4 An Organizational Design Perspective on the MSF-Triangle

We will start to describe the marketing-sales-finance triangle by identifying the relevant organizational actors, i.e., the relevant marketing, sales, and finance subunits and positions on different organizational levels. In a second step (see section 4.2) we will identify typical structural design configurations of marketing, sales, and finance to further disentangle the complex MSF-triangle.

4.1 Identification of Organizational Actors

To reflect the complexity of today’s corporations appropriately, we account for four different organizational levels when identifying the relevant MSF-subunits and MSF-positions. Specifically, we differentiate between the corporate group/headquarter level, the division level, the business unit level, and the country/sales company level. For each of those four organizational levels we have identified the key subunits in the MSF-triangle (see Table 9).

Organizational Design of Finance

In our interviews we got insights into how the finance function is organized and which finance subunits do exist. We learned that the finance subunits financial accounting and management accounting are typically represented on all four organizational levels. As a consequence, finance has a strong presence on corporate, division, business unit, and country level. On corporate level, finance is likely to be the biggest of all corporate MSF-functions both in terms of subunits and headcount. The finance subunits we identified on corporate level include typical corporate finance functions such as treasury, performance management, investor relations, mergers & acquisitions, risk management, and taxes. Additional finance subunits on corporate level are typical group functions such as group financial accounting and group management accounting which primarily deal with group consolidation and group reporting.

In the field we observed that many companies use a shared service center to provide divisions, business units and countries with finance and accounting services. Some companies operate own shared service centers at headquarters, other companies offshore or even outsource them to India or East Europe. We also found some industry
specific finance subunits. Financial services companies, for example, usually have an additional asset management & investments unit on corporate level. In addition, it is worthwhile to note that the product management in the financial services industry is very much finance-orientated. Insurance companies normally have an additional actuary unit.

**Organizational Design of Marketing**

In the interviews we also learned how marketing is organized and which marketing subunits exist. With regard to the subunits of marketing on corporate level we observed that some companies have a professional group marketing unit with separate corporate brand management or group market research subunits. Other firms have on corporate level only a lean marketing communications unit. Interestingly, the idea of a shared service center is not limited to finance but is also applied in some companies’ marketing organization. In those companies it is typical that marketing on corporate level provides marketing services to divisions, business units, or countries. Companies with very lean marketing structures on corporate level often outsource complete marketing projects to consultancies and agencies. Some consumer goods and financial services firm have marketing support functions offshore in India, where, e.g., presentations are prepared overnight.

On division and business unit level we often found separate marketing or communications units or at least an industry specific product management unit that executes elementary marketing tasks. Marketing on country level can take very diverse forms depending on the size of the sales company. Smaller sales companies have normally only a rudimentary marketing support often provided by part-time marketers. Bigger sales companies have own marketing units with significant headcount and e.g., own market research and communications facilities. In general, the more the business volume in one country increases, the more will this country eventually lose its mere sales company character. To cope with higher business volumes, the sales company will duplicate more and more organizational design features from the corporate level (except of course for the pure corporate group functions).