

# SFA Adoption: Empirical Evidences from A Case Study<sup>1</sup>

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## ABSTRACT

Understanding how technology investments create business value is a research priority in today's technology-intensive world. Drawing on a literature review as well as a qualitative study, this research suggests that sales technology can support both: externally focused tasks towards managing customer relationships and internal administrative tasks. To unleash its real potential, sales technology should be designed to enable customer relationships rather than being perceived as a cost cutting tool. Today organisations are forced to constantly invent new ways of interacting with the customer to increase customer loyalty and to decrease the possibility of commoditization. This paper will focus on Sales Force Automation (SFA) and its increasing importance. It will explore the purpose of SFA, its advantages and disadvantages, and its future impact on organisations through a qualitative research study: the authors investigated a small company operating in the business-to-business services sector to obtain practical feedback on the organisational and individual implications, the potential benefits and the problems related to adoption of an SFA system.

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## 1. Introduction

The sales force has gone through a deep transformation over the last few years due to changes in behaviours, technology and management (Rolph, 1996; Weitz & Bradford, 1999). Of greater strategic importance, however, is the influence exerted by technological changes which have facilitated the introduction of continuous innovation processes necessary to compete in modern competitive environments. In addition, from a scientific point of view, the issue has been identified as relevant for future studies (Jones, Sundaram & Chin, 2002; Avlonitis & Panagopoulos, 2010).

The advent of information and communication technology (ICT) and its development have deeply affected sales force management (Honeycutt, 2002). In particular, the opportunities created by new technologies include the following:

- On the one hand, companies can establish better communication among members of the sales force and between vendors and customers. This makes the transfer of information, both administrative (sales documents, price lists, orders) and commercial (data sales), faster and more efficient (Gohmann, Guan, Barker & Faulds, 2005).
- On the other hand, companies will have less direct interaction with customers and move towards selling products online, without any physical contact between the seller and the buyer.

From the sales force point of view, the new technologies let vendors move routine activities (visits, presentations, orders collection) to the background and pay more attention to those activities characterised by a higher value-added, putting the focus on decision-making aspects of the marketing process and on the management and retention of customer relationships (Rouzies, Anderson, Kohli, Michaels, Weitz & Zoltners, 2005).

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Unlike in the past, when the sales force simply represented the area in charge of generating turnover with the aim of increasing the sales volume in a transactional perspective, today it becomes responsible for a number of activities with a higher value-added (Ingram, 1996; Weitz & Bradford, 1999; Cannon & Perreault, 1999). These activities, specifically, put the customer at the centre to determine the strategic business objectives in a relational approach perspective (Guenzi, 2002).

In an increasingly globalised and segmented market, the ability to develop and retain long-term customer relationships has been a critical factor of success and the sales force, especially in business-to-business contexts, plays an important role. The customer is increasingly involved in strategic business decisions: from mere recipient of the sales actions, he/she has moved to actively taking part in the creation of company's product offering (Shoemaker, 2001).

The impact of the technological change has been so great that, today, we talk about sales force automation (SFA; Marshall, Moncrief & Lassk, 1999; Shoemaker, 2001; Parthasarathy & Sohi, 1997). SFA deeply involves the sales processes through the creation and development of innovative tools able to increase sales effectiveness and efficiency and to encourage the establishment of long-term relationships with customers. Technological change and the relational approach can thus be considered the two pillars on which the practice of sales force automation rests.

The objective of this paper is to verify concretely the literature's assumptions on the theme of sales force automation through an analysis of a case study and to identify any new elements. To this end, we investigated a small company operating in the business-to-business services sector to obtain practical feedback on the organisational and individual implications, the potential benefits and the problems related to adoption of an SFA system.

## **2. Sales Force Automation and Customer Relationship Management**

Different definitions of SFA exist in the academic literature. In general, SFA can be defined as the application of ICT in support of the sales force (see Table 1).

**Table 1. Academic definitions of sales force automation**

SFA represents the use of computer hardware and software products to collect, assimilate, analyse and distribute information with the aim of increasing sales force productivity (Morgan & Inks, 2001).
SFA consists of centralised databases which allow remote access from laptops or mobile devices through the use of special software products to enable the salesperson to access immediately all the information useful for performing the sales process (Parthasarathy & Sohi, 1997).
SFA systems utilize computerized hardware, software, and telecommunications technology to capture, access, analyse, and exchange high quality information in order to improve sales force productivity and effectiveness (Jayachandran, Sharma, Kaufman & Raman, 2005).
SFA concerns the application of technology to the sales function (Pullig, Maxham & Hair, 2002).
SFA supports the sales process by increasing the speed and quality of information flows among the vendor, the customer and the organisation (Speier & Venkatesh, 2002).

Source: Our elaboration from several authors

These technologies are mainly adopted to record events occurring in the sales process and to collect, organise and distribute all the data arising from them; the data obtained are essential to manage the relationship with every single customer, to identify trends and to plan sales policies.

SFA solutions thus enable the automation of data collection and ensure that data are available everywhere they are needed; in this way, much of the traditional manual work is eliminated (Ingram, LaForge & Leigh, 2002). Indeed, thanks to SFA solutions, the process of data collection from customers becomes simpler and

more intuitive and the salespeople can access the data wherever and whenever they want (Jelinik, Ahearne, Mathieu & Schillewaert, 2006). These data can potentially be extended also to market data, competitor profiles, product catalogues and price information (Buttle, Ang & Iriana, 2006).

At the organisational level, these tools enable managers to obtain real-time information about sales trends and to change the allocation of various resources promptly. In addition, SFA tools provide data which can be used by other business functions to predict the need for raw materials, services or other products and integrated within the finance and marketing systems to improve their effectiveness.

In a customer-oriented perspective, these data are pivotal for the development and retention of long-lasting customer relationships, in line with the relational sales approach. It follows that the organisations adopting SFA to develop skills oriented both to market trends and to customer relationships are in the best position to inform and drive the internal business procedures intended to create customer value.

In such companies, SFA tools are frequently implemented to facilitate the CRM processes (Speier & Venkatesh, 2002). In fact, the bulk of CRM functionality is originally designed to enhance sales and sales management (Shoemaker, 2001).

In the academic literature, the themes of SFA and customer relationship management (CRM) are often combined. This aspect, however, needs a deeper analysis because the researcher's opinions are heterogeneous. The essence of CRM is based on three main aspects: (1) customer orientation, (2) relationship marketing and (3) marketing databases. With development of new ICT, these three marketing principles have been gathered in the CRM paradigm.

Numerous definitions of CRM can be found in the academic literature. According to Kotler and Armstrong (2003), CRM is "the overall process of building and retaining profitable relationships in order to provide greater value and satisfaction to the customer". Zikmund, McLeod and Gilbert (2003), by adopting a more technology-oriented perspective, define CRM as "a business strategy that uses the ICT to provide the company with a more understandable, reliable and integrated vision of its customers portfolio, so that all the processes and interactions with the customers are helpful to retain and expand mutually beneficial relationships".

It is evident how similar these definitions are: customer orientation, relationship marketing and marketing databases are not only the paradigm on which SFA is grounded, but also the essence of CRM. Moreover, both are characterised by a strong propensity to adopt modern technologies to improve relationships with the customers in the long term.

As Avlonitis and Panagopoulos (2005) argued, "the terms SFA and CRM are used interchangeably in the academic literature. Substantially, CRM is a business strategy constituted by processes and technologies which improve the customer relationships, while the SFA only offers technological tools to support the sales force...thus recognising that CRM is a wider (but related) concept of SFA". In this vein, CRM and SFA are similar tools, but of a different nature. SFA configures itself as an operative instrument oriented towards the sales force, while CRM represents a strategic orientation which drives the business decisions and can be applied to the whole organisation (Mercolini, 2013). Actually, CRM is rather a business strategy and philosophy, integrating customer focus, relationships with customers and team-based consultative selling into a coherent organisational strategy (Brown, 1999; Swift, 2001). CRM encompasses different functions such as marketing and service, production and logistics in addition to sales. Whereas much of the extant literature on SFA technology has focused narrowly on personal selling, CRM clearly speaks to the management of organisational processes (Leigh & Marshall, 2001).

### **3. Adoption of an SFA System: A Literature Review**

Reflecting the increasingly important role of SFA adoption, a growing stream of academic research has explored issues related to organizational adoption of sales technology (e.g., Gatignon & Robertson, 1989; Jones, Sundaram, & Chin, 2002; Schillewaert, Ahearne, Frambach, & Moenaert, 2005; Cascio, Mariadoss & Mouri, 2010). Adoption of SFA systems by the sales force is an important determinant of a successful SFA

system implementation (Keillor, Bashaw, & Pettijohn, 1997; Morgan & Inks, 2001; Speier & Venkatesh, 2002).

Given SFA's positive effects on firm performance, a stream of literature has also emerged investigating the antecedents of SFA adoption (Avlonitis & Panagopoulos, 2005; Schillewaert, Ahearne, Frambach, & Moenaert, 2005).

In this study, we introduce a review of the literature about the two above-mentioned streams of research and a case study useful to demonstrate the theoretical assumptions written so far.

### ***3.1 Influential Factors in the Adoption of an SFA System***

As already observed, SFA systems consist of databases that can be accessed through different devices by using special software. In this way, at any time, through his/her mobile device, the salesperson can obtain constantly updated information about various aspects of the work, resulting in a speeding up of the sales process and an efficiency increase.

A point needs to be specified: the mere use of laptops, tablets, smartphones and mobile devices does not imply that the sales force is automated. To be considered automated, the sales force should be able to communicate at a distance with a centralised system that is constantly updated with useful information for the carrying out of activities.

To identify the factors facilitating adoption of an SFA system within the organisation, we refer to the contribution of Parthasarathy and Sohi (1997). They developed a theoretical model that takes into consideration both organisational and individual factors which facilitate adoption of technological innovations within the organisation and, in particular, of SFA systems.

Unlike the traditional paradigm of diffusion, in which a product is adopted only by a single consumer, adoption of an SFA system by the sales force requires two phases: first, at the organisational level, the decision to implement an SFA system has to be taken; then, it has to be adopted by the single salesperson. Adoption at the organisational level is a prerequisite for adoption at the individual level; this phenomena is known as "dual adoption" (Parthasarathy & Sohi, 1997).

The decision to automate the sales force is a very important step for an organisation as an SFA system can cost a lot and requires continuous expenditure due to the fact that technologies, over time, become obsolete.

This decision becomes further insidious if you think that in the short term is very difficult to quantify the potential future gains due to automation of the sales force. However, there are some internal and external factors make certain organisations benefit more from an SFA system than others do.

As regards the salespeople, some are likely to welcome this change and others will resist; in the latter case, adoption of the new technology will be similar to "forced" adoption and, as it goes against their will, these vendors will tend to under-use the SFA system. An extremely important issue for the complete and correct implementation of the SFA system is the identification of vendors who are willing to accept and use the system and those who, instead, resist the innovation and use it only because they are obliged to do so. This latter group can be the target of special training programs and other strategies intended to maximise SFA system efficiency through its complete utilisation by all the sales force (Ahearne, Jelinek & Rapp, 2005).

These reflections show that, not only at the organisational level, but also at the individual level, a series of specific factors exists which influence the propensity of certain individuals to adopt the new SFA technologies.

### ***3.2 Opportunities and Limits of SFA Adoption***

Several organisational areas can benefit from the correct adoption of an SFA system, in particular, sales managers and the top management team. According to Erffmeyer and Johnson (2001), who studied 40 U.S. manufacturing and service firms to investigate the reasons for SFA system adoption, efficiency improvement is the main reason driving the investment.

However, numerous other benefits have been reported in the literature with reference to adoption of SFA tools (see Table 2).

Table 2. Benefits deriving from SFA system utilisation

Increased Revenue	One primary goal of any organisation is to increase profits, so it is a natural starting point to consider the effects of SFA on the bottom line. It is important to consider the gross increase in revenue and profits per year as well as increases in revenue per salesperson. However, despite the intangible value that SFA adds to the organisation, often it is difficult to gauge its actual effect on revenues.
Reduced Costs	The costs of implementing SFA systems are significant and a great deal is being spent on these systems. This, however, is offset by reductions in the cost of selling by the sales force (Donaldson & Wright, 2004).
Increased Sales Force Mobility	The most important benefit of having a sales force is its ability to sell and create value by building strong relationships with customers. Thus, mobility is extremely important to the sales force. Today more than ever the sales force needs to be in touch with clients, rather than at an office gathering data. SFA has allowed the sales force to become increasingly mobile. Most CRM companies are moving quickly to establish wireless components for sales through web phones and handhelds or wireless access to various SFA web portals (Greenberg, 2001).
Increased Availability of Customer Information	The attractiveness of SFA stems from the numerous benefits that it offers. One of the most important benefits is its ability to deliver superior customer value through information sharing across sales, marketing and customer service personnel (Morgan & Inks, 2001). Since multiple departments have an interest in viewing the status of a customer account of opportunity, SFA is a good solution. The fact that SFA systems allow different departments and individuals within one organisation to constantly access the customer information they need is extremely significant (Reinartz, Krafft & Hoyer, 2004).
Improved Tracking by Management	One of the most important roles of sales force managers is to monitor the progress of their sales force. SFA is a tool that allows managers to better monitor the activity of their sales force by reporting on its activities. By reporting information they have collected from customers, salespeople provide managers with a better understanding of their own activity (Moutot & Bascoul, 2008). The overall analytical ability of sales managers increases with use of SFA data. With this increase in ability comes the power to monitor the progress of sales representatives more closely, in turn allowing the manager to help improve individual sales representative performance.
Sales Forecasting	Sales forecasting is defined as the process of estimating what the business's sales are going to be in the future (Kerin, Hartley & Rudelius, 2009). It is one of the most important and challenging tasks for any organisation and is an integral part of business management.

Source: Our elaboration from several authors

Up to this point, SFA has been examined in a perspective which has emphasised factors that facilitate its adoption, the potential benefits deriving from its implementation and the critical success factors for its effective utilisation. Nevertheless, an SFA system is not always simple to implement; rather, in this sense, 55% of such projects fail (Honeycutt, Thelen, Shawn & Hodge, 2005; Reinartz, Krafft & Hoyer, 2004; Rivers & Dart, 1999).

This generally happens because SFA represents a tool that, in addition to being complicated, involves numerous forces within the organisation which must operate in a coordinated and interrelated manner; otherwise, success of the SFA implementation, as well as obtaining the desired benefits, is jeopardised. Despite its intuitive appeal and continual advancements in technology, SFA initiatives regularly fall short of expectations (Bush, Moore & Rocco, 2005).

Specifically, the main obstacles for effective adoption of an SFA system are related to the following areas: planning, communication and evaluation.

1. During the planning process, the first step is to understand the problem that makes necessary the implementation of the SFA system and, then, to identify suitable technology to fix it.

Extremely important is the involvement of inter-functional teams during all the phases preceding the SFA implementation: from purchasing to vendor selection. First, the presence of inter-functional teams is

required to better plan all the activities connected to SFA system utilisation (Brown & Jones, 2005). Second, and even more important, involvement of the organisation in the planning process generates a strong sense of belonging to the project and support for the project (Pullig, Maxham & Hair, 2002).

Although the goals of implementation of the SFA system are company-specific, the greater part of the planning activities aims to improve sales force efficiency. Consequently, the sales force must be actively involved in this initial stage because implementation of the SFA system greatly influences their role with reference to:

- Speed and quality of the sales process;
- Interactions between the sales force and other functional areas;
- Quantity and quality of the product information available to customers.

Given the importance of these activities, the technological change produced by the SFA must be understood and supported by the salespeople; this means that their involvement during the project planning phase is essential.

2. *Communicating* to the sales force the technology potential and the commitments that must be met for successful SFA implementation is a pivotal issue. This implies that the investments and the organisational efforts do not end with the purchasing of equipment and software and that sales force training programs should be undertaken during the initial implementation stage. However, the most important aspect in this phase is verifying that all the features of the new technology reflect the salespeople's expectations.

Training the sales force to effectively use the SFA system cannot be neglected; on the contrary, not training may lead to under-utilisation of the technology because the vendors may not clearly understand its potential or may consider technology useless in sales performance.

One of the greatest disadvantages suffered by organisations investing in SFA systems is the difficulty and length of the implementation process. The fact that the sales force is unfamiliar with the new system (and that by default SFA systems are quite complicated) is a definite negative. For example, some SFA systems require more than 100 hours of salesperson training plus additional time to master the rapidly changing technology (Conner & Rumelt, 1991).

Another disadvantage is that many salespeople are often skeptical of the new technology, fearing a loss of independence and autonomy due to increased monitoring. The sales force can also perceive a loss of power due to the required disclosing of previously proprietary customer information (Speier & Venkatesh, 2002). Salespeople view in-depth customer knowledge as a competitive advantage over peers and since SFA systems require disclosure of this information they might feel as if their organisation can more easily replace them.

An additional disadvantage of SFA is that the sales force can experience a lack of clarity in responsibilities with respect to the system (Rangarajan, Jones & Chin, 2005). If the sales force is not clear on where the salespeople should re-direct their newly free time, they can mistakenly spend it on administrative and analytical tasks created by the SFA technology. The sales force can in turn also perceive the new technology as a "waste" of time (Damjanovic, 2010).

3. Before implementing the SFA system, some useful metrics should be developed to control the effectiveness of the system adopted (Bush, Moore & Rocco, 2005). These metrics must be constantly monitored and shared with the sales force to give the salespeople a clear goal to achieve.

By neglecting the development of metrics to measure progress in the SFA system, and therefore not conveying to vendors clear guidelines to follow, the sales force is likely to feel discouraged, even if the salespeople have a positive attitude towards the new technology. Many companies have not established evaluation tools following implementation of their SFA system<sup>5</sup>; this often happens because the quantification and implementation of suitable metrics for the measurement of intangible benefits ("soft benefits", e.g. better access to the data) is quite challenging; accordingly, the evaluation results are complicated.

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<sup>5</sup> According to Erffmeyer and Johnson (2001), 50% of companies do not develop evaluation tools to assess SFA system efficacy after its initial implementation.

However, the tangible benefits of “hard” data can and must be linked to assessment criteria; for example, if the SFA system is adopted to reduce the response time to customers, the difference between the average duration of the response time, before and after SFA system implementation, should be used as a benchmark.

#### **4. Case study**

##### ***4.1. Methodology***

The research method is the case study method (Yin, 2009). A single case design was chosen to provide “richness” of empirical illustrations and findings (Weick, 2007). According to Siggelkow (2007), conducting a single case study of organisations can be a valuable research approach in three distinct situations, namely for purposes of motivating, inspiring, and illustrating theoretical development. Ours is an “illustration of theoretical development” use of the single case.

Specifically, after having prepared the research questionnaire, we turned to the Sales Director of Xsoft<sup>6</sup> with whom we had four meetings in the headquarters of the company.

In the first meeting, purely theoretical aspects of the phenomenon were treated and it has served to lay the ground work for subsequent meetings.

In the other three meetings instead, in-depth interviews were conducted on the phenomenon, according to a reference track. In each of these meetings was conducted an interview of about 90 minutes, and the information has been collected, either by using a voice recorder, both through written notes.

Doubts and any discrepancies were clarified by telephone with the respondent in the days following each meeting to improve the validity of the study. In addition, after each meeting it has been sent by email a copy of the study to the interviewee for comments and suggestions.

As far as the track for the interviews, we formulated the first indirect questions then move on to specific questions on the issue of the SFA, to be consistent with the established practice in qualitative research.

Specifically, we focused on solutions for SFA adoption, the reasons for their implementation, benefits observed, the impact that these have had on the sales force and the most common issues that have emerged, with the aim of providing a practical confirmation of the literature review.

We chose the method of qualitative research because, in line with the approach to the case study (Yin, 2009), the use of in-depth interviews can provide a wider focus on the topic, hoping to further enrich this area of research (Eisenhardt, 1989).

##### ***4.2. Case History Description***

We will analyse a business case to verify the organisational / individual implications, the potential benefits and the problems that may arise following the implementation of an SFA system in small to medium-sized firms. To do this, we selected the case of the Xsoft, an Italian medium-sized company which operates in the field of innovative business-to-business services in support of business choices. Selection of this firm was justified for an important reason which represents a peculiarity of our analysis: Xsoft holds the role of both technology user and technology seller (see Table 3 for a company profile).

By analysing the Xsoft business dynamics from the technology user’s point of view, the above outlined aspects made it possible to obtain indications which are less influenced by individual aspects connected to the technology knowledge.

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<sup>6</sup>We use a pseudonym instead of the real name of the company. The empirical analysis was conducted by Fabio Mercolini.

Table 3. Company profile

Xsoft is a company operating in the innovative business-to-business services sector, targeting private companies and banks, financial companies and insurance institutes. The company consists of 150 employees and has 5 operative locations. Its activities are intended to develop and propose innovative solutions, using ICT in support of the business and infrastructure activities and partnerships with established actors within the ICT sector.

Xsoft is organised in 6 business units (BUs), each of which is responsible for a specific business activity/product.

Xsoft mainly relies on an internal sales network made up of 6 sales representatives, one for each BU, and another 2 external independent sales agents.

Due to the width of the company's offering and the fact that the promotion of different solutions required very specific technical skills, at the beginning the sales network was organised so that each sales representative only dealt with the solution developed by the associated BU. Over time, also thanks to development of the internet, which has allowed increased sharing of know-how within the organisation, the sales representatives have developed specific expertise which lets them promote solutions also belonging to other BUs.

Source: Our elaboration on Mercolini (2013)

#### 4.3. Results

After an in-depth analysis of the SFA tools adopted by Xsoft and the reasons which led the company to their implementation, the main benefits obtained by the sales management area were specifically identified, from the most to the least important, as follows:

**Efficiency growth:** in line with the academic literature, the growth in sales process efficiency was the main benefit obtained by Xsoft. For example, the use of tablets resulted in a shorter sales process. The CRM software, made the sales process more structured: the storage and management of data about customers, visits, sales and opportunities extended the sales process over a well-defined, and operatively correct, path. In addition, the real-time availability of historic customer data improved the effectiveness of the sales representative's visits as he or she could access and use this information at any time to better communicate with the customer.

**Knowledge capitalisation:** without SFA tools which allowed storage and management of data related to the sales process, the majority of the information was in the sales representative's hands. This information represented know-how for the company which, however, did not have its ownership. If a sales representative left the company, this know-how went with the representative, thereby damaging the entire organisation. Thus, one of the most relevant advantages for Xsoft of using SFA tools was knowledge capitalisation. The CRM software required the sales representative to transmit data about customers, visits completed and sales opportunities; consequently, this information soon became a corporate asset which was no longer in the hands of the single sales representative.

**Sales organisation knowledge:** the capitalisation of knowledge was directly linked to the advantage of sales organisation control. The management team, indeed, had available a screen in which all the information about sales visits and sales appointments was displayed; this allowed for monitoring and evaluation of the sales efforts and performance to plan corrective actions in a timely manner.

**Company image:** adoption of the tablet enhanced the sales representative's image, allowing him or her to make the sales presentation more effective, with a clear return in terms of corporate image.

Adoption of the SFA solution had a double-impact effect on the single sales representative. First, some of the benefits offered by the SFA solution were perceived not only at the top management level but also by the single sales representative. The availability of a customer database rich with historic and constantly updated data undoubtedly supported the sales force's actions by simplifying its work. Moreover, adoption of the tablet was a source of personal gratification.

However, a negative impact of the SFA solution was also observed. In particular, with reference to the CRM software, sales representatives demonstrated a certain resistance in entering customer information in the database for each customer contact. This process was thus only weakly accepted by the sales force because it was viewed as a job control instrument and a change in the way of working.

The sales representatives, who were by their nature dynamic persons, found it useless to enter, for every visit, customer information they already knew. As a result, they considered this process a waste of time and a real cost to bear. Furthermore, if the sales representative had acted in bad faith, he or she might have refused to enter the information in the database or might have entered incomplete information, with the

intent of keeping in his or her hands the know-how if deciding to leave the company. In this case, the sales representatives were “subjected to” this solution because the information transmitted did not go to the representatives’ direct advantage but rather to other business areas. In light of this mechanism, an unpopular solution often generates a certain degree of resistance.

#### **4.4 Managerial Implications**

**CRM for solving internal conflicts:** An interesting aspect arising in the analysis regarded a special feature of the CRM software adopted by Xsoft.

In addition to the normal database functions, visit tracking, sales pipeline and contact management, the software was also used to manage internal conflicts occurring when a new customer was assigned to a sales representative.

This aspect was certainly an innovative element. Use of the SFA software to this end mainly favoured some dynamics within the organisation, which led the sales manager’s to ask for a specific instrument of conflict management.

Although the sales network was initially organised so that each sales representative specialised in selling only the belonging business unit (BU) products, the “sharing” approach adopted by the headquarters and the newborn knowledge management culture soon facilitated the development of cross-sales competences; the sales representatives were thus able, for the first time, to propose product solutions from the other BUs.

In this scenario, the capability of managing any conflict among the sales force members for the acquisition of a new customer became paramount. The CRM software managed this problem automatically by assigning the customer to the most suitable sales representative, who was identified on the basis of sales skills, geographic area of action, and customer characteristics.

The company thus found in the CRM software valuable support for the rational assignment of customers to sales representatives and for the avoidance of internal conflicts, in addition to appreciating the many benefits it obtained in the specific sales force management field.

**Knowledge capitalisation and sales network control:** Since the analysis was carried out at the sales management level and not at the sales force level, organisational benefits were highlighted that were specific to sales network management and performance.

In particular, if the company had not implemented the CRM software, the strategic customer information, in addition to being fragmented, would have remained in a single sales representative’s hands. As they had ownership, the sales representatives might have transmitted the information to competitors if they had decided to act opportunistically, with an evident negative impact on the entire organisation. Hence, the strategic importance of know-how for the planning and evaluation of the sales process was clearly evident; the sales manager pushed for the implementation of tools able to store the know-how and to transform it into a valuable business asset.

Adoption of SFA as a control instrument represents, even in this case, an element of novelty. The academic literature has often emphasised the importance of the SFA instruments to increase the sales process efficiency, but it has not considered the organisational efficiency that, at the same time, could be gained at the top management level.

In the Xsoft case, control was really perceived as an organisational benefit because it allowed the sales manager to better evaluate the sales performance and the individual salesperson’s effort.

This point should not be neglected: the availability of constantly updated information allowed the sales manager to plan the actions regarding single customers as well as to obtain real-time information about sales trends and sales force effort. It followed that any corrective action could be implemented without waiting for the quarterly estimates.

In today's competitive contexts, the ability to change quickly business processes that are not performing as expected represents a strategic lever for achieving competitive advantage. In this vein, the control guaranteed by the SFA tools is one of the main available operative instruments.

**Non-monetary costs: a recurring problem:** Another aspect that the analysis uncovered is related to so-called non-monetary costs, one of the main problems that may occur in an organisation adopting an SFA solution.

Even Xsoft had to face evident resistance to the use of CRM software on the part of its sales representatives.

The main cause of this resistance was related to the change in the way of working imposed by the software itself. The sales representatives perceived the regular entering of customer information as a waste of time and a sacrifice.

Therefore, although the software succeeded in improving the sales process and its effectiveness, in the sales representatives' view it still remained a cost, of the non-monetary type, to bear.

**Future developments of SFA software:** The last aspect to emphasise is Xsoft's goal of evolving the CRM software into an instrument of parametric competitor analysis and customer categorisation.

Although the company adopted the CRM to record information about customers and competitors, it was seeking to evolve these functionalities towards the generation of more accurate information flows, characterised by a higher value-added. Information about competitors, in addition to having a descriptive nature, can indeed be used to develop benchmarks in the business strategies to obtain operative feedback on competitors' performance and on any corrective action the company can take.

Similarly, in addition to higher information quality, the company was seeking to make the software even more efficient by implementing a customer categorisation process: the information was used to distinguish customers who were potentially more interesting (in terms of turnover, image, achievable profit margin, and type of relationship) from those who were less interesting. In doing so, the company was in the position to identify the most profitable customers and, consequently, employ a bigger sales effort with them.

In terms of the future, these aspects show that, in modern competitive contexts, continuous innovation and strategic use of information represent two valid operative levers for achieving competitive advantage.

## **5. Concluding Remarks**

An important issue to outline here, already reported by the theory and then confirmed by the case study analysis, is the bipolarity existing between organisational efficiency and individual resistance generated by SFA instruments. The SFA software products greatly simplified the sales process and let the sales force offer a higher value-added service thanks to the real-time availability of price, products, discounts and inventory information. On the other hand, the sales representatives tended to resist the full use of the SFA tools: as they required constant updating of the customer information, these tools were considered to be a waste of time and a non-monetary cost.

It follows that non-monetary costs seem to be the main obstacle in establishing an operative tool which is potentially very effective; for this reason, costs should be reduced to the minimum level to maximise performance. As highlighted by the theoretical analysis, salespeople tend to show a certain degree of resistance towards these instruments because they generally perceive a very low benefit from their use. The problem, however, does not appear to be linked to a lack of awareness of the potential advantage in terms of sales process efficiency but, rather, to the lack of incentives to encourage the sales force's full use of these instruments.

Furthermore, we found that the relational approach is, today, an unavoidable practice in innovative and change-oriented organisational contexts; it is a powerful ally, particularly in the current period of downturn when it is increasingly difficult to persuade new customers to sustain important investments. In this perspective, the current customer becomes a valuable partner in the generation of profits: by focusing on the customer relationship, the company tries to introduce new products and projects and to obtain profits on an on-going basis.

Another interesting finding was that the company configures itself as a *relationship network* operating in a coordinated manner at all levels of the organisation, thanks to the sharing of both knowledge and internal information flows. The integration of the marketing and sales areas, observed in our analysis, confirms what was previously argued with reference to the need to make the sales process management consistent and coordinated with the strategic marketing objectives.

Finally, innovative elements which are related to the business dynamics and to market trends can be also mentioned. In particular, SFA software also functioned as an internal conflict management tool. By analysing the information available, the software automatically assigned new customers to a single sales representative on the basis of specific sales skills and geographic area of action. In this way, in a totally automated manner, the company could avoid internal conflicts among members of the sales force regarding the acquisition of new customers.

Further elements of innovativeness highlighted by the analysis are knowledge capitalisation and sales process control, both of which are guaranteed by the adoption of SFA instruments. These elements appeared to be fundamental for the planning of marketing strategies which are effective and consistent with the strategic objectives, for proper sales force management and for business performance evaluation.

These two aspects, despite representing real benefits for sales management, negatively affected the sales force.

The sales force, indeed, was more concerned about sales managers' control over representatives' activities through use of the SFA software than about the important benefits in terms of efficiency that are achievable through SFA use.

As a result, although we were able to verify, consistent with the assumptions of the academic literature, that the non-monetary costs represented the main obstacles to salespeople's effective use of SFA instruments, the control and need to regularly enter information for knowledge capitalisation were additional factors which negatively contributed to the impact of the SFA instruments on the sales force.

To conclude, more effective internal communication, aimed to clearly convey the operative benefits guaranteed by the SFA tools to the sales force, is necessary. In addition, incentives can be provided so that the single sales representative is aware of the important benefits identified at the top management level. We expect that in these circumstances salespeople will welcome the SFA tools and not perceive them as instruments to control their personal autonomy, resulting in significant benefits for the whole organisation.

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