraljic matrix buying to categorize our purchasing responsibilities. In this matrix, the supplier’s added value is the most important element.” (Aviation Parts Manufacturer)

“Everybody wants to be strategic but reality is different. In function of these 4 quadrants, you adapt your strategy as well.” (Telecom Provider)

“For supplier selection; to reduce dependency of only one supplier - this depends on the category - they use the Kraljic matrix to do this.” (Brewery)

“We use matrix buying to assess when the added value is the most important element.” (Aviation Parts Manufacturer)

“Another dimension is Kraljic. Everybody wants to be strategic but in reality it is different. In function of these 4 quadrants, you adapt your strategy as well.” (Telecom Provider)

This is where salespeople need to step into their role as value-based knowledge managers to correctly distinguish their approach. Thus, next I develop recommendations for salespeople on how to use the buying matrix as a key to unlock the power of their sales messaging from a purchaser’s perspective.

Building on credibility, salespeople can start to unravel the potential of knowledge brokerage. I reiterate Rust, Moorman, and Dickson (2013), who state that a buying company can achieve financial benefits in three ways; either by decreasing costs, by increasing revenues, or by combining both. To elaborate on these points, I turn to knowledge brokerage and introduce two dynamics of how strategic purchasers contribute to the profit enhancement of their firm that emerged from our interviews. The theme of innovation sourcing is one way purchasers insource competitive advantages which lead to product differentiation and increased revenue potential. Total Cost of Ownership (TCO) is a second theme described as an approach used to reduce the total company expenditure, rather than maintaining a simple price focus. This notion is embodied by a simple quote offered by Warren Buffet: “price is what you pay, value is what you get.” Our respondents make it clear that it is essential for salespeople to

manage these two concepts in their sales approach, as both innovation sourcing and TCO are the current focus of their customers, the purchasers. For example:

“It is not about taking the customer for dinner. It is about helping with the TCO calculation and informing them what is happening in the market (updates of the market). Now, salespeople need to work: they need to proactively talk about how our company can lower our TCO.” (Car Assembler)

“The next steps in procurement are to keep on working on the savings and to support the partnerships we have with suppliers. This way, we attract innovations and consequently we stay ahead of the competition. Next to our R&D center, partners are very important for innovations.” (Dairy Producer)

“You need to find the goods and services in the market that can make a competitive advantage for your company. In the chocolate sector: an origin type from Mexico can be a first mover advantage and can increase the margins of the company.” (Chocolates Company)

“I would even be angry if salespeople would not have informed me about something that could reduce my Total Cost of Ownership or improve the quality of our products.” (Furniture Manufacturer)

“The starting point to skim costs out of the value chain is to optimize all the cost drivers. This should be initiated by the salesperson.” (Aviation Parts Manufacturer)

“Good salespeople proactively reduce our TCO.” (Brewery)

“Manufacturers will proactively help to cut our costs but they will charge money for it.” (Beverages Distributor)

“We really want to look together with our supplier where we can cut costs, absolutely.” (Dairy Producer)

These quotes, and additional ones too numerous to include, clearly support our assertion that KBs that focus on procurement initiatives will be more likely to add value.

4.5 Knowing When to Adopt the Value-based Sales Messaging

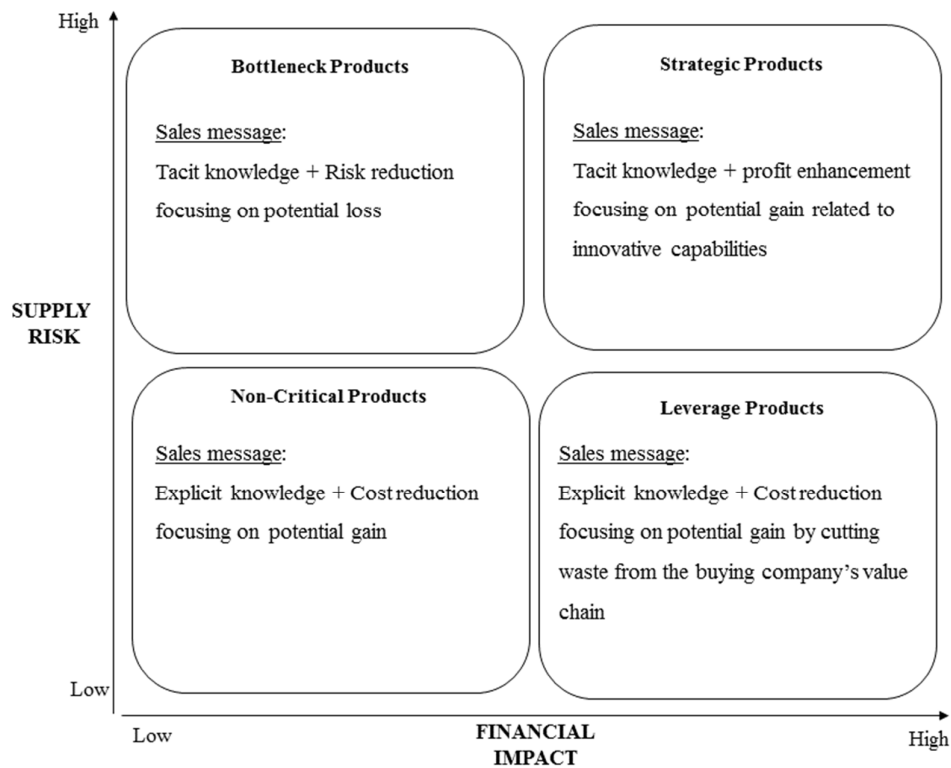
As previously outlined, salespeople should manage their knowledge-base and selling adaptiveness to interpret and adjust to situations (Verbeke et al. 2011). These skills are used by salespeople to determine when to employ a more traditional sales approach (limited needs analysis, less new ideas, using hard info, explicit knowledge, etc.) or a knowledge manager’s approach (extended needs analysis, more new ideas, using soft info, implicit knowledge, etc.). Results of our study indicate that salespeople should determine which approach is best based

on the strategic importance of their product to the purchaser. The following sections look at two specific ways this is done and proposes which type of information should be used based on the seller's product position in the purchasers Kraljic Matrix.

4.6 Four Types of Knowledge -based Value Pitches

Our interviewees specified that a salesperson should not use the same approach in all purchasing scenarios. More specifically, purchasers desire salespeople to adopt their message depending on how the purchased product/service fits into the purchaser's Kraljic portfolio matrix (see Figure 4).

Figure 4: Results Plotted in the Kraljic Purchasing Portfolio Matrix



As purchasers are reacting more adverse to tacit knowledge for non-critical products, they prefer a more transactional sales approach, one that only includes explicit knowledge. The focus of purchasers when dealing with these types of products is to minimize the associated

ordering costs (Kraljic 1983). Hence, the sales function should limit itself to transferring knowledge and updates (e.g., hard information and explicit knowledge) on the products/service in a cost-efficient way. From our analysis emerged four distinct, but not mutually exclusive, types of value-enhancing sales messages for the Kraljic matrix categories. These approaches are centered around the purchaser's efforts to reduce risks, advance innovations, and decrease cost. Salespeople should adapt their KB sales message according to the specific purchaser's needs that are linked to the four product categories from the Kraljic matrix as follow:

- ❖ *Non-Critical Products*: Explicit knowledge + cost reduction focusing on potential gain
- ❖ *Leverage Products*: Explicit knowledge + cost reduction focusing on potential gain by cutting waste from the buying company's value chain
- ❖ *Bottleneck Products*: Tacit knowledge + Risk reduction focusing on potential loss
- ❖ *Strategic Products*: Tacit knowledge + profit enhancement focusing on potential gain related to innovative capabilities

The remaining of this results section discusses the previous summary outline more in detail by describing what it entails for purchasers and how the sales function can address these specific purchasers' needs in line with the Kraljic purchasing portfolio matrix.

4.6.1 Efforts to Reduce Risks

When a buying company is purchasing products and services that are essential to keep their business up and running, they are also facing the risk of a delivery that does not meet the company's standards. Consider the following exemplar quote on this issue that was shared by a purchaser working at a French Fries Manufacturer:

“The supply disruption risk from one supplier can have strong effects on the entire supply chain.”

Vertical integration is one way to overcome this. However, this requires the buying firm to make a significant investment to take over another firm within their value chain, as exemplified by the following quote from an aviation parts manufacturer:

“In the aviation sector, there is a lot of vertical integration. Big American investment companies are making a panel in order to buy the whole value chain and use it as a competitive advantage. This is something that the customer most of the time dislikes because it puts its company in a weaker negotiation position.”

For those companies that do not pursue a vertical integration strategy, purchasers will try to source alternatives for products/services with high supply risks (Gelderman and van Weele 2003). In this situation, our respondents suggest that they are willing to pay a price premium to sustain a stable supplier base, and thus prevent themselves of becoming too dependent on a few suppliers. The following quote illustrates how one firm out of many strives to reduce their supplier dependency:

“Purchasers are sometimes asking to pay higher prices to the manufacturers because they are concerned that if one of the suppliers goes bankrupt, they can only negotiate with very few suppliers, which puts them in a too risky situation.” (Beverage Distributor)

Other interviewees follow a similar procurement approach, but provide management support rather than paying a higher price to maintain or to improve their supplier-customer position.

“We give workshops to these suppliers to make them better in organizing their business. This way, we can share the realized benefits or we improve this supplier’s position to stay in business.” (Aviation Parts Manufacturer)

Risk reduction is the main focus for purchasers when they are procuring bottleneck products, such as specialty chemicals in pharma. Consequently, the KB message that is recommended to be used by salespeople consists of a combination of explicit and soft information on (further) minimizing the risk exposure for the buying firm. Proper deal makers for bottleneck products are high levels of trustworthiness within the purchaser-seller relationship, financial strengths of the selling firm, and guarantees on the agreed delivery conditions.

4.6.2 Potential Gain of Innovative Capabilities by Sales

The battle for innovation is a double-edge sword. Most b-to-b companies are confronted with commoditization pressures from the competitive field (Adamson, Dixon, and Toman

2012) and consequently they have to come up with ways to differentiate their offering (i.e. by adding innovative features to their product/service solution). Companies holding these innovations have the opportunity to further unlock competitive advantages for their firm (Hill et al. 2014; Ghingold and Johnson 1998). In other words, innovations are worth pursuing for both parties. On the one hand, buying companies want to attract innovations to sustain their competitive advantages, while selling companies want to capitalize on the competitive advantages emerging from innovations in order to maximize their profits. The breeding ground of innovations is knowledge (Filiari et al. 2014). To turn innovations into competitive advantages, companies typically follow a process of assimilating in-house proprietary knowledge with externally derived knowledge (Clausen 2014; Tether and Tajar 2008). Externally derived knowledge can be obtained in many ways, including incorporating know-how emerging from external strategic partners (Lambert and Enz 2012; Tsang 2002). In other words, innovative selling companies invest in the knowledge they possess and increasingly want to segment their customers based on their business attractiveness. Thus, selling firms limit sharing of their innovations with the whole market, including price-driven 'cherry-pickers,' to focus on long-term business partner customers. The procurement professionals of our study acknowledge this situation.

However, especially for strategic products or services, purchasers seek tacit knowledge or know-how in an effort to attract or co-create innovations with suppliers that lead to competitive advantages for their firm. To overcome this issue, purchasers attempt to use their central position to attract externally developed innovations (Rust, Moorman, and Dickson 2013). It is at this point where the innovation stream coming from external salespeople is extremely important (Wagner 2010). In essence, in order to attract competitive advantages to the buying firm, purchasers will attempt to exchange strategic benefits for the selling company, communicated through the salesperson, in reciprocal exchange for obtaining emerging

innovations from the selling firm. Consider the thoughts of interviewed purchasers by the following exemplar quotes:

“We are willing to pay a higher price for those suppliers that are key to our business on the long run. In that way, whenever these suppliers have an innovation, they will come to us in the first place.” (Brewery)

“When the container ship is almost full, who do you think will still get his containers transported? The price squeezer or a purchaser that allows some margin for his suppliers?” (Transportation Company)

“When we are talking with a strategic supplier who has innovation labs, we want to collaborate with them because we want to be first with a new technology. This relationship will require a different approach from our side if we want to have their innovations from day 1.” (Telecom Provider)

This innovation stream can be enhanced by purchasers who challenge their suppliers with ideas derived from external sources (e.g., other sales firms competing for the business). The following quotes are illustrations of this:

“It is important to get innovations inside our company, to attract the know-how of the supplier in order to stay ahead of the competition.” (Dairy Producer)

“It has a lot to do with the back and forth interaction of ideas from competing suppliers. The purchasing company will ask the supplier: Can you make this too?” (Furniture Manufacturer)

Thus, the purchaser’s opportunity to gather different proposals will increase the level of innovation insights. A limitation, however, to this back-and-forth, are the deductible study or project costs that are being charged by some companies. As a result of these costs, increasingly purchasers are only able to access a very limited number of proposals. Consequently, fewer back-and-forth interactions will reduce the innovation capacity of the industry in the long run. The following examples of quotes are underlining this jeopardy:

“The way of working without invoicing the project/study cost gives the advantage of putting different projects next to each other and cherry pick the best ideas from different suppliers.” (Beverage Distributor)

“This has an impact on the number of players that the company will contact because we have to pay for each study.” (Heavy Industrial Conglomerate)

“This scenario only has advantages for the well-established supplying company: They have higher chances of getting a deal when they may make a project study. The disadvantages in the long run: less innovation in the sector.” (Furniture Manufacturer)

Furthermore, our respondents explained to us that there are a growing number of selling companies that are no longer willing to subsidize high development and innovation costs prior to a sale being closed. Moreover, these companies are becoming very selective for which customers they will prepare a ‘Request for Information’ (RFI), which involves the sharing of crucial know-how on latest innovations. Salespeople should estimate the value of their company’s innovative capabilities that can lead to competitive advantages for the buying firm. First of all, the salesperson should be well aware of the innovation needs from the purchasing company, which are influenced by the classification of the sales offer in the Kraljic purchasing portfolio matrix (Kraljic 1983). Especially when procuring products and services that involve higher supply risks, purchasers are trying to attract, preferably exclusive, innovations to their company. Salespeople who recognize purchasers seeing the offer as a bottleneck product or as a strategic product, can redirect a price-oriented discussion towards a value-adding conversation where the salesperson then brings in soft information, such as the promise of sharing innovations at first hand.

4.6.3 Cost Reduction

Purchasers who apply the Total Cost of Ownership (TCO) approach go beyond the purchase price by calculating and taking into account the related transaction costs associated with the pre-purchase, during, and after the use phases of the product or service (Ellram 1994). Lowering TCO will, thus, decrease the total costs for the buying firm, and hence improve the profitability of the buying firm. Ulaga (2003), however, recognizes the difficulty of including all identifiable costs in a TCO calculation. Calculating TCO for the purchasing firm is difficult and not always an exact science. Two examples on this common issue were shared by the following two purchasers:

*“TCO is not so easy to determine, what should be added in the calculations?”
(Compressor manufactory).*

“TCO is already 20 years old and it is still a struggle.” (Chemical company)

Estimating TCO is especially difficult because purchasers need to account for intangible (soft transaction) costs, and tangible (hard transaction) costs (den Butter and Linse 2008). Examples of hard transaction costs for the buying firm include, the direct costs of the acquisition (e.g., transportation, installation, and maintenance costs) related to a purchase decision of a product or service. Hard transaction costs that are out of the buying company’s control, but still influence the total of hard transaction costs, include examples such as currency effects and/or cost of import/export permits. In relation to hard transaction costs, we suggest to use explicit knowledge.

On the other hand, the soft transaction costs are more challenging to measure, such as the effects of a particular purchasing decision on the employees’ moral, on the reputation and brand value of the purchasing company, when staff members not accepting products or services from a supplier, or the influence of customer views on sustainable suppliers (den Butter 2012). In relation to soft transaction costs, we suggest to use sales messages based on tacit knowledge.

Consider the following reasoning from a selection of procurement managers:

“When you have TCO calculations, how well developed is the soft number of TCO in the procurement department? When the users of the product/service do not want to use it, we are wasting a lot of money. So how equipped are your people to do this or do you want the salespeople explain this to you?” (Construction firm)

“It is easier to explain purchasing decisions with help of clear data and figures. However, we cannot overlook the less tangible consequences of working with a particular supplier.” (Glass Manufacturer)

Salespeople, on the other side of the purchaser-seller relationship, are in a less comfortable position when they have to convey tacit knowledge about cost reduction measures to potential purchasers. To express a tacit cost reduction argumentation, it is crucial for salespeople to be trusted by the purchaser (den Butter and Mosch 2003), as increasing the perceived

trustworthiness is the only way to reach an adequate level of trust to convey these hard to quantify qualities (Mayer, Davis, and Schoorman 1995).

Findings of the exploratory paper by Zachariassen and Arlbjørn (2009) show that a differentiated TCO calculation should be used per type of purchaser-seller relationship, or else the practice of TCO will be ineffective. Ellram and Siferd (1998) state that there is not a one-sized TCO model for all purchases. Moreover, there is no literature on how the undifferentiated use of TCO across all purchaser-seller settings might be ineffective and how this can possibly hurt the purchaser-seller relationship (Zachariassen and Arlbjørn 2009).

I address the substantial differences in the purchaser's openness to a salesperson's tacit and explicit cost reduction sales message. I visualize these differences by plotting the desired knowledge-based sales messages in the Kraljic purchasing portfolio matrix (Kraljic 1983) in Figure 4. First, purchasers are more likely to accept a salesperson's sales message that includes tacit knowledge on risk reduction that focuses on potential loss avoidance when they classify the offer as bottleneck products and potential gain for strategic products. The result for selling companies is that when they sell a product/service conceived as a strategic or bottleneck product, their sales message should include a significant portion of tacit knowledge or knowhow adapted to the purchasing company, while keeping explicit or easy to verify arguments as a solid basis in their sales message.

On the other hand, my results indicate that purchasers desire sales messages that only include explicit knowledge for non-critical products and leverage products. For these products and services, purchasers are not absorptive for sales messages including risk reduction, but are more open to cost reduction sales messages that are easy to calculate. Both types of messages should focus on the potential gain in the calculation of cost reduction. Consider the thoughts on this by the following quote:

“The selling firm should not necessarily be known to us when (s)he can prove that there is an absolutely clear cost advantage for our firm. When we have designed a tender, then the selling firm just has to subscribe to the tender.” (Dairy Producer)

5. Conclusions for Scholars and Managers

This study has aimed at attaining a deeper insight, from a purchasers’ perspective, on salespeople as knowledge managers. In the past, the sales function centered little attention on procurement, and as a result, specific needs, approaches, and metrics used by purchasers often remained unknown and consequently underutilized in the sales messages of salespeople. The fragmentation of sales approaches towards the empowered procurement function holds many implications for salespeople.

First, this study highlights the importance for salespeople to learn to deal with purchasers while understanding their needs and practices. In essence, the effects of the changing purchaser-seller landscape require today’s salespeople to distinguish their sales messaging in order to create value for the purchaser. The results of these interviews revealed that salespeople will be more successful based on a combination of two metrics: i) The salesperson’s know-how on reducing the Total Cost of Ownership (TCO) of the buying company and ii), the delivered input to reduce risks. These two metrics either infer tacit knowledge or explicit knowledge to be accepted from a purchaser’s point of view.

Next; the present study identified a serious ‘entry barrier’ for salespeople who want to transfer tacit knowledge. Drawing further on research by Rapp et al. (2014), who propose that a selling company’s credibility is one of the qualifiers for insight selling, my results indicate that trust must first be established between purchaser and seller before salespeople can start unlocking their full knowledge management potential. Additionally, the conducted interviews suggest that salespeople only provide the purchaser with information on ‘easy to measure’, tangible cost benefits when they are not yet qualified as knowledge manager by the purchaser,

or when the products they sell warrant it based on the purchaser's strategic importance of the product.

At the point where the salesperson is qualified as a knowledge manager by the purchaser, I introduce clear guidelines structured around a procurement framework on how salespeople should differentiate their use of sales messaging subject to the type of product or service they are selling. Following the interviewee's comments and research pointing to one particular purchasing framework, I recommend the widely used Kraljic procurement portfolio matrix as a basis for product classification. The Kraljic's approach is deeply rooted in the purchaser's tactics and serves as a backbone to organize the procurement function. This subjective portfolio classification strongly influences the openness by purchasers to different types of sales messages by salespeople. As a result, the likelihood of purchaser's acceptance to different sales messages is plotted into the Kraljic Purchasing Portfolio matrix (see Figure 4) and should drive the salesperson to position its sales message according to the specific knowledge needs associated per quadrant.

The contribution of the second essay entails how the sales side should first understand specific purchaser's jargon, the strategic importance of their offer while looking through a purchaser's lens (Kraljic Purchasing Portfolio Matrix (Kraljic 1983; Van Weele 2005)), to then adapt the sales approach based on particular knowledge needs by the purchaser (Knowledge Management (Meso and Smith 2000)). This results in a selling approach that further advances the current versions of Value-based selling (Ulaga and Eggert 2006), and contributes to the sphere of salespeople who succeed by a better presentation of the competitive advantages of the offer related to future benefits and risk reduction (Cost Benefit Analysis (Prest and Turvey 1965)).

6. Future Research and Limitations

The results of this research are subject to limitations. First, I recognize that there are some limitations to the use of the Kraljic framework (see section about the use of the Kraljic matrix above). In this article, I proposed a differentiated sales approach to salespeople based on how purchasers classify the sales offer in the Kraljic framework, which limits the validity of this research to the correct use of the Kraljic matrix by the procurement function, which might cause misalignment between these propositions and practice. Given the subjective character of the Kraljic matrix classification, I recommend the sales or marketing function to estimate how the (prospective) customer would position the offer of the selling firm based on two questions: i) “Does our sales offer have a small or high impact on the buying company’s profitability?” and ii) “Does our sales offer imply low or high supply disruption risks for the buying company?”.

Another limitation is related to the generalizability of the results, especially for organizations that are selling a heterogeneous bundle of products and/or services to the same customer. Finally, to further improve generalizability of these findings, I suggest to test the propositions in a quantitative study to further deepen the results. In addition to quantitative studies, future research would also benefit from a dyadic research methodology.

Purchasing-Driven Sales: Matching Sales Strategies to the Evolution of the Purchasing Function

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CHAPTER IV: PURCHASING-DRIVEN SALES: MATCHING SALES STRATEGIES TO THE EVOLUTION OF THE PURCHASING FUNCTION

1. Concise Summary of the Research

In this chapter, I look at the implications of the evolution of the purchasing department for the use of extant sales strategies. The personal selling field has witnessed the emergence of various sales strategies, including relationship, value, key account, and solution selling. Despite claims about their effectiveness, recent work challenges the relevance of existing sales strategies across buying contexts. Specifically, emerging sales strategies often focus on the user in the customer organization, without being explicitly aligned with the increasingly important purchasing function. To define the critical role of the purchasing function for sales effectiveness, this study collects data from 32 firms in two markets; their purchasing departments reveal four stages of purchasing evolution: passive (price focused), independent (cost focused), supportive (solution/innovation focused), and integrative (strategy focused). The research demonstrates that each stage of purchasing evolution then requires distinct sales strategies by selling firms and any mismatch of purchasing evolution and sales strategy may be detrimental to sales. This novel view and the supported findings offers several implications for both research and practice.

1. Introduction

B-to-b markets are undergoing transformations due to digitization, increased global competition, servitization and market fragmentation (Ostrom et al. 2010; Spina et al. 2013). Thus, in order to grow, firms must increase their marketing efforts, usually through personal selling (Weitz and Bradford 1999). While sales organizations have tried to reduce cost of sales efforts with increased use of technology in the sales process (Tanner and Shipp 2004), overall the costs of personal selling continue to rise (Sheth, Sisodia, and Sharma 2009) due to lengthening sales cycles (Johansson, Krishnamurthy, and Schlissberg 2003), increased prevalence of customer buying centers (Deeter-Schmelz and Ramsay 1995), and relentless competition forcing organization to use their sales force to elucidate points of differentiation. The productivity of salespeople accordingly has been in steady decline as organizations try to push more complex, differentiated offerings to customers -a process that requires better salespeople, incorporation of services into offerings and more effort (Johansson, Krishnamurthy, and Schlissberg 2003; Trkman et al. 2015). Both academics and practitioners thus seek to identify factors that might enhance productivity among salespeople. For example, researchers have been suggesting major changes to traditional sales strategies, including proposals of relationship selling, value selling, key account selling, and solution selling, as panaceas for reduced personal selling efficiency and effectiveness. None of these proposed strategies has emerged as effective across buying situations.

I identify two main factors that demand a reexamination of sales strategies. First, researchers have suggested that sales strategies have an internal focus (to the selling firm) that has led to the failure of some sales strategies, such as solution selling (Sharma and Iyer 2011). As an example, proponents of relational sales strategies emphasize why marketing and sales functions should focus on relationship strategies. In contrast, very few studies have examined why buying firms should pursue relationship strategies (Sheth and Sharma 1997).

This focus on relationship marketing from the perspective of the marketing function led to some strategy failures. For example, relationship selling recommends a relationship with all customers, but Fournier, Dobscha, and Mick (1998) point out that not all firms seek relationships. Similarly, a number of researchers have suggested firms develop global and key account programs for their large and strategic customers but research has suggested that some large customer do not want to be a global or key account (Sharma and Pillai 1996; Sharma 1997; Pardo 1997). Also, solution selling has been suggested for most sales organizations, but Adamson, Dixon and Toman (2012) suggest that for up to 60% of customers, a solution salesperson may be more of an annoyance than an asset. The emphasis on internal versus external focus can be also seen from the American Society for Training & Development, assessment of the best sales training program (ASTD 2010). Of the six best cases training programs highlighted, only two training programs focused on external factors such as customers – Boston Scientific and Red Hat. The majority focused on internal aspects (e.g., process gap analysis).

Second, recently emerging sales strategies do not explicitly target the purchasing function, through which most orders flow. In an analysis that I detail later, I found that seventy-five articles were published on buyer-seller relationships; buying behavior; relationship marketing in b-to-b; sales approaches; and sales strategies in major journals from 2000-15. Of these, 44% of the articles surveyed or addressed the purchasing function and only 13% addressed the needs of the purchasing function. The purchasing function remains in a state of flux, a dynamic that was not addressed in any research. I suggest a focus on the purchasing function as it is becoming a critical resource for the buying firm (Sheth, Sharma, and Iyer 2009), and purchasing departments are evolving to become more strategic rather than transactional (e.g., McIvor, Humphrey, and McAleer 1997; Tassabehji and Moorhouse 2008; Töytäri and Rajala 2015). Purchasing departments thus are called on to assist firms in sustaining their competitive

advantage (Cavinato 1999; Schoenherr et al. 2012) and to keep costs under control (Ulaga and Eggert 2006). Since purchasing departments have not reached the same stage of evolution and their goals differ (Van Weele and Rietveld 2000; Cavinato 1998), selling firms need to adopt different sales strategies. For example, a lowest price purchasing department should prompt a different sales strategy than an alliance-seeking partner purchasing department.

To explore the interaction of the evolution of the purchasing function and sales strategies, I seek answers to three main research questions. First, what are purchasing executives' perceptions of their own goals and buying processes? Second, what are purchasing executives' perceptions of sales strategies? Third, how should salespeople match their sales processes to purchasing functions needs; that is, what sales strategies should salespeople follow? To answer these questions, I adopted a grounded theory perspective, conducted in-depth interviews, and gathered data from 32 firms in two markets, in Belgium and in India.

In the next section, I survey relevant literature, focusing on some prominent sales strategies and evidence that has called their effectiveness into question. I then examine the role of the purchasing function and its evolution in recent times. With this foundation, I develop the research expectations before presenting the research and data collection methods. The data analysis then leads into a discussion of the results and their implications for research and practice.

2. Theory

In the theory section, the intention is to highlight three inter-related research streams. The first section discusses extant sales strategies, examines some issues with the sales strategies. The second section discusses the purchasing function and the evolution of the function. The third section discusses the interaction of the purchasing function and sales function and highlights the lack of explicit recognition of the purchasing function, the unique

needs of the purchasing function and the differences between purchasing executives' and salespeople's perceptions.

2.1. Sales Strategies

I examine sales strategies that have emerged since 1980 to determine the universal appeal of these strategies; relationship, value, key account, and solution strategies. In selection of these strategies, I need to clarify three points. First, this list is not exhaustive and some other strategies could be added or some of the strategies deleted, but the focus is on strategies that are most discussed in literature. Second, I do not address sales processes or their associated approaches, such as the well-known seven steps of selling (Dubinsky 1981), SPIN (Rackham, Kalomeer, and Rapkin 1988), or adaptive selling (Weitz, Sujan, and Sujan 1986) as these sales processes are relevant for increasing the effectiveness of all of them. I also ignore Challenger sales strategy (Dixon and Adamson 2011) due to major issues associated with it (Rapp et al. 2014). Third, the strategies that I discuss are not exclusive and there is overlap between the strategies. In the following sections, I suggest that most sales strategies are effective but not all the time, and I summarize research that demonstrates issues with the strategy.

2.2.1 Relationship Selling

Personal or social relationships should be the most effective relationship management tools (Crosby, Evans, and Cowles 1980; Palmatier, Gopalakrishna, and Houston 2006). Traditional selling techniques, such as a script-based selling, started moving toward the idea of relationship selling in the 1980s (Crosby, Evans, and Cowles 1980) and value creation for both the selling firm and the customer (Grönroos 2011, Grönroos and Voima 2013). There is extensive research on the positive outcomes of relationship selling as relationships reportedly can enhance satisfaction, which in turn increases buyers' commitment (Grönroos 2011, Grönroos and Voima 2013).

There is limited research that has highlighted issues with relationship selling. Sharma (2007) and Seiders et al. (2005) find no significant association between relationship length and satisfaction. Research examining loyalty also identifies non-significant, or even negative, correlations between relationship length and behavioral and attitudinal measures (e.g., Crosby and Stephens 1987; Kumar, Scheer, and Steenkamp 1995; Lusch and Brown 1996). Finally, Fournier, Dobscha, and Mick (1998) point out that not all firms seek relationships.

2.2.2. Value Selling

In value selling, the selling strategy is to sell the total cost of ownership (TCO), rather than the purchase price. This concept becomes even more relevant as firms augment their offerings and sales approaches with extra services (servitization) aimed at reducing the TCO of the customers (Lee, Yoo, Kim 2016). Value selling has a rich research tradition (De Rose 1991; Terho et al. 2012; Töytäri and Rajala 2015) and research has clarified value selling steps that firms need to follow. The issues with value selling are implementation oriented as customers often find it difficult to determine their value and costs, and also selling firms cannot determine or communicate value either (Ulaga 2003; Hinterhuber 2008). Value selling is therefore difficult for selling firms, because value pricing is difficult to communicate and implement.

2.2.3. Key Account Selling

Key account programs (also referred to as global, strategic, or national accounts) have proliferated to such extent that sales experts recommend key or national account management programs for all substantial or important customers (e.g., Richards and Jones 2009; Workman, Homburg, and Jensen 2003). Key account management is “the performance of additional activities and/or designation of special personnel directed at an organization’s most important customers” (Workman, Homburg, and Jensen 2003, p. 7) and the effectiveness of key account strategies leading higher profitability has been demonstrated.

Researchers have raised some issues with key account selling. Sharma and Pillai (1996); Sharma (1997) and Pardo (1997) find that not all customers like being selected for this status. Napolitano (1997) shows that a majority of respondents surveyed rate partnering through key accounts as a poor option. Dishman and Nitse (1998); Ivens and Pardo (2007); Ivens and Pardo (2008); and Hofer et al. (2012) discover few differences between key and non-key accounts.

2.2.4. Solution Selling

In the past two decades, increased competition and product commoditization have led firms in several industries to seek to differentiate their offerings by developing and selling solutions (Bosworth 2002, Sharma 2006; Cova and Salle 2008; Mathysens and Vandenbempt 2008; Tuli, Kohli, and Bharadwaj 2007; Sharma, Iyer, and Evanschitzky 2008; Sharma and Iyer 2011). However, approximately three-quarters of the companies that have embraced solutions selling have failed to recover the cost of their investments and been unable to demand price premiums (Roegner and Gobbi 2001; Johansson, Krishnamurthy, and Schliissberg 2003; and Krishnamurthy, Johansson, and Schliissberg 2003). Adamson, Dixon and Toman (2012) report on research on 1,400 b-to-b customers that found that 60% of the purchasing process (including examining solution) was completed by firms before contacting a salesperson. They suggest that solution selling may be an annoyance rather than a benefit for these customers.

2.2.5. Summary

As this preceding discussion suggests, most sales strategies are effective but not all the time, and most of their inadequacies pertain to specific b-to-b selling contexts. I propose two likely reasons for their lack of effectiveness. First, in focusing so powerfully on users, sales strategies ignore the purchasing function, which is very important in business markets. Researchers estimate that approximately 80% of an organization's costs go through the purchasing department (Ramsay and Croom 2008; Emiliani 2010). Second, extant sales strategies do not recognize the different purchasing situations that can result from the different

stages in the evolution of the purchasing function. Consequently, I discuss the purchasing function in these contexts in the next sections.

2.2. The Purchasing Function

A survey of CEOs from a broad range of industries, conducted by the Institute of Supply Management, Derry (2014) found that 85% agreed or strongly agreed that the head of supply management plays a key role in their company's strategy formulation; more than 80% of CEOs also reported that the head of supply chain played a key role in their firm's strategy execution; and, 58% of them stated that supply chain management was a source of competitive advantage for their firms. This growing strategic importance of purchasing has been accentuated by the decreased prominence of manufacturing, as well as outsourcing that moves traditional sources of competitive advantage outside the firm (Sheth and Sharma 1997; Hunter, Bunn, and Perreault 2006). Therefore, firms regard suppliers and supply chains more strategically, leading the purchasing function to play a more strategic role in the organization (Flint, Blocker, and Boutin 2011; Barney 2012). In particular, trends indicate that purchasing functions have been reducing the number of suppliers, with a focus on suppliers that are better connected, have insights into their business, are interested in strategic alliances, are willing to co-locate supplier personnel at the customer site, and achieve world-class benchmarks (Carter and Narasimhan 1996; Trent and Monczka 1998). Autry, Goldsby, and Bell (2012) suggest that when it comes to future needs in a rapidly changing, global world, supply chain management faces the greatest challenges and bears the most responsibility. They also posit that no other business discipline will be as critical to the future of companies for the remainder of this century.

Evolution of the Purchasing Function

One of the challenges associated with meeting the needs of the purchasing function is that different organizations have reached different stages in the evolution of their purchasing. Research in this area has been extensive in the past 30 years; Ellram and Carr (1994) provide

an excellent review of the first 10 years. For example, in a first major study in the field, Reck and Long (1988) identify four purchasing development stages: passive, independent, supportive, and integrative. Passive purchasing reacts to requests from other departments; an independent purchasing function adopts the latest techniques and practices; supportive purchasing supports the firm's competitive strategy by adopting practices that strengthen the firm's competitive position; and an integrative purchasing function's strategy is fully integrated with the firm's strategy. Other researchers that have extended the Reck and Long (1988) classification are Cavinato (1991); Van Weele (2005); Burt and Starling (2002); Lockamy and McCormack (2004); Bruel and Petit (2005); Cousins, Lawson, and Squire (2006); and, Lyons and Farrington (2006). In this group, five scholars suggest that the purchasing maturity is stipulated by four stages, two researchers argue for five stages, and one academic proposes for six stages of purchasing maturity. Across the eight different maturity models suggested, I found a number of commonalities in the different stages. One is that higher maturity levels imply for a purchasing function that is more involved and integrated with the other departments or suppliers. Second improvement of higher levels is the increased focus on longer-term results and, thirdly, the purchasing function is more perceived as a competitive edge by the buying firm rather than a cost center. As an example, Van Weele (2005) suggests that a purchasing function's focus or orientation moves from transactional (order processing) to commercial (prices) to purchasing coordination (synergy) to internal integration (TCO) to external integration (supply chain) to value chain (strategy).

I adopt Reck and Long's (1988) framework for this research because most researchers have utilized the classification for research. In addition, although the later models of purchasing evolution focus on strategic orientation, many purchasing departments remain in the passive stage. Even as subsequent research has refined Reck and Long's (1988) framework, it remains the most important lens through which to view the evolution of the purchasing function. For

example, purchasing executives slowly are becoming more outwardly focused (Gelderman and Van Weele 2005; Kibbeling, der Bij, Van Weele 2013), but the purchasing department largely remains internally focused (Blecker, Kersten, and Ringle 2014). Ramsay and Croom (2008) also acknowledge that new purchasing departments struggle with their basic administrative role, and top management nearly always overestimates the pace with which strategic purchasing roles can be implemented. I also recognize that a purchasing department may be in one stage of evolution in one area and in another stage for a different area.

2.3. Interaction of the Sales and Purchasing Function

This section discusses the interaction of the sales and purchasing function. I first discuss the recognition of the purchasing function in recent sales literature. Then I discuss if the purchasing function has some different criteria than other functions in the organization necessitating a different strategy. Finally, I discuss the differences in perceptions of the purchasing function and salespeople.

2.3.1. The Purchasing and Sales Function

In this attempt to better understand the role that the purchasing department played in sales strategies, I examined extant literature. I surveyed the literature from 2000-2015 in top tier journals and I found seventy-five articles focusing on the following topics: buyer-seller relationships; buying behavior; relationship marketing in b-to-b; sales approaches; and sales strategies. Thirty-three papers sampled respondents from the purchasing function, supporting the increased recognition of the purchasing function in academic sales literature, but interestingly there were only ten papers that addressed the needs of the purchasing function (Table 9 below). However, all of these papers regarded the purchasing function as static and not evolving as the research of Reck and Long (1988) would suggest.

In the area of interest, the interaction of sales strategy and the purchasing function, Wood, Johnson, and Boles (2014) was the only paper that was located. They tested three sales

approaches on relational outcomes, with the buyer's gender as a moderating variable and found that not all types of selling approaches are equally effective (Wood, Johnson, and Boles 2014).

Table 9: Research From 2000-2015 That Examined the Purchasing Function Roles

<i>Reference</i>	<i>Title of the paper</i>	<i>Data set</i>	<i>Key Findings</i>
<i>Bharadwaj (2004)</i>	Investigating the decision criteria used in electronic components procurement	113 business customers	Small Differences between importance of factors when purchasing A or C products.
<i>Bonner and Calantone (2005)</i>	Buyer attentiveness in buyer-supplier relationships	119 buyers	Purchase behavior is positively affected by buyer attentiveness that is positively affected by relationalism.
<i>Henke (2000)</i>	Strategic selling in the age of modules and systems	Conversations with car assemblers	Found that Engineers and purchasing managers were not ready for integrated solutions. Suggested training and infrastructure support.
<i>Mitrega and Katrichis (2010)</i>	Benefiting from dedication and constraint in buyer-seller relationships	Structured interview with 208 companies	Examination of benefits of emotional tone of relationships.
<i>Plank and Ferrin (2002)</i>	How manufacturers value purchase offerings - An exploratory study	122 members of National Association Of Purchasing Managers	Examines the valuation criteria of purchasing managers and finds wide variation.
<i>Sanzo et al. (2003)</i>	The effect of market orientation on buyer-seller relationship satisfaction	Longitudinal sample of 264 and 174 Spanish industrial firms.	Cultural market orientation positively affects satisfaction.
<i>Tellefsen (2002)</i>	Commitment in b-to-b relationships - The role of organizational and personal needs	113 Purchasers	Buying behaviors are driven by both personal and organization's needs.
<i>Ulaga and Eggert (2006)</i>	Value-based differentiation in business relationships: Gaining and sustaining key supplier status	Qualitative study plus a cross-sectional survey among senior purchasing managers	Discusses the role of value-based differentiation in Business Relationships.
<i>Viiö and Grönroos (2015)</i>	How buyer-seller relationship orientation affects adaptation of sales processes to the buying process	9 respondents from the seller and buyer organization	Modes of sales process adaptation are based on: sales process adaptation, seller-buyer relationship orientation, and the purchasing portfolio.
<i>Wood et al. (2014)</i>	Investigating sales approaches and gender in customer relationships	840 organizational buyers	Demonstrates that not all types of selling approaches are equally effective.

2.3.2. Do Purchasing Department Criteria Differ from Other Functions?

Criteria?

This section discusses if the purchasing department criteria might be different from other functions and if those criteria in turn need to be reflected in different sales strategies. Purchasing managers traditionally have not been the exclusive subject of marketing strategy studies, though some recent research considers their role and perceptions (see Table 11 below

for exemplar research). Bals, Hartmann, and Ritter (2009) find that purchasing department involvement introduces new criteria that users previously had not considered (e.g., cost, risk perspectives). Tate et al. (2010) examine data about purchases of marketing services to reveal that, compared with other users, purchasing sought more specificity in contracts, process outcomes, contractual milestones, risk management, and clear monitoring. According to Perner, Werr, and Bianchi (2014), formalization of the purchase of professional services, through the purchasing function, takes two forms: a formulation of policies and an establishment of preferred supplier agreements by purchasing executives. Jennings and Plank (1995) find that the purchasing department behaves differently from other departments in its decision criteria. Therefore, existing research strongly suggests that the purchasing function adopts different criteria than other functions in the buying process, and those criteria in turn need to be reflected in different sales strategies.

Table 10 Research on Purchasing Department Role in the Buying Process

<i>Reference</i>	<i>Context</i>	<i>Buying Roles</i>	<i>Purchasing Roles</i>
<i>Bals, Hartmann and Ritter (2009)</i>	Service Procurement	It mentions that procurement complexity and the duration of relationship between the purchasing and marketing employees affect the procurement.	Purchasing department is involved for the procurement success but lack of skills, lack of motivation and lack of opportunity affect the involvement.
<i>Jennings and Plank (1995)</i>	Complex Product Procurement	Manufacturing – specifications and commercial; Engineering – political and commercial.	Purchasing is involved in functional evaluation and specifications.
<i>Johnson and Leenders (2004)</i>	Organizational structure approaches	Only examined purchasing function. Contrast with other functions not provided	CPO needs to handle simultaneous activities, including cost reduction objectives and implementation of information technology systems
<i>Luzzini et al. (2014)</i>	IT Services	The IT department and the purchasing department have different roles in the organization	Four purchasing configurations are in place: neutral, IT oriented, purchasing oriented, and IT strategic
<i>Pemer, Werr and Bianchi (2014)</i>	Consulting Services	Only examined purchasing function. Contrast with other functions not provided.	Purchasing Manager focused on purchasing processes and formalizes policies and creates preferred supply agreements.
<i>Sheth, Sharma, and Iyer (2009)</i>	Theoretical paper	Business trends will transform the purchasing department and the marketing department	Transformation of the purchasing function: search for vendors of solutions, specifications of supplier, understanding customers, and coordinating with suppliers
<i>Stremersch, Wuyts and Frambach (2001)</i>	Maintenance Contracts	Maintenance Manager (user) – outcomes; Plant Manager (decider)– budget and outcomes; Production Manager (influencer) – expertise and overall needs.	Purchasing Manager (gatekeeper) – ranking alternatives, commercial aspects of contracts.
<i>Tate et al. (2010)</i>	Service Procurement	Marketing – outcomes, deliverables, deadlines.	Purchasing – longer contracts, specific process and outcomes measurement, more formal.
<i>Tassabehji and Moorhouse (2008)</i>	Overview procurement skills	Necessary professional procurement skills	Technical, interpersonal, internal and external enterprise, and strategic business skills
<i>von Haartman and Bengtsson (2015)</i>	Innovation capabilities	Only examined purchasing function. Contrast with other functions not provided	Part of the role of global purchasing departments is to contribute to their company’s innovation level

2.3.3. How Do Purchasing Executives Evaluate Salespeople?

The previously summarized research establishes that the purchasing function has become more important and has unique requirements. I searched for studies of the perceptions that the purchasing function developed about salespeople but was unable to find any such research and therefore I conducted an own online survey. The online surveys of purchasing and sales executives sought to define the evaluations of supplier sales forces. The questionnaire consisted of ten salesperson attributes (Table 11), and respondents evaluated salespeople's performance on those attributes using 5-point Likert scales. The questionnaire reflected input from purchasing executives in various industries, gathered during industry seminars. I balanced the data collected from purchasing executives with results of a survey of salespeople, in which I asked them to evaluate their performance with respect to purchasing executives. 200 purchasing (500 sales) executives received emails that contained links to the online survey; to encourage their participation, I informed all the executives that they would be invited to an event where I would present the results and have industry speakers share their experiences/best practices, while also giving the purchasing and sales executives an excellent opportunity to network. Two weeks after the initial email, I sent reminders to the complete list (thanking those who had completed it and urging non-respondents to do so). I closed the survey four weeks after the initial mailing. Because the purpose of this study is exploratory, I did not conduct any wave analysis (after sending the reminder). Although 77 purchasing (180 sales) executives opened the link to the survey, 20 (32) of them did not answer any questions. Another 3 purchasing (32 sales) executives only partially answered the questionnaire. After discarding these responses, I obtained 54 (106 sales) usable responses from purchasing (sales) executives, for response rates of 27% for purchasing and 21.2% for sales executives. The purchasing executives on an average were responsible for sourcing more than 10 product categories/solutions and had experience in dealing with multiply suppliers' salespeople for

each of the product categories/solutions. The salespeople I surveyed also belonged to local as well as multinational organizations.

Table 11: Purchasing and Sales Executives Evaluation of Salespeople

<i>Attribute</i>	<i>Purchasing</i>	<i>Salespeople</i>	<i>Gap</i>
Good understanding of the customers' business challenges	3.1	3.4	-0.2
Builds long term, close and personal relationships	3.1	3.5	-0.4
The ability to deliver on promises	3.0	3.2	-0.1
Exchange of information -- product development, industry trends and insights	3.0	3.9	-1.0
Challenge the customer and provide new insights	2.8	3.8	-1.0
Efficient and proactive communication	2.7	3.4	-0.7
Delivers business impact by finding areas to generate performance improvements	2.7	3.5	-0.8
Sharing of benefits with the customer	2.6	3.6	-1.0
Ensures comparability and transparency of product/service offerings	2.6	3.3	-0.8
Provides insights on total cost of ownership	2.4	3.4	-1.0

The results in Table 12 above sort the attributes according to the purchasing executives' perceptions of salespeople's performance. I highlight a few notable aspects. First, the average performance of salespeople was 2.8, below the scale midpoint. The mean value noted by sales executives was 3.5, so these salespeople agree that they are not satisfying the needs of their purchasing customers. Second, only four attributes reached or exceeded the midpoint (with an average of 3.1): good understanding of the customers' business challenges; builds long-term, close and personal relationships; ability to deliver on promises; and exchange of information about product development, industry trends, and insights. The poorest ranking salesperson attributes were "ensures comparability and transparency of product/service offerings" and "provides insights on total cost of ownership." Third, salespeople's evaluations of their own behaviors were higher than purchasing executives' evaluations, with a gap of .7 on the 5-point scale. Thus, sales executives are not very accurate in their understanding of purchasing

customers, a result affirmed by other research (e.g., Lambert, Marmorstein, and Sharma 1990). This preliminary research indicates that the purchasing function is not satisfied with the service that salespeople provide. Clearly, there is a gap between what purchasing executives desire from salespeople and what they receive.

In the next section, I shift the discussion to the salesperson-related needs of purchasing departments. The examination is critical, because not only do salespeople need to sell to purchasing, but purchasing needs to develop closer relationships with their suppliers (Hunter, Bunn and Perreault 2006; Sheth and Sharma 1997). That is, sales organizations need to be organized to fulfill purchasing customer needs.

3. Research Expectations

To understand the critical role of the purchasing function in determining sales effectiveness, I collected data from purchasing departments. With this data, I pursue three research questions. First, what are purchasing executives' perceptions of their own goals and buying processes? Second, what are purchasing executives' perceptions of sales strategies? Third, how should salespeople match their sales processes to purchasing functions needs; that is, what sales strategies should salespeople follow? For purchasing executives' perceptions of their own goals and buying processes, I expect purchasing functions to fall into one of the four stages of purchasing evolution I discussed in the previous section: passive (price focused), independent (cost focused), supportive (solution/innovation focused), or integrative (strategy focused). This would be a validity test for this sample.

The research focus and contribution arises from purchasing executives' perceptions of sales strategies and what sales strategies should salespeople follow. I would like to recognize that personal selling and sales management literature has not previously taken the perspective of the purchasing function or aligned evaluation and recommended sales strategies with the

evolution of this function. For example, I find no studies that address how purchasing executives evaluate suppliers' specific sales practices (e.g., relationship marketing versus solution selling). However, I argue that the stage of evolution of the purchasing function must affect the evaluation of sales strategy and the selection of the appropriate sales strategy.

In the context of b-to-b buyer–seller relationships, Cannon and Perreault (1999) propose a typology of *relationship connectors*: information exchange, operational linkages, legal bonds, cooperation, and relationship-specific adaptations. I propose that different relationship connectors become more salient when selling units interact with purchasing units at different stages of purchasing evolution. Thus in the passive stage, purchasing executives might prefer to obtain price and availability information quickly and responsively. In terms of the relationship connectors (Cannon and Perreault 1999), their focus is on information exchange. Geographic or product-based sales forces tend to respond more rapidly with information about price and availability, so they may be best suited for this stage of evolution by the purchasing department. Relationship selling also might work in this context, insofar as speedy information exchange can be facilitated by this strategy. Purchasing is not involved in the buying center though, so salespeople suggesting alternatives should be less useful. That is, buyers in a buying center may want to evaluate alternatives, but to the extent that the sale cannot be closed without the confirmation of the purchasing department, which is only interested in price and availability information, it may be futile and inefficient for sellers to devote too much effort to presenting other alternatives. Similarly, solution selling, with its time-consuming collection of data about customer needs, likely would be less useful.

In the independent stage, purchasing executives focus on cost reductions and efficiency. Reck and Long (1988) suggest that they seek the lowest total costs (or TCO), with an emphasis on operational efficiencies. Thus, in Cannon and Perreault's (1999) framework, the focal relationship connector is likely operational linkages, and value selling should be desired. The

overriding concern of the sales unit should be to determine clearly and communicate how its offering satisfies the criterion of minimizing the TCO for the purchasing function and, by extension, for the firm. Value selling is designed specifically to achieve this goal, though relationship selling also could be preferred.

In the supportive and integrative stages, purchasing executives focus on competitive objectives, strategic requirements, and integration into the buying center. If the buying firm is trying to maintain a competitive advantage over its rivals by building a strategic relationship with the seller, then the purchasing department of the buying firm, which is part of the buying center, ipso facto will share its need for deeper relationships with sellers. In Cannon and Perreault's (1999) framework, the focal relationship connector is cooperation and relationship-specific adaptations by both buyer and seller. Ellram (1990) contends that deeper, strategic-level relationships between buyers and sellers differ fundamentally from traditional buyer-seller relationships. A selling strategy that merely seeks to provide expeditious information exchange will be insufficient to achieve these higher-order strategic initiatives, which purchasing desires. Similarly, value selling, which has a narrow focus on trying to establish and communicate the total cost of ownership, will fall short of the strategic commitment required. Buyers and purchasers looking for strategic relationships need sellers to fulfill requirements on various dimensions, unlike buyers and purchasers that are not looking for such relationships. In these cases, purchasing executives may prefer solution selling, because they allow sellers to engage buyers at a much deeper level, in line with the buyer's requirements. Buyers that seek strategic relationships with sellers often do so because they want to move beyond standard offerings and acquire customized solutions to their complex problems that generally require the potential sellers to uncover those buyers' hidden and unstated needs. Solution selling is appropriately designed to achieve this end. Because some coordination exists in large organizations, a multispecialty sales organization, such as key account management,

also might be preferable. Key account management teams, with their intense focus on the buyer, actively attempt to uncover buyers' hidden and unstated needs and satisfy them by leveraging input from specialists in various business units of the selling firm.

In summary, I expect purchasing departments to fall into four categories: passive (price focused), independent (cost focused), supportive (solution/innovation focused), and integrative (strategy focused). In addition, I expect specific preference patterns, such that passive functions prefer product, geographic, and relationship selling; independent purchasing functions seek value selling; and supportive and integrative functions are best suited for solution selling and key account management.

4. Study

I wanted a more elaborate view of how purchasing executives' interactions with salespeople vary, according to the type of task/situation and their expectations with respect to sales executives. To gain insights beyond the preliminary survey results, I conducted semi-structured, in-depth interviews and a focus group discussion with purchasing executives, following a grounded theory approach (Glaser and Straus 1967). Grounded theory is well suited for developing theory on the basis of field data and describing interactions that involve many parties (Creswell 2013).

I began by contacting purchasing executives with whom my colleagues and I had existing relationships, then applied a snowballing technique to find more respondents that matched the theoretical sampling requirements. Theoretical sampling is characterized by informed decisions about whom to pursue as the next interviewee, according to the initial theory. None of the purchasing executives I contacted for this study had been conditioned by the previous online survey. Between July 2014 and February 2015, I conducted one focus group discussion and 31 personal in-depth interviews with various levels of seniority, to decrease the threat of

single informant bias (Kumar, Stern, and Anderson 1993). The group discussion and the interviews lasted 150 minutes and between 40–110 minutes respectively, totaling 36.8 hours of recorded audio. The focus group discussion and nine interviews, or 16 purchasing executives were interviewed face-to-face and 23 interviews were conducted over the telephone. The respondents from 32 different companies represented different sectors and two geographically distinct areas, Belgium and India (many of the interviewed companies are headquartered in Belgium and the US). The diverse companies in the sample included both local firms and subsidiaries of multinational companies, with turnover levels ranging between US\$4 million–\$130 billion. The interviewees belonged to family-owned businesses, publicly listed companies, and private enterprises. I provide the firm data when I discuss the classification (for confidentiality, I disguise the names of the companies and purchasing executives). With this variance in the size and ownership types, I could investigate whether firm characteristics influenced purchasing tactics. In the sample, 20 firms worked in a B2B environment, 11 were more focused on business-to-consumer settings but had substantial B2B components, and 1 company addressed municipalities/governments. All firms were involved in B2B purchasing.

The final topic guide I used for the interviews consisted of 40 questions and 19 themes (see Appendix 2). The initial topic guide was based on the findings from the survey study and a review of peer-reviewed marketing articles (e.g., Anderson and Chambers 1985; Cavinato 1991; Cannon and Homburg 2001; den Butter and Linse 2008; Tassabehji and Moorhouse 2008; Adamson, Dixon, and Toman 2012). I did not use the exact wording from any of these prior studies but relied on their ideas as a starting point, to trigger open discussions with the purchasing managers without directing them toward answers I received from other participants. The interview guide is semi-structured because of the open discussions and the researcher's possibility to follow topics that strayed from the topic guide. The grounded theory research method involves constant comparative analyses (Straus and Corbin 1994), such that I refined

the topic guide each time I learned something new during the interviewing process and continued this iteration until I reached saturation.

All participants received the topic guide, with the list of questions, prior to their interviews. Thus they could prepare for the interview, leading to deeper insights from each interview. As needed, the interviewer also probed participants for more information. In the next step, the recordings were transcribed and coded, in line with a grounded theory approach, using the NVivo 9 software suite. Accordingly, 133 nodes were grouped into 34 concepts and 12 categories, which served as the basis for the within- and cross-case analyses. Finally, I presented some of the findings from the analyses to the participants, to gauge their responses.

5. Results

In line with Reck and Long's (1988) classification, I identified four clusters of purchasing practices aimed at suppliers, then four scholars individually reviewed and assigned each company to a maturity level (low, medium, or high) depending on their perception of the professionalism of the purchasing department. In the second round of reading the transcribed interviews, the scholars studied the Reck and Long paper and assigned the companies to one of the four types of purchasing practices. The four types of purchasing practices were passive (focused on price and service level), independent (focused on TCO), supportive (focused on solutions and innovations), and integrative (strategy). The purchasing departments were assigned to one of the four clusters based on their fit with the definition and characteristics of the respective stage (Reck and Long 1988). For example in the solution-innovation stage, these purchasers are involved in the sales proposal teams and are very concerned about sourcing the right product or service to solve their internal customers current and future problems or needs, rather than sourcing the cheapest product or service (Price focus) or realizing the biggest cost reduction for their firm (TCO focus). Because the topic guide was not directed to one of the

past, present, or future single purchasing opportunities, the researchers could see the bigger picture of the purchasing approach associated with the different maturity stages. In the next step, the researchers met to discuss their classifications and reconcile the disparities. The initial differences in clustering were differed by maximum one maturity level. The clustering finally shaped 4 passive, 12 independent, 6 supportive, and 10 integrative firms.

I also analyzed the transcripts to answer two questions for each cluster: (1) “What is the desired sales relationship?” and (2) “What is the desired sales approach?” In turn, I condensed the answers to these questions and grouped them for each focus orientation, to identify commonalities in each cluster. Finally, one or more sales strategies were matched to the different levels of expectations, as I detail next.

5.1. Passive Cluster: Focus on Price and Service-Level Agreements

The minimal representation of companies in this first group seems counterintuitive at a first glance; purchasing executives commonly are perceived as *price squeezers* by salespeople, yet the interviewees suggest the main focus of most purchasers lies elsewhere, as evidenced by a range of comments from all four clusters:

“Squeezing is inappropriate.” (Company 11)

“Squeezing out the supplier is not necessary, price is not the priority.” (Company 19)

“We do not want to be known for squeezing out our suppliers.” (Company 20)

“When you are pushing your supplier too hard, you will harm your customer too.”
(Company 25)

“High price sensitivity is difficult for our business because we always want to start from a partnership, a loyal relationship.” (Company 8)

“A contract is more than discussing the price.” (Company 26)

Thus, a common ground across the interviewed purchasing executives is that purchasing has priorities other than price squeezing and is moving to a more value adding function.

Companies in the passive cluster remain at the first level of the purchasing typology (Reck and Long 1988). Based on the questions on risk aversion (question 14 in Appendix 2), I found that these purchasing departments expressed higher perceived risks more than companies from the other clusters. Moreover, risk reduction is one of their priorities. These firms' industry orientation is mostly driven by mass production or is cost-based oriented; only one company is not globally active; and three of the four firms are publicly listed, one is privately held. Two companies are selling to end-consumers and all four companies have turnover levels below \$600 million. Interestingly, three companies are active in industries that require a great deal of labor. The assigned maturity levels are either low or medium, and the responsibilities of the interviewees comprises of direct purchases, such as direct production materials. For an overview of the companies in the passive cluster, please see Table 12 below.

Table 12: Characterization of Purchasing Departments with a Focus on Price and SLAs

<i>Company Number</i>	<i>Industry</i>	<i>Headquarter</i>	<i>Job Position</i>	<i>Responsibility</i>	<i>Revenue</i>	<i>Structure</i>	<i>Customers</i>	<i>Global</i>	<i>Firm Focus</i>	<i>Level of Professionalism</i>
12	Textile	Belgium	Purchasing Manager	Direct purchases	50-500m	Public-listed	Mix B2B and B2C, mainly B2C	Yes	Mass production	Medium
28	Facility Management	France	Purchaser	Direct purchases	50-500m	Private	B2B	Yes	Cost driven	Medium
31	Hotel	India	Managing Director	Direct + Indirect Purchases	<50m	Public-listed	B2C	Yes	Cost driven	Low
32	Construction	India	Purchasing Manager	Direct + Indirect Purchases	50-500m	Public-listed	B2B	No	Mass production	Low

For example, according to a purchasing executive from Company 12,

“Each purchaser has his own procedure in the buying process. Strategic components are bought by a tender and an estimate contract. The final decision will be based on prices and end of the year advantages, as well as the exposure to supply-disruption risks on a monthly basis. For the delivery of strategic and critical products, I want to have at least two or three suppliers.”

As much as possible, these firms opt for multiple sourcing, purchasing from at least two suppliers per buying category, to reduce the supply disruption risk. They also recognize that consolidating the supplier base can help reduce their suppliers’ prices, as an executive from Company 28 argues: *“We make use of a tender once a year to check for volume discounts at different suppliers. We don’t want to become too dependent of one supplier.”* The executive from Company 12 similarly states, *“We want to reduce the number of suppliers to increase the turnover levels per supplier and group the products into a category.”* The respondents clearly believe that balancing multiple sourcing and consolidation of the supplier base both are essential. The optimum is the point at which the suppliers can be played off each other, so that the buyer receives more competitive prices and avoids the risk of being too supplier dependent.

Respondents also stated that they wanted certain characteristics from sales organizations: the lowest price after covering the main risks; and be functional, accurate, financially stable, and reliable. They wanted a basic sales approach, in which the sales team follows the instructions provided by purchasing, delivers the required quality, and offers the best price. This transactional approach (De Vincentis and Rackham 1998) suggests that sales firms should use a simple sales force structure to respond to these needs. As I stated in the research expectations, product- or geographic-based sales forces can fit the requirement. If the buying firm requires even more risk reduction, relationship marketing may be useful too.

5.2. Independent Cluster: Focus on Cost

As one respondent explains, “It is not about price but all about the long-term possibilities and TCO. The benefits should always be higher than the costs” (Company 29). Focusing on

the total cost of ownership (TCO) distinguishes these purchasing departments, which seek a longer collaboration horizon and seek a higher level of customer intimacy. Twelve of the 32 purchasing companies are cost focused, with most of them (10 of 12) being globally active. In these purchasing functions, I find little homogeneity in industry orientation, shareholder structure, or customer orientation. The price sensitivity they exhibit is different from that revealed by the passive cluster, in that they will pay a higher price if they identify added value in the supply chain. For example, an executive from Company 29 states:

“The difference between commodities and differentiated products lies in the margin my company gets and the price sensitivity we have towards our suppliers: the more a product is differentiated and can bring added value to the table, the more likely we will get a better margin for this end product when we are selling it.”

Table 13 below provides an overview of these cost-focused companies. These companies are active in a wide range of industries. Seven of these listed companies are only targeting B2B customers and five companies are marketing their offer at both B2B and B2C customers. All the buying firms, except for two companies, are globally active. The respondents range from managers to Chief Procurement Officer (CPO). Five companies have turnover levels above \$1.2 billion. Eight interviewees are involved or have responsibility for both direct and indirect purchases, the other four are limited to the direct purchases. Seven companies are public-listed, three are family-owned, and two have a private shareholder structure.

Table 13: Characterization of Purchasing Departments with a Focus on Costs

<i>Company Number</i>	<i>Industry</i>	<i>Headquarter</i>	<i>Job Position</i>	<i>Responsibility</i>	<i>Revenue</i>	<i>Structure</i>	<i>Customers</i>	<i>Global</i>	<i>Firm Focus</i>	<i>Level of Professionalism</i>
2	Telecom	Belgium	Purchasing Director	Direct Purchases	>1bn	Public-listed	Mix B2B and B2C, mainly B2C	No	The best quality	High
5	Glass Manufacturing	Germany	Director	Direct Purchases	>1bn	Public-listed	B2B	Yes	Mass production	Medium
14	Transportation: Rental	USA	Fleet Manager	Direct Purchases	500-1bn	Public-listed	Mix B2B and B2C, mainly B2C	Yes	Cost driven	Low
16	Agriculture-Industrial	USA	Strategic Sourcing Manager EMEA	Indirect Purchases	>1bn	Family-owned	Mix B2B and B2C, mainly B2B	Yes	Mass production	High
18	Chemical	The Netherlands	CPO	Direct + Indirect Purchases	>1bn	Public-listed	B2B	Yes	Mass production	High
19	Packaging	Belgium	Global Procurement Director	Indirect Purchases	50-500m	Public-listed	B2B	Yes	The best quality	Low
22	Automotive	USA	European Purchasing Manager	Direct + Indirect Purchases	50-500m	Private	B2B	Yes	Mass production	High
12	Textile	Belgium	Purchasing Manager	Direct Purchases	50-500m	Public-listed	Mix B2B and B2C, mainly B2C	Yes	Mass production	Medium
23	Energy	The Netherlands	Purchasing Manager	Direct + Indirect Purchases	>1bn	Public-listed	B2B	Yes	Job shop	Medium

<i>Company Number</i>	<i>Industry</i>	<i>Headquarter</i>	<i>Job Position</i>	<i>Responsibility</i>	<i>Revenue</i>	<i>Structure</i>	<i>Customers</i>	<i>Global</i>	<i>Firm Focus</i>	<i>Level of Professionalism</i>
25	3D Printing	Spain	CEO	Direct + Indirect Purchases	<50m	Private	Mix B2B and B2C, mainly B2C	Yes	The best quality	Low
29	Road Signalization	Belgium	CEO	Direct + Indirect Purchases	<50m	Family-owned	B2B	No	Cost driven	Medium
30	Manufacturing: Green Energy	Belgium	Purchasing Team, Sales Team, and CEO	Direct + Indirect Purchases	50-500m	Family-owned	B2B	Yes	Job shop	Low

Most differentiation in this cluster relies on a value-sourcing perspective, to decrease commoditization pressure rather than focusing on attracting innovations through co-creation with the supplier. The main goal is to cut waste from the value chain, as articulated by Company 22: *“I get suspicious about a salesperson who does not proactively talks about how my company can reduce the costs and or improve efficiencies.”*

In addition, these purchasing departments want more internal support from the other departments. An executive from Company 30 is *“struggling to get more support from our internal customers.”* An executive from Company 22 elaborates: *“It helps when the organization fully stands behind the procurement department. Then, the salesperson acknowledges that this department has the power to stop doing business with the supplier.”* Selling organizations seemingly avoid purchasing as much as possible, because they believe purchasers do not seek value but instead only want to haggle over the price. If the purchasing department is not involved or is ignored in the initial buying process, it is likely to get tougher with suppliers at the time of the purchase. For example, the purchasing executive from Company 23 explains, *“I am less price sensitive when the supplier comes in early to help me with calculations and so on.”* When purchasers have no influence on value sourcing and the purchasing is done by another department, the purchasing function feels forced to showcase its value to the firm by cutting down the price. As a purchasing executive from Company 22 stipulates, *“It happens a lot in organizations that Vice Presidents are making procurement decisions. This is where they are eroding the credibility and the power of negotiations from procurement. That is the biggest problem.”* But these cost-focused entities want to be involved earlier in the buying process to prove their value internally, unlike the price-focused buyers who are trying to find operational stability at the lowest price. An executive from Company 5, for example, notes, *“We can capture additional value if external sales and internal procurement people would work more together and from an earlier start.”*

This group of purchasers wants selling firms to help them reduce TCO, lower supply disruption risks, take time to understand the problem, provide saving opportunities, be transactional, and function as an efficient partner—all of which suggest a value selling strategy. As an executive from Company 5 explained, *“I am also responsible for the internal communication. I need to explain to the internal customer about the consequences of working with a particular supplier. Therefore, I need clear data and figures from the selling organization.”* Similarly, the executive from Company 23 warns, *“Smart sales people try to involve me early in the selling process because I might have an earlier voice of reason to a project manager.”*

These purchasing functions reject relationship selling based only on personal or social contacts, because *“When we are facing a problem, I want the sales representative in my office as soon as possible. On the other hand, I strongly dislike salespeople who have no important knowledge to share. They will be sent home when they only try to have some small talk.”* (Company 12). Assistance is appreciated if it reduces the TCO or helps differentiate the offer from competitors’. Thus, according to an executive from Company 19, *“The coffee and the cognac to close a deal are history.”* When the purchasing function is focused strongly on TCO, as I predicted, the ideal sales strategy is a value selling approach, if the selling organization hopes to match its strategy to the needs of the buying organization.

5.3. Supportive Cluster: Focus on Solutions and Innovations

The six firms in the supportive cluster focus on solutions and innovations. As the data in Table 14 below show, five of these companies are family-owned businesses.

Table 14: Characterization of Purchasing Departments with a Focus on Solutions and Innovations

<i>Company Number</i>	<i>Industry</i>	<i>Headquarter</i>	<i>Job Position</i>	<i>Responsibility</i>	<i>Revenue USD</i>	<i>Structure</i>	<i>Customers</i>	<i>Global</i>	<i>Firm Focus</i>	<i>Level of Professionalism</i>
3	IT	Canada	Managing Director	Direct Purchases	<50m	Family-owned	B2B	Yes	Job shop	Medium
9	Banking	Belgium	Team Leader Procurement	Direct + Indirect Purchases	>1bn	Family-owned	Mix B2B and B2C, mainly B2C	No	Cost driven	High
10	Manufacturing: Metal	Belgium	CEO	Direct + Indirect Purchases	<50m	Family-owned	B2B	No	Job shop	Medium
21	Manufacturing: Wood	Belgium	CEO	Direct + Indirect Purchases	<50m	Family-owned	B2C	Yes	Cost driven	High
24	Real Estate-Industrial	USA	Director Procurement and Supply Chain Management EMEA	Direct + Indirect Purchases	>1bn	Public-listed	B2B	Yes	Job shop	Medium
27	Transportation: Heavy Lifting	Belgium	Category Manager	Indirect Purchases	50-500m	Family-owned	B2B	Yes	Job shop	Medium

When the buying company is in the supportive stage, the purchasing function values long-term relationships with suppliers who can deliver innovative, customized solutions to support the buying companies' goals. As pointed out by an executive from Company 10, *"One of the main criteria to collaborate with a supplier is that he or she is willing to help my company. This does not mean that they have to visit me every week, since I dislike this very much."*

In terms of an ideal sales focus, these purchasing executives suggest that sales organizations should focus on achieving clients' goals, be flexible in understanding pain points, keep promises, create long-term partnerships based on innovative and customized offerings, be flexible when needed, be proactive, and provide long-term solutions. In comparison with independent buyers that focus on cost, the desired sales relationship in this stage is more proactive: *"Suppliers now know that they have to be more proactive if they want to stay the supplier"* (Company 24). The sales function should act as a partner, appreciating the buying firm's culture and recognizing its pain points. A good supplier thus enjoys benefits and protection, as the following quotes reveal:

"We have relationships of more than 10 years. These suppliers understand and master the technology. For our company, it is not easy to change because the suppliers are very integrated. Today we are looking for improvement of the product with the same suppliers." (Company 24)

"We would pay a little bit more to one supplier in order to keep him in the market and to make us less dependent on the other supplier(s)." (Company 27)

For this group of supportive stage firms, the focus is on innovation and solutions. Based on the preceding discussion, the research expectations, and the following set of quotes I affirm that the most appropriate selling strategy is solution selling.

"The first selection criteria for our suppliers is the knowledge and skills they have in house to give a solution that serves the different internal requests." (Company 9)

"We saw that each hand tool was failing after 4 to 6 months. We called the supplier and his team examined the hand tools till they found the problem. Then they designed a custom-made solution. We really valued the custom-build solution to solve our problem." (Company 10)

We have to find a correct technical solution. Price is less important because there are less companies that can offer this specific solution. (Company 21)

The supplier has to understand our new way of manufacturing furniture. Our ideas are very innovative and have to be supported by our suppliers. (Company 21)

Purchasing's role is more about making things happen instead of generating savings. (Company 27)

The companies cannot be grouped by their industry, the interviewees' job positions, neither do the revenue levels, nor the customer focus shows consistency in this cluster. The maturity levels were medium to high. Remarkably, job shops is the most common industry orientation in this cluster.

5.4. Integrative Cluster: Focus on Strategy

Finally, ten buyers in the research sample, predominantly global companies with medium to high maturity levels, have a strategy focus (see Table 15). Interestingly, four companies are related to the food industry. I also want to point out that a number of the interviewees are part of the board and or have job positions on the C-level of their company, e.g., Chief Procurement Officer (CPO), VP purchasing, or global head of center of excellence procurement. This entails that procurement gained strategic importance in the buying firm. Next to the relatively higher maturity levels in this stage, there is a clear distinction between direct and indirect purchasing responsibilities.

Table 15: Characterization of Purchasing Departments with a Focus on Strategy

<i>Company Number</i>	<i>Industry</i>	<i>Headquarter</i>	<i>Job Position</i>	<i>Responsibility</i>	<i>Revenue</i>	<i>Structure</i>	<i>Customers</i>	<i>Global</i>	<i>Firm Focus</i>	<i>Level of Professionalism</i>
1	Metal	Belgium	CPO	Direct + Indirect Purchases	>1bn	Public-listed	B2B	Yes	Mass production	Medium
4	Construction	India	Purchasing Manager	Direct Purchases	50-500m	Public-listed	B2B	Yes	Mass production	High
6	French Fries	Belgium	Logistics Director and Board Member	Direct Purchases	50-500m	Private	B2C	Yes	Mass production	Medium
7	Brewery	Belgium	Purchaser Business Services	Indirect Purchases	50-500m	Public-listed	B2C	Yes	Mass production	High
8	Wholesaler for retail	Belgium	Purchase manager	Direct + Indirect Purchases	<50m	Family-owned	B2B	No	Cost driven	Medium
11	Aviation	Belgium	Procurement Director	Direct + Indirect Purchases	50-500m	Private	B2B	Yes	The best quality	High
13	Industrial Solution Provider	Sweden	VP Purchasing	Direct + Indirect Purchases	>1bn	Public-listed	B2B	Yes	The best quality	High
17	Banking	Germany	VP Vendor Management	Direct + Indirect Purchases	>1bn	Public-listed	Mix B2B and B2C, mainly B2C	Yes	The best quality	High
20	Milk Products	The Netherlands	Global Head Centre of Excellence Procurement	Direct + Indirect Purchases	>1bn	Public-listed	Mix B2B and B2C, mainly B2C	Yes	Mass production	High
26	Fine Chocolates	Belgium	Group Procurement Manager	Direct + Indirect Purchases	50-500m	Family-owned	B2C	Yes	The best quality	High

Their industry orientations are determined either by the best quality on the market (4) or driven by mass production (6). Both orientations prefer long-term and strategic relationships, so that the selling company and the buying firm can brainstorm in close collaboration throughout their strategic engagement. The difference between mass production and best quality orientations is that the latter seeks competitive advantages through innovations, whereas the former is searching for competitive advantages through operational efficiency, by optimizing the value chain and benefiting from long-term saving opportunities.

In the integrative stage, the supplier base will be reduced to improve the remaining relationships, as noted in the following quote by an executive from company 17: *“We try to limit the number of the vendors and we try to have a relationship with all of them. It takes a lot of time to find a new supplier”*. Furthermore, the purchasing departments in this cluster distinguish between what is strategic for the firm and what is not. They build long-term partnerships with strategic suppliers and associated stimulation programs to attract external innovations, in the belief that *“A relationship with a supplier should never be broken”* (Company 11). But non-strategic suppliers are addressed like commodity buyers, as an executive from Company 20 explains: *“The more commoditized the purchases, the more they will be the responsibility of the specific department and their production managers. If the purchases are strategic, they are the responsibility of the excellence center.”*

In terms of appropriate sales strategies, purchasing executives with a strategy focus want to be approached by their suppliers with value-adding meetings. In describing their ideal sales force, they use phrases such as “strategic engagement” and “long-term orientation” and seek to improve their own firm’s sustainable competitive advantage. They also prefer strategic suppliers that think about sustainable profitability, attempt to reduce supply disruption risk, demonstrate honesty when making suggestions, work to optimize the commodity value chain, and pursue innovations through partnership. The purchasing executives in this group also were

opposed to relationship selling based on personal or social contracts. They noted that *“When we are invited for a restaurant or an event, in 99.9% of the cases we will decline the meeting. Also, if you accept one gift from a supplier, even it is a piece of chocolate, you are out of the company”* (both Company 20). Most of the buying firms in this cluster are global companies and the purchasing function focuses on strategic impacts. Accordingly, the best sales strategy match would be a solution-based sales force, combined with key account selling. The following examples of quotes illustrate that solution-based selling and or key account selling are the sales strategies favored by these purchasers.

I now provide quotes to support that key account selling fits with strategy oriented purchasing departments:

“I want to have salespeople coming in that are willing to build a partnership and presenting an offer that gives our company a unique position at our customers. I am looking for these stories in the market that can create added value for our customers, which is the basis for an interesting relationship for both parties.” (Company 8)

“It becomes a very open relationship when our suppliers dare to share their boundaries.”
(Company 11)

“They should treat our bank as a partner from day one.” (Company 17)

“It is essential before starting a partnership that the supplier is qualified to produce the amount of goods we need and that he wants to grow together with us.” (Company 20)

Some examples of quotes to support that solution selling fits with strategy oriented purchasing departments are provided:

Company 8: *“When we have a specific problem, then the manufacturer will have to come and help us to find the answer or the solution.”*

Company 11: *“Best practices are seen at the moment when the supplier is brainstorming about optimizing our value chain together with us.”*

Company 17: *“The purchaser’s job is not only buying, it is more about managing the relationships with vendors.”*

Company 20: *“We really want to look together with our supplier where we can add value.”*

6. Summary and Implications

6.1. Research Implications

The research asked three questions. First, what are purchasing executives' perceptions of their own goals and buying processes? The research found that in the sample, the majority of the firms are in the passive and independent stages, and focused on prices and TCO. This is contrary to the literature which has suggested that the purchasing function is in the supportive, and integrative phases. Second, what are purchasing executives' perceptions of sales strategies? Purchasing executives found that salespeople still practiced traditional strategies of creating and nurturing personal relationships rather than strategies such as solution selling. Third, how should salespeople match their sales processes to purchasing functions needs; that is, what sales strategies should salespeople follow? The evaluation of this question is the contribution of this research.

First, I demonstrate that the purchasing function in different evolution stages has different needs. Therefore, the purchasing function cannot be seen as static in the selling process. As the literature review demonstrated, the purchasing function has power over the buying process. This research suggests that the purchasing function may have needs that are distinct from other members of the buying center, and sales strategies need to explicitly recognize the role of the purchasing function and their stage of evolution.

Second, this study emphasizes that selling firms should approach their customers based on customers' buying styles and requirements (Abratt 1993; Cannon and Perreault 1999; Bals, Hartmann, and Ritter 2009). More specifically, many authors have tackled the issue of how customers in industrial markets can be segmented by their *buying processes* and requirements (Choffray and Lilien 1980; Sudharshan and Winter 1998; Wind and Cardozo 1974; Wind and Thomas 1994). Such segmentation is a precursor to more tailored sales approaches.

A very important clarification is in order regarding the second contribution mentioned above. Choffray and Lilien (1980), Wind and Cardozo (1974) and Wind and Thomas (1994), among others, have suggested that the similarities and differences between how the purchasing units in the buying firms make their buying decisions should be used as bases for segmentation. Their focus is on the *purchasing process*, that is, on the tactical roles of the various constituents within the purchasing units (buying center). On the other hand, I propose to align selling approaches based on the strategic role that the purchasing unit as a whole plays in the buying firm. Clearly, when the purchasing function evolves from passive to independent to supportive to integrative stages (in Reck and Long's (1988) classification) it progressively occupies a higher strategic role in the firm.

The findings also have implications for research into buyer–seller relationships in B2B contexts. Vesalainen and Kohtamäki (2015) use relational governance theory to build a three-dimensional framework of these relationships, citing economic, structural, and social forms. I show that purchasing departments, at their different stages of evolution, largely determine the kind of engagement they seek with a selling firm. When the purchasing function goes from passive to independent to supportive or integrative, the relationship moves from purely economic toward the inclusion of structural and social linkages with the selling firm. Further research could investigate the evolution of the functional/tactical linkages (e.g., extent and relative importance of economic, structural, social ties) between the buying and selling firm as the sales strategy responds to the evolving purchasing function.

6.2. Managerial Implications

I develop managerial implications with the caveat that this is a single study in this area and more research is suggested. This research suggests that selling firms in B2B markets need to understand the stage of evolution of the purchasing function of their potential buyers before developing sales strategies. In practical terms, passive departments focus on price and service

levels; independent departments consider TCO; supportive departments are focused on solutions and innovations; and integrative departments are strategy focused.

If different customers have different levels of purchasing maturity, how can sales managers optimally allocate their resources to maximize sales while keeping costs under control? The practical ramification of the salesperson making the right ‘pitch’ given the strategic level of the purchaser is similar to the concept of “tie-breaker selling” (Anderson, Narus, and Wouters 2014). If purchasing perceives supplier salespeople as non-strategic, then the selling firm can succeed by focusing on one potential benefit that the customer requires, rather than trying to sell the complete solution which requires a higher level of strategic commitment and a higher cost of selling.

Customers who focus more on price can be effectively targeted with cost-efficient efforts, such as using third-party salespeople or engaging with self-service and e-commerce technologies, which frees up salespeople to focus on more value-creating activities. These buyers are risk averse, so they want a sales approach that follows their instructions, and they do not need regular visits by salespeople. The seller’s evaluation of its salespeople should also be in line with the new approaches the salespeople adopt to accommodate the purchasing maturity of customers. For example, if a customer demands more effort from salespeople but also takes more time to reach a decision, behavior-based control systems might benefit salespeople. Customers with less complex requirements, resulting in shorter sales cycle times, instead might necessitate more outcome-based control systems.

In the independent stage, firms focus on the total cost of ownership. The most suitable selling strategy is value selling. Buyers desire input and assistance with their value-sourcing efforts. Selling firms can showcase their value by demonstrating how their offering reduces the TCO and can become involved in earlier stages of the sales cycle, producing closer relationships with various organizations. These buyers are well aware of their own needs, so

they do not need the selling organization to carry out a detailed needs analysis. Rather, they want it to offer a lower TCO, within the parameters of the buyer's well-established needs.

Supportive and integrative purchasing departments can be serviced by solution selling strategies. These strategies turn commodity products into solutions by adding customized services, in a customer-centric way. Such buyers often struggle because they lack clear needs awareness. To be customer-centric, selling companies must understand the needs of the customer better than the customer does, then deliver a customized offering. It is crucial to involve customers, identify their needs, and create solutions with higher value than the separate components would. Purchasers in these stages value consultative approaches with a focus on the product or service, with respect for a long-term relationship.

7. Limitations and Directions for Future Research

I hope that the research will be an impetus for additional research on the purchasing functions. Some trends that I did not explicitly address can also be incorporated in the research. The first area is servitization and how the shift toward services and solutions has affected the purchasing function. The second trend that has also affected the purchasing function is the digital revolution and the easy access of information for buyers. These trends can be disruptive and research needs to examine the impact of the trends. Finally, the purchasing function has been fluid as research in this area suggests. There is a need to update research in this area.

Another area for future research involves the fact that different firms with different procurement strategies are likely to have different expectations from the sales organizations depending on the criticality of the product/solution they are buying. In this study, while I focused only on the purchasing maturity of the firm, future research must classify not only the

purchasing maturity stage but should also take into consideration the criticality of the product/solution and identify specific sales strategies for each combination.

CHAPTER

5

CONCLUSION

CHAPTER V: CONCLUSION

This dissertation draws on one of the most overlooked areas of research in the Buyer-Seller domain: The B2B customer's buyer behavior- especially with regards to the procurement function. In the last two decades, the needs and demands of the B2B customer has grown at a rapid pace, influenced by advances in technology and increased pressure coming from the competitive landscape. This has resulted in an empowered purchasing function in the customer's organization. This dissertation examines what the empowerment of purchasing at the customer side of the buyer-seller equation entails for sales research and sales practice. The objective of this dissertation is to explore what contemporary salespeople and sales management should be (and not be) doing at the juncture when they interact with today's empowered purchasers. This thesis consists of three research essays.

7.1. Theoretical Implications

The first essay draws on research that is stating that the purchasing function is increasingly dominating the buying process at the customer firm (e.g., Cousins, Lawson, and Squire 2006). Furthermore, selling firms are challenged by the dropping effectiveness of traditional selling strategies (e.g., Lichtenthal and Tellefsen 2001; Dickson and Adamson 2011). Despite calls by research to examine the customer side more in detail (e.g., Williams and Plouffe 2007), in this research essay, evidence was found that the buyer-seller literature is still not thoroughly addressing the purchasing function needs before making implications for the sales side. Although literature is still very sparse on the cross-functional impact of what is occurring at the purchaser side to, then, make implications for the seller side, the main research question was: "Is there a disconnect between the PSM literature and the Buyer-Seller literature? If yes, what are possible avenues for future sales research?"

To answer this question, an extensive cross-literature review of the PSM literature and the Buyer-Seller literature was conducted and revealed the unaddressed or scarcely addressed traditional and trending research topics of the PSM literature. The traditional PSM research topics Outsourcing, Reverse Marketing, E-Purchasing, Quality, Global-local Sourcing, and Risk Management have been scarcely addressed in the Buyer-Seller domain. Moreover, the trending PSM research topics Global-Local Sourcing, Risk Management, Contract Management, Ethics & Corporate Social Responsibility, Innovation, Knowledge (and HR) Management have received little attention in Buyer-Seller literature. Also, the Buyer-Seller domain remains blank on two other emerging topics; Disaster Management and Green & Sustainability Management. A main conclusion of this essay is that purchasing needs are not properly addressed by the current Buyer-Seller literature and sales function. Areas that need to be considered to reconnect the Buyer-Seller domain to the PSM literature stream are highlighted in a future research grid.

Sales researchers are urged to recognize and align to the growing importance of the purchasing function. Next, in order to better align with the purchasing side, sales researchers should prioritize their future buyer-seller research in line with the identified research topics that are valued as important for both sides of the buyer-seller dyad.

Based on the demand for future research studies on the purchasing function needs and the call to address the PSM research topic Risk Management, Sales Strategies, and Knowledge Management, the second essay leads salespeople in their adoption of the purchasing function needs and practices, while testing the effectiveness of new types of sales messaging, as part of value-based selling. In essence, the effects of the changing purchaser-seller landscape require today's salespeople to distinguish their sales messaging in order to create value for the purchaser. The results revealed that salespeople are likely to be more successful when they make use of an adjusted sales messaging based on a combination of two metrics: i) The

salesperson's knowledge on reducing the Total Cost of Ownership (TCO) of the buying company and ii), the delivered input to reduce risks. These two metrics either infer tacit knowledge or explicit knowledge to be accepted from a purchaser's point of view.

Next, this study identified a serious 'entry barrier' for salespeople who want to transfer tacit knowledge. This 'entry barrier' is the selling company's credibility (Rapp et al. 2014), as well as the establishment of trust between purchaser and seller one of the qualifiers before salespeople can start transferring tacit knowledge.

Furthermore, this study suggests that when a salesperson is not yet qualified as knowledge manager by the purchaser, they should only provide the purchaser with a message that only includes 'easy to measure', tangible cost benefits. On the other hand, where the salesperson is qualified by the purchaser to bring a sales message that is based on tacit knowledge, clear guidelines are suggested on how salespeople should differentiate their use of sales messaging subject to the type of product or service they are selling. These guidelines are structured around the Kraljic purchasing portfolio matrix (Kraljic 1983).

Whereas the second essay develops a sales framework based on the individual purchaser needs, the third essay addresses the evolution of the purchasing department. The first finding in this essay suggests that half of the purchasing firms are in the first two stages of procurement maturity, or in the passive and independent stages where the main purchasing focus is put on prices and Total Cost of Ownership (TCO). This finding opposes the current literature that suggests that the purchasing department already has evolved to the two highest phases of purchasing maturity. A second finding indicates that traditional sales strategies related to personal relationships are still dominating most sales approaches. This essay, however, examines the most desired sales approach based on the purchasing function needs. Thus, how should sales managers and salespeople match their sales strategies to purchasing functions needs?

First, the results in the third essay demonstrate that the purchasing function has different needs in different evolution stages. Hence, the purchasing function cannot be seen as static in the selling process and purchasers have needs that are distinct from other members of the buying center. Sales strategies, thus, need to explicitly recognize the role of the purchasing function and their stage of evolution. Building further on the results of Essay 2, the findings of this study emphasize that selling firms should approach their customers based on customers' buying styles and requirements (Abratt 1993; Cannon and Perreault 1999; Bals, Hartmann, and Ritter 2009).

Instead of focusing on the purchasing process as a basis for segmentation (e.g., Choffray and Lilien 1980; Wind and Cardozo 1974; and Wind and Thomas 1994), this research suggest to match sales strategies based on the purchasing unit in the buying company. This higher level approach is different from Essay 2 because it accounts for the evolution of the purchasing function. In Reck and Long's (1988) classification of the evolution of procurement, purchasing progressively occupies a higher strategic role in the firm which implies an extra layer of complexity to control for. Salespeople, thus, need to account for the purchasing function needs that are strongly influenced by the evolution and hence the strategic power of the purchasing unit.

7.2. Managerial Implications

This dissertation suggests that selling firms and salespeople in B2B markets need to acknowledge the importance of the purchasing function and the purchasing unit rather than focusing on sales approaches that avoid the purchasing function, which should bring a halt to backdoor selling. Secondly, the sales function and sales managers need to understand the strategic importance of their offer from a purchaser's perspective. Thereby, they need to familiarize themselves with the common purchasing language, that includes the Kraljic purchasing portfolio matrix (Kraljic 1983), the concepts Total Cost of Ownership, Risk

Management, and Innovation Sourcing. The Kraljic matrix is deeply rooted in the purchaser's tactics and serves as a backbone to organize the procurement function. The matrix defines the profit and supply risks for the purchasing firm. Hence, the suggested knowledge management sales pitch approach is structured around this matrix. Starting from the purchaser's perspective, salespeople should position their sales message on tangible, measurable cost reduction initiatives when the supply risk has a low impact on the purchasing firm. On the other hand, when the supply risk is perceived as high by the purchaser, salespeople can pitch a sales message that focuses on the less tangible elements of their sales offer.

Furthermore, sales organizations need to develop a clear understanding of the maturity stage of the purchasing function at the prospect's company before developing sales strategies. In practical terms, passive departments focus on price and service levels; independent departments consider TCO; supportive departments are focused on solutions and innovations; and integrative departments are strategy focused. Customers who focus more on price can be effectively targeted with cost-efficient efforts, such as using third-party salespeople or engaging with self-service and e-commerce technologies, or transactional and product selling. In the independent stage, firms focus on the total cost of ownership. The most suitable selling strategy here is value-based selling. Supportive and integrative purchasing departments can be serviced by solution selling strategies. These strategies turn commodity products into solutions by adding customized services, in a customer-centric way. Purchasers in these stages value consultative approaches with a focus on the product or service, with respect for a long-term relationship.

8. Future Research

This dissertation also has some limitations that should be addressed by future research. First of all, this dissertation focuses on how the latest waves of digitalization revolutionize the

relationship between salespeople and purchasers. Future research should address how the next digital steps will impact the purchasing function, and hence the sales side of the buyer-seller relationship.

Similarly, this dissertation does not incorporate how the changing roles of the other members in the decision making unit are effecting the buying decisions. There is a growing body of literature on the cross-functional aspects between different departments and how the alignment of these should be incorporated in today's management to improve business relationships. One cross-functional area that has gained attention in research is the marketing-sales dyad. Future research should also study the dynamics and coordination of sales-operation management, the alignment of the sales and the finance function; as well as the relationship between the sales and Human Resources departments. Finally, how do changes in Buyer-Seller relationships effect the rest of the organization, and what are the consequences for sales management?

9. Closing Note

This dissertation is partly titled “Salespeople are from Mars, Purchasers are from Venus”, which resembles with the book “Men are from Mars, Women are from Venus – A Practical Guide for Improving Communication and Getting What You Want in Your Relationships” (Gray 1992). The latter book describes how both sexes have fundamental psychological differences. Furthermore, each sex is accustomed to its own society and habits, but not to those of the other. In the book, the author highlights ways to improve communication between men and women. It is about listening to the needs of the other, and relating to what the partner values as important. Resemblance between the book and today’s business relationships are not hard to draw. Salespeople need to adhere to the needs of purchasing... if they want to have a happy marriage/business relationship.

Bert Paesbrughe, Ghent, 2017.

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APPENDIX

Appendix 1: Sampled Research Questions

*Williams and
Plouffe (2007)*

Sample Research Questions and Comments Shared on the Most Important Research Topics when Examining the Intersection of Buyer-Seller Relationships

*Selling Process
and Technique*

- Can we develop a non-cognitive skills battery that is a useful predictor of both sales behavior quality/competency quality as well as with a black box format directly to some measure of individual sales performance?
- Contents, emotions, direction, outcomes of buyer-seller talk and additional communications.
- How can reps effectively incorporate technology in the sales presentation as well as pre and post presentation?
- How can salespeople remain valuable, or keep their firm valuable, to buyers that are time pressured?
- How can you prepare best for the 'sales call'? When does preparation really start? (i.e. shortly before the call/meeting or long before in the form of communication tools usage)
- How does your selling approach vary according to the person's buying signals?
- How is social media changing the selling and purchasing strategies between sellers and customers?
- How much should the selling be supported by IT?
- How salesperson's individual traits (i.e. emotional intelligence) is shaping his/hers technique and effectiveness?
- How specially does your selling process map to the customer's buying process? Overlay them and prove it.
- How to balance online and offline sales?
- What do salespeople actually do and say during a sales encounter?
- In terms of making the sale, how can one disentangle the relevance of salespeople's personality profile from the external factors such as demand levels, technology, etc.?
- In what marketing contexts are individual level approaches more relevant than management informed approaches?
- How can we integrate the digital footprint into understanding the customer's journey / CRM?
- Managing effort between market development (long term benefit) versus selling (short term benefit). How to design targets to synchronize market development and selling activities?
- Personality talent in selling and standardized techniques integration. Why best performers follow their guts, instead of what instructors teach? Cultural differences should be examined, too.
- What is the role of 'digital' in personal selling?

There is still a lot to learn about the linkages between activities salespeople do, their consequences, their individual-level drivers and all the contingencies affecting such relationships.

Understanding the Purchasing Function.

We need to know much more about personality as it is central for understanding exchange/interaction

What closing techniques work best and under what conditions?

What impact do specific communication tools have? Examples are declarative versus questions, metaphors, and a host of other possibilities.

What is the optimal sequencing of electronic media and face-to-face messages in b-to-b sales settings?

What selling techniques yield best sales performance for different buying situations?

Buyer Behavior

Alarmingly this is mostly a black box in sales research. Are social bonds necessary for selling effectively? What business tasks bond the customer to the salesperson (in a business rather than personal bond)?

Can you track the ... customer journey?

Consent between actors involved in the decision making process, the influence of consumer experiences.

How can a rep plan a presentation, including pre and post contact, that taps into the proper ratio of logic and emotion from customers?

How can the selling team/center learn about and affect the most important buying criteria?

How necessary is it to adapt individual selling responses based on the emotive characteristic of the buyer? Rationale: I wonder how important emotion is in general; we have some clues and there has been some interesting work, but I don't think enough to tell a sales manager what and how to improve this as a coach or for training.

Network theories in buyer behavior in the technology-mediated buying context.

Purchasing Department Needs.

Should concern character of business buyers.

The role of 'digital' for understanding modern buying behavior

This topic, in terms of responses/perceptions/evaluations of buyers has been researched a lot in the previous period. Currently it is still debatable what is more effective (as perceived by buyers) - selling or customer orientation, and some research could focus on that direction too.

What kind of services by the company are perceived to be valuable by buyers?

Why is TCO not yet widely accepted by buyers? Do buyers feel confident enough to perform performance based (TCO inspired) purchasing?

Sales/Marketing Strategy

By which factors can we align the sales strategy with the general competitive strategy of a business unit?

How are company's sales and marketing departments interfacing

How aware are sales staff aware of strategy? Is it reflected in their roles?

How can mid and upper level management impact in the field sales performance?

How can the sales force become more agile in a firm that has rigorous adherence to a strategic planning document?

How customer oriented and willing to cooperate are we really?

Sales Strategy for the Purchasing Function.

Strategy is shifting for a host of reasons. Technology. Buying process. There are a million research questions here.

The role of salespeople in process innovation.

Relationships between sales and marketing, congruence between strategies, building distinctive and dynamic capabilities and relating them to market orientation of the firm.

We are living in a bottom up (not top down) networked world - I think the sales funnel is dead - the largest demographic in the workforce does not like to talk on the phone. You must text or reach them via social/digital media. Yet, sales organization are still pushing week after week to "make sure we hit our numbers" I doubt this selling culture will last more than a few years. Just think of the number of firms that move to an open floor plan and no one has a phone at their desk.

*Technology/Sales
Force
Automation*

Account-based solutions (KAM).

Application of CRM systems.

At which conditions do you implement sales force automation?

Can technology replace face to face selling?

Can we develop an inventory of the necessary antecedents toward individual adoption of technology by salespeople and their relative importance?

Does automation increase efficiency or is it perceived as a threat by sales persons?

Does the use of salesforce automation lead to new sales strategies?

Explore the dark side of technology. There is a vendor-created bias towards positive aspects of technology.

Gamification in selling.

How are mobile apps changing personal selling?

I think we have to move way beyond sales force automation studies based on usage. We must now ask how does the interaction between technology and humans impact the human brain. How do we fight the distraction of technology in a sales context? How do we increase the service delivery capabilities of technology in a sales call (think drone delivery or artificial intelligence as a customer service agent).

What is the degree of acceptance of technology/automation by sales force?

Mapping the technology.

Once, they told me that the North African countries execute B2B transactions through Facebook. I know social media is a hot topic, but how these tools can be used in b2b relationships?

Processes are changing. This needs to be studied much more.

The emerging role of Social Media in B2B.

The impact of Artificial Intelligence on selling systems.

*Sales Evaluation
and Performance
Measurement*

The shift to pull (not push) selling – i.e. content marketing or HubSpot inbound marketing.

What are the negative aspects of sales force automation?

What is the reaction of customers to the increasing adoption of Sales Force Automation (SFA) by sales people?

What SFA tools are you using to improve client cultivation and retention? Outline the relevance.

Which kind of social media content can create an added customer value and establish a sustainable competitive advantage?

Why does SFA so far not provide considerable productivity gains?

Will the use of SFA lead to replacement of salespeople?

How can we improve pay for performance, including how do managers become better judges of performance, problem solvers, etc. Any change in structure requires other things be done. dg

How do we get better profitability measures for individual salespeople other than the obvious; putting in an activity base costing system?

How should selling teams of complex products be evaluated?

I find customer success related performance evaluation in b2b markets interesting.

If we are going to move towards inbound marketing - total CRM - sales call metrics should go by the waste-side.

Influence of sales controlling using individual and shared common KPIs.

New metrics in sales management.

Optimization of performance metrics. Why salespeople don't know or don't understand how they are evaluated?

Sales performance measurement (quantitative, qualitative) – weighting.

Target setting for long term sustainability.

The dark side of getting too focused on a few specific, not necessarily well-chosen KPIs (so many companies fall into this...).

The impact of salespeople on brand equity.

This is very important issue, but I would position it more as an outcome of the topics explored before.

What are the best tools for assessing relationship building?

What is the best way to assess the efficiency of sales organizations?

What KPIs do you use to evaluate a salesperson from cradle to grave? How does this measurement help to improve their effectiveness vs. merely monitor it.

What KPIs do you use? Are they jointly agreed? How often are they reviewed?

Which is a new metric to evaluate sales performance?

Allocation of time to customers and his preparation.

Should salespeople training include rotations through operations, shipping, R&D, etc.?

Compound sales channels.

Conflict between different functional areas.

Dark sight of the intra-organizational relationships. Limits of intra-navigation, intra-friendship, intra-information sharing.

Depending on the sales circumstances. How can the sales force be on the same page with service, support, digital media, web., graphics, budget, etc. so that they all participate in providing some form of constant message to customers?

Fixed and malleable intelligence of salespeople and the influence on sales performance.

How can marketing-sales interactions improve?

How effective is your firm's Sales Enablement processes? What is their scope?

How should salespeople build and manage internal networks to improve sales and service delivery?

Influence of internal marketing?

Internal navigation issues.

One of the topics of great interest is going deeper in the relationships of sales-people, sales-teams, sales-managers. Also relationships with other departments - such as marketing department - are important to be studied too.

Sales person as a silo has to go.

System thinking as a driver of network-building capability

The question about internal coordination/alignment needs much more attention in the future.

What is the relation of the organizational set-up and the sales process and time shares (talking to the customer, administration etc.) spent by the sales Person?

Which internal relationships are most important for salespeople in B2B settings?

What are the major changes affecting the selection of salesmen?

Will the company organizations finally change towards market-oriented organizations?

Appendix 2: Study Protocol Essay 2

1. How is the balance between short-term savings opportunities and long-term transformational opportunities made?
2. How do you respond to the following statement: “When your cost reduction initiatives are solely focused on achieving a price reduction, then the full potential has been missed?”
3. How do you respond to the following statement: “We often see organizations trying to improve one aspect of procurement and being frustrated by poor results because the other elements necessary to sustain them are not addressed or are only superficially dealt with”
4. Is “what the procurement function is accountable for” clearly articulated?
5. What is included in the purchaser’s toolset to get an understanding of the sourcing and purchasing situation?
6. What does the decision support system looks like?
7. Is there a structured way, vision, and/or strategy for the procurement office?
8. How does the department handle an information saturation problem?
9. What do you think about outsourcing of procurement?
10. For which kinds of products/services?
11. Direct or indirect procurement?
12. What are the advantages and disadvantages?
13. How do you respond to the following statement: “High caliber procurement professionals need to be grown rather than sourced”?
14. What are the main goals for procurement?
15. What are the implications if these goals are not met?
16. What are the drivers of a successful supplier relationship when the price of the competitors is equal?
17. What are the influencers that would make a procurement office less price sensitive?
18. How does the procurement function value creative and innovative ideas from the supplier’s side?
19. How does the department handle new ideas that require a bigger investment?
20. How do you respond if at each stage of the sale, the personnel from the supplier’s side change (e.g., first contact with sales rep X, second contact with business developer Y)?

21. Does the procurement's team also changes depending on the phase of the sale?
22. Imagine the best operating Decision Making Unit in your firm. What are its key characteristics of being successful?
23. Please compare the procurement of a complex product with a commodity: What are the main differences in approach, team structure, compensation system, etc. to handle the contract?
24. What are the biggest risks that the procurement department is facing every day? E.g., supply disruption risks
25. What is the risk of stealing of intellectual property?
26. Has procurement ever shared the risk with the supplying company?
Is there an understanding of who is best placed to manage risk: your organization or the supplier?
27. How many suppliers are supplying the same or similar items/services?
28. How often does the CEO make the final decision?
29. Which of the following risks are being assessed by your company: financial stability, ethical performance, quality control, technical skill, depth of skills and supply chain?
30. In which way do you think that the procurement side of a company will evolve in the next years (1-3 y.) and in the further future (4-10 y.)?
31. What are the biggest challenges for procurement in the organization?
32. What are your current expectations from external salespeople?
33. Do you think that these current expectations will change in the future?
34. In addition to your expectations, what do you basically require from salespeople?
35. Do you have different requirements and or expectations from sellers who already have an established relationship with your firm?

Appendix 3: Topic Guide Essay 3

1. How is the balance between short-term savings opportunities and long-term transformational opportunities made?
 - b. How do you respond to the following statement: “When your cost reduction initiatives are solely focused on achieving a price reduction, then the full potential has been missed?”
2. How do you respond to the following statement: “We often see organizations trying to improve one aspect of procurement and being frustrated by poor results because the other elements necessary to sustain them are not addressed or are only superficially dealt with”
3. Is “what the procurement function is accountable for” clearly articulated?
4. What is included in the purchaser’s toolset to get an understanding of the sourcing and purchasing situation?
 - a. What does the decision support system look like?
 - b. Is there a structured way, vision, and/or strategy for the procurement office?
5. How does the department handle an information saturation problem?
6. How is the procurement team trained to deal with complex buying situations?
 - a. Which of the following types of analysis are used by the procurement department:
 - Category analysis: Am I buying the same/similar goods and services from different vendors or too many vendors?
 - Item analysis: Am I buying the same item from different vendors, in different geographies or business units at different prices?
 - Payment analysis: Am I leveraging all possible discounts or interest from my invoice payment process?

- Vendor analysis: What goods and services am I purchasing from a single vendor?

- Contract analysis: Am I complying with my existing negotiated contract terms?

7. What do you think about outsourcing of procurement?
 - a. For which kinds of products/services?
 - b. Direct or indirect procurement?
 - c. What are the advantages and disadvantages?
 - d. How do you respond to the following statement: “High caliber procurement professionals need to be grown rather than sourced”?
8. What are the main goals for procurement?
 - a. What are the implications if these goals are not met?
9. What are the drivers of a successful supplier relationship when the price of the competitors is equal?
 - a. What are the influencers that would make a procurement office less price sensitive?
10. How does the procurement function value creative and innovative ideas from the supplier’s side?
 - a. How does the department handle new ideas that require a bigger investment?
11. How do you respond if at each stage of the sale, the personnel from the supplier’s side change (e.g., first contact with sales rep X, second contact with business developer Y)?
 - a. Does the procurement’s team also changes depending on the phase of the sale?

12. Imagine the best operating Decision Making Unit in your firm. What are its key characteristics of being successful?
13. Please compare the procurement of a complex product with a commodity: What are the main differences in approach, team structure, compensation system, etc. to handle the contract?
14. Risk aversion: what are the biggest risks that the procurement department is facing every day? E.g., supply disruption risks
 - a. What is the risk of stealing of intellectual property?
 - b. Has procurement ever shared the risk with the supplying company?
 - c. Is there an understanding of who is best placed to manage risk: your organization or the supplier?
 - d. Which of the following risks are being assessed by your company: financial stability, ethical performance, quality control, technical skill, depth of skills and supply chain?
 - e. How many suppliers are supplying the same or similar items/services?
15. How important is the effect of “a green supplier” during the decision phase compared to the first contact moment?
16. How much do you agree or disagree with the following statement: “Because they are complex (>1m) decisions, procurement will probably only deliver information to top management”.
 - a. Is it necessary to align the level of employees from both sides of purchasing, e.g., very high level manager from the supplier’s side in contact with a very high level manager from the procurement side?

b. How often does the CEO make the final decision?

17. What is typically included in the compensation package of purchasers?

- a. Is this evolving to another type of compensation?
- b. Is it only based on unit cost reduction or also on value creation or speed to revenue?
- c. Are the saving initiatives focused on unit cost or total cost of ownership?

18. In which way do you think that the procurement side of a company will evolve in the next years (1-3 y.) and in the further future (4-10 y.)?

- a. What are the biggest challenges for procurement in the organization?

19. What are your current expectations from external salespeople?

- a. Do you think that these current expectations will change in the future?
- b. In addition to your expectations, what do you basically require from salespeople?
- c. Do you have different requirements and or expectations from sellers who already have an established relationship with your firm?

