

9. The Sales Centre

9.1 A New Perspective on Sales and Relationships

Building, developing and maintaining supplier-customer relationships is no longer an individual accomplishment – but based on a team effort. Therefore, we regard key account management and other organisational structures that support supplier-customer relationships as being based on team accomplishments. However, it is not merely a question of organisational structures if the company is to match the customer's buying centre – it is also a question of what resources and competencies are required to do so. And how should responsibilities and empowerment be organised in order to support the organisational structure in the creation of a unique supplier-customer relationship?

Sales-wise, it is interesting to know what kind of attitudes and behaviour you can expect from different personalities/personality types. Once you are able – at least in most cases – to properly identify the actual type, the members of the sales centre will be much better equipped to handle the various situations that may arise in a supplier-customer relationship.

In order to get the most out of understanding the members of the customer's buying centre, it is relevant to understand one's own personality and ability to accommodate for this and be flexible when interacting with others. The customer – as a whole – must perceive the supplier as trustworthy and as a potential partner for further mutual involvement in collaboration – rationally as well as emotionally⁹⁰.

Team Selling

Handling the buying centre and the customer-specific solu-

tion requires more resources and the involvement of more competencies than ever before – and this development has just begun and will be even stronger in the future.

Continued customer demands to innovation will further enhance demands towards providing competitive edge. Customer expectations are increased quality, real technological advantages, more innovative products and solutions, higher productivity and more comprehensive solutions – often at lower prices or lower investments than previous solutions.

These customer expectations – and demands – increases complexity; especially when building, maintaining and nurturing supplier-customer relationships vis-à-vis prioritised customers. To meet these expectations, the quality and competencies of the members of the sales centre have to increase – especially if the relationships rest on the shoulders of a few (or even one) individual(s). New success criteria arise, the depth of the supplier-customer dialogue increases, and focus gradually turns from sales to underpinning and developing the customer’s competitive edge and competitive force.

In many instances, the supplier-customer relationship has resulted in the supplier building “exit-barriers” for the customer, forcing the customer to stay in the relationship, because the costs associated with leaving the relationship are considered to be too high, too difficult or simply not worth the trouble of getting a new supplier-customer relationship aligned.

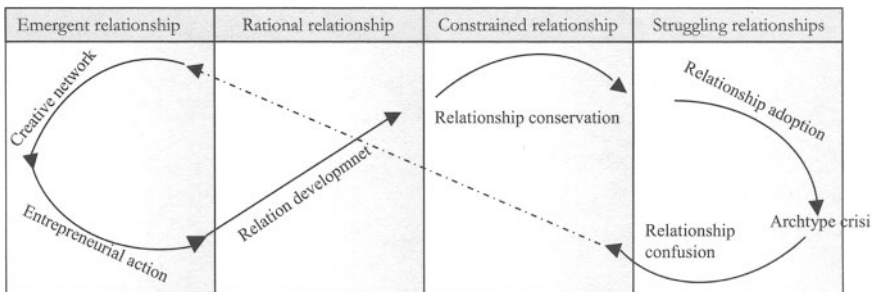


Figure 9-1: Know your customer, at an organisational as well as a personal level

An important trend in sales and relationship strategy is that the importance of personal relationships is diminishing – personal relationships may still be decisive, but many other factors play an increasingly significant role. These could be external factors, but also the number of individuals that are involved in the relationships and the transactions will increase the complexity of the decision-making process.

Widening the supplier-customer relationship opens new business opportunities as new contacts and new types of exchange emerge – benefits will be commercial and personal:

- Developing and implementing concepts and solutions creating increased efficiency and improved performance
- More refinement and conceptual competency development amongst team members
- Increased understanding of business system for all parties involved
- Increased market cap for all team members
- Increased diversity in the work
- Improved market position for the organisation
- Access to ideas and know-how amongst the participants involved
- Joint competitive edge

9.2 Conceptualising Team Selling

Team selling is a way of working and is an integrated part of the delivery system and the delivered value to the customer. Therefore, not all customers are eligible for this approach as the resources required are considerable. There must be an (quantifiable) expectation of the outcome and/or potential outcome of the specific supplier-customer relationship – at least in the long run, but preferably also in the short run.

Team selling can be regarded as either a necessity in order to match the customer's expectations of advice and strong

conceptual solutions, or as a way to differentiate the supplier vis-à-vis competitors. No matter what the motive is, the sales process will become more complex and demanding.

Sales processes often take a long time – and on one side this implies that the dependency of the individual employee will diminish, although at the cost of increased internal coordination and communication. I.e. new challenges show up when the sales process takes more time – there is no such thing as a free lunch.

A very important question is whether or not team selling is relevant to all sales organisations. Based on the demands for resources and competencies indicated earlier in this chapter, there will be situations in which team selling is not value-adding – on the contrary, it may be too expensive and confusing. Therefore, we have listed a number of indicators that – if fulfilled – would indicate that team selling is appropriate:

- Complex products/services
- Individualised deliveries to the customer
- Cross-category relevance to the customer
- Longitudinal sales process/buying process
- Sales process that involve several independent entities, i.e. partners, VARs, distributors, etc.
- If the customer's buying centre has several – identified – members
- If the sales/buying process involves several hierarchical levels in the customers organisation (maybe the supplier's organisation too)
- If the sales/buying process involves several functions/ departments in the supplier's organisation.

In other words, selling commodities will probably not call for team selling, especially not if these commodities are sold as standard products according to standard trading terms.

However, still fewer “standard sales processes” occur, which is why team selling may be relevant in both large and small teams. Teams may be divided into various types of teams, i.e.

permanent versus temporary teams (sometimes referred to as “ad hoc”), and generalised versus specialised teams.

But before going into depth with the team selling principles and approaches, it may be valuable to consider how to match the team with the customer’s buying centre and to consider which competencies are needed in the team.

Setting the Team Scene

Setting the team scene – and choosing the person responsible for the team – is a critical and important decision for the supplying organisation. It is not merely a question of matching resources and competencies; it is also a match of personalities that is required.

Imagine a large corporation in which a number of individuals have developed strong and close relationships to relevant contacts in the customer’s organisation – how would they react if the priorities of the corporation changes and they have to turn their focus elsewhere? Being able to communicate internally and explaining why priorities have changed and why the individual persons will have to change focus in order to bring more/higher value to the corporation is a key competence for the person responsible for the team.

As responsible for the team, it is not just a question of having the financial responsibility; it is also the responsibility for the strategic development of the supplier-customer relationship. So, the team has to match not only the required resources and competencies vis-à-vis the customer, but the members also have to match the members of the customer’s buying centre at a personal level.

9.3 Team Members and Their Roles

Comprising the team will – ideally – meet a number of criteria, all aimed at matching the individual customer to the outmost extent. In general terms, this requires that the team members – as a whole – can live up to the following:

- Insights concerning products/services, the sales strategy for the customer, the customer and the customer's organisation, and – of course – the other team members
- Relationships – to the customer and to the other team members
- Closeness – in a physical sense
- Available resources – i.e. not limited by other tasks
- Acknowledged and credible – either as an expert or at least as a competent team member
- Will have a “counterpart” in the customer's organisation
- Are motivated – to participate and help
- Can communicate – have the pedagogical skills and know sales methodologies well enough to uncover the customer's business pains and sell/present possible solutions.

The list is hardly exhaustive, but should provide the impression, that a team is not just a team – i.e. it is not just a gathering of the – by the point in time – available resources and individuals in the organisation. The members of the team should be selected with great caution and care – in order to balance the interests of the supplying organisation and the aim of matching the customers to the highest degree possible. This is, of course, not always a problem or a root to conflict.

The sales team can also be called a *sales centre* – as a parallel to the customer's *buying centre*, but will often be more organised – at least formally – than the buying centre.

There will be various roles in the sales centre – in the large sales teams, these roles may rest with individuals, while several roles might be handled by the same individual in smaller teams. We have identified eight roles in the sales centre, see figure 9-2.

Strategic responsible/Owner

The team owner is responsible for the team and its activities.

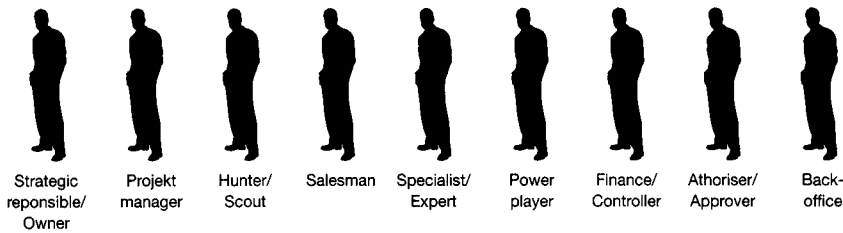


Figure 9-2: The sales centre and the roles

The team owner will often have titles as either key account manager, sales director, sales manager or more customer-oriented titles such as customer business development manager, business unit manager, client business development manager, or the like.

The most important element in this role is the commitment and support from the top management. This will be especially important if and when prioritisation of resources is called for.

This role also has the responsibility for the development of the relationship over time and must not only manage the relationship to the customer, but must also manage all relevant internal relationships – i.e. in this role, the key account manager can no longer be successful as a “lone wolf”. Being a team leader necessarily also calls for management skills.

From the customer’s point of view, this will be the person responsible for the relationship and the collaboration, but not necessarily the person handling all the sales tasks – most of these will be handled by the role of the salesman/scout.

Project manager

The role as project manager is implicitly a part of almost all sales processes, but is typically only formalised in relation to large sales or long sales cycles. The primary responsibility of this role is to ensure constant progress in the sales process – implying that the individual is both capable of foreseeing what is going to happen/should happen and to keep an eye on ongoing activities.

The “foreseeing” part is ensured by process description for the sales process; a “master plan” to describe the desired path for the sales process – including activities and their preferred sequence.

Therefore, this role is required to be staffed with an individual who is able to communicate clearly and consistently, can motivate the other team members to see why constant progress is important and how they may contribute to this.

In many organisations, the role as strategic responsible/owner and the role as project manager is combined into one – the key account manager.

Salesman/Scout

The role as salesman/scout may be divided into two quite different roles. The salesman role is selling to the customer by identifying sales opportunities and going for them, whereas the scout is the role of identifying potential opportunities and presenting these to members of the buying centre for further discussion.

When the relationship to the customer is fully mature and developed, all members of the team may act as scouts – and it is often seen, that the technical specialists/experts are very well suited for this task.

To detect potential opportunities requires ongoing training – partly to detect the opportunities (also outside the area in which the individual team member is an expert) and partly to participate in peer-to-peer conversations with members of the buying centre to identify and suggest new solutions, i.e. new sales opportunities.

If the members of the team are going to handle the role as scouts, it implies that they have a wide and deep insight into the supplier’s products/services and a comparable insight into the customer’s business and processes. It also implies that the individual is comfortable with being alone and/or a member of the team – depending on the situation at hand.

Specialist/Expert

This role will provide value to the supplier-customer relation-

ship in two ways – firstly, as the credible expert providing knowhow and competence within his/her specific field of expertise – and secondly, as the provider of a variety of possible solutions to a specific challenge showing the customer that there is more than one way in which to add value to the customer's business. The last type of value contribution may also create a form of "mutual respect" between the expert and the relevant member of the customer's buying centre as the dialogue is about more than solving the challenge in just one way; it is just as much a dialogue concerning the potential of other solutions and opportunities.

The role is therefore very important and is widely used in the IT sector as a number of concrete solutions may only be delivered and implemented when and if the supplier and customer have engaged in a number of exchanges, encompassing questions, discussions and answers. It is, however, not merely a question of mutual respect for knowhow and expertise, it is also a question of mutual personal respect and confidence.

As a specialist you therefore also have to have good communications skills, which implies that although the person is highly respected as a specialist in his/her field, this will not be sufficient if the person has to be a valuable member in the sales centre.

Power player

The power player is important if and when an extraordinary need for additional resources occur, or to break internal principles, or merely to have a top management commitment and participation if new priorities have to be made. The power player therefore has a very important function in the supplier's organisation.

That might also be the case vis-à-vis the customer's buying centre – especially the decision maker and/or approver.

A power player will typically be part of the formal executive management of the corporation, and will have formal authority to make things happen. As hinted before, this may be relevant in terms of internal matters as well as matters directly concerning the supplier-customer relationship. Related

to the customer, the power player may be called upon if negotiations are curled up and a set of “fresh eyes” are needed in order to uncurl the situation.

From the team members’ point of view, it is absolutely vital that the power player is included in the team’s decisions and strategy from the very beginning in order to ensure that the power player knows and understands what is expected of him/her and of the role itself. If this is not the case, the power player may – even unwillingly – undermine the authority of the roles as strategic responsible and/or project manager.

Therefore; use the power player with caution – then he/she will keep the value, internally as well as externally. Last but not least, the team calls the power player in when needed, not when the power player feels inclined to join the team.

Finance/Controller

Financial responsibility or the role as controller may involve several tasks. One central task is to ensure that the investment in the specific supplier-customer relationship pays off – for the customer as well as for the supplier. Thus, it is relevant to implement and execute after-calculations concerning all deliveries to the customer, ensure an ongoing registration of costs associated with the exchanges between the supplier and the customer, and to register and provide a customer profit & loss statement.

This is where there should be a clear link to the discussion about “return on customer relationships” in the supplier’s organisation – and by the way, a discussion about “return on supplier relationship” from the customer’s point of view.

Authoriser/Approver

The role as authoriser/approver may not be linked directly to the top management, but may be an internal function, which has the final power to decide what is within the capabilities and competences of the corporation and what is not. This is typically installed in an organisation in order to ensure that although the customer’s interests are important, the quest to

serve the customer should not damage the supplying organisation itself.

Therefore, the sales team must include the authoriser/approver during the sales process in order to align opportunities and capabilities.

Respecting the internal functions and their needs often improves the overall performance of the supplying organisation, but in some instances, the internal functions are more powerful than the sales teams, which may impede the supplier-customer relationship quite considerably.

By formalising the authoriser/approver's relationship to the sales centre, it is possible for the sales team to provide the customer with more realistic projections and forecasts – which, in the end, will prove to be very valuable.

Back-office/Sales support

An often overlooked group of individuals that in reality can make or break the relationship as they are the "hands and feet" of the organisation. Often they are not considered members of the sales team as they serve all customers and all employees of the supplier's organisation. However, this is exactly where the experienced sales team knows that internal relationships may be very valuable – especially if resources are scarce.

9.4 Team Selling or Not – the Checklist

Team selling is – as it is described above – a method to ensure that the relevant and necessary resources are available and prioritised vis-à-vis the specific customer. The team may further be strengthened by adding a role as secretary and a role as an internal process consultant. The first is to ensure documentation of all activities and decisions made; the latter is to ensure that the team actually develops as a team and not just as a group of individuals.

Furthermore, it is a question of how many persons are involved in the exchange with the customer – from the product/service is produced and until it is consumed/used and to

what extent these contacts and exchanges are to be regarded as an integrated part of the product/service.

The Relationship Between Buying and Selling

The relationship between a buyer and a seller has been of academic interest over the past years and the academic contribution to understanding the buying behaviour has pointed towards the exchange as the key driver – i.e. all types of exchange from products/services, payments, negotiations, meetings, social events, exhibitions, joint prototype testing etc., etc.

Some compare the development of a supplier-customer relationship to what happens in a relationship between two people, i.e. the development may be described in terms of a number of stages.

The first stage may be characterised as a flirt, during which a mutual acknowledgement of the other part's existence will arise and mutual sympathy may develop. If the sympathy is sufficient, the first exchange may take place – often in the shape of a test order. If the order is fulfilled timely and correctly, the third stage may develop into a more steady relationship – sometimes referred to as marriage. During the fourth stage, mutual knowledge and insights may develop into a level at which the supplier and customer begin to trust one another. The strength of the relationship will then be tested if alternative suppliers or alternative customers show up in the market – such occasions are often used to evaluate and/or re-evaluate the current relationship. It might be worthwhile to note that such evaluations are not objective – i.e. there is no objective truth to the evaluation process or result.

If the result is that the relationship is not satisfactory, the relationship may break or it will be a chance for both parts to make up again – if the dialogue about the evaluation is brought to the others part's attention.

Switching Costs

Quite often, it is necessary to invest in the relationship if the

cost of exchange is to be lowered – these investments will often be regarded as important signals to the other part in the relationship as well as an internal way of communicating that this is an important relationship. This will especially be the case, if the investment is in assets that have no alternative use – also labelled as asset specificity⁹¹. These investments will be sunk costs in the event of a termination of the specific supplier-customer relationship.

Investing in specific assets will, of course, increase dependency and it will also provide an opportunity for the customer to use this dependency as a means to obtain either lower prices, better terms of credit, higher priority if supplies are scarce etc. However, the dependency is often mutual as the customer will be provided with an exact match to his demand.

The risk of opportunistic behaviour will always be present, but it is also worth noting that not all types of behaviour that appears to be opportunistic may actually be rooted in an opportunistic intent. If the information about why the behaviour changes is available, it may be revealed that it is caused by outside factors – i.e. outside factors to the supplier-customer relationship – such as increased competition for the customer, declining sales, etc.

Studies of how salesmen work in large organisations have been undertaken before⁹² and they seem to suggest that salesmen are more focused on acquiring new customers than maintaining and nursing existing relationships. As a result of this study, a proposal was made to make the key account manager the centre of a team having full customer responsibility. Ensuring that the organisational structure supports the supplier-customer relationship may also be regarded as an investment in specific assets as studies have revealed that there may also be a link between customer behaviour and the personality type of the key account manager that will handle the specific customer.

Costs may also arise from uncoordinated exchanges – especially those that occur on the basis of the customer's initiative. They may well be within the range of activities accepted

by the sales team, but if they are not registered properly, it may not be possible for the supplier to get a trustworthy impression of where and in which supplier-customer relationships profits are made or lost.

Furthermore, uncoordinated acceptance of customer initiatives may cause harm to the relationship at a later stage if these initiatives are identified and brought to a halt – because they are not part of the agreement of how exchanges take place and/or the process concerning these exchanges.

9.5 The Customer's Value Chain Must be Addressed by the Sales Centre

The days of selling products and/or services to a customer and then leaving it to the customer to get the most out of it are over – strong supplier-customer relationships are built on supplier insights into the customer's business, the processes, and how and where the product and/or service may enhance the customer's business in terms of increased competitive edge, lower costs, faster responses, etc.

To get this kind of insight, the members of the sales team have to know and understand the customer's value chain or value network – i.e. where is value created for the customer's customer, how are costs distributed, where are resources and competencies embedded – inside or outside the customer's organisation, etc.

This will be a unique opportunity to identify inputs and outputs of the various functions and departments in the customer's organisation and to understand the key success factors related to these activities and processes.

Some of the key questions in the sales team will be:

- In which parts – functions/departments/activities/processes – of the customer's organisation can we (the supplier) enhance the customer's business?
- Which inputs/outputs stem from which function/department?

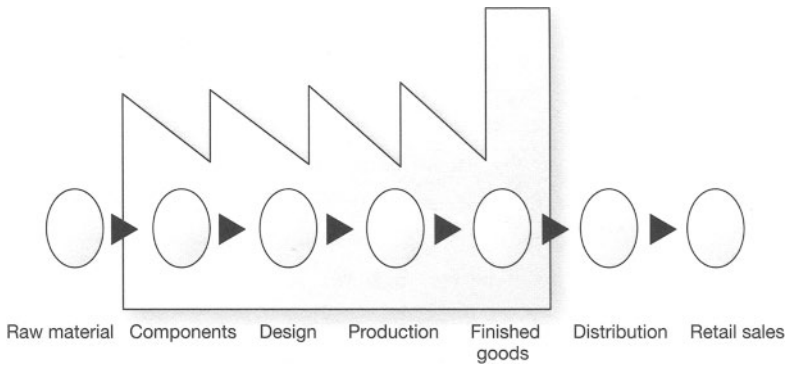


Figure 9-3: The customer's value chain/network

- How is value created vis-à-vis other functions/departments in the value chain/network?
- What is the customer's output (to their customers) – and is their market position sufficiently strong?
- How is value created for the customer's customers?
- Where and how may our (the supplier's) product/service make a difference?
- Do we agree on this in the sales team?
- Does the customer agree?
- How can the sales team optimise the customer's use/utilisation of the deliveries, resources and competencies that the sales team represents?
- Who in the team are to handle what members of the customer's buying centre?

Social Competence in the Sales Centre

If a team is to be successful, it has to be able to collaborate internally – coupled with good customer and industry insights. However, teams also mean that the members become interdependent – i.e. individual autonomy and the individual salesman's "ownership" in relation to a customer is history.

The role as team owner therefore also implies teaching the team members to collaborate and nurture attitudes towards sharing of information and acknowledging that all members

of the team contribute and are important to the common task, i.e. ensuring the ongoing development of the specific supplier-customer relationship. As mentioned before, a group of individuals working together towards a common goal is not automatically the same as a team.

At the strategic level, the lone rider salesman is out of business. The demands made on businesses are that everything has to be faster, better, higher, etc. – just like the increased demands in sports must be fulfilled if you want to win. The ability to work together with others and to like this common performance and reaching common goals is the key to success for the sales centre. Therefore, teambuilding and team spirit will be underlined in the following as this is not common in most sales organisations where individual performance and success often prevail.

A well-managed key account management team will often be characterised by:

- Common goals and success criteria
- Mutual engagement and trust
- It grows and develops as it meets challenges
- It can handle conflicts even in high-pressure situations
- It is balanced
- Every member knows his/her role in the team.

Team spirit and teamwork are key words as the goal is to reach common goals. Reaching this/these common goal(s) must be a result of the participation of all team members – otherwise some members may not be needed!

In practice, members of a sales centre are often selected according to "what is possible" and not necessarily "what is desirable". This may work out fine, especially if the team management constantly keeps this in mind and monitors the need for supplementary resources.

"Teamwork is the ability to work together towards a common vision"

Closeness to the Customer is Also a Competence

Professional expertise may not solely be the only required competence in the sales centre. Accessibility, language skills, geographical closeness, willingness to assist etc. may be decisive competencies – adding value to the team itself and/or to the customer as a whole or the individuals in the customer's organisation. A few examples may illustrate this:

- In some relationships, it is necessary for the supplier to educate individuals in the customer's organisation – however, this education must be neutral, otherwise it will end up harming the relationship rather than enhancing it
- Accessibility is not just a question of being able to reach members of the sales centre, but it can also be that a "hotline" has been developed to ensure that no matter how large the issue at hand is, there will always be a "back door" to the sales centre responsible in the supplier's organisation
- In some franchise organisations, the insights into how a franchisee unit will develop – possessed by the franchiser – will ensure that the franchisee makes the right decisions as the business develops in the long term.

9.6 Key Account Management is Not Traditional Management

Being the leader of a sales centre is a management task quite unlike any other management task as it involves internally and externally based individuals, i.e. in the supplier's and the customer's organisation. To handle this complex task, a number of disciplines must be mastered:

- Ability to be the People Manager, with strong focus on motivation based on his/her own personality and personal competencies, rather than being the expert

- on products, services, processes, or procedures. Furthermore, this will often take place in a multi-cultural and multi-professional context
- Ability to think strategically – in terms of one's own organisation and in terms of the customer's organisation. This requires the ability to think short-term and long-term – simultaneously! – in order to ensure continuous progress and achievements
 - Coordination, organisation and planning of the team's efforts and resource allocation related to the focus on progress and achievement of results
 - Training and coaching of colleagues and own management – potentially also in the customer's organisation
 - Ability to communicate own goals and team vision and, furthermore, ability to handle conflicts – internally amongst team members and conflicts related to the supplier-customer relationship and exchange.

At the same time, it has to be a person who can match the individual members of the customer's buying centre and/or organisation. This implies that the key account manager can – and wants to – engage in a dialogue with the customer's top management concerning strategic issues and probably also industry-specific challenges.

Engaging in this kind of dialogue requires credibility – credibility concerning insights into own products, own services and other matters concerning one's own company, but also credibility in terms of competitor insights, collaboration schemes and their consequences, etc. In other words, the dialogue changes from having focus on own superiority to how the customer's business may develop and flourish.

Therefore, the classical key account manager, who masters the company's own products and services, is no longer sufficient.

9.7 Different Types of Teams

As indicated in the introduction to this chapter, a team is not just a team – as we have identified a number of different types of teams.

Teams may be divided in accordance with the following two dimensions:

- Permanent vs. dynamic
- Wide (general) vs. deep (specialized)

Analysing the different types of teams may be helpful when deciding which type is the most appropriate type in the current situation – and also to plan for the team's potential evolution and change over time if the supplier-customer relationship develops as expected.

	Permanent	Dynamic
Wide	General, permanent team Key Accounts	General, actual team Identifying relevant competencies
Deep	Highly specialized, permanent team Continuous projects for Key Accounts	Actual, highly specialized team Project-oriented

Figure 9-4: The four team types

The different types of teams have various focuses and will therefore be relevant for various lengths of time – it should be noted that the different types may have significantly different criteria for measuring success.

The general, permanent team

Static and general teams are often seen in relation to long-lasting relationships between suppliers and their key accounts. Particularly these long relationships – sometimes referred to as partnerships – may benefit tremendously from stable staffing and strong relationships to all relevant functions in the supplier's organisation.

Typically, this sales centre may mirror the buying organisation – and there may even be a match per role vis-à-vis the customer's buying centre. In many of these types of relationships, it is not just professional relationships that develop, more personal relationships also emerge.

Teams like this have a tendency to develop their own sub-culture – an informal “this is how we do things here”, making it easy to work together and to communicate with the customer. Furthermore, the culture will often be so strong that it is quite easy to bring new individuals into the team as they will absorb the culture rather than risking upsetting the relationship, because they will be seen as a “disturbance”.

This team type will also be found in companies that establish customer specific departments/offices, with the only purpose of serving that specific customer. Arla Foods is one among many suppliers in the FMCG-industry that has established customer-centric/customer-specific departments to ensure the best possible collaboration with their major key accounts such as ALDI, COOP, etc. Some of these teams have existed for more than a decade and have become a significant contribution to the supplier-customer relationship. The relationship thus contains more than merely professional collaboration. One of the advantages of this has also been to plan for future initiatives, beyond the current planning period, as the daily operations become routine.

Furthermore, it may also be seen as a signal to the customer – regarding their importance – that the supplier is interested in and willing to invest in a permanent and exclusive⁹³ setup.

A major threat or risk for the collaboration is that the team loses its dynamic capabilities and things become too much of a routine and therefore loses the ability to react or adapt when the relationship is attacked from the outside. The permanent teams may also be costly and they may lack the flexibility allowing the company to utilise its human resources where they may provide the highest impact, due to the focus on consistency in the already established relationships. Finally, there have been some concerns that the emergence of other

than merely professional relationships between the individuals could be harmful, but recent observations indicate that these concerns are diminishing on behalf of the search for relationship components that cannot be copied.

The actual, permanent team

This is the permanent team allowing for changes of individuals and also adding or removing competencies. Often relevant when the supplier-customer relationship undergoes changes, e.g. changes from one type of collaboration to another. In some instances, the parties will have agreed that a number of collaboration models have to be tested before choosing the permanent one.

This could e.g. be the case for companies involved in mergers and acquisitions or entering new strategic alliances. Here, new opportunities will constantly arise and it will often be a great opportunity to search for new members of the team in order to see if new collaboration areas can be established.

Flexibility is the name of the game and one of the advantages of this team type is the avoidance of fixed and/or permanent structures, roles and processes. Thus, the resource allocation to the team is constantly monitored and changed when resources are better used elsewhere. Despite this, the customer will rest assured that the relationship has high priority – there would not be a team if this was not the case.

The team can be compared to a "harmonica" as it constantly either expands to encompass more or is compressed to ensure focus.

A drawback of the flexibility and change is that the opportunity for establishing more personal relationships is difficult.

Advantages for this team type are primarily efficiency and focused resource allocation, ensuring fast response and adaptability to changes – whether these are external or internal.

Disadvantages can be the lack of long-term perspectives and the lack of a common subculture. Finally, the manage-

rial challenge is the need for introducing new resources and individuals on an ongoing basis, thereby constantly “stressing” the relationship as new routines and patterns have to be established.

The highly specialized, permanent team

This team is typically used when collaboration is limited and specialised/focused within one or two areas. However, the depth and commitment in the collaboration may be quite substantial. Often it implies that the customer gains access to core resources and competencies in the supplying organisation, i.e. the unique knowhow and insights possessed. This type of collaboration will only be relevant when the supplier stands to gain important experience and/or insights as a result of the collaboration – otherwise it is too narrow. Therefore, it is often seen when the customer is regarded as a “lead-user” or a first mover in the customer’s industry.

If research and development is in focus for the company, the highly specialized, permanent team may be seen as a supplement to the general, permanent team – but two teams with very different areas of focus and success. You could say that this type of team is an attempt to add some dynamic capabilities to the general, permanent team.

Disadvantages related to this team type is the use of resources and the lack of flexibility for these, i.e. they may be seen as “locked” to one customer despite their alternative use.

The actual, highly specialized team

The major advantage for this team type is the dynamic capabilities and the ability to constantly change combinations of resources and competencies. Examples of teams of this type may even require the use of external resources – decided jointly by the supplier and customer.

Collaboration of this kind will often be similar to research and development projects as both parties are prepared to follow the path, basically regardless of where it takes them. Espe-

cially in industries where "time-to-market" is important, this type of team is valuable as the speed, at which the focus of the collaboration can change, is very high. These teams are often seen as having a higher focus on the professional relationship than on the personal relationship to their counterparts.

Advantages related to this team type are flexibility and the opportunity to optimise the use of resources and competencies in accordance with the interests of the company. Fast responses may also be beneficial if and when the company is involved in frequent product launches. The high focus on professional relationships makes this an easy team to manage.