

**Summaries of Selected Sessions from the
2008 AMA Winter Educators' Conference
(Austin, TX)**

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7.2 Sales and Relationship Marketing (Special Session)

Strategic Marketing Implications of Organizational Boundary Management

Chair:

Steven P Brown, University of Houston

Participants:

Organizational Learning and Adaptation through Boundary Management

Jagdip Singh, Case Western Reserve University

Steven P Brown, University of Houston

Boundary Blurring Theory and Management of Intra-organizational Relationships

Gary K. Hunter, Case Western Reserve University

Evolution of the Strategic Sales Organization

Nigel F Piercy, Warwick Business School

Session Summary Writer: David Gilliam, Oklahoma State University

Drs. Singh and Brown presented a conceptual paper. They emphasized the importance of the boundary role in the customer centric focus of the firm and the incomplete view of the organization in the marketing discipline. They put forward two types of boundaries: (1) the knowledge boundary defined by the capabilities and knowledge of the organization, and (2) the activity boundary consisting of the activities the organization performs to serve markets and customers. The firm should choose its boundary to optimize over the core service of the firm, its agents and customers. Heterogeneity of consumer needs forces boundary stretching and constraining.

Thesis 1 – Link the two boundaries through learning systems

Thesis 2 – Boundary roles are critical to learning systems

Firms learn from practice how to capture knowledge and return it to the core of the firm.

Dr. Gary Hunter's conceptual paper focused on the Interest Based View of Boundaries. Marketing and sales are responsible for choosing boundaries. In fact, boundaries are one of three main ways to define organizations (Aldrich 1979, 1999, 2008). The object was to propose a robust umbrella to capture classical views of bounded rationality, TCE, resource based view, managerial cognition and others in a new definition of boundaries and to expound the implications. An organization's boundaries can be defined by its interests. The permeability, or how hard it is for outsiders to penetrate the organization, is an important aspect. Earlier theorists often assumed that the boundary was rigid and defined by the members of the boundary but he suggests it is rather flexible and defined by the activities of the boundary role players. This can also apply to internal functional boundaries of the firm. Interests can also serve as linking pins between organizations.

Dr. Nigel Piercy addressed a managerial perspective on changing priorities in managing the strategic relationship and posed the question, "Is sales the new marketing?" CEOs face large, dominant customers who can demand relationship changes. Such changes can add the business risk of the customer to the firms without reward. Learning and value innovation are also critical aspects of strategy. Sales may be the only place left to add value. Customer concentrations require a strategic sales response, not a tactical one. Business functions have evolved since the 1950's from tactical to strategic imperatives: Sales-Sales/Marketing→Customer Business Development→Strategic Customer Management→Future? This is from function to process, George Day 1994. Today, customers must be managed as assets. Different customers impose different relationships and getting the wrong service requirements/sales potential mix in a relationship can be costly. Don't let salespeople make this strategic decision on a tactical basis.