CLIENT-BASED TEACHING OF STRATEGIC SALES MANAGEMENT – COMPARING FACE-TO-FACE AND WEB-BASED FORMATS

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Introduction

Sales management has a key role as an interface between a company and customer and is thus one of the core topics in marketing education. However, research articles on teaching strategic sales management are few in number and the lack of contemporary methods for teaching sales management has been noted (Michaels & Marshall 2002, Deeter-Schmelz & Kennedy 2011). It has been argued that sales management education in universities is currently too academic and vague, and thus does not prepare students for the rapidly changing world (Orr 2012). Teaching at universities is often claimed to be too theoretical and marketing graduates are underprepared in the area of skills and overprepared in the area of knowledge (Davis et al. 2002). Indeed, there is a need to teach important "how to" skills (Cunningham 1999). Experiential pedagogies have been proposed to enhance practical application skills, deep learning and student engagement (Ardley & Taylor 2010). Furthermore, limited resources pose new challenges to university teaching. The amount of lectures is low compared to the results expected. Traditional classroom teaching that relies only on lectures and uses exams as an assessment method cannot meet today's learning requirements. Thus new ways to support the skills and capabilities of students have to be found.

Open Universities offer courses to students who cannot participate in daytime, enabling them to complete a degree. Open Universities offer specific courses online, enabling students to attend from several locations. However, faculties require online and classroom courses to have similar requirements and learning objectives, and this pose a challenge. This is especially evident when working on client-based projects. The face-to-face format dominates sales education in most universities and only a few web-based courses are provided. However, as universities increase their web-based options, sales educators are also required to study the possibilities and challenges of teaching sales management online (Deeter-Schmelz & Kennedy 2011). This paper shares our experiences in teaching client-based sales management both online and face to face. This paper aims to describe a constructive method for teaching a client-based sales management course and to compare two alternative formats (face to face and web-based) in its execution. We first describe the sales management course and the two different formats of teaching and learning activities (including the process, method and assessment). Second, we

compare the learning outcomes of these two formats. Third, we discuss the critical success factors and challenges and give suggestions for sales educators.

Teaching of Strategic Sales Management

Sales management is an area of study that has received little attention in the literature of marketing education in comparison to other core topics. The most extensive work on sales education has been conducted by Deeter-Schmelz and Kennedy (2011), who assessed the current state of sales education globally. Earlier studies on sales education have mostly focused on personal selling (e.g. Weeks, Filion & Luna 1997, McDonald 2006, Widmier, Loe & Selden 2007). We acknowledge the importance of personal selling and sales skills; however, our paper focuses more on the strategic level of sales management and gives greater emphasis to the skills of critical thinking and problem solving. In earlier research, this focus has been adopted, for example, in a study describing the use of sales management simulation (Cook & Swift 2006).

Experiential pedagogies are used in personal selling, such as international sales competitions (Weeks, Filion & Kuna 1997), role plays (Michaels & Marshall 2002, Widmier, Loe & Selden 2007), and videotaping (McDonald 2006). However, sales management education can benefit from experiential pedagogies as well. Client-based projects form a natural real-life context for students, bringing realism to the classroom and enhancing active, experiential learning (Razzouk, Seitz & Rizkallah 2003). The opportunity to apply knowledge and skills to the actual needs of a client provides a rich hands-on experience (Ardley & Taylor 2010). This helps the course concepts come to life and enhances students' ownership of the learning process (Lopez & Lee 2005). Client-based projects even foster problem solving, critical thinking, communication and teamwork skills (Barr & McNeilly 2002, Kennedy, Lawton & Walker 2001).

Description of the Sales Management Course

The sales management course in our study is based on client-based project work, where students form a sales plan for the client company. The aim is to get students to solve problems of the kind that they will encounter in their professional careers. This client-based teaching method gives them real-life problems to solve (Biggs 1999). The method focuses on a business-to-business context and aims to develop a sales strategy, goals, an organization structure, a measurement system and a compensation plan for each of the case companies.

The learning objectives are: After completing the course (1) the students understand sales management as an important and customer-driven part of a company's activities, including

basic sales planning, control, measuring, management and development, (2) the students can create a holistic picture of the company's sales as a strategic and operative, goal-oriented activity, (3) the students realize the need for different sales processes for different customer groups, and (4) the students understand the value of different tools in sales and customer relationship management. The emphasis of the course is not on details but on the abstract whole where various known and assumed details create a basis for the decision making in preceding phases (Biggs & Collins 1982).

Students are expected to collect data about the company, its markets and customers by interviewing personnel, competitors and/or customers and by desktop research. Also, as this is a hands-on course, they are encouraged to consult their course materials from earlier courses (for example, relationship marketing, business-to-business marketing and purchasing). Thus they are expected to work hard over and above their attendance on the web or in the classroom. The development process follows the guidelines provided by Jobber & Lancaster (2009) in an iterative manner. The final outcome of the learning process is a written holistic sales management plan that is orally presented. Next we present the different phases of the development process.

Phase 1 – Introduction

During the first meeting the teacher introduces the course, its aims, structure, methods and assessment. Students start their work by forming teams. The first assignment of each team is to acquire a client company on its own. The teacher then approves or rejects (if there is no access to data) the client company. In many cases, the client company is either a student's current or former employer or the company is owned or managed by a student's family or relatives.

Phase 2 – Marketing and Sales Strategy, Value Proposition and Value-based Segmentation

The project starts with an analysis of the business and the drafting of a marketing strategy. The students use tools like PESTEL, Five Forces and SWOT to understand the business. Customer value is in a key role in the strategy-forming process, and this is a key to segmentation. The sales management process model (Jobber & Lancaster 2009) gives a holistic framework for the planning process, but it does not account enough for the contemporary emphasis on customer value (e.g. Grönroos 2011, Ulaga & Eggert 2006, Vargo & Luch 2004, Woodruff 1997). In order to be able to create value propositions, the company needs to understand what kinds of value

the customers want (Woodruff & Gardial 1996: 7). Also, in many cases the salespeople need to demonstrate how the company can deliver value for their customers (Blocker et al. 2012). Thus sales management is in a crucial role in delivering value for customers (Dixon & Tanner 2012). After the students have identified the customer value in each segment, they draft the objectives and sales strategy. Some teams might iterate the value proposition and strategy during later phases.

Phase 3 – Goals and Objectives for the Sales Team

The students define objectives for each sales team or unit. The goals and objectives should be quantitative, qualitative and measurable. These targets have to support the company's marketing and sales strategy.

Phase 4 – Setting up an Organization Based on the Strategy and Goals

Based on the marketing and sales strategy, the teams structure a customer-oriented organization. Different sales teams and functional structures need to be considered in order to create a profitable sales organization. The students also define a suitable resource plan for the sales function of each segment. For example, key account managers might need more back-office resources than account managers or telesales personnel.

Phase 5 – Recruitment, Selection and Training

The student group defines the requirements for sales team capabilities so that each member of the sales team is able to fulfill their role. Also, recruitment has to consider continuity, ensuring the right mix of experienced hands and younger professionals. The students analyze the current and future training needs of the sales personnel.

Phase 6 – Evaluation and Reward System

The evaluation of the organization and personnel is related to motivation and compensation systems. The reward system and measures are linked to higher-level marketing strategy goals. With an effective reward system, the students can ensure that the sales personnel work towards the company's goals. Feedback from the market should be continuous and based on on the achievement of objectives. A typical example of a reward is a bonus based on sales revenue growth. The bonus is tied to the targets of the sales teams and individuals.

Phase 7 – Presentation of Sales Management Plans.

The student groups present their work to the teacher and the other students. Each student group receives feedback from an opponent group that has read the written plan before the oral presentation. Based on this and feedback from other students and the teacher, the student group finalizes its sales management plan and hands it in for assessment.

An important aspect is data gathering and decision making in a state of uncertainty. Indeed, just as professional sales managers are forced to make decisions with inadequate data, so are the students in the course. The limited availability of facts leads them to come up with solutions that are different from the ones currently used by their client company. Students are not allowed to rely on existing solutions unless the process thoroughly justifies their use. Also, some of the real-life restrictions faced by companies do not limit the students' thinking and thus they can find their own innovative but justified solutions.

As the focus of this course is on real-life problem solving, the assessment is based on how well they solve those problems (Biggs 1999). The assessment is based on Solo taxonomy and five levels of understanding: prestructural, unistructural, multistructural, relational and extended abstract (Biggs & Collins, 1982). The learning outcomes of the course emphasize the student's deep relational understanding of sales and sales management as a holistic process in a modern business. The key evaluation areas are the students' work process, logic in the sales management process, solution and value for the company's decision making. The output that is assessed is the sales management plan.

Classroom and web-based courses

There is a need to offer sales management courses to both daytime students of the marketing department and students of the Open University. Faculty regulations state that both alternatives must lead to the same learning outcomes. Even though we were initially skeptical of online sales management education, we decided to try it. In both cases the teacher is a university teacher with several years' experience of global business-to-business sales management. The course description presented above is the same for both formats. Two basic marketing courses are defined as prerequisites for both options. The student is credited with 5 ects and assessed with a grade from 1-5/Fail, 5 being the highest mark. Differences between classroom and web-based formats are described next.

Format A – Course Conducted in the Classroom

The classroom course is organized by the marketing department and it runs for five weeks. The participants are full-time students taking their bachelor degree in marketing or production economics. During the first lecture the teacher introduces the course and the work process is discussed in detail. Lectures are held twice a week, two hours at a time, to a total of 20 lecture hours. Students are expected to complete a business report that is no longer than 20 pages. As the strategic sales management planning process is demanding even for professionals, constructive coaching is used to support students' learning. The coach holds weekly discussions with the students and provides formative feedback. The coach is available at all lecture times as well as always by appointment.

Format B – Course Conducted on the Web

The web-based course is organized by the Open University and it is conducted in nearly the same setting. The participants are part-time students that may either be enrolled in a marketing program or taking only one course. Also full-time students from non-business faculties may participate in the Open University course. The students form groups virtually and choose a client that is approved or rejected by the teacher. On the web, coaching is provided on a continuous, almost daily basis. This is to ensure that the students are guided to remain on the right track if problems arise. The course length is seven weeks to ensure enough time to consider the client's problems and gather information. In the web course the students are allowed to write longer reports so that they can cover more with theory. No official face-to-face meetings are organized; however, the teams are encouraged to organize virtual or face-to-face meetings themselves. The students can also have face-to-face meetings with the coach if necessary.

During the 2011-2012 semester, five student groups participated in the classroom format and four groups in the web format. Table 1 shows the different formats, the number of students and their backgrounds.

Comparing learning outcomes

The data for this study was collected using multiple data sources. First, we analyzed the sales reports made by the groups. Second, we collected individual feedback from the students about their learning. In both formats we asked them to answer the following questions: (1) State three things that you learnt during the course and describe what helped you improve your skills in them. (2) Which aspects of the sales management planning process were the most challenging

Table 1: Description of Formats and Students Attending the Courses

	Format A classroom	*Format B web-based*
Study program	Bachelor studies for full-time students	Open University
Amount of students	17 students, 5 teams	18 students, 4 teams
Students' background	Relatively homogeneous – Earlier studies in business, majoring in marketing or production economics	Heterogeneous group – different levels of earlier studies and work experience Half from the university, communication and language studies, half from outside the university Students from student to CEO level

for you? Why? How did you overcome the challenge? We also asked them to describe their earlier experience of sales and sales management for background information. Third, we used informal data: discussions with the teacher, informal feedback via email and web discussions and the teacher's reflections on teaching the course. During the 2011-2012 semester, nine clients participated in the course. The clients, their industries and turnover in both formats are listed in Table 2.

Table 2: Case Companies Involved in the Development Project

Format	Case	Business	Industry	Turnover
A	1	Manufacturing	Plastics	> 5M€/year
	2	Wholesale		>100M€/year
	3	Service	Accounting	<5M€/year
	4	Sales company	Special products, b-to-c	<0.5M€/year
	5	Manufacturing	Industry	<10M€/year
B	1	Service	Logistics	>16M€/year
	2	Manufacturing	Metal products	>20M€/year
	3	Service	IT	>10M€/year
	4	Service	IT	>15M€/year

For the purpose of analyzing the two different formats, we compare the courses and consider the following questions: (1) How do the students understand the sales management process? (2) How well can they apply this process in a real business case? (3) How well can they find new creative solutions differing from the existing ones? (4) In what phases of the learning process do they need the most support? Based on student feedback, exercises and continuous evaluation, the students understood and were able to apply the sales management process. However, there were some differences between the course formats. Students participating in classroom teaching gained deeper understanding than those in the web-based course. Open University students from other faculties found it particularly hard to cope, or even failed, whereas student groups with at least some business background learned well. The classroom version of this course has now been running for five years. During this time, no classroom group has failed, unlike in the web-based course. Every group had difficulties in finding creative solutions based on their own analyses rather than the company's existing solution. However, most of the groups were able to come up with their own solution in quite early stages of the process. Students who were closely involved with the client had more difficulties than the others in starting from a blank slate. Departing from the company's solution caused a crisis in almost every group. However, after this crisis, the self-confidence of the students increased and the learning process speeded up. The most challenging phase for the students is phase two, where they need to form a holistic understanding of the business, and draft the marketing and sales strategy based on customer value. This phase sometimes seems to be very chaotic at first until the students start to see the whole. Indeed, this phase needs to be iterated several times during the process. At this stage it is important that there is support and pressure from the group and teacher so that the team continues working. The web-based course faces a major challenge in this phase; it is too easy to just go offline. Most of the teamwork crises also occurred in this challenging phase. The teams faced another challenge when they needed to differentiate their solution from the company's existing one. This occurred at different times for different groups. Most of the groups faced this challenge during value-based segmentation, as it is rare for clients to segment by customer value. The students need the most support during these crisis-prone stages. After completing these stages, the groups can face and solve challenges more independently. That said, they needed support during the whole process.

The evaluation of group assignments and some reflections on major strengths, weaknesses and group work are presented in Table 3.

Table 3: Evaluation of Group Assignments and Some Reflections of the Visible Group Work

	Case	Grade (1-5/Fail)	Major strengths	Major weaknesses	Reflections on the group work
Format A	1	4	Logical, innovative, real solution, data availability excellent	Financial figures sketchy	Hardworking group
	2	1.5	Difficult company, survived	Structure, abstract, difficult to get data	Woke up late
	3	2	Challenge, innovative, could be successful, excellent data availability	Structure, sketchy, guys did not care	Smart but lazy
	4	2.5	Goal setting, measures, excellent data availability	Structural problems	Hardworking
	5	2	Structure ok, logic	Sketchy, scattered, abstract	Not very active
Format B	1	4.5	Deep, realistic, wide, innovative, excellent data availability	Could be tighter, nice theoretical support	Hardworking
	2	3.5	Structure, realistic, innovative, excellent data availability	Figures missing, sketchy end section, theoretical support good	Hard working
	3	1-		Barely followed the task instructions, some empirical data	Ok, not very active
	4	Fail		Did not follow the task instructions, no empirical section	Not very active, students went offline

Critical success factors

We identify five critical success factors and major challenges in client-based teaching of sales management. These are client choice and access to data, students' background knowledge, individual student motivation and engagement, teamwork and coaching.

Client choice and access to information. The first challenge for the teacher is to approve the right companies as the teacher has a key role in accepting only companies for which sufficient data is available. The course learning objectives can be reached quite well if enough company data is available. The availability of data and its quality pose a challenge, especially in the

strategy definition phase. Decision making with inadequate data creates a crisis for the group and also for individual students, as it is sometimes almost too difficult for students to cope with such uncertainty. In later stages, students can and have to rely on their own data, knowledge and structures. Teacher support for overcoming these obstacles is important. In order to be suitable, the chosen company must have an easily understandable customer base and a clear value proposition. Moreover the case company's business logic should be quite general. For example, highly regulated businesses can be challenging. Companies operating in business-to-business markets often fulfill these requirements.

Students' level of knowledge. All the groups needed to consult a vast amount of earlier studies or engage in theoretical self-studies during the course in order to be able to solve their tasks. Background studies helped greatly, but thus far no team has succeeded without supporting their work with theory. Indeed, in order to be able to create a holistic and consistent solution, it is crucial for the students to obtain background knowledge, either through experience and/or theory. Bachelor-level students might even find this course too challenging if they do not have work experience in business-to-business sales. A theoretical approach was even more evident among the successful groups participating in the web-based course. These groups wrote many theoretical paper reports to serve as a basis for their discussion. In fact, they wrote so much about theory that it is questionable whether their workload can be justified with the credit units given.

Individual student motivation and engagement. Experienced and self-motivated students did well in the web course, whereas university students did not. According to the feedback of one web student, "University students thought that an exercise without an exam is an easy way to get a good grade". The online environment was challenging for university students because they lacked experience and were neither supported by a group nor coached and nurtured by a teacher. This kind of learning requires a high level of task motivation and students have to take responsibility for their own learning. The classroom environment enables personal contact that allows the teacher to nurture and push the students.

Teamwork. The groups that did well in the web course consisted of professionals, among them a CEO, marketing consultant, sales assistants and a key account manager. University students participating in the web-based course faced big problems. It was very easy for them to stop working and when they ran into problems they went offline. The motivation level of the group also impacted on the situation. Peer pressure in the class is higher and a group forces its lazy

members to work. All the web-based teams met even though the material was distributed via the internet. The most successful teams from the web-based course met quite often. The teacher encouraged such meetings, but ultimately it was up to the students to decide whether to do so. Decision-making in a state of uncertainty and with limited information gives realistic insight into business challenges. However, this can be very stressful for the students and they might find it difficult to bear the uncertainty (also Titus 2007). Student groups facing this uncertainty often had a crisis concerning their working methods and solution. Also, students tend to believe that companies know what they are doing. It is difficult for them to criticize a company and believe in the group's own ideas. This is especially difficult for the students that are already attached to the company's board or top management. As in a real operating management group the decision is a synthesis born through analysis and discussion. Student groups in this exercise do not have an executive and thus the teacher plays an important supporting role. A group of professionals working on the web faced a big crisis during the very late stages of the process. This crisis resulted when the CEO who was a member of this team and the rest of the group had opposing views of the organizational solution. This group could not handle the situation even though they were able to create a good solid sales management plan. Thus, this group gained a good grade, but their personal relationships suffered quite badly because they did not reach a consensus about their solution. The group split into at least two factions. The teacher became aware of this only when it was already too late. In a classroom, such situations become evident in the early stages of work, at which point they are often quite easy to resolve.

Coaching. Coaching is important in both formats. The stage in which it is the most important to provide coaching is phase two. Teams that conduct quantitative analysis usually need quite a lot of support. Often they cannot pick out the important data from all the information available. Face-to-face coaching builds self-confidence to continue with a challenging task. Coaching is challenging on the web. It is time consuming and very difficult without real-life social contact. Online contact does not allow the same dynamics as face-to-face discussion. Unlike in a consultative coaching process, the teacher cannot immediately react over the internet. The questions students ask are often too shallow and it is challenging to conduct the discussion at the right level using internet tools. When dealing with a large and abstract case, most of the groups find it hard to maintain focus. This lack of focus creates problems that students cannot overcome and the teachers' role is to guide the group back on the right track.

Conclusions

In this paper we have described and compared two different formats to teach strategic sales management in the context of higher marketing education. The theoretical process for the assignment has relied on an applied model of a sales planning process (Jobber & Lancaster 2009) enhanced by the perspective of value creation (Vargo & Luch 2004, Ulaga & Eggert 2006, Grönroos 2011, Dixon & Tanner 2012). Customer value is a strategic perspective that within sales management requires understanding at all levels, from the company's strategy to sales force management to measurement and evaluation of operations. Thus the customer value and the company's value propositions are key concepts that need to be integrated into the model (Woodruff 1997, Vargo & Luch 2004, Dixon & Tanner 2012) and accordingly into the teaching of strategic sales management.

The teaching concept suits its purpose. It gives the students some guidance on the actions that need to be taken. However, it also leaves enough freedom so that the students may choose how to solve different phases. This also leaves room for discussion. A practical client-based course creates deep understanding of sales management as a holistic process. It also helps the students to utilize basic marketing tools to ensure reasoned decision making in sales management. The process emphasizes the need for continuous re-analysis and iteration. The real-life clients motivate students and engage them in the course work. Thus we recommend the use of this method in teaching.

However, to gain an understanding of the contextual factors of each client is more demanding on the web than in face-to-face discussion. The process forces the students to think both analytically and creatively in order to provide value. It is a very demanding process – and the challenge level is even greater online, where there is no face-to-face communication. Indeed, the course conducted on the web is challenging even for business professionals. Therefore, we would propose web-based courses to professional groups or as part of in-house training rather than for undergraduates.

It is also very motivating for the teacher to be able to participate in real problem solving involving actual clients instead of conducting similar theoretical courses year after year. The process is the same, but real-life cases also provide insight into the actual situation at companies.

We recommend that further studies of web-based solutions be carried out. A teaching solution that includes web-based meetings could be studied. Also, the differences between the existing

format and a format where the client has high involvement would be interesting for scholars and teachers. It would likewise be interesting to hear about studies in other subjects as well as the further development of sales management courses.

<div align="center">References available upon request</div>