



rganization

Who should headquarters work for? The field people, of course. The job of headquarters is to help the field people be the very best they can be. Robert Potter, past president of Monsanto Chemical Company, said: **“The division managers pay for the headquarters services from their own budgets. If they think they’re paying too much for support staff, we simply eliminate the [headquarters] job.”**

The sales department isn’t the whole company, but the whole company had better be the sales department. Not everyone in a company is a marketing manager, but everyone should be in marketing management. This point is mentioned by Hiroyuki Takeuchi about Japanese companies: **“Fifty percent of Japanese companies do not have a marketing department, and ninety percent have no special section for marketing research. The reason is that everyone is considered to be a marketing specialist.”**

Companies are organized vertically, but processes are horizontal. This is the mismatch that *reengineering* hopes to correct by appointing cross-disciplinary teams to manage key processes. (See Marketing Department Interfaces.)

Multidivisional companies tend to be product-oriented rather

than industry- or customer-oriented. Yet the divisions may make products that go to the same industry or customer. Siemens recently developed a focus on four industries: hospitals, airports, stadiums, and university campuses. Siemens has assigned for each industry a single senior-level manager to have authority and accountability to orchestrate interdivisional cooperation regarding each industry.



Your company can be great at only a few things. For the other things, hire those who can do these things better. Outsourcing originally applied only to the company's noncore activities, such as office cleaning and landscaping. But today's mantra is that a company should outsource everything that other parties can do better or more cheaply. Outsourcers are able to offer lower costs and better results because of their scale and specialization. Thus Nike decided not to manufacture its own shoes; Nike hires Asian firms that can produce shoes more cheaply and better.

Companies need to know which marketing activities to keep in-house versus outsourcing them. They usually outsource advertising services and marketing research. Some are now outsourcing direct mail services and telemarketing. A few are outsourcing new product