

Marketplace

*The ISBM Review***IN THIS ISSUE:**

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ISBM MISSION:

- *Expand research and teaching in business-to-business marketing and sales in academia...*
- *Improve the practice of business-to-business marketing and sales for member firms in industry...*

PENNSTATE

**SMEAL**
College of Business

Working Papers Working Hard for Working Marketers

Consider a likely scenario in these days of rapid technological change and industry consolidation: A large established company with substantial marketing muscle wants a strategic partnership with its industry's hot-technology upstart. Directors of the target company, much smaller than the established giant, fear the larger partner will exploit their firm's patents and competencies, hurting its investors. They ask their CMO to evaluate the marketing and subsequent financial outcomes of accepting the offer. Where can the marketer turn for some insights?

Despite common fears, however, actual technology market research suggests, according to a recent ISBM Working Paper, that it's likely that both the large and small partner will thrive in an alliance under the right conditions. Even if the research hadn't specifically studied the exact same industry and competitive conditions, the CMO reading the study gets a better understanding of the dynamics of such asymmetric alliances and how key success factors identified in the research apply to his decision.

As ISBM member-company managers know, ISBM has served both the academic and executive wings of the business marketing community since its founding 24 years ago. Yet those managers might not know how the academic research supported by ISBM grants can serve them and their in-the-trenches decisions.

ISBM's Working Papers, the primary products of that research, provide thought-provoking discussions and insights about B-to-B marketing strategies and tactics, helping savvy managers understand the broader contexts of their decisions.

Much of the knowledge in ISBM's 378 Working Paper research database examines the effects of specific B-to-B marketing activities as well as observed best practices—such as the profiles of different individuals and skills benefitting corporate new product development, summarized in part in **Exhibit 1**.

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Profiling success drivers

Many ISBM Working Papers concentrate on market dynamics and frameworks for strategic response, as in the recent asymmetric partnering study cited above—ISBM Report 2-2006, “Asymmetric New Product Development Alliance: Win-Win or Win-Lose Partnership?” by Kartik Kalaiganam, Venkatesh Shankar and Rajan Varadarajan of the Mays School of Business at Texas A&M University.

Such studies draw from marketing activities around the world studied by members of ISBM’s global network of researchers. Many Working Papers become part of marketing’s professional journal literature. The asymmetric partnering study, for example, is a 2007 selection in *Management Science*.

Not all ISBM Working Papers have direct relevance to a business marketer’s strategic and tactical decisions, however. As the only research center focused exclusively on B-to-B marketing, ISBM also concentrates on the science of marketing. Many Working Papers advance academic knowledge of new theories, frameworks and analytic techniques—core issues of intellectual inquiry, which, over time and the successive contributions of additional studies, lead to managerially useful insights.

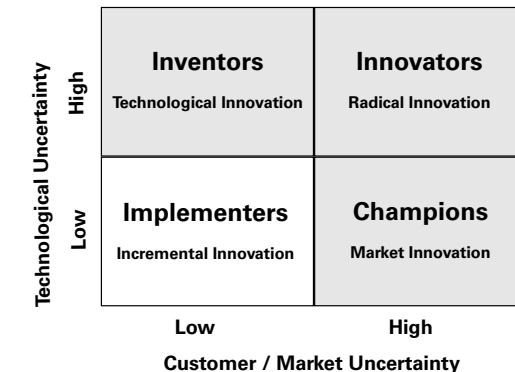
To cite other examples of recent papers that will interest managers, ISBM Report 1-2007, “It’s Curtains for You: Firm Exit from an Emerging High-Technology Product Market,” examines whether and when a company that has entered a high-risk emerging product market should slug it out with newly arriving competitors or exit the market. Penn State Prof. Rajdeep Grewal, ISBM Associate Research Director, and Raji Srinivasan of the University of Texas at Austin authored that research.

Using information from executive roundtables and surveys of new product project procurement teams in Europe and the United States, ISBM Report 9-2006, “Accountability for Cost and Performance in Sourcing Decisions for New Product Development Projects,” gives managers a clearer view of how buyers seek and use product value information. Rather than deciding solely by price, new product developers boost their own and senior management confidence in their decisions by analyzing the total costs and performance expected from supplier offerings.

Suppliers who assist new product development teams by providing clear analysis and articulation of cost and performance—illustrating their superiority to alternative offerings—make life easier for developers, improving the odds of making the sale. The researchers are: Marc Wouters of the University of Twente, The Netherlands; James C. Anderson of the Kellogg School of Management, Northwestern University; James A. Narus of the Babcock Graduate School of Management, Wake Forest University; and Finn Wynstra of the Erasmus Research Institute of Management, Erasmus University, Rotterdam, The Netherlands. Profs. Anderson and Narus are ISBM Research Fellows.

Exhibit 1

Four Types Of NPD Leadership and Areas Of Expertise



The different roles involved with moving an innovation from the laboratory to commercialization seem to map to individuals choosing to focus on different types of projects.

Source: ISBM Report 4-2007, “Exploring Differences Between Inventors, Champions, Implementers and Serial Innovators in Developing New Products in Large, Mature Firms,” by Edward W. Sim of the University of Illinois, Urbana-Champaign, Abbie Griffin of the University of Utah, and Raymond L. Price and Bruce A. Vojak, both of the University of Illinois, Urbana-Champaign.

At a more tactical level, the marketer and sales manager reading ISBM Report 3-2006, “Internet Integration into the Industrial Selling Process,” finds a useful checklist of online tools, ensuring they won’t overlook potent selling aids. Mary M. Long of Pace University, Thomas Tellefsen of the College of Staten Island and J. David Lichtenthal of Baruch College did the analysis.

ISBM Members can access all Working Papers from the ISBM.org Web site. What have you been missing?

UPCOMING 2007 ISBM TWENTY-FOURTH ANNUAL MEMBERS MEETING**THEME****Keys to Profitable Growth in Business Markets**

- Strengthen your marketing organization
- Build stronger, more efficient processes
- Become a more effective marketing leader
- Learn from Members' case histories
- ...and more...

WHEN

August 22-23, 2007

WHERE**Penn Stater Conference Center Hotel**

Penn State University Park Campus
State College, Pennsylvania

CONFERENCE LEADER**Ralph Oliva**

Executive Director
Institute for the Study of Business Markets
The Pennsylvania State University

FEATURED SPEAKERS

Mohan Sawhney, Kellogg School of Management

Michael Palmer, ANA

Peter Krieg, Copernicus Marketing Consulting

Bernard Jaworski, Monitor Group

Members: LORD, DuPont, Greif,
Parker Hannifin, Sherwin-Williams

COMPLETE AGENDA

www.aug07.isbm.org

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MEMBER REGISTRATION FEE

\$650.00 by July 20; \$750.00 thereafter

Organization, Process, Leadership:**Keys to Profitable Growth in Business Markets**

Driving profitable organic growth is today's premier challenge for business marketers. Join your B-to-B colleagues and industry thought leaders who will explore the proven strategies and tactics ensuring growth at ISBM's 2007 Members Meeting, August 22 and 23 at Penn State's Innovation Park in State College.

Our meeting is about the key elements in your growth game plan—the high-performance solutions you can put to work now and strategic guideposts to future growth for your company, and for you.

- **Organize for top results:** Centralization? By product or market? By geography? *Outside the box* models?
- **Optimize your marketing processes:** Demand generation, market development, sales force support, metrics and dashboards, benchmarking...and more.
- **Fine-tune your marketing leadership:** Strategist vs. tactician? Process owner? Enforcer? Spiritual guru?



Mohan Sawhney

You will hear from business marketing's foremost thinkers and leaders among ISBM's membership sharing firsthand tips and traps learned as they achieved organic growth.

Mohan Sawhney of Northwestern's Kellogg School of Management will report what is working best, Peter Krieg of Copernicus Marketing Consulting will outline a more analytic B-to-B approach for better results, Bernie Jaworski of Monitor Group will explore five "key levers" to marketing organization effectiveness, and Michael Palmer of the Association of National Advertisers will report insights from recent research on marketing leadership.

Learn from the "real world" experiences presented by your fellow ISBM Members: Rebecca Williams of LORD Corporation, Joanne Smith of DuPont, Sean Kharche of Greif/Delta Packaging, Steve Erickson of Parker Hannifin, and Andy Maguire of Sherwin-Williams.

In addition, we've planned plenty of time for informal networking and discussion, to swap ideas with colleagues and make new friends. All attendees will receive a copy of Peter Krieg's new book, *Your Gut is Still Not Smarter Than Your Head: How Disciplined, Fact-Based Marketing Can Drive Extraordinary Growth and Profits*, co-authored with Kevin Clancy. Bring powerful growth management ideas to your firm. Register today!

2007 Calendar of ISBM Events

AUGUST 2-3

**ISBM B-to-B Ph.D. Student
Research Camp**
Washington, DC

AUGUST 22-23

ISBM Members Meeting
State College, PA

AUGUST 23

ISBM Educators Consortium
State College, PA

SEPTEMBER 18-19

**Integrated Marketing
Communications**
Chicago, IL

SEPTEMBER 20

**New Offering Realization
Consortium**
Pittsburgh, PA

OCTOBER 4

Brand Consortium
Chicago, IL

OCTOBER 11-12

Segmentation Marketing
Chicago, IL

OCTOBER 24-25

**Hiring and Developing aWorld
Class B-to-B Sales Force**
Pittsburgh, PA

NOVEMBER 4-9

**B-to-B Marketing: Strategies
for Driving Growth & Profit**
State College, PA

DECEMBER 6-7

**Building Effective B-to-B
Marketing Plans**
Philadelphia, PA

ISBM WEBINAR SERIES

September 11, 12

October 18

November 1, 14

See www.isbm.org
for webinar topics.

Visit our web site for an up-to-date events calendar and more details about our **Webinar Series**.

www.isbm.org

ISBM Welcomes the Following New Members:

BSN Medical

CEMEX

The Gallup Organization

Kimberly-Clark Professional

Kodak's Graphic
Communications Group

LORD Corporation

Sherwin-Williams

Thilmany

3Com

Verizon Business

Expanded Trends Study Now in the Field

ISBM's Trends Study—our biennial report on the top challenges facing business marketers—is now in the field, emailed this summer to the marketing experts in ISBM's worldwide community of managers, researchers, and other thought leaders. Results from the study comprise the top list of critical marketing issues exclusively focused on B-to-B, and are the most widely used guide for setting academic research, consulting, and training agendas.

This year's 2010 Trends Study, examining the challenges of the next two years, is an expanded version of past Trends Studies, which ISBM has conducted since 1997. Quantitative analysis and additional in-depth qualitative research will add depth of insight and comparative importance data to this year's study findings, said ISBM Research Director Gary Lilien. In addition, ISBM Member firm HSR Business to Business, is co-sponsoring the study.

ISBM member-company managers and others in the ISBM community have received short, easily completed email questionnaires this June and July, and can respond by email, telephone, fax or the Web. (If by chance you haven't received a request to participate in the study—please call or email the ISBM office!) Respondents will be asked to briefly discuss their “top of mind” thoughts about the toughest challenges facing business marketers for the next two years, and the professional capabilities marketers will need to meet those challenges.

ISBM expects to announce its complete 2010 Trends list early this fall, although preliminary results will be released to the ISBM's Annual Members Meeting this August in State College.

In the 2005-2007 Trends Study, improving knowledge of customer needs, market segments, and the drivers of customer value topped business-to-business marketers' priority list. As one respondent explained, the B-to-B marketing fraternity must “learn to account not only for tangible differences between offerings, but also for emotional differences related to relationships, reputations, and trust.”

Among the seven dominant trends cited in the 2005-2007 study, competing globally as China and India reshape markets, and mastering analytical and quantitative tools, emerged as the second and third most important challenges. The other trends cited included revitalizing innovation, creating more responsive organizations, improving marketing return on investment, and demonstrating/documenting customer value and pricing accordingly.



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