



SWP 45/91 "MARKETING PLANNING AND CORPORATE CULTURE"

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Summary

This paper examines the marketing planning process of a number of British Companies. It finds that the companies who subscribe to what is described in the paper as a 'complete marketing planning process', are further along an organisational evolutionary development path than their semi-planning and non-planning counterparts.

While the marketing planning process appears on the surface to be just a series of procedural steps, it does in fact embrace a set of underlying values and assumptions. Only the more developed and mature organisations seem likely to have the corporate culture which is capable of sustaining these values.

Corporate culture is often intangible to the outsider, but can be very real to those within the company. It develops partly through the way the company has triumphed over adversity in the past, and partly through the so-called 'culture carriers'. These are the influential figures who, by their behaviour, communicate the organisational values they wish to see expoused.

Because marketing planning often challenges existing corporate values and attempts to introduce new ones, the process cannot be regarded simply as a neutral, cognitive activity; it is clearly a political process.

The problems this poses for executives of organisations and their external advisers are complex and far-reaching. Nevertheless the potential rewards which result from comprehensive marketing planning can be substantial, and make it a goal worth striving for.

Introduction

It is generally accepted that marketing planning is "a good thing". Indeed, a number of benefits are promised for those who invest in this process.

As early as 1962, Thomson provided sufficient evidence to conclude that:

- (Marketing planners) will always outperform those who do not plan.

In 1974 Schoeffler et al added that marketing planning is:

- A systematic approach to strategy formulation which leads to a higher return on investment.

According to Boyd and Massey (1972) other benefits resulting from marketing planning are:

- The better coordination of activities of many individuals whose actions are inter-related over time.
- An increased likelihood of identifying expected developments.
- More preparedness to meet change.
- A minimalisation of non-rational responses to the unexpected.
- Better communications among executives
- A reduction in conflicts among individuals which would result in a subordination of the goals of the company to those of the individual.

Terpstra (1972) added the following benefits to this list:

- Management is forced to think ahead systematically.
- Available corporate resources are better balanced against market opportunities
- The plan provides a framework for a continuing review of operations.

Yet, surprisingly, the recent studies that have been carried out in the U.K., one by McDonald (1982), and one by Greenley (1985) that reviewed four U.K. studies in to marketing planning, provide evidence that as few as 10% of companies actually use what might be called a comprehensive marketing process. Even the most optimistic of these studies could offer only a figure of 25%.

Thus, the situation is something of a paradox. On the one hand, there is a body of evidence to suggest that there are some very real and worthwhile benefits to be gained from marketing planning. On the other hand, very few British companies appear to invest in this process.

It was to understand more about the reasons that marketing planning is rejected by a majority of companies that provided the stimulus for the thesis on which this paper is based (Leppard 1987).

What follows is presented in three parts:

- Part 1** Initial considerations, research objectives, design and terminology
- Part 2** Desk research and literature review
- Part 3** Research, Analysis and Conclusions

PART 1 - Initial Considerations, Research Objectives, Design and Terminology

Possible Reasons for The Low Acceptance of Marketing Planning

At the outset of the research programme, there seemed to be several possible explanations for the low level of acceptance of marketing planning.

1. Marketing Planning is too Theoretical?

Wills (1976) puts forward the idea that business schools should operate at a more theoretical level than industry and commerce as a whole. By doing so, they will find new solutions to business problems which would elude the busy manager focused on day-to-day activities. Perhaps then, the abstractions of academia have created an unbridgeable gap for the practitioners in industry?

However, the marketing planning process is relatively easy to understand at a cognitive level. At its simplest level, it involves a situation review, the setting of objectives and the strategies for achieving them, and ultimately the scheduling and costing out of the necessary actions in the short term to achieve these goals. Moreover, a number of companies manage to use it and so the claim that it might be too theoretical does not appear to hold water.

2. Senior Executives are Suspicious of Conceptual Ideas?

There might be some validity in this claim, although Katz (1974) maintains that it is essential for conceptualisation to be a large component of the senior executive's job. If they are not capable of functioning in this area, perhaps it is a reflection of the way they perceive the executive's role, or of poor selection. Yet again, however, it is difficult to accept this as an explanation in view of the relative simplicity of marketing planning as a process.

3. There are Barriers to Learning?

Boydell (1977) has identified a number of barriers to learning which could perhaps inhibit the acceptance of marketing planning. These can be termed:

- | | |
|----------------------|---|
| <u>Perceptual</u> | - not seeing that there was a problem. |
| <u>Cultural</u> | - being trapped within an existing set of ideas regarding what is right or wrong, good or bad, etc. |
| <u>Intellectual</u> | - not having the "ammunition" to cope. |
| <u>Emotional</u> | - related to personal insecurity and typified by a reluctance to change or take risks |
| <u>Expressive</u> | - poor communication skills which limit the ability to explain problems and difficulties to others. |
| <u>Environmental</u> | - whether or not the "climate" is supportive or hostile to the conditions necessary for improved performance. |

This suggests that there might be barriers to marketing planning which are more than a cognitive or intellectual process. Cultural and environmental factors could equally block marketing planning or reduce its effectiveness.

4. It is not Treated Seriously Enough?

If learning is seen as a problem-solving process, then, as van Boeschoten (1975) suggests, it can be perceived at three levels. Applying his ideas to marketing planning, it is possible to describe marketing planning as:

- Level 1 - an unthinking mechanical process, merely a prescription to be followed.
- Level 2 - a complex process which could require the company to develop new procedures and systems, even to invest in new resources to sustain these new developments.
- Level 3 - a process which asks fundamental questions of the company and as a result could affect the nature of the business and its future direction.

Initial Hypotheses and Research Objectives

As a development from these initial ideas, the following hypotheses were put forward.

1. A complete marketing planning process is not simply a series of action steps. It also embodies a set of values and assumptions which, while not being explicit, are nevertheless an integral part of the whole process.
2. Similarly, an organisation is not just a conglomeration of people and resources. It, too, embodies particular values and assumptions which give rise to its distinctive corporate climate and culture. Moreover, its culture would appear to be influenced to some degree by its level of learning or maturity.
3. If the underlying values of a complete marketing planning process are more or less consistent with those of the organisation, then there is a high probability that the planning process would be adopted.
4. If there is a conflict of values between those underlying the marketing planning process and those of the organisation, then it could be expected that the planning process would be rejected.
5. An organisation will not change its values system or culture unless something very significant takes place to make such a change seem worthwhile.

The overall research objective was to test out these initial hypotheses, which might be best summarised as ... "to improve the understanding about the relationship between an organisation's culture and the marketing planning processes it uses."

It was felt that any new light that could be shed on this area would be particularly useful to both educators and marketing practitioners alike.

Research Design

Since the thesis on which this paper is based was concerned with intangible topics such as corporate culture and management attitudes, it was decided to make the design largely exploratory and phenomenological. Such an illuminative approach, advocated by Glaser and Strauss (1967), made it possible to adapt to unexpected contingencies as the research progressed.

The main source of data was through the use of comprehensive case studies prepared by MBA students at Cranfield and by the researchers themselves. The criteria for selecting these were that they were sufficiently explicit about the company's marketing planning process, cultural background and the problems the company was experiencing.

Additional data was collected from in-company management workshops run by the researchers and from questionnaires completed by company personnel.

Because of the in-depth information required, it was necessary to limit the data base of companies and to concentrate on quality rather than quantity of information. Nevertheless the case cluster case study analysis method proposed by McClintock et al (1979) proved to be a useful tool, but the relatively small sample size of 34 companies made too much emphasis on statistical data somewhat irrelevant.

In an attempt to overcome distortion which could be introduced by using one particular analytical technique or questionnaire, whenever possible a 'battery' of approaches was used. Such multi-operationalism reduced the prospect of inherent biases of any one method 'polluting' the end results. Indeed, any bias introduced by one approach would be cancelled out by the inherent biases of the others.

Terminology

Although the marketing planning process can be represented diagrammatically, as in Figure 1, it is not necessarily the straightforward, linear sequential operation the diagram suggests. In reality, all the stages are highly interactive and the planning process requires the flexibility to move backwards and forwards from the general to the specific. Sometimes it is even possible for some stages in the planning process to be dealt with concurrently.

Marketing plans can also vary in their time scale and degree of complexity, both of which will be dependent upon the nature of the host company and its business.

Another variable is the degree of formality of the plan. Should it be formalised as Camillus (1975) advocates, thereby making executives "communicate, think ahead and so on"? Or should companies heed the warning of Ames (1968) who found that "an over-emphasis on format and procedure leads to a lack of substance and innovative thinking"?

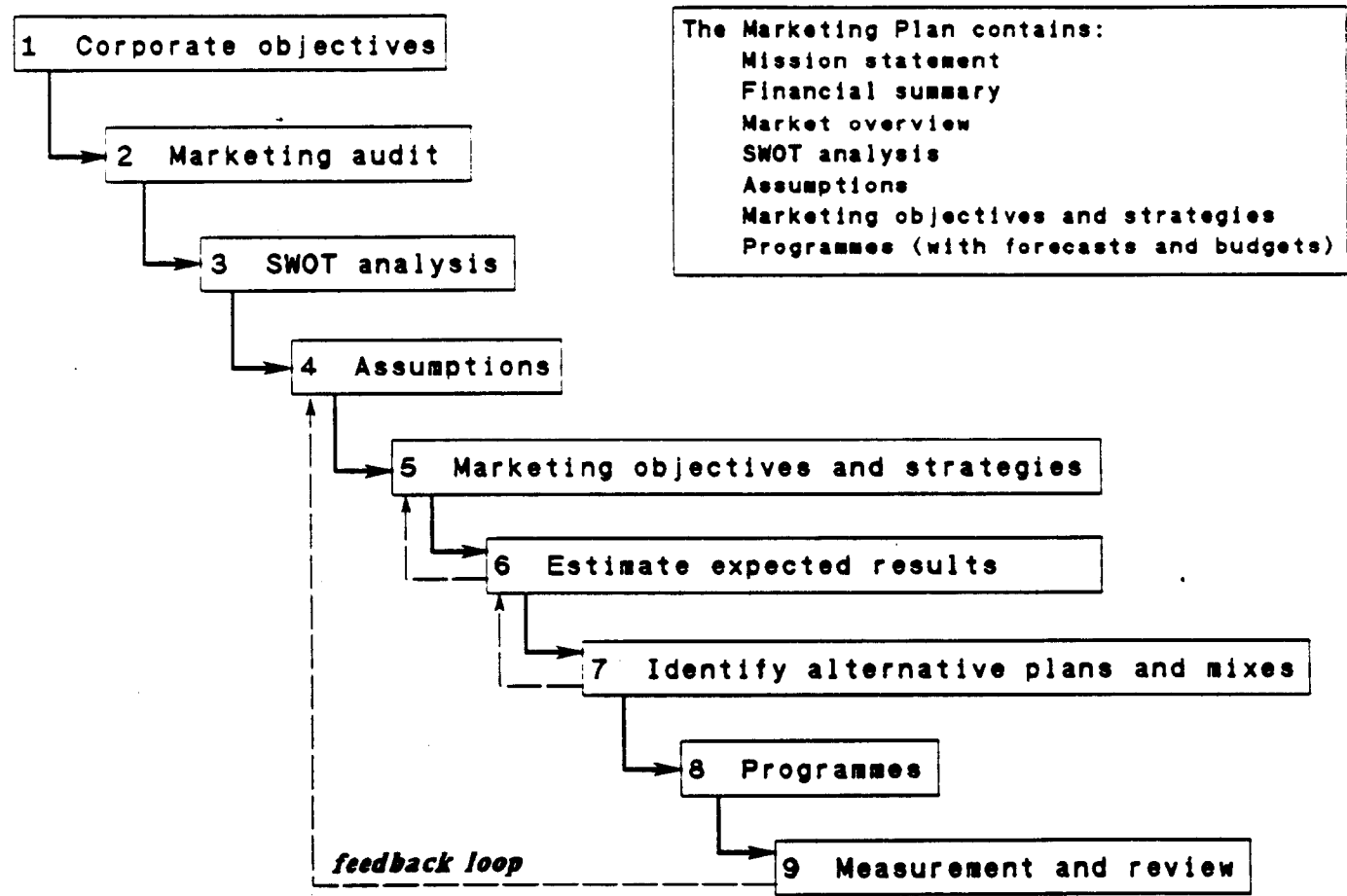
Clearly marketing planning has to be tailored to suit the style and situation of the company, while steering a course between the Scylla of good intentions and the Charybdis of bureaucracy.

Nevertheless it is possible to describe a marketing planning process which is more or less universally accepted.

1. There is an information gathering stage which addresses itself to the company's internal operations and its external environment (the marketing audit).
2. The major strengths, weaknesses, opportunities and threats are identified from the marketing audit (the SWOT analysis).
3. Basic assumptions are made about the company and its situation.
4. Marketing objectives are set for the business, taking into account the foregoing three steps.
5. Strategies are devised about how best to attain the marketing objectives.
6. Programmes are formulated which identify timing, responsibilities and costs.
7. The marketing plan is monitored and reviewed at regular intervals.

FIGURE 1

The Marketing Planning Process



In this paper, any reference to a complete marketing planning process or system means that the above seven stages have featured in the company's deliberations.

Finally, agreeing a suitable definition of corporate culture proved quite difficult. Depending on which researcher's work one studies, culture can be ... "observable behaviour regularities", "language", "a philosophy", "rules of a game for getting accepted", "physical layout" or "ways by which the organisation relates with outsiders", and so on.

Eventually, a definition given by Schein (1983) was chosen. **A pattern of basic assumptions that a given group has invented or developed in learning to cope with its problems of external adaption and internal integration, and that have worked well enough to be considered valid, and therefore, to be taught to new members as the correct way to perceive, think and feel in relation to these problems**".

This definition underlines the complexity and breadth of the concept of corporate culture. Also, by implication, it suggests that cultures are by and large backward looking and conservative, in the sense that they are based on successful coping strategies which worked in the past.

Already an interesting scenario was developing from these two crucial definitions. Marketing planning was a forward-looking process, whereas corporate culture seemed to have its origins in the past. Would it be possible to accommodate these two different time orientations into this research frame of reference ?

PART 2 - Desk Research and Literature Review

Introduction

This part of the research set out to explore two main areas.

1. To examine the marketing planning process and to establish what underlying assumptions could be made about a company using this process.
2. To identify some of the key determinants of corporate culture from the world of management and organisational development.

The overall objective was to develop conceptual frameworks about marketing planning and corporate values which could be tested in the field.

Analysis of the Marketing Planning Process

An adapted version of the Skills Analysis technique developed by Seymour (1968) was applied to each step of the planning process. This meant that each step was considered in terms of its implications regarding knowledge, skill and underlying assumptions.

An example of the way in which this technique was applied to the first two stages of the planning process is given below:

EXAMPLE IF AN ANALYSIS OF THE MARKETING PLANNING PROCESS

Process Step	Knowledge	Skill	Underlying Assumptions
1. Set Corporate Objectives	Knowledge about: a) corporate planning b) setting objectives	Ability to: a) produce a corporate plan b) set corporate objectives	a) The Organisation possesses the required knowledge and skills b) It sees a need for a corporate plan c) The corporate plan is used to 'direct' sub-objectives d) The corporate plan specifies corporate objectives in five areas: marketing, production, finance, distribution, personnel e) The corporate plan is authoritative enough to be believed f) There are adequate resources allocated to planning
2. Conduct Marketing Audit	Knowledge about: a) marketing systems b) audit theory c) sources of information d) product life cycle e) various analytical analysis 'tools' e.g. customer segmentation benefit analysis, gap analysis, Boston Consulting Group Matrix, etc.	The ability to: a) critically appraise all steps of the marketing system b) separate fact from opinion c) use analytical tools in a workmanlike manner	a) That required knowledge & skills exist b) There is a willingness to appraise the marketing operation c) Data exists which makes this possible d) Somebody (or group) has the responsibility to conduct the audit e) Time is made available for the audit to be conducted f) It is a critical process which genuinely strives for improvement rather than for maintaining the status-quo

The total analysis of the planning process enabled the following conclusions to be drawn.

A company will only be able to produce a complete marketing plan if ...

1. It has the required body of knowledge, the bulk of which is concerned with understanding planning, marketing and various conceptual, analytical marketing 'tools'.
2. It can translate this knowledge into practical working skills and procedures.
3. Adequate resources are allocated to the planning process in terms of people, time and back-up support.
4. There is an adequate data bank and data retrieval system.
5. The plan or planning process is perceived as necessary and not wasteful of time and effort ie. there is a belief in planning.
6. There is a corporate plan to provide a context for the marketing plan.
7. Personnel are willing to own up to problems or disclose where existing situations could be improved.
8. Roles are made clear regarding who does what.
9. Facts outweigh opinions.
10. Senior executives value and pay due cognisance to the information that emerges from the planning process, to the extent that they will act upon it.

Overall it would seem that such a company sees marketing to be an important function and addresses the implications of being marketing orientated in a mature and rational manner.

Another way of looking at these conclusions is to assume that if any of the factors listed were to be absent, or inadequate in some way, then the whole marketing planning process would suffer.

In this sense, all of the items listed above can be potential barriers to success. Moreover, this list can be further distilled as shown below.

Barriers to Marketing Planning

These were identified as,

1. **Cognitive** - inadequate knowledge and skills (from conclusion 1 above).
2. **Information** - lack of appropriate data (from conclusions 2, 4 and 9 above).
3. **Resource** - inadequate allocation of people, time, money, etc. (from conclusion 3 above).
4. **Cultural** - lack of belief in planning and/or marketing (from conclusions 5, 7, and 10 above)
5. **Behavioural** - people will act inappropriately eg. fail to disclose valuable information or act upon it (from conclusions 2 and 8 above).

Intellectually it seemed reasonable to surmise that of these five domains, or potential barriers to marketing planning, cognition would be central. Without the anchor of cognition, all the other domains would have nothing to hold them in place.

Such consideration of these barriers to marketing planning led to the initial conceptual model of an organisation as shown in Figure 2.

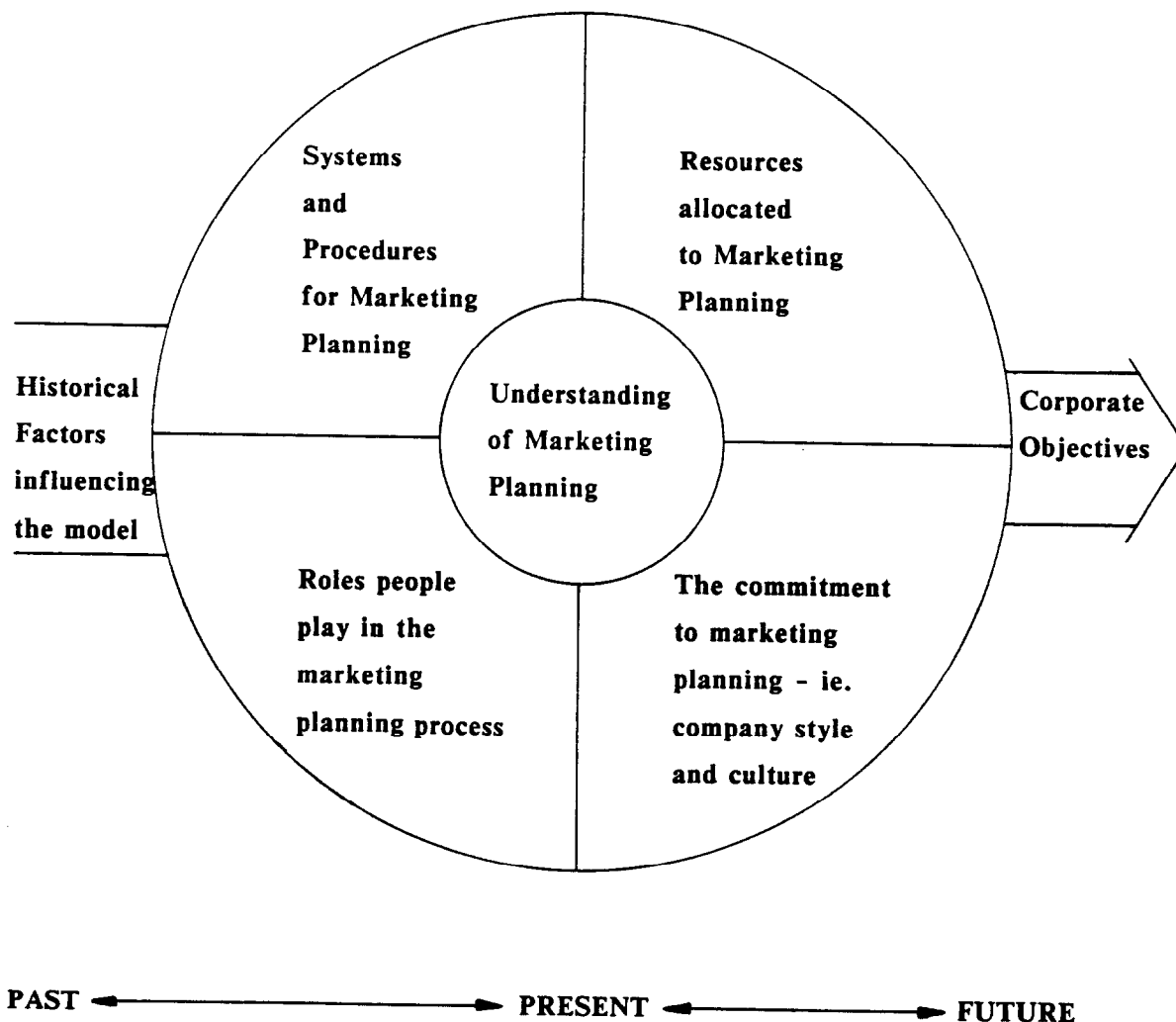


Figure 2. Conceptual Model of Organisation - Initial Configuration

What this is intended to convey is that each domain has an inter-dependence with all the others. The effectiveness of the marketing planning process will depend on the extent to which all the component parts of the model are developed to play their part. Undue emphasis or neglect in one component would lead to imbalance in the total effort.

In essence, this model is a snapshot of the organisation as it is poised between its historical past and its future goals.

It was hoped that the literature review would validate and build on this initial model.

Literature Review

McDonald (1982) identified several factors which he believed had a strong influence on a company's ability to introduce and develop a complete marketing planning process. These were: management style; company size; its structure; and its culture. Each of these factors was considered in some detail.











Management Style

There appear to be many different ways to look at management style, but in the end, attention focussed on only the better-researched theories. These were:-

- a) The Blake-Mouton Grid (1964) ie. concern for output versus concern for people.
- b) Lickert (1967) ie. autocratic - democratic continuum.
- c) Hersey and Blanchard (1977) ie. situational leadership.
- d) McClelland (1970) ie. sociability, power and achievement motivation.

Since all of these approaches addressed the issue of management style or behaviour, it was possible to identify some correlation between them. How they appear to relate is shown in Figure 3.

FIGURE 3

Blake Mouton Grid Style	1:1	1:9	9:1	5:5	9:9
Lickert A=Autocratic B=Democratic	?	D	A	A/D	D
Hersey and Blanchard	 mainly Delegate (by abdicating)	 Mainly PARTICIPATE	 Mainly TELL	 Mainly SELL	 All Styles used correctly
McClelland S=Sociability P= Power A=Achievement	 SPA	 SPA	 SPA	 SPA	 SPA

The significance of this synthesis of theories on management style is twofold. Not only is the style approximating to 9:9 on the Blake-Mouton Grid the most effective, but it is also the style most descriptive of behaviour in the 'mature company', or in other words, the style most likely to sustain a complete marketing planning system.

This disclosure led to a speculative model of marketing planning styles using the grid format, Figure 4.

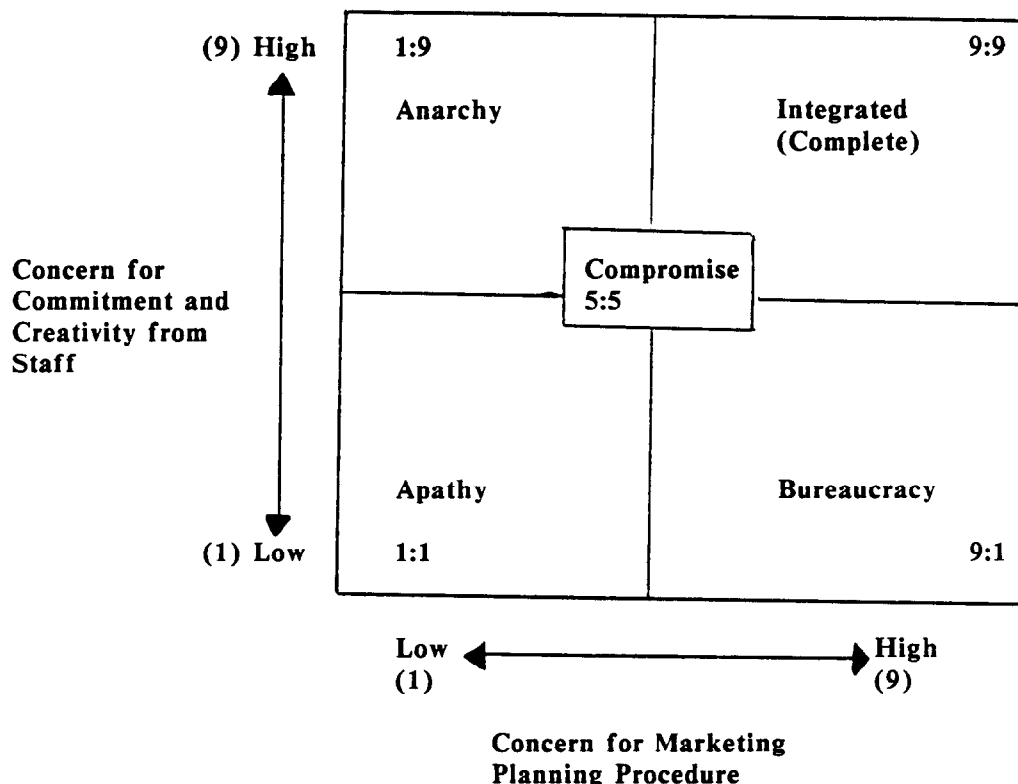


Figure 4. Styles of Marketing Planning

Company Size

Many writers have observed that as a company grows and learns to cope with new problems associated with its increased size and success, it also changes in character.

Lievegoed (1973) identifies three quite distinct phases of organisational life which he terms:- pioneer; differentiated (or scientific); and integrated.

Greiner (1972) has similar views, but suggests that there are a number of evolutionary growth periods in a company's life, each followed by a revolutionary crisis phase which signifies that the period of natural growth is over. These are illustrated in Figure 5.

Normann (1977) and Bhattachary (1981) view company size in a different way and see growth as being a reflection of the stage of development along a life-cycle curve.

For Normann, the subject for the life-cycle is the business idea itself and clearly this is capable of being modified and adapted in the light of experience. Bhattachary, on the other hand claims that the company overall has a life-cycle and has the capability of passing through a period of early struggle, to one of motivation, to one of complacency and ultimately decline. In his terms, organisational renewal is not an easy option.

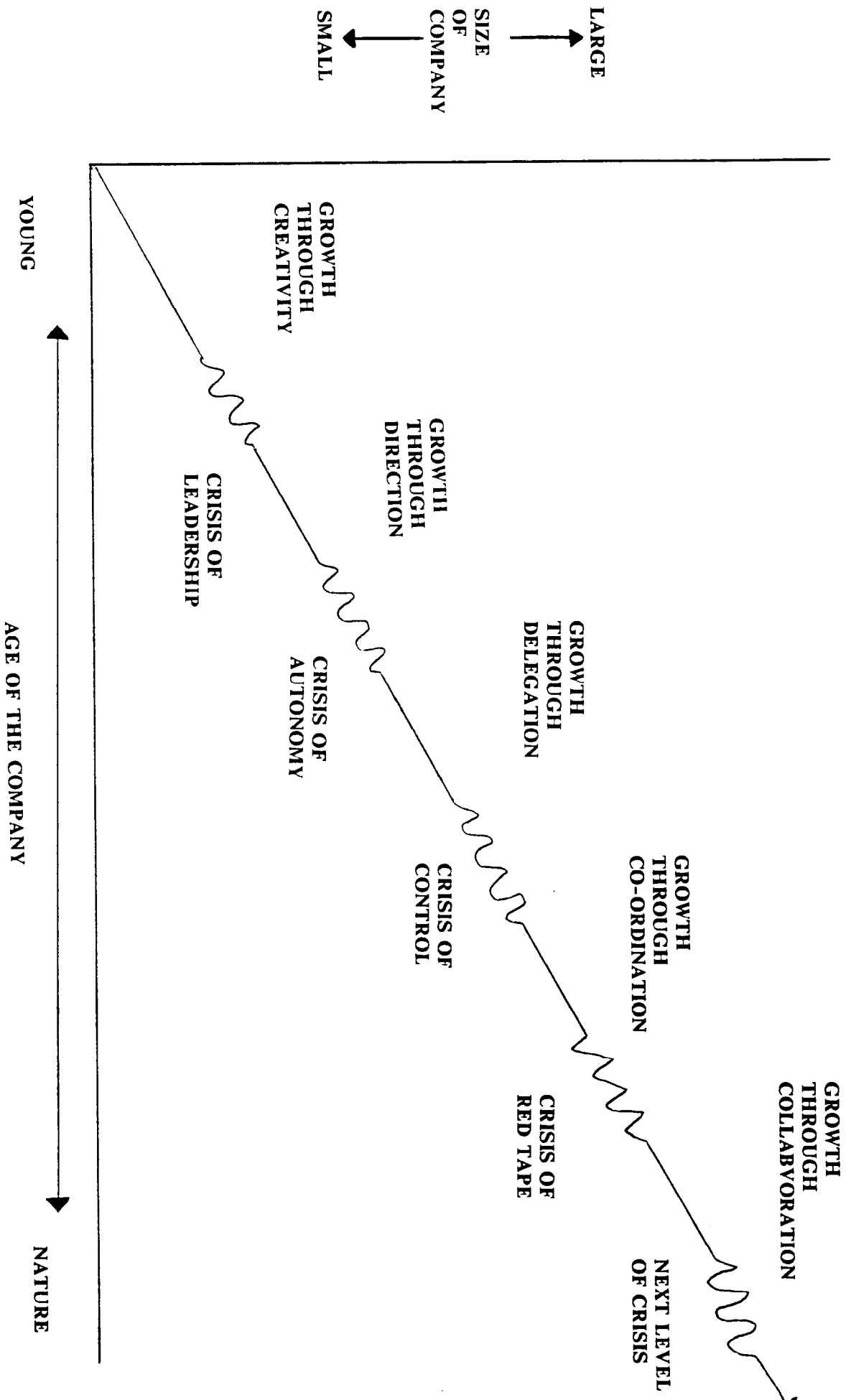


FIGURE 5. STAGES OF EVOLUTION AND REVOLUTION (AFTER GREINER)

Structure

In essence, the structuralists seek to find rational ways to build an organisational structure best suited to match the company to its chosen environment. Burns and Stalker (1961) found that in stable environments the so-called, mechanistic organisation (bureaucratic, impersonal, formal communication channels and a high division of labour), was more successful than what they termed the "organic" organisation (non-bureaucratic, informal with multi-path communication channels).

However, when the environment became more volatile, the reverse was true.

Lawrence and Lorsch (1967) took a different view and put forward their ideas about differentiated and integrated companies, differentiation being the degree of separateness within the total organisation of the various systems, sub-systems and specialist functions. Integration was the process of achieving unity of effort among these various sub-systems, in the accomplishment of the organisation's goals.

They claimed that the amount of differentiation and integration should relate to that of the company's environment.

However, the structuralists do not appear to accept the possibility that the way an organisation is shaped is often the result of political ambitions of senior executives who have sufficient power and influence.

Culture and Politics

A number of works were studied and the following overall conclusions were drawn:

1. A company's history has a significant impact on its culture and because of this influences many of the decisions which are made.
2. A company's learning is inextricably tied up with its history, as a result of things that have worked, or problems that have been overcome, in the past.
3. Senior executives are the 'culture carriers' and as such can either reinforce or work to change the existing culture.
4. Organisational myths and heroes sustain the culture and with it the existing political power structure.
5. A shared values system can be a source of strength and commitment to the company.
6. The more explicit are the values system and organisational vision, the more committed are the staff.
7. Culture only has to be 'sensible' to those who operate within the company. It doesn't necessarily have to be rational or congruent with the current business environment.
8. The more deeply a culture is embedded, the more difficult it is to change.

Thus, corporate cultures can be anti-developmental, since they are backward-looking. Equally, it takes a senior executive with vision and high commitment to overthrow an out-of-date culture and replace it with a new set of more appropriate norms of behaviour.

This idea of trying to change the corporate culture opened up a new avenue of exploration.

Perspectives on Organisational Change

Mangham (1979), and Marshall and McLean (1985) found that corporate culture created an inertia which reduced attempts to introduce radical change into something far less potent, and consequently, less effective.

Johnson (1984) found that a successful change process had to start with the existing cultural norms being loosened and their culture carriers discredited. This paves the way for a subsequent reconstruction, which ultimately allows for consolidation into a new cultural recipe.

Williams (1970) discovered that for the change process to be managed to a successful conclusion, several different roles needed to be played. These are termed:-

Change Agent - The person who stimulates the change, either from inside the organisation, or as an external adviser.

Catalyst - A person with enough power to ensure the change takes place, but who might well remain unaffected at a personal level.

Pacemaker - The person who provides the energy to keep the change process going.

Diffusion Agent(s) - These people help to transfer or communicate the change into the furthest recesses of the organisation.

The influence of the various role players assumes different importance as the change process unfolds, as shown in Figure 6.

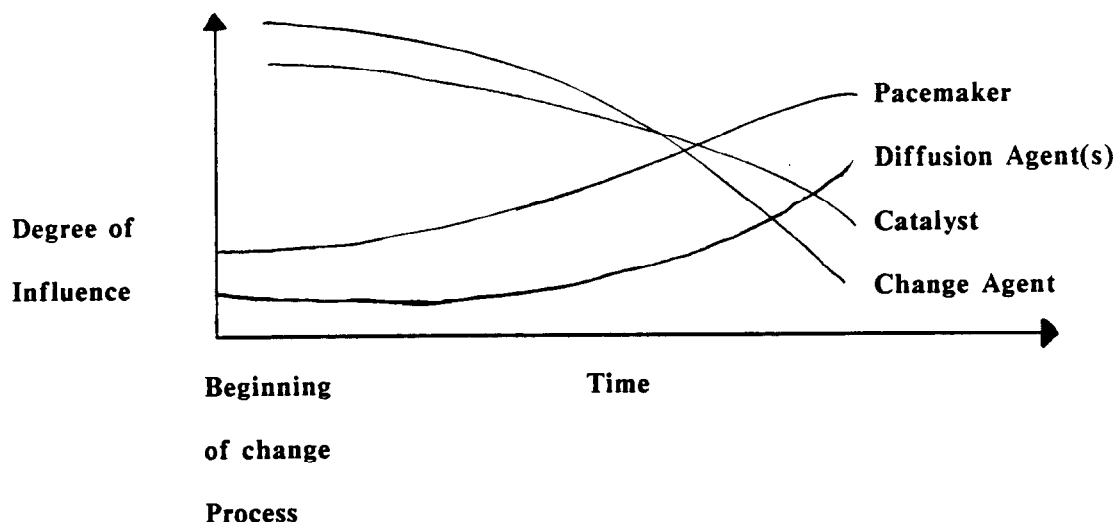


Figure 6. Influence of Role Players during Change Process (after Williams)

Schein (1985) claims that there are a number of different ways of intervening in a company in order to bring about a change in corporate culture. By and large, these intervention techniques need to be matched to the company's stage of development and are required to be more and more coercive, the stronger the existing culture is embedded.

His study of culture carriers identified five main observable actions that leaders take, either consciously or sub-consciously, which transmit and embed culture. These primary mechanisms are,

1. How the leader reacts to crises or critical incidents.
2. The criteria they establish for allocating rewards and status.
3. The areas to which the leader pays attention, measures and controls.
4. The criteria they establish for recruitment, selection, promotion, retirement and dismissing staff.
5. The role model the leader promotes by either their own behaviour, or by coaching and teaching others.

Schein also identified a second tier of cultural transmitters, which are:-

1. Organisational systems and procedures.
2. Organisational design and structure.
3. Design of physical space, facades and buildings.
4. Formal statements about organisational philosophy, creeds and charters.
5. Stories, legends, myths and parables about important people and events in the company's life.

Key Issues from the Literature Review

Overall, it seems that there are two main determinants of corporate culture:-

1. The culture that has evolved as the company developed and which is related to its maturity or stage of development.
2. The 'culture' promoted by the senior executive or an equally powerful culture-carrier or group.

From the literature review it appears that the most potent of these two forces is the former. The reasons for this are not difficult to see and can perhaps be illustrated best by comparing this process to an individual's development.

Imagine the exasperated parents of a rebellious teenage son. They might try exhortation or a number of other strategies to get him to 'grow up' and 'act like an adult'. But clearly, growing up and becoming an adult can only be achieved in the fullness of time. Any adult-like behaviour the parents manage to induce in their off-spring at this earlier stage is likely to be a veneer of little substance. They tend to forget that before this current stage of development, their son was in turn an adventurous toddler and a compliant child. These stages were not inherently better or worse than any other, just different.

Equally true however, is the fact that the son cannot permanently live in some kind of time-warp and remain an eternal teenager, pleasant though the prospects of doing so might appear to him. Time passing and accrued experience are two factors that nobody, (and that includes organisations), can sidestep and avoid.

Like the wise parent, the chief executive will recognise when his charge is ready to grow into another phase of development and will act accordingly. He will not try to keep the growing organisation in the equivalent of short trousers, but nor will he rush into trying to make it into something that is impossible to attain at the time.

As the literature has shown, organisations have their own 'built in' mechanisms for dealing with change. Often the culture carrier is not an agent for development, but merely an upholder of past tradition.

There are, of course, dangers in carrying analogies too far. Unlike individuals, organisations have the potential to renew themselves and in theory they could last forever. However, as none seem to be immortal, it was felt that this idea of stages of organisational development was well worth examining in more detail, especially in terms of how it correlated with the marketing planning processes of the company.

PART 3 - Research Findings and Conclusions

Designing a Measuring Instrument

After much experimentation, an instrument in the form of a questionnaire was designed. Since it was required to illuminate the organisational context within which marketing planning operated, this instrument needed to have a reasonably 'well-graduated scale'. That is to say, one which could, with some accuracy, distinguish between different shades of organisational grey. Accordingly, it was the work of Greiner (op cit) which provided the necessary degree of analysis and gave rise to the questionnaire which we have subsequently called 'The Organisational Development Diagnostic'.

With such an instrument available, it was then possible to proceed into the research, which was comprised of two phases.

1. Application to the MBA case studies.
2. Wider application to companies to check the validity of the instrument to provide not only a diagnosis of the current situation, but also a prognosis about what issues needed to be addressed for future success.

Application to Case Studies

From an initial collection of some fifty case studies, which had been meticulously researched and written up for examination purposes by Cranfield MBA students, the researchers selected a sample of thirty four. These were chosen for further analysis because:

1. They contained detailed information about the companies and the marketing planning procedures they used.
2. They represented a broad cross-section of British Industry in terms of the proportion of planners to non-planners.
3. They provided a wide spectrum in terms of company size, measured by the number of employees.

A breakdown of the research companies is provided in Table 1 below:

Description	No. of Companies	% of total
Non-planners - planning was non-existent or varied significantly from the process described in Fig. 1	18	53%
Semi-planners - almost followed the planning process, but omitted one or two steps	9	26.5%
Planners - followed the complete planning process	7	20.5%

Assessing each company's stage of development against its approach to marketing planning provided the results shown in Table 2.

Phase of Dev. / Type of Planner	Non-Planners	Semi-Planners	Planners
CREATIVE EVOLUTION	XXXXXX		
LEADERSHIP CRISIS	XXXXX	X	
DIRECTED EVOLUTION	XXX	XXXXX	XXX
AUTONOMY CRISIS		X	
DELEGATED EVOLUTION	XX	X	XX
CONTROL CRISIS	X	X	
COORDINATED EVOLUTION			XX
RED TAPE CRISIS			
COLLABORATIVE EVOLUTION	X [⊙]		
NEXT CRISIS ?			
	18	9	7
Each company is represented by an X			
⊙ is a special case, a partnership			

TABLE 2

At a glance, it can be seen that planners are further along the biographical/maturity life line than semi-planners, who in turn lead non-planners.

Equally, all planners appear to be experiencing a period of evolutionary growth.

Interesting though these results were, it was felt that they might be inadvertently reflecting other factors which were not related to the 'phase of development' alone. Not least of these factors was company size. In other words, is phase of development, hence approach to marketing planning, really determined by size rather than a company's 'growth experience'?

This objection could be easily tested as Table 3 shows.

Phase of Development vs Company Size

Phase of Dev.	No. of Companies	Spread in Size
CREATIVE EV.	6	20-230 EMPLOYEES
LEADERSHIP CR.	6	70-3,000
DIRECTED EV.	11	70-V.LARGE
AUTONOMY CR.	1	800
DELEGATED EV.	5	50-V.LARGE
CONTROL CR.	2	350-V.LARGE
COORDINATED EV.	2	900-1000+
RED TAPE CR.		
COLLABORATIVE EV.	1	50
NEXT CR.		
	34	

TABLE 3

As can be seen, there is no neat correlation between phase of development and company size. Although in our sample a majority of non-planners were at the small end of the size spectrum, it was by no means conclusive. There were some non-planners at the 1000+ employee size. Therefore it would seem reasonable to conclude that phase of development is not just a factor of size, but must also relate to other factors specific to each individual company.

In order to eliminate other possibilities, the case study companies marketing planning procedures were considered against:

1. Their rate of growth;
2. The nature of their business.

Whilst the results of these comparisons were interesting, they did nothing to rock the initial findings, which showed a high correlation between a company's stage of development and its ability to adopt a comprehensive marketing planning process.

Summary of Case Study Analysis

The main findings from the analysis of the data base companies were:

- planning companies were furthest down the track of organisational development, followed by semi-planners and finally the non-planners;

- the stage of a company's development did not necessarily equate to its size;
- a company's propensity to use marketing planning did not appear to be related to the growth of the business;
- the largest group in low growth businesses were non-planners;
- the nature of a company's business did not influence its likelihood of using a marketing planning process, but service companies seemed less likely to plan than manufacturing companies;
- there is a suggestion that manufacturing companies are more inclined to be in low growth businesses than service companies;
- companies in fast moving goods or services are the most likely to use a complete marketing planning process.

Most importantly of all, this phase of the research had vindicated the Organisational Development Diagnostic as a measuring instrument of some accuracy.

It now remained to be seen if it would be equally proficient when tested out in 'live' companies.

Field Research

Unlike its application to the case studies, where the researchers 'controlled' its completion, The Organisational Development Diagnostic Questionnaire was now completed by the top management team of the subject companies, or a cross-section of managers.

While one researcher examined the marketing planning processes of these companies, the other analysed the results from the questionnaires completely blind. That is to say, he had no knowledge of the company, its size, its business, location, or indeed who had completed the questionnaires, other than a brief indication about the person's function and level of management.

Analysis of the Questionnaires

It was found to be essential that more than one person completed the questionnaire in any subject company, otherwise the results are highly skewed towards that person's perceptions of the organisation. Thus they painted a picture as much of the person as of the organisation.

Invariably, with several people completing the instrument, there were areas of consensus and also of disagreement. The researcher would base his diagnosis and predication on those parts of the questionnaire where the company personnel had a high level of agreement. Indeed, having a number of responses from a single company provided a wealth of information which provided a subtle undercurrent to the main findings, thus allowing for a richer and more accurate diagnosis.

The findings from the Organisational Development Diagnostic were then written up in the form of a report to the company. Each report had two main sections:

1. A descriptive section which drew on the submissions from the company personnel and from these described the company's present stage of development.

2. An action-planning section which described whether or not it would be important for the company to take any immediate steps to recognise the onset of its next stage of development, and to adapt accordingly. While there would be some generalisations about the organisation, the prediction tended to focus on what needed to be done in terms of improving marketing planning.

Reactions to the Reports

Some twenty analyses have been completed and reports sent to the chief executives. Accompanying each report was a request for some feedback regarding the accuracy of the diagnosis, together with some comments about the usefulness of the proposed 'next steps'.

In all of these reports, the diagnostic element has been judged as being reasonably accurate to highly perceptive.

However, reactions to the section about what to do next have been mixed. Most recipients tend to agree that the proposed steps are 'interesting' or 'sound useful', but there is little evidence that they are acted upon. Indeed one chief executive is known by the researchers to have valued the report, but to have kept it secret from his colleagues because of the 'political ramifications' of the proposed action steps.

Taken all round, it would seem that the Organisational Development Diagnostic provides the information upon which an assessment can be made about an organisation's stage of development, and hence its marketing planning procedures. Moreover, based on our research the accuracy of such a diagnosis is quite high.

At an intellectual level, the accuracy of the prognosis might well rate similarly high. However, such a prognosis does not take into account whether or not there is the political will to take action on the recommendations. Without knowing more about the people involved and their preparedness to change, such a 'blind' analysis can do little more, other than to flag up warning signals and to point out what lies around the corner.

This work of assessing culture as a transitory step along a development continuum could be viewed as the macro perspective. However, the literature review also raised the issue about assessing culture by reference to the behaviour of the culture carriers, or what might, in comparison to the above, be termed the "micro" perspective.

This was investigated in tandem with the research using the Organisational Development Diagnostic.

The Micro Perspective

As an outsider, it was difficult to be sensitive to the cultural signals sent out by the senior executive, to which the staff are so well attuned. Yet some mechanism was required to decode this information. The following line of reasoning led to a solution to this problem:-

1. Culture carriers make clear their intent by the things they do and their general demeanour.
2. Subordinate managers will, on the whole, behave intelligently.
3. It is not intelligent to behave in ways which are counter to the accepted culture.

4. Therefore managers behave in ways they believe they are expected to behave.
5. They are rewarded for exhibiting acceptable behaviour and so this becomes part of their repertoire.
6. Thus, an investigation into the ways that managers typically deal with day-to-day events should provide some insights into the prevailing company culture.

Experiments were made with several 'management style' questionnaires and since their results correlated in a way hypothesised in the literature review, in reality any one of them would have been suitable. The decision was made to use a Blake-Mouton type of approach, and because this was most familiar to the researchers, an instrument was developed along these lines.

It took the form of a questionnaire which could be interpreted against the typical grid structure shown below, Figure 7.

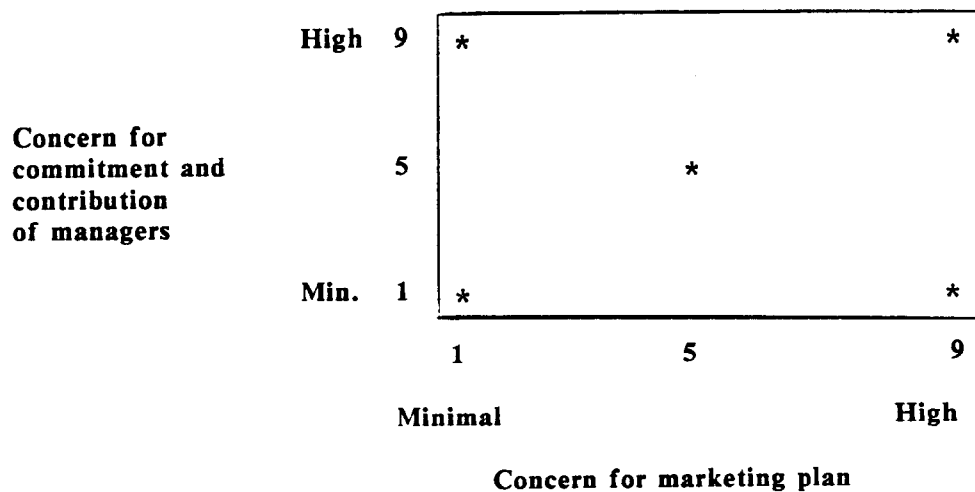


Figure 7

The scales on each axis were designated minimal (scoring 1) to high (scoring 9). The specially designed questionnaire enabled managers to identify their own positions on the grid. The position on the grid which predominated, when the results of a number of managers from the same company were taken together, was assumed to reflect something of the organisational 'culture'.

With such scoring, grid positions are interpreted as follows:

- 1:1 style = low concern for both marketing planning and the contribution of managers
- 1:9 style = low concern for planning coupled with a high concern for people
- 9:1 style = high concern for planning, but low concern for people
- 5:5 style = medium concern for both
- 9:9 style = high concern for both.

The results from the analysis of six companies using this questionnaire are shown in Table 9.

Company	Business	Style Score	Planning Category	Stage of Development
1	Computers	9:1	non-planner	creative evolution
2	Training	1:9	non-planner	leadership crisis
3	Pens	9:1	semi-planner	directed evolution
4	Financial Services	9:1	semi-planner	directed evolution/ autonomy crisis
5	Chemicals	9:9	planner	delegated evolution
6	Surveying	9:9	planner	collaborative evolution

TABLE 9

It is difficult to draw firm conclusions from such a small sample of companies, except that the 'planners' exhibited 9:9 styles ie. a style which integrates the marketing planning process and the people involved.

Work is continuing using this instrument. There is a strong suspicion that it provides a guide to marketing planning as hypothesised in Figure 4, even though it does not as yet yield quite the same productive results as the Organisational Development Diagnostic. Nonetheless, this questionnaire is useful and is certainly capable of producing an interesting diagnosis of the company situation in a relatively quick and painless manner.

Conclusions

The thesis on which this paper is based set out to test five hypotheses. They were:

1. **A complete marketing planning process is not simply a series of action steps. It also embodies a set of values and assumptions which, while not being explicit, are nevertheless an integral part of the whole process.**

This is certainly true. Furthermore there were some strong clues from the analysis of the complete marketing planning process that companies best equipped to make the process work would be ...

"largely run on democratic principles, not be too hierarchical, be flexible rather than bureaucratic, use motivational mechanisms which promote openness and commitment to the organisation, have a collaborative climate which favours team-work, be interested in finding quality solutions when faced with problems, and have a genuine concern for providing customer satisfactions".

Clearly, such companies are relatively sophisticated and mature, when compared with a typical cross-section of their contemporaries.

It also follows that by analysing the assumptions behind any company's marketing planning process, it ought to be possible to get closer to understanding its underlying beliefs and values.

2. **An organisation is not simply a conglomeration of people and resources. It embodies a set of values and assumptions which give rise to its distinctive corporate climate and culture. Moreover its culture would appear to be influenced to some degree by its level of learning or maturity.**

Again, this hypothesis is true. Organisations, no matter how they are structured, never become inanimate machines. The people involved, their experience of the company's history, their own beliefs and values, all contribute to organisational life.

This research has shown that as an organisation learns and moves along its biographical lifeline, different issues can exercise it at different life phases. In overcoming these issues, it in turn becomes more 'mature'.

Equally, as we have seen, the 'culture carriers' can be a power for change or stability, depending upon the values they make explicit by their behaviour (as opposed to those to which they publicly subscribe).

3. **If the underlying values of a complete marketing planning process are more or less consistent with those of the organisation, then there is a high probability that the planning process will be adopted.**

It was found that the 'mature' company, described under hypothesis 1 above, had an uncanny resemblance to the integrated organisation described by Lievegoed (op cit) and those at the more advanced stages of development put forward by Greiner (op cit) and many others.

The research conducted confirmed that planners were further along the development path than other companies. Other factors such as company size, nature of business, growth rate, and so on were checked in case they were hidden influences. However, within the bounds of this study, the original results held true.

All this suggests that hypothesis 3 is correct.

4. **If there is a conflict of values between those underlying the complete marketing planning process and those of the organisation, then it could be expected that the planning process would be rejected.**

From this research there were found to be a number of barriers to marketing planning, namely, cognitive, information, resource, behavioural and cultural.

Therefore, a rejection of marketing planning could not be attributed to an organisation's cultural value system alone.

However, if an organisation made a genuine and determined attempt to introduce marketing planning, most of the above barriers would not prove to be insurmountable obstacles. What the organisation would require, however, would be a level of maturity that doesn't come readily to all companies.

For now, hypothesis 4 must remain unproven.

5. **An organisation will not change its values system or culture, unless something very significant takes place to make such a change seem worthwhile.**

All the works about change studied in the literature review confirmed this hypothesis. Schein (op cit) went as far as saying that corporate culture itself is the rock upon which change founders.

What might be termed significant will vary from organisation to organisation, but it will probably have to be something which is either unplanned or discontinuous, otherwise incrementalism will strive to neutralise its impact.

Thus, intellectual curiosity on the part of the company would not appear to be a sufficient stimulus for introducing marketing planning, whereas falling sales or dwindling market share would be a different story.

Equally, a new culture carrier championing marketing planning might prove to be the discontinuity to bring about change. However, as we have seen, the old culture would strive to maintain the status quo or to marginalise the change.

The question of change raises another interesting issue. Can the old culture carriers stay in command and introduce a new culture? Evidence for this is very mixed. Perhaps a new organisational broom can sweep cleaner. The political nature of change ensures that there are no easy answers to the dilemma.

Postscript

Throughout this research, a number of different 'flavours' of marketing planning were observed, all of which fell into the prescribed definition.

It is a tentative conclusion that a different style of marketing planning might be more appropriate according to where the company is on its development lifeline. In this sense, the planning approach can be modified to suit the corporate culture.

Bearing in mind the relatively small sample of marketing planners, here are some speculative observations.

Phase of Development	Type of Planning Process	Observations
Creative Evolution	No planning found	Planning is counter-culture at this stage of development
Directed Evolution	Centralised, tightly defined process, with a clear top-down direction	Works well if the system and instructions are clearly communicated and the business is not too volatile. The leader must demonstrate expertise.
Delegated Evolution	Decentralised, less tightly defined process, relying on bottom-up contributions	High quality inputs, high staff morale and commitment, but the overall plan can lose focus.
Coordinated Evolution	Centralised planning, formal process, with clearly defined roles and responsibilities. Top-down and bottom-up direction.	Makes good use of Company specialists, but the plan can degenerate into a meaningless routine.
Collaborative Evolution	Reduction of bureaucratic processes. Creative solutions are found for resolving planning problems.	Perhaps different planning processes for different product groups or markets. High concern for both people and the task of planning.

The thesis on which this paper is based began by drawing attention to the low level of acceptance of marketing planning in British companies. This study now raises these questions:

- a) what sort of marketing planning are we talking about ?
- b) What sort of company do we have in mind ?

Marketing planning can range from the cosmetic to something of deep value to the company. Equally, companies range over a spectrum of different levels of development.

As we have seen, marketing planning is not a neatly-packaged cognitive process. It is much more than this, and it brings the marketing adviser face to face with the political realities of corporate life.

For his part, the chief executive will have to recognise that to introduce marketing planning successfully, many things will have to change within the organisation, not least, the way he behaves and the role model he sets for others.

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