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Establishing a standard guideline for a new product launch process in Kärcher Oy

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Establishing a standard guideline for a new product launch process in Kärcher Oy.

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Abstract

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The objective of this thesis is to define a standard guideline for the launch of new products in Kärcher Oy. The need for such a guideline is evident as no agreed process exists, resulting in miscommunication and lost synergies within the organization as new products are launched on the market. This research is written from the point of view of the sales department, and pinpoints any missing or non-value added activities specifically related to this group of people.

Theoretical, academic evidence was used to research existing models and ways of working. The actual current state of the process was examined through empirical research in the form of an employee questionnaire, where the real-time opinions and activities of the sales force were put into a measurable and statistically significant format. The evidence provided through research acted as a framework for the proposed improvements, indicating its faults, weaknesses and missing links.

As a result of the study, a guideline for a new product launch was designed. In order to remove issues such as poor communication and wasteful activities by the salesforce, the proposal included a systematic split of roles and responsibilities inside the organization to provide clear governance and ownership of activities. In addition, the proposal unveiled certain untapped automation opportunities such as more active use of e-Commerce systems and measurable performance indicators to facilitate the product launch.

Keywords Process, empirical research, e-Commerce

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Tiivistelmä

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Vuosi 2015 Sivumäärä 46

Tämä opinnäytetyö pyrkii määrittämään yhtenäisen toimintamallin uusien tuotteiden lanseeraamiseksi Kärcher Oy:ssa. Tällä hetkellä yhtenäinen toimintamalli puuttuu joka vaikeuttaa tiedonkulkua ja kommunikointia sekä uusien tuotteiden lanseeraamista markkinoille. Opinnäytetyö on kirjoitettu myyntihenkilöstön näkökulmasta ja pyrkii osoittamaan puuttuvia tai ei lisäarvoa tuottavia asioita uuden tuotteen lanseerausprosessissa myynnin näkökulmasta.

Opinnäytetyötä varten tutkittiin olemassa olevia prosesseja ja toimintamalleja.
Tällä hetkellä olemassa olevaa prosessia Kärcher Oy:ssa tutkittiin empiirisen tutkimuksen avulla. Tämän tueksi toteutettiin kvantitatiivinen kysely yrityksen myyntihenkilökunnalle. Vastaukset saatiin näin mitattavaan muotoon, ja jotka toimivat tukena ehdotetuille parannuksille ja kehitysideoille.

Tutkimuksen tuloksena voidaan esittää prosessi uusien tuotteiden lanseeraamiselle Kärcher Oy:ssa. Uusi prosessi parantaa informaationkulkua, ajankäytön tehokkuutta sekä määrittää vastuuhenkilöt eri prosessin osa-alueille. Tämän lisäksi ehdotus paljasti tällä hetkellä käyttämättä jääneitä mahdollisuuksia kuten verkkokaupankäynnin tukena uuden tuotteen lanseeraamisprosessissa.

Avainsanat Prosessi, Empiirinen tutkimus, Verkkokaupankäynti

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1 Introduction

When a company has the need to bring new products to the market, certain sequence of activities takes place. It is important to research the market for this new product's potential, establish manufacturing and design processes along with profit and cost analysis and testing. Activities such as marketing and promotion take place. Once the company has prepared all of the initial stages of new product introduction, it is ready to launch the product to the market. This thesis is focused researching new product launch processes and activities in Kärcher Oy. Haines (2014) writes about product launch in the following way: "Launch is so visible and often accompanied by much fanfare, its success or failure quickly becomes apparent."
(Haines 2014, 285)

Kärcher GmbH, the mother company of Karcher Oy, is an international company specialized in the manufacturing and sales of cleaning machines and solutions. In 2012 the company posted sales revenues of EUR 1.92 billion with sales of 10.83 million machines and has 100 subsidiaries in 60 countries. The company was established in 1935 by a German inventor Alfred Kärcher. His original business idea was to develop and offer industrial submersible heating elements and machines to preheat airplane cockpits before flights. Since the introduction of Europe's first high pressure washer in 1950, the company's focus switched to offering cleaning products to professional and private users. Now the company employs approximately 10000 employees and has 100 subsidiaries in 60 countries.

1.1 Purpose of the thesis

The objective of this thesis is to study explore current state of the product launch process in Kärcher Oy from the perspective of the sales department in order to establish an understanding of well these activities are working and improve upon any gaps that may exist. There are two areas of interest and information which the thesis seeks to obtain:

1) How well the sales department is supported during product launch.
2) What are the major challenges and strengths in the product launch process.
3) Identify any possible wasteful activity during product launch.

During the process of exploring challenges and strength it is also expected to uncover any best practices and ways of working in order to improve the process.

Based on the findings of the research, the final output of the thesis is to provide a practical guideline for the future on how to implement product launches amongst the sales department of Kärcher Oy

1.2 Research Problem

During a new product launch, it's important to agree and distribute information related to the **price, attributes, marketing plan** and **availability** of the new product. Sales personnel need to be trained in order to sell the product to their distributors, equipped with correct know-how at the correct time. Resellers in turn, need to be able to advice and train consumers on the products.

The research problem is that currently no official product launch process exists in Kärcher Oy, resulting in challenges between the different phases of product launch such as inaccurate information sharing and inadequate product training. It seems one of the major problems in Kärcher Oy sales process is the question of activity split of the sales resources. It is unclear what kind of tasks the sales force is spending their productivity on during product launch, and whether these activities are value-add to the process.

1.3 Research Approach (and Chosen method of Research)

By exploring current ways of working through a questionnaire, it is possible to reflect these activities to the known best practices acquired from theoretical research. The chosen method of research was an employee questionnaire, distributed to all the employees in Kärcher Oy who were involved in sales activities. Hence the chosen method of research was quantitative in nature.

1.4 Theoretical approach

The theory chosen for this thesis is focusing on a variety of literature dealing with sales processes and new product introduction. The theory section is looking to make the reader understand the theory and terminology of sales processes, particularly those related to product launch.

The stages of the product launch process that will be covered in the theoretical research section of this thesis will include marketing, pricing, product training, distribution and sales as well as post-sales services and analysis. This research theory does not include investigation into new product innovation, research & development or testing phases.

1.5 Framework of the thesis

The thesis is constructed of following main chapters: The Introduction presents a brief description of the topic and background of the topic. A chapter is included on theoretical research which outlines the chosen relevant theory related to the subject. The thesis also contains a section on research approach selection and methodology where issues such as validity and reliability of the research data are explored. The chapter on empirical study goes deeper into the actual business case of the chosen company in question analyzing in detail the outcome of the research. A chapter is included finally on conclusions and recommendations complete with some possible next steps and implementation plans for the company to consider going forward, as based on the research of this thesis. The thesis includes discussion on theoretical linkage between theory and the empirical study conducted. Finally the thesis also includes a short summary of the analysis.

2 Theoretical Background

2.1 Waste in the sales process

The idea that sales persons are “born to sell” is an old one. Linda and Dave Orr (2014) describe this misconception in the following way: “For decades, salespeople have been the folks who are extremely charismatic, those who can play a game of golf, and those who can wine and dine clients. No one really assumed that you needed a college degree to sell …Other than adapting to new sales force automation, there was really no need for salespeople to update their skill sets or use statistics during the sales process. All of these practices are outdated and wrong.”

Commonly sales costs make up a lion’s share of a company’s budget. It is perceived that a large amount of workforce in the form of sales team is needed to sell products and services. According to Orr and Orr (2014, 131-167), the role of sales is important. However this process should not end up using so many resources. Sales teams end up needing an excessive amount of resources because it's so poorly managed. (Orr and Orr, 2014))

Waste in the sales process in this thesis is regarded as activities which are non-value add to the customer. Wasteful activities may include activities such as waiting time, re-doing documents such as orders and for example, missing or inaccurate communication. Wasteful activities are regarding critically in order to identify opportunities for improved and develop a more productive and efficient product launch process Some examples of waste that are relevant to this study are described below by Orr and Orr (Orr & Orr, 2014).

One of the largest areas of waste in the sales department is failing to use science and analytics. Just as processes are set up, measured, and improved in manufacturing, sales should have processes as well. Both the sales-management function and sales force should have their own distinct processes. Formal, standardized sales processes provide the sales force direction in terms of "how to sell," provide sales management with a framework from which to manage, and enable measurement and continuous improvement of the sales force's performance. (Orr and Orr 2014, 130)

Failing to treat sales management and sales processes analytically creates waste.
(Orr and Orr, 2014, 131-167). The below figure demonstrates data gathered in a questionnaire enquiring on whether or not having standardized sales processes in place affects the sales performance. (Orr and Orr 2014, 131-167)

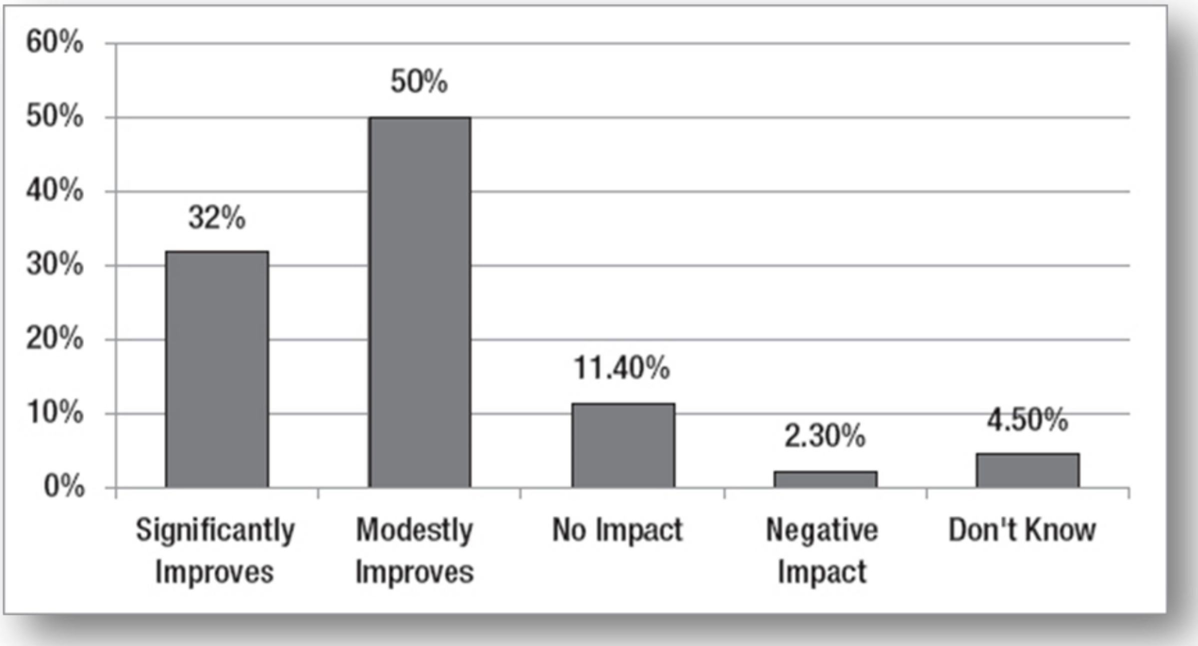


Figure 1: Sales Processes Impact on Sales Performance

When looking at this data above, 82 percent of sales organizations believe that sales processes improve performance. Interestingly, 75% of businesses do not even have sales processes. (Orr and Orr, 2014, 131-167). Very similarly to the above mentioned theories on implementing sales processes, Webb and Gorman (2006), suggest alternatives to the current state of affairs in most organizations where most sales management decisions are done on a “gut-feeling” instead of analytical research. (Webb and Gorman 2006, 1-23)

Future sales management calls for an understanding of marketing and sales as a process. A process—any process—is a series of activities designed to produce certain results. Process thinking enables you to measure activities and results and to analyze them for causes and effects. It is up to management to design, build, maintain, and execute a process for finding, winning, and keeping customers. With the right sales process in place, marketing, sales, and service people will be positioned to work more efficiently and effectively. (Webb and Gorman 2006, 1-23)

Webb and Gorman (2006) assess that the following further major points are identified as source of waste in sales process:

1) **Marketing and sales silos -** Even when marketing and sales report to the same senior executive, they typically are managed separately, resulting in poor communication.

2) **Lack of true sales support** - Most salespeople are left to work independently, like basket weavers. In more than one company, I and other salespeople wrote our own sales presentations and even brochures, mailers, and ads, because the marketing materials were useless. (Webb and Gorman 2006, 1-23)

2.2 The stages of product launch process

Cooper (2011) demonstrates the basic process of product launch planning end-to-end in the below graph. The part of the process which is covered in this project is highlighted in red.

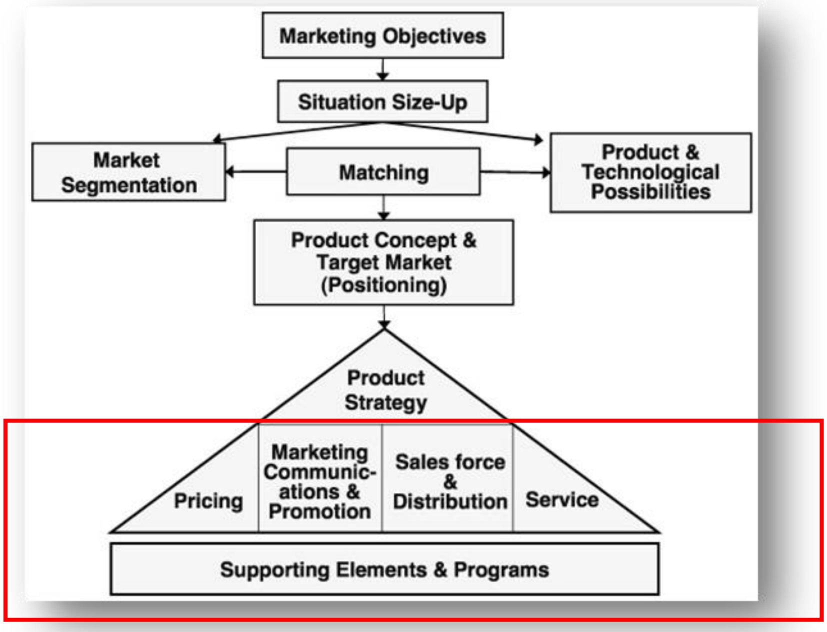


Figure 2: Product Launch Planning - Creating Your Market Launch Plan

As seen from the model above, activities such as strategic decision-making regarding market segmentation as well as marketing objectives are not included in this research.

This thesis will cover attributes regarding product strategy; mainly that involving new products. Included in this product strategy are the activities of pricing, Marketing, Sales force and distribution, as well as services involved in product strategy. Supporting elements include the role of for example, e –commerce systems in new product launch process.

According to Haines (2014) product launch is one of the most visible and most important activities within the product's life cycle (Haines 2014, 484). Successful launches work toward a competitively attractive market window.

The "Three A's" describing stages prior to product launch are seen in the below graph.

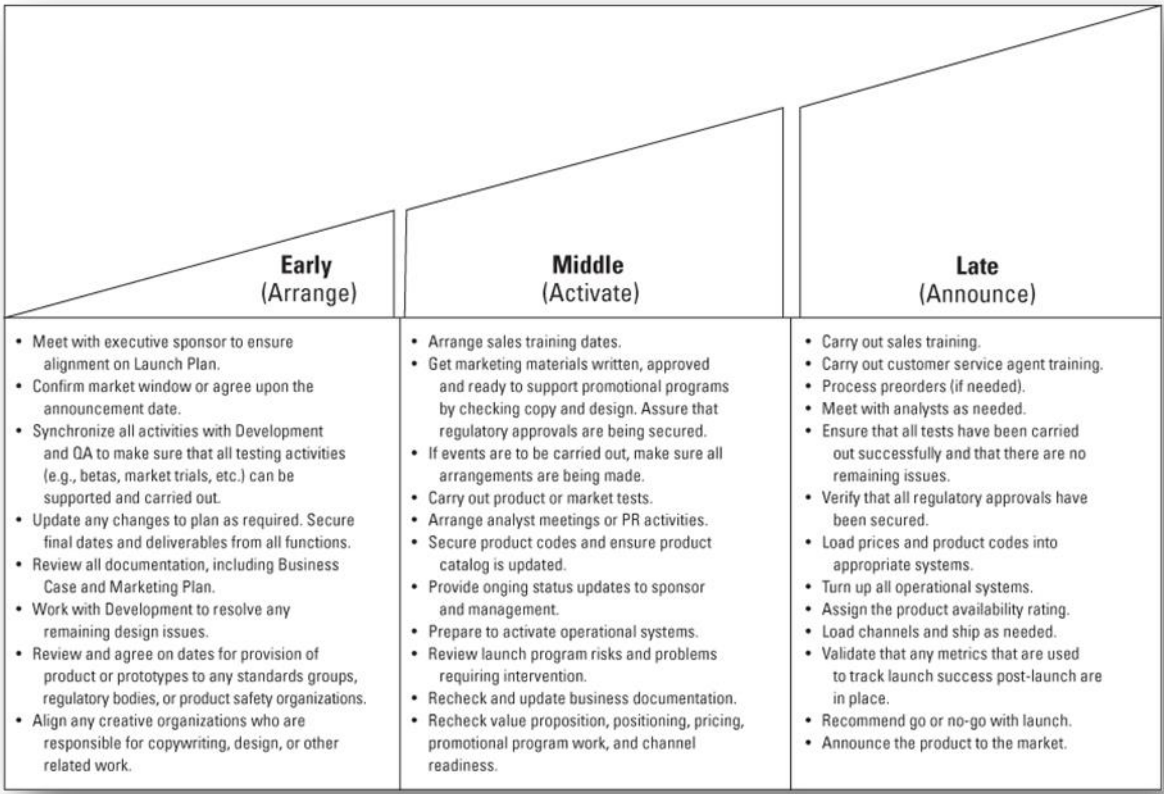


Figure 3: Three A's - stages prior to product launch (Haines 2014, 484).

This model gives us a hint towards what kind of issues should be considered in the product launch process, and in what order those activities happen. I have further analyzed of the "Three A's" below:

The early phase includes arrangement issues such as schedule for announcement and marketing plan to determine how the product will be sold and to whom. Here it is crucial to identify one single point of contact who will take ownership of the success of the product launch, also known as an "executive sponsor".

The middle phase includes activation tasks such as providing salespersons support materials. Any PR and events should be agreed upon and scheduled during this stage. Public relations activities may include meetings with the press. Systems and catalogues should also be updated to include new product, filled with accurate new product codes and descriptions. Prices are agreed upon also at this point and salespersons are informed about pricing strategy.

A lot of the most critical company-internal communication happens at this phase to make sure that the interface offered to the customer is streamlined. It's important that all players within the selling company have up- to-date information on the new product and are sharing the same information to their customers.

The Late phase includes announcement activities such as uploading final prices and availability to all relevant systems. This is the final point at which the sales training must take place, as well as any other training directed at customer service agents (e.g. customer service, care & service centers). Training of salespersons is an important aspect, which can determine the product's successful launch.

Final step is to announce the product to the market. At this point the salespersons should be fully equipped to sell the new product.

Similar basic theories of launch process are also described below as adapted from a blog by Rick Braddy (2009). Similarly to the Three A's, Braddy (2009) organizes the launch flow into three different stages:

1) **"Pre-Launch Stage"**
2) **"Launch Stage"**
3) **"Post-Launch Stage"**

(Braddy 2009, blog)

Braddy's theory is further explained below:

During the pre-Launch Stage, the sales team should make sure that issues such as the commercial website is prepared to support the market and customers with any questions and queries that may arise.

During the Launch Stage the sales team can boost the launched product with special offers and promotions. Customer interest begins to pick up, which then drives sales and cash flow and early profits. Engagement with partners, affiliates and resellers is essential.

During the Post-Launch Stage it is good practice to track actual performance of the launch with evidence such as interviews and testimonials from parties that have been involved in the activity. During this early demand and growth phase, companies are ramping up the sales and adding new sources of business opportunities (e.g., affiliates, partners, resellers, etc.). (Braddy 2009, blog)

According to Haines (2014), the most frequently seen issues related to product launches include some of the following issues:

1) Executive champions are not assigned to lead important launches. Even when they are assigned, they do not keep close enough tabs on the progress of the launch.

2) Launch plans are not synchronized with the Business Case or are not included in Marketing Plans.

3) Sales force and channel organizations do not have the capacity to sell the product and, in many cases, do not have their compensation plans adjusted to encourage the sale of new products.

4) Sales training is not carried out on a timely basis, or the training is not sufficient to equip salespeople to sell the product.

5) Operational systems and infrastructure elements within the business are not ready to support the launch, either because they are brought into the process too late or are not sufficiently staffed.

6) Launch metrics are missing, incomplete, or ignored. (Targets, measurements of success and/or Key Performance Indicators (KPI) are missing.

Haines (2014) also mentions that in cases where launch-related documentation was not completed around the time the product definition was completed, or if other business documentation was not updated (e.g., Business Case or Marketing Plan) while conducting launch activities, other consequences emerged; These included product rework, product material rewrites, and activities such as re-pricing, all of which added more time and costs than planned. (Haines 2014, 490).

2.3 Governance, tracking and roles in the launch process

It is essential that the roles and responsibilities in an organization are clearly defined and documented for example through approved and updated responsibility matrices. One option to document such splits in responsibility is the commonly used “RACI” model. RACI Model (RACI Matrix) is a tool that highlights roles and responsibilities during a project. It helps identify who is responsible, accountable, consulted, or informed, for every task which needs to be performed. Models such as RACI make it easy to track accountability and follow up on the progress of the exercise. A RACI Matrix is particularly useful for clarifying roles and responsibilities in cross-functional or cross-departmental projects and programs. RACI is an acronym for Responsible, Accountable, Consulted, and Informed. (University of Calgary researcher’s webpage, 2015)

All launch programs require the **oversight of someone**. A product manager, sales director, marketing manager or product director can oversee product launches. This should be decided before the Launch phase commences.

As mentioned before, Haines (2014) points out that one of the major contributors to the failure of product launch is the fact that executive champions are not assigned to lead the process. (Haines 2014, 488). When so much money is riding on a successful launch, a key executive will make sure that all functions carry out their work and can also provide more timely intervention when problems arise.

The below topics explore the phases of product launch which I believe are applicable to Kärcher Oy more closely:

1) Preparation
2) Marketing plan and pricing
3) Ownership of launch process (executive sponsorship)
4) Product training and support materials
5) The role of E-commerce

As suggested earlier, the main documents dealing with product **launch preparation** are often assembled and owned by different people under a variety of conditions, using different assumptions. What is important is to make sure that you are all focusing on the same set of objectives.

Haines (2014) suggests that it should be the **product manager** as the leader of the team to make sure that these documents are explicitly linked and the related work activities are integrated and synchronized. Ongoing team status meetings and a forum for communicating project plans, resources, deliverables, and dates will contribute to better launch outcomes and outstanding harmony among the team members. Product launch planning is a mini-project in itself and should be run as such. (Haines 2014, 492-499)

Introducing a product to the market involves a complex array of activities. As channel capacity planning and management is one of the most overlooked issues, it represents a tremendous opportunity for product managers to improve product viability when they're formulating product and marketing plans. (Haines 2014, 492-499)
Many firms may be able to finish the development of the product on schedule, but this doesn't mean that operational infrastructure elements are always activated on time. One of the reasons for this failure is poor operational planning.

Operational infrastructure elements for the launch are often not clearly documented because too much emphasis for the launch is focused on marketing and selling. These may include e-commerce systems and logistics and availability issues. (Haines 2014, 492-499)

Elements of the operational infrastructure that must be engaged, turned up, or activated are listed by Haines (2014) and they include the following: (Haines 2014, 498)

1) **Sourcing and logistics**, to make sure that tangible products are available, in the channels or warehouses, and ready to ship

2) **Order taking, order handling, and fulfillment**, so that customers can interact with the company, submit orders, and receive product

3) **Installation or implementation support**, which should be readied and handled through the

4) **Repair and return processes**, procedures, and actual handling, all of which should be put into place at the right time.

5) **Customer complaint handling via training of customer service agents**, appropriate staffing, and adequate IT infrastructure.

6) **Any other IT support systems** (e.g. e-commerce), physical plant, or other infrastructure elements required, which should be in place and ready to support the product

Management must regularly evaluate the effectiveness of these operational systems and methods and look for greater cost savings and efficiencies. For example, how much non-value-add time is marketing and/or sales spending on these operational issues? Is order handling automated and user-friendly? Is return and care process in place and easily accessible for the re-seller? Are customer complaints ticketed and documented in the system for further review and analysis?

Market tests help to achieve a so-called "soft introduction" of the product, and can help the team to prepare and understand what customers actually think of the product prior to actual launch. This market test is similar to a restaurant opening a few weeks prior to grand opening only for the benefit of the inner circle, friends and contacts to test out the customer's reaction and experience. It is also regarded as a forecasting tool. (Haines, 2014, 488)

As suggested by Haines (2014) another good preparation technique in order to review the market is a beta trial. The beta trial seeks to achieve similar kinds of results in the business-to-business (B2B) domain as a market test would achieve in the consumer world. The goal is to take the product to a few of your lead customers and have them use it in the way in which it is intended to be used, monitor the results, and determine whether you should proceed to a complete launch of the product. (Haines, 2014, 490)

One other product availability classification is controlled introduction (CIN), which is more common in B2B marketing. It allows for a product to be available to a very tightly controlled market area or customer grouping. (Haines 2014, 490). As a means of preparing for product launch, internal launch event is a great way to get the company geared up on a new product. When the proper "buzz" is created, people feel good about the company; they are energized and engaged. It also creates an army of educated people, many of whom interact with customers, vendors, or ecosystem partners. The purpose of an internal launch is to ensure that everyone is on board and that people are excited that their company is an active, recognized competitor! (Haines 2014, 499)

It's important to make sure that product requirements in **marketing material** are truly business requirements and that they are easily understood and interpreted by those who need to write marketing materials. Commonly, technical documentation writers are often assumed to be able to write sales training materials, and they too may not have the creative ability to translate those technical terms into the language of the customer. (Haines 2014, 500)

Launch metrics are critical operational measures of how well the business is executing on the plans that were set down. If there are no measurable objectives and goals for success, it is difficult to determine whether or not those goals were met. A relevant sales measurement might be from first order until the time the invoice is sent, or from invoice to payment receipt (order-to-cash). (Haines 2014, 500)

Haines suggests in his work, (Haines, 2014), that It's a good idea for marketing managers to track the launches of not only their own firm but also other firms.

2.4 Pricing of new products

According to Jensen (2011), a well-known brand is often said to have brand-equity, which means "that it represents the difference in consumer response to marketing activity for one brand over another, or over an unknown brand". (Jensen 2013, 7)

An established brand possesses major advantages over lesser known brands. Buyers are more interested in learning about new products when they recognize the brand. This generally means that a premium brand can have higher prices than unknown brands. Also there are generally multiple choices for the customer when it comes down to choosing which product or service to buy, and customers usually start with the better known brands first and look at the lesser known brands later. The fact that a well-known brand is easily available on retail stores with a premium price indicates premium quality for the customer. An established brand will also get more attention to their marketing campaigns when the customers see a familiar brand involved.

Well-known brands can usually command a price premium over lesser known brands. The added price though must be maintained carefully because there is only so many consumers will take and the wrong pricing strategy can reduce the number of already existing customers. (Jensen 2013, 8)

Cost plus Pricing could be seen as the main pricing strategy for Kärcher Oy as suggested by Jensen (2013). Cost plus Pricing is explained by Jensen (2013) in the following way: "It is a price that includes your costs plus a fixed percentage (15 percent or 50 percent— whatever your target is) for profits." (Jensen 2013, 9). The risk with this strategy is that by setting a default profit margin of let say 15%, in case the variable or operational costs alter, a business can lose money instead of making a profit.

For market leaders in their own product segment, customers are willing to pay premium prices. Cooper (2011) writes about this issue in the following way: "..The new product is aimed at the market segment for which the product has the most value, and which will pay a premium for it. Profit per unit is high, but volumes are lower. Investment in production facilities is also lower, so the risk is often lower. Although the product may never dominate the entire market, it may dominate the one segment and prove very profitable." (Cooper 2011, 298-330)

In this sense, penetration pricing strategy does not make sense for market leaders with customers willing to pay premium prices.

2.5 The importance of product training during new product launch

Sales persons should be introduced to the product specifications in good time before launch. Timing of the **product training** is imperative. (Haines, 2014, 492). McClay (2011) emphasizes the importance of engaging the sales force in the following way: "When you provide your employees with a solid foundation on your products and services, you can have confidence that you can deliver what they are selling. If your organization sells tangible products, as opposed to services, there is no better way to prepare your sales force than to let them touch and feel the products, speak with the people who build or design them, and provide them ample time to fully understand their capabilities". (McClay 2010, 199)

Haines (2014) reminds us that training of consumer product categories tends to be more structured and frequent than training in B2B companies. Programs should be planned far enough in advance to match the speed of your industry. Training should coincide with periodic "kick-offs. (Haines 2014, 493)

It's important to remember that in this particular research, the products in question are designed for consumers, however the sales is done as business to business (B2B). This makes the product's chain of knowledge and know-how a bit more complex. It's not enough that sales persons are able to tell consumers about the product, they also need to be able to train resellers to train consumers. This suggests that sales personnel need to be able to do more than just repeat product attributes. More confidence and expertise is needed in order to train resellers adequately. The product introductions carried out by the sales force are an important part of their customer relationship. This is an important value-add which the sales representatives can bring to the customers.

Sales teams need to be educated in the most appropriate manner for the industry in which your company operates. In some companies, sales training is incomplete or does not happen beyond the introduction of a simple brief. Some sales training teaches salespeople to sell features and technology—an approach that is quite distinct from more engaging, consultative methods. (Haines 2014, 493)

Salespeople are generally auditory and visual learners—they may not like to read as much as they like to observe or listen. Whatever the chosen method may be, Haines (2014) suggests that sales documentation should be organized to make sure that the following kinds of information are imparted: (Haines 2014, 492)

1) The characteristics of the customers who are ideal targets for the product, including buyer types, influencers, and decision makers
2) The primary, proven needs that drove the development of the product
3) The benefits and associated features of the product
4) Methods to ask questions, using consultative techniques
5) Demonstrations, models, and other visual aids that will help salespeople retain as much as possible

Successful launches rely on well-trained salespeople to carry the product's messages to the market. Sales teams must understand the product and know exactly why each segment would want to buy it. Lastly, they *must* be fairly compensated for their efforts. (Haines 2014, 493)

2.6 E-commerce systems helping the launch of new products

Gosney and Boehm (2000) place emphasis on the the importance of e-commerce systems in customer experience. All the parts of e-commerce systems—including Web design—will have to be created with the customer in mind, providing an attractive and functional navigation as well as immediate access to all profile information. (Gosney and Boehm 2000, 42-45)

Web based e-commerce can offer a lot of additional profits if it is well organized and maintained. As explained by Gosney and Boehm (2000, 60) some of the main aspects to be taken into consideration when creating an e-commerce service are the following:

- **Well-defined categories.** If a product is not placed in an understandable and logical category, your customers will get frustrated with searching through endless lists of products they are not interested in. (Gosney and Boehm, 2000)

- **Ease of navigation.** Similar to shopping at a physical store, people will come to simply browse the inventory. If this is a pleasant experience—free from dead ends and clutter—the purchasing process will be perceived as good. Even in a virtual store, specials and other noteworthy product information should be prominently displayed the site. (Gosney and Boehm, 2000)

- **Virtual store tours.** In some instances, a virtual tour of the online store will give the consumer a good overview of your products. (Gosney and Boehm, 2000)

- **Customizable search criteria.** In building the catalog database, keep in mind that consumers will want to search for specific product criteria. Some of the more common searches include product name, product part number, color, and size. (Gosney and Boehm, 2000)

The information that the organizations are storing must be accurate at all times and have a high degree of usability (i.e., it has to mean something!) (Gosney and Boehm, 2000, 57)

Gosney and Boehm (2000) remind us that a well functioning e-commerce system requires an integration of technology into your business process. This would mean, for example, that logistics lead times need to be reflected realistically in the system. (Gosney and Boehm, 2000, 38-42)

How data flows from the Web site into your data source is of extreme importance, not only for organizational purposes, but also for ensuring that the various areas that manipulate data (for example, manufacturing, customer service) are working with the data in a logical fashion. (Gosney and Boehm, 2000, 38-42). On most e-commerce sites, delivery time and product availability have not been given enough attention. (Gosney and Boehm 2000, 42)

Gosney and Boehm (2000, 42) make the following recommendation: "If you are building an online store, make sure to include this component in your planning. If you are unable to provide live inventory information, let the customer know that from the beginning. You might lose some customers initially, but if you withhold inventory information, you will lose even more customers later."

In case it is not possible to provide live information about the inventory system, another option is to perform this function by using a periodic upload. This method will take data out of the inventory system periodically. It is important to let the customers know that this is the status of the inventory as of the time the snapshot was taken. (Gosney and Boehm 2000, 51)

When placing an order, customers want to know when their merchandise can be expected. This includes the amount of time required to process the customers' order, how long it will take to retrieve your product from the warehouse or from a supplier, and the shipping time. (Gosney and Boehm 2000, 55-57)

(Gosney and Boehm 2000, 51) indicates the following as some common inventory status signifiers.

1) **In stock.** The item is available to be shipped immediately from your warehouse.
2) **In warehouse**. You have the item, but it needs to be transported to your fulfillment center.
3) **On backorder**. If you can be more specific as to the time it will take to get the item into your warehouse, then you should indicate this on your Web site.
4) **Special order.** If your factory needs to produce the item or order it from a supplier, you should give customers an approximate timeframe for this process.

An important aspect of the online store is the time the organization takes to generate an order. In an ideal case this is instantaneous; however, if your Web site is not well-integrated with the fulfillment cycle, there can be delays. (Gosney and Boehm 2000, 60). Delays can also result from internal processes between departments and locations. It is important to communicate these potential delays to your customers. (Gosney and Boehm 2000, 86-91)

Regarding shipping, Gosney and Boehm (2000, 55) suggest to offer customers different product delivery and pickup options. Depending on the merchandise, many delivery and pickup options are available. The following list suggests some that obviously do not apply to all Web sites but are important nonetheless.

1) **In-store pickup**
2) **Postal mail**
3) **Courier services**

In summary, (Gosney and Boehm 2000, 85-91) recommend that CRM systems should encompass the following components.

1) **Customers should feel welcome**. Customers want personalized information—in moderation. By overwhelming customers with information, you may confuse and irritate them. On the other hand, it is good to gather appropriate information that applies to specific customers.

2) **Customers should feel informed**. Having well-established internal business processes help to better serve customers. It is important to have information on the offered products and services easily accessible and accurate. In addition, reaction time to changes and customer concerns is a key ingredient. For example, you wouldn't just provide one huge listing of all available products. Rather, you would sort products in-

to related groups and sub-groups. This type of organization will help in not overwhelming the customer with too much information all at once.

3) **For many customers, data security is a major concern**. By offering secure transactions and providing an easy-to-use ordering process, your customers will be confident in knowing that your Web site is a fully integrated part of your business.

4) **Information presented should be understandable.** It is important to separate the responsibilities of maintaining the e-commerce site. (Gosney and Boehm, 2000)

2.7 Summary of theoretical discussion

It is recommended that a sales process must be in place to support the new product launch process. As seen from theoretical the above explored models, the impact of having a sales process in place has a higher chance to create value for the customer and revenue for the selling organization. A systematic sales process (including a process for new product launch) will allow organizations such as sales, marketing and customer services to work efficiently and effectively. A sales process in place which takes the needs of the customer into consideration is not only adding value for the customer, but also adding confidence and structure to internal ways of working. A structured process allows the sales organization to have the right amount of people in the right places to support the customer. Sales organizations can gain substantial productivity benefits from eliminating waste from the process. It is commonly agreed through product launch theory that this activity should take place in phases /stages. Different activities and different organizations are triggered at different stages of the product launch process, as oppose to different agents working randomly across each other.

It seems to be a common mistake to not involve executive sponsors in the product launch process early enough. Management ownership from the beginning is critical. Management must be able to set performance indicators and measure the success of the launch in order to determine its value. It’s difficult to determine what the impact of the launch has been if the baseline (starting point) is not known.

It is also a common mistake to ignore the importance of preparing other operational infrastructure such as logistics, order handling and customer complaint handling prior to product launch. Companies are often waking up too late in the cycle to the importance of preparing these operational activities.

In case of a particularly important and critical product launch, the company may choose to test the product through the market, for example in the form of market tests.

By the time the sales force is in the field selling a new product, it is too late to discuss marketing and pricing strategy. Pricing and marketing strategy must be clear and known to the sales & distribution channel prior to new product launch. Similarly, being aware of the competitor’s product strategy helps sales force position their product in the market and sell it more effectively. Marketing material should be designed to meet business requirements and it must not over-sell the technical aspects of the product only.

In case of a well-known market leader brand, premium pricing is acceptable and even recommended; however the premium price strategy should represent the true value of the product to the customer and should be revisited on a regular basis to check for shifts in market share.

Product training is an essential part of new product launch. Complexity of the B2B sales channel must be taken into consideration. The confidence and expertise that the sales team has to sell their products with goes a long way into strengthening the customer relationships from transaction based to that of a true business partner. It is recommended that the sales force is equipped with an engaging, consultative method of selling and knowing their products plays an important part in this approach.

Lastly the importance of e-commerce systems in today’s business environment cannot be emphasized enough. The systems should be set up to support accurate, up-to-date and relevant data. Issues such as delivery times, order placement and stock availability are some of the key factors that should be clearly visible to a customer through an e-commerce portal.
A good CRM/e-commerce system should make customers feel welcome, informed, and secure.

3 Research Approach

3.1 Research methods

When defining the appropriate research method and approach, one must explore the differences between qualitative and quantitative research.

Qualitative Research is used to gain an understanding of underlying motivations, opinions and background. It is helpful in coming up with ideas or hypotheses for potential quantitative research. Qualitative Research is useful in pointing out trends and gives opportunity problem deep-dives. Qualitative data collection methods vary using unstructured or semi-structured techniques.

Well known methods include focus groups (group discussions), individual interviews, and participation/observations. The sample size is normally small, and respondents are selected to fulfill a given requirement of number of responses needed for a valid analysis. (Snap Surveys Ltd, 2015)

Quantitative Research is used to quantify the problem (give it a value) by transferring it into understandable statistics. It is used to quantify attitudes, opinions, behaviors, and other defined variables. This type of research represents a “sample” of a larger population. Quantitative Research uses measurable data to formulate facts and uncover patterns or trends in research. Quantitative data collection methods are much more structured than Qualitative data collection methods. Quantitative data collection methods include tools such as different kinds of surveys, interviews (both over the telephone, web or face-to-face and systematic observations, just to name a few. (Snap Surveys Ltd, 2015)

Since the objective of this thesis is to find out major trends in the way of working, qualitative research is not as well suited as a method of research as quantitative research. However for the future, should there be a need to make deep-dives into the root causes of the issues discovered, qualitative research could be used.

3.2 Chosen research method

Chosen method of research in this thesis is quantitative. In order to find out how close to theory the actual product launch process in Kärcher Oy is, primary research should be carried out in the form of a questionnaire. This questionnaire will help to determine the pain points and strengths in the current launch process procedures and provide ideas for improvement. Questionnaires are a good way to find out from the employees perspectives on particular process parts.

Since no common process description exists in Kärcher Oy, the only available information must be obtained from persons working with this process. The best way to acquire this information is through a questionnaire

3.3 Methodology – study method & data processing

A questionnaire concerning Kärcher Oy’s new product launch procedure and sales process was used as method of research. The questionnaire was sent to 24 respondents and then analyzed. Email format of a questionnaire ensured anonymity, and for the most part, participants trusted that the information they share cannot be linked directly to them.

The questionnaire was translated into Finnish and then sent via email to the recipients. This was done to ensure the full understanding of the questions since not all of the correspondents are fluent in English.

The research was carried out in March 2015. Timing of the questionnaire was selected in order to accommodate the fact that major launches of new products in Kärcher Oy usually take place during spring time.

In general the rate of response was good and there was no need to chase up answers. Respondents were happy to send their answers in a timely manner. This is partly because the sales team is rather small and also due to the good personal relationships amongst the sales team. The target group for the questionnaire consisted of all persons in Kärcher Oy involved in sales and marketing departments. They were chosen as the target group of the questionnaire owing to their expert experience and familiarity of the new product launch procedures.

The questionnaire consisted of 7 questions in total with 2 sub-questions and one open-ended question. The reason for only 7 questions was so that an adequately high response rate would be more probable. Most sales and marketing employees are extremely busy at this time of the year, and it would have been unjustified to demand for more complex responses. This could have also caused a much lower response rate. The questions were designed so that as clear an image as possible could be drawn from the answers. The questions were also designed so that the answers would give feedback from every part of the launch process. The questions included scaled questions, Yes/No questions as well as open-ended questions. The full questionnaire can be seen in Appendix 1.

3.4 Validity and reliability

The quantitative research in question is sufficiently valid due to the fact that the content of the questions are common to the activities of the entire sales force. The questions which were issued to the respondents were all valid for their area of work. None of the questions addressed activities or areas of work which the respondents were unfamiliar with.

The respondents were not picked out individually, as the questionnaire was sent out to the entire Kärcher Oy sales force, meeting the requirements of reliability. The questionnaire was the same regardless of the respondent's sales region, gender, experience or otherwise. The responses were treated anonymously, and no analysis was done based on individual respondents' background or other relationship.

Most answers were scaled according to preference, and the scale was the same for all respondents, making the data comparable.

4 Empirical study

4.1 Analysis of responses to questionnaire

An analysis of the responses of each question can be seen below:

First question asked was **“When you are selling a new product, what proportion of your daily work is spent doing the following activities (please estimate)? (%)”**

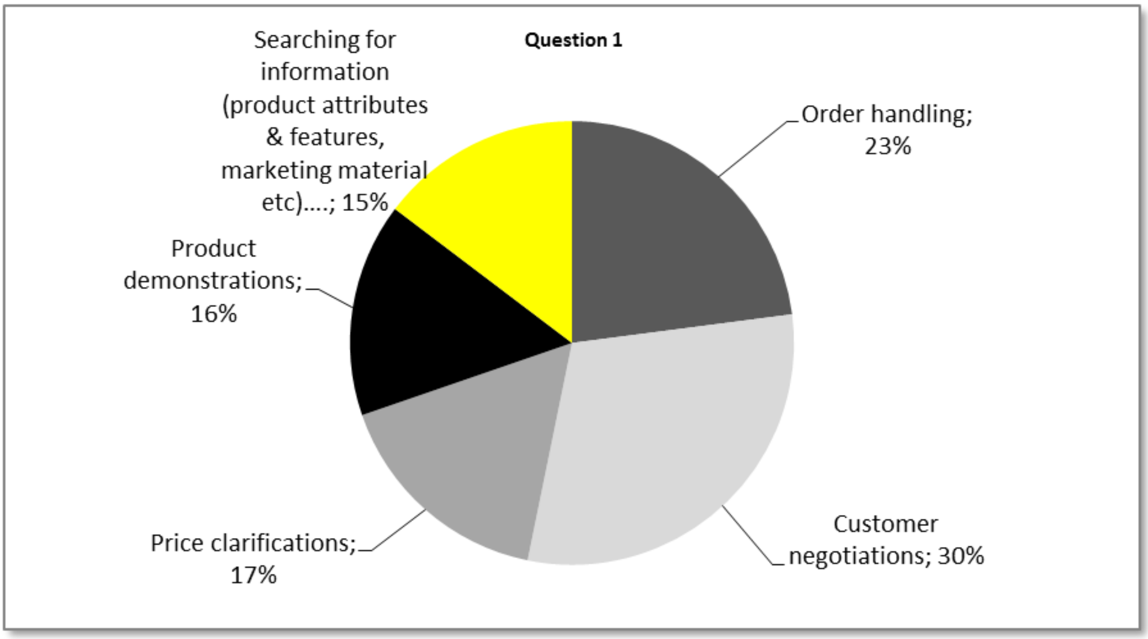


Figure 4: Question 1 results

From the responses it is clear that the employees of Kärcher Oy involved with sales use a majority of their time with customer negotiations. The fact that a quarter of a day (23%) is spent on average with order handling seems excessive particularly because an e-ordering system exists which should automate the ordering process. The rather significant proportion of time (17%) spent on price clarifications seems to also suggest that there is some confusion (waste) in the pricing strategy of new products.

The second question asked **was: “How confident are you with pricing strategy of new products in your area? (1-very unsure; 5-very confident)”**

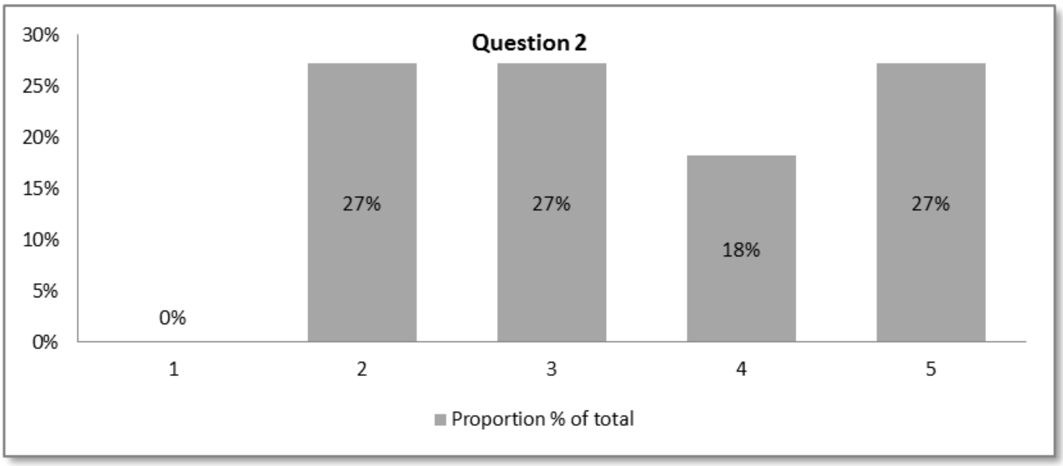


Figure 5: Question 2 results

The responses from question 2 further suggests that understanding of the pricing strategy is not clear to all employees in Kärcher Oy. A similar trend can be observed from the high proportion of time spent on pricing clarifications as seen in Question 1.

In question 2, almost 60% of the responses land in the bottom of the confidence scale, in 2 and 3. The rest, 50% land on the higher end of the confidence scale, around 4 and 5. This suggests that majority of the employees find pricing strategies somewhat unclear, however a significant part of the sales force does not find any challenges in pricing of new products. The large spread of the responses suggests large differences in the confidence level of the sales employees.

Third question was **“Have you ever faced customer complaints due to confusion in new product launch process? (Yes/No)”** In the case where respondents answered “Yes”, they were given the possibility in a below field with a more detailed, open-ended explanation.

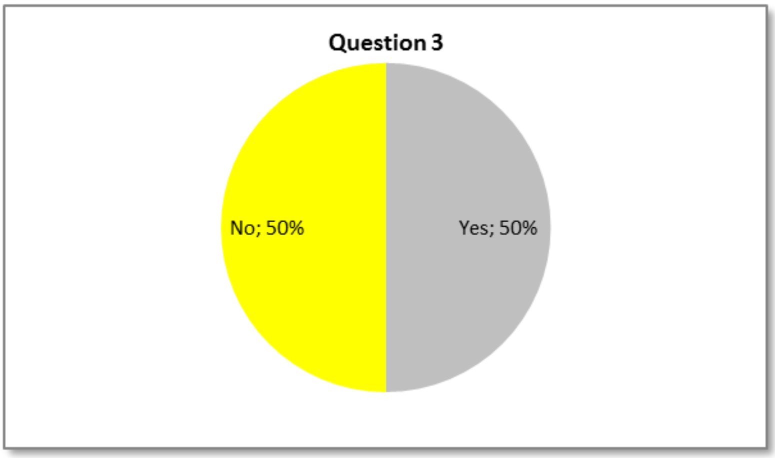


Figure 6: Question 3 results

According to the responses, it seems that half (50%) of the employees do receive negative feedback from customers concerning new product launches.

Additional feedback included the following quotes:

“We receive too little information about the product. In addition to this there is a lack of information on marketing strategy of new products”

“It seems we are not receiving the right information at the right time. Often the answer to customer is “nobody told us”. This means that in some instances the salespeople can actually hear the news about new products from the customer instead of through internal channels. This is obviously a huge problem concerning the reliability of the sales force.

“It’s a challenge to get spare parts to new products”. A clear guideline to after marketing of new products should be in place before proceeding with the launch.

“When a product is launched, it is not in production. When new products have been manufactured, no launch exists.” This indicates that when a product is launched, it is not readily available for the customers at the time needed.

“Information is inaccurate and comes from too many different channels”. Single source of information is missing. This is probably because no single manager of a new product is assigned.

“My criticism concerns products attributes as well as pricing”. This could be seen as related to the training of new products. The sale sforce is not informed well enough of new product attributes before launch. This can be harmful to the image of the company and its sales force in the long run.

“There is a lack of information and uncertainty about: product attributes, prices, logistics procedures, and availability of products, resources, management ownership and many other factors. I addition to this adequate marketing plan is missing.” This answer indicates dissatisfaction with nearly all the procedures of a new product launch process.

The fourth question was: **“On a scale of 1-5 how satisfied are you with product training on new products. (1-very dissatisfied; 5-very satisfied)”**

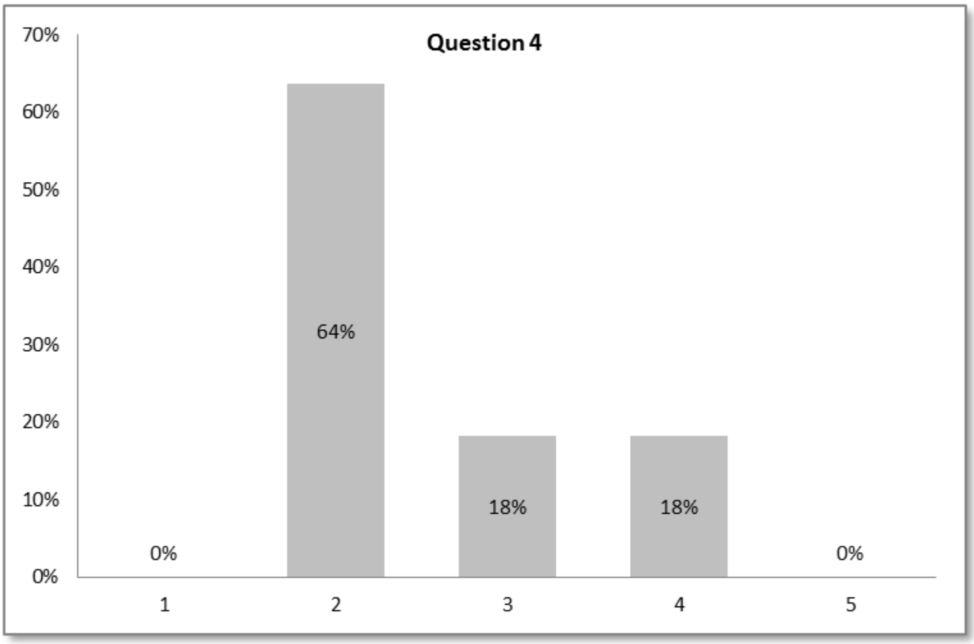


Figure 7: Question 4 results

From the chart it can be seen that a majority of respondents feel that they do not receive enough product training on new products. As suggested by theoretical research regarding product training the role of the product manager and the timing of the product training is imperative. It seems this can be improved.

The fifth question “Do you receive marketing material prior to launch?”

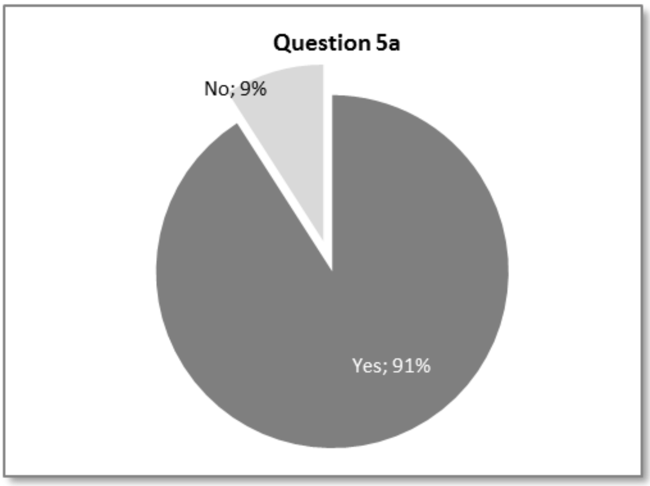


Figure 8: Question 5a results

This gives a clear picture that marketing material is distributed for the most part before the launch. This can be clearly seen as a strength in the process.

This question was followed up by *two sub questions*.

a) Are they delivered on time? Yes/No

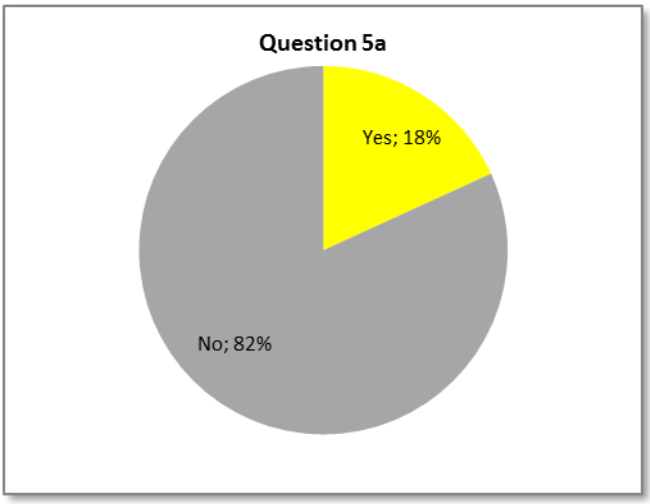


Figure 9: Question 5 a results

82% of respondents feel that the material is not on time prior to product launch. Even though the majority of the respondents are satisfied with the marketing material received, it is clear that the problem is that they do not receive the material on time.

b) Are they of good quality? Yes/No

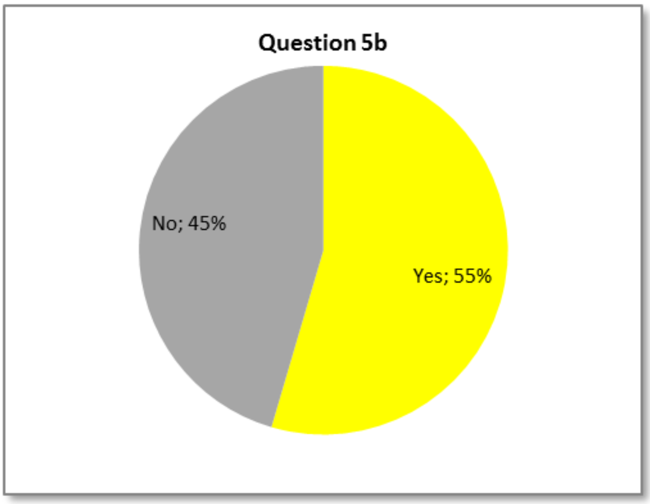


Figure 10: Question 5 b results

A slight majority of respondents feel that the material that they receive is of good quality. The sixth question was “On a scale of 1-5 how satisfied are you with internal communication of Kärcher Oy during new product launch (i.e. is the communication clear, accurate and documented). (1-very dissatisfied; 5-very satisfied)”

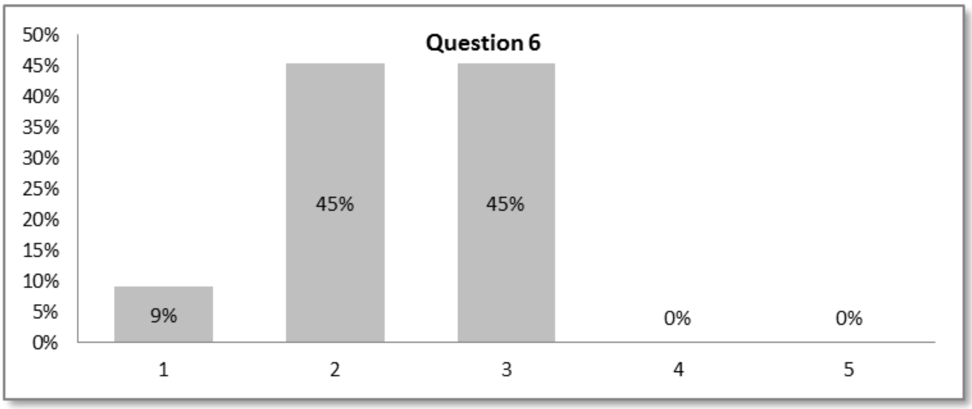


Figure 11: Question 6 results

The responses show clearly that there is some degree of dissatisfaction with the internal communication within Kärcher Oy when it comes to new product launch process.

The 7th and final question is: “Customer satisfaction is measured after product launch. On a scale from 1-5 how effective would you rate this system?”

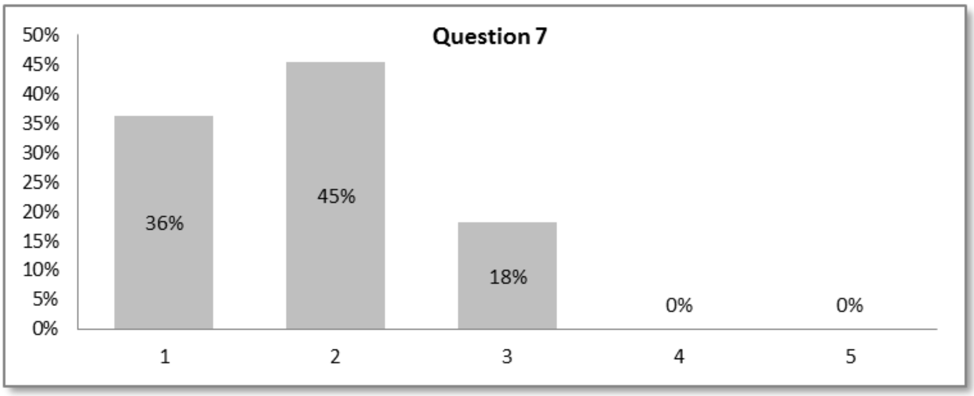


Figure 12: Question 7 results

From the responses it can be determined that improvements to the post-launch customer satisfaction process are required.

4.2 Summary of observations based on study

Based on the analysis of the answers received from the questionnaire, following summary of areas to improve on can be determined:

1) Sales people are not able to concentrate primarily on the sales of products and all other activities, such as order handling could be seen as a waste in the sales process.

Based on the answers received, productivity is spent on activities which are not core functions.

2) Pricing in general is not clear to all employees involved with sales. The situation is unacceptable if a salesperson cannot give a price to a customer. This leads ultimately to distrust between the customer and the seller.

3) Customer satisfaction concerning new products is not a priority and should receive more focus.

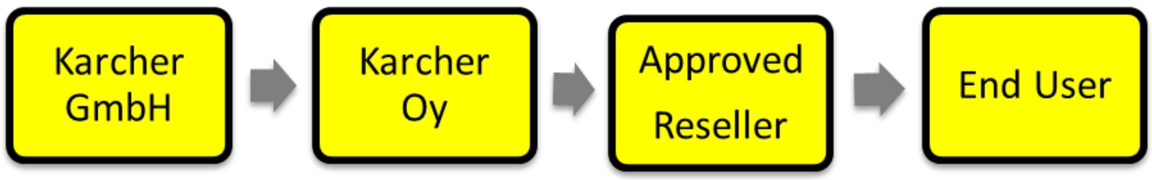
4) Product training can be seen as a clear area for improvement based on the answers received.

5) Marketing material is received and is for the most part of good quality, but it will not help the sales process if it is not delivered on time. The salespeople need to have that information available especially in retail markets where the customers rely on that information to assure them that the end customers notice the product

4.3 Overview of the business situation to support the study

Kärcher Oy's current situation is further described below to give deeper understanding into the analysis of the study.

A simplified sales process of Kärcher Oy is shown below:



- Kärcher GmbH: A parent company for 100 subsidiaries in 60 countries.

- Kärcher Oy is a subsidiary company for Kärcher GmbH and is responsible for the sales, marketing and logistics of Kärcher products in Finland

- Approved resellers: Sell of either professional and/or consumer products for their respected customers.

- End User: This enterprise does not generally sell their products directly to the end users, as sales process will generally contain resellers. Kärcher Oy is first and foremost a wholesale organization.

The current procedures related to product launch in Kärcher Oy have the following challenges:

1) **Single source of information missing** – Fragmented information sources inside the company result in confusion at customer's end. Information about new product launch comes from a wide network of people inside Kärcher Oy. The go-to people are not always the same when it comes to acquiring accurate information on new products. This results in a "broken phone effect" which makes the information fragmented and there is a high risk for product information being lost or incorrectly distributed. Sales persons are missing a single source of information to turn to in case of questions.

2) **Accountability** - Ownership of the information is missing; management has neither the time nor detailed know-how to support sales persons in this issue. There is a risk of "dump and run" activity, where contacts for support are being referred to from organization to organization (e-g from sales to marketing and back), with no real accountability defined.

3) **Product training** – training for the sales persons often happens too late after the product launch. This may also have a direct impact on the quality of the new product launch project. If the sales persons are ill-equipped with information and training, also product resellers will relay the same poor quality knowledge to their end customers. Product training is a significant factor in the sales team's confidence levels during the sales scenario. If the sales team doesn't have sufficient time to get familiarized with the attributes of a new products, it is unlikely that they will make a confident run at selling it to the customer. With insufficient training in the new product, momentum of promotion and "push" is easily lost in the field. It's not easy to make a sale if you do not know what you are selling.

4) **Standardization of activities** – A standardized product launch process is missing. Activities such as promotion, marketing, product training and pre-sales talks happen in random order depending on the launch. There is a risk that sales personnel may distribute differed information about the new product to different customers. Information about new products may also be distributed at incorrect times, making promotion activities inconsistent and confusing. Inconsistent information sharing from a

sales organization is harmful to the customer relationship and may result in a lack of trust from the customer's side. Currently there is no standard package of information that is shared with all sales persons at the same time to ensure smooth communication.

5) **Waste in process & productivity challenges** – It is my experience that sales persons are using their working time on activities which create no value add for the customer and should be minimized as much as possible to enable better productivity of the sales force. Sales persons spend a lot of time chasing information about new products. This contributes to low productivity and is expensive for the company. Automated solutions for data collection (database) and information sharing are missing to allow sales persons easy and fast access to all relevant supporting documentation. Gaps in the process result in many unanswered questions. The sales team needs to search for answers manually, for example by chasing several people via phone calls, before proceeding to the next phase of their negotiations, pricing or promotion activities. At times their sales process flow is disrupted due to missing pieces of guidance, procedure, prices and support information. Again this kind of waste activity has a significant impact on the mindset of the sales persons. Non-value adding activity is not only expensive and counterproductive, but it also creates an atmosphere of frustration and ignorance within the employees. This may result in decreased employee engagement and employee satisfaction where the sales team doesn't feel empowered to do their job.

6) **E- Commerce challenges** - Kärcher Oy has a portal called "Infonet" designed for retail partner's use. Retailers may use this portal to search for information about the company and products. IT allows them to place orders through the system. Infonet contains data regarding the stock availability, product attributes, delivery times as well as tailored prices for each individual retail partner. The portal also contains information about marketing and promotional events. Each retail partner has a profile tailored to information specific to their needs. The main challenge with this system is that the information is not currently updated and maintained regularly, so the value add for resellers is very limited. It is also common that the product range may not accommodate all the needs of the customers. Majority of this system's potential value add is lost. In retrospect, the sales force is usually spending their time on providing information that should otherwise be available online.

4.4 SWOT analysis based on study analysis and business situation

Process sections can be divided into different compartments of the SWOT analysis. Strengths are those activities and process parts which should be maintained and highlighted. Weaknesses should be established and/or improved. Opportunities should be leveraged, and threats should be avoided or removed from the process.

The current situation of Kärcher Oy can also be seen from the SWOT analysis as shown below:

<table>
<tr><th colspan="2">Internal</th></tr>
<tr><th>Strengths</th><th>Weaknesses</th></tr>
<tr><td>Content of marketing material
Majority of time spent on customer negotiations
Local logistics
Product quality</td><td>Poor timing of marketing material
Excessive amount of time is spent on order handling and price clarifications
Lack of internal communication
Management ownership of product launch process missing
Product training concerning new products inadequate
Inefficient use of e-commerce systems
No measurements of success, leaving poor knowledge on before/after situation.</td></tr>
<tr><th colspan="2">External</th></tr>
<tr><th>Opportunities</th><th>Threats</th></tr>
<tr><td>Well known premium brand status
Market leader position
Long term customer relations
Experienced sales force.
Financially stable global organization</td><td>Poor internal communications can cause risks for customer relations.
Lack of pricing knowledge may result in loss of business.</td></tr>
</table>

Figure 13: SWOT analysis

The SWOT analysis above, describes Strengths, Weaknesses, Opportunities and Threats existing both internally and externally in Kärcher Oy. The SWOT analysis gives further indications and supporting arguments on the observed and research current situation of the company.

Conclusions and recommendations based on the analysis of the study are explored in more detail below.

5 Conclusions, Recommendations and suggestions

As per the analysis done above certain conclusions can be drawn. There are certain areas of activity where the process should be maintained and leveraged, and certain areas where improvement is needed. Other activities should be removed all together.

Maintain – Design process of marketing material and use of local logistics providers in supply chain. Maintain and highlight good negotiation techniques of sales force, for example with negotiation theory training.

Implement & improve – Implement a process for product launch, with clear schedules for marketing, pricing and care of new products.
Define clear measures for success with targets and follow-up activity. Create clear understanding that management takes accountability for internal communication and its success/failure. As a means of improving internal processes as well as customer focus, start measuring customer satisfaction post-launch. Place further focus on product training, more ownership to product managers to lead successful product training. Define ownership of e-commerce system inside the company, where roles & responsibilities are clear on who designs, maintains, updates and trains the system.
There should be clearly defined measurements and targets for success in order to be able to gain knowledge on how to improve the process in the future.

Leverage – Already existing e-commerce systems should be leveraged more, drive towards a process where ordering is as automated as possible and system is friendly enough to use for the customer. Synchronize availability and delivery of products into e-commerce system. Highlight brand’s market leader position in promotion and sales activities. Place emphasis on high quality product track record as well as stability and reliability of company.

Remove – Drive automation in sales process to remove all waste in sales process. Productivity of sales force activities can be achieved by doing on those activities which create value for the customer. Remove non-value add activities such as pricing clarifications and order handling for the sales representatives daily work. Large variations in ways of working create waste, so it’s important to standardize sales force activities across sales areas.

Based on the study done above it is my recommendation that standardized documentations and tools will be are implemented in Kärcher Oy in order to improve the product launch process. These tools provide common working practices for all parties involved. The tools and documentation proposed include a process map, roles and responsibilities matrix as well as a product check list.

At the moment no existing official process description or guideline for sales team exists in Kärcher Oy regarding new product launch. Therefore such a guideline is created as output of this thesis. Below demonstrated is a proposed process map for new product launch process at Kärcher Oy

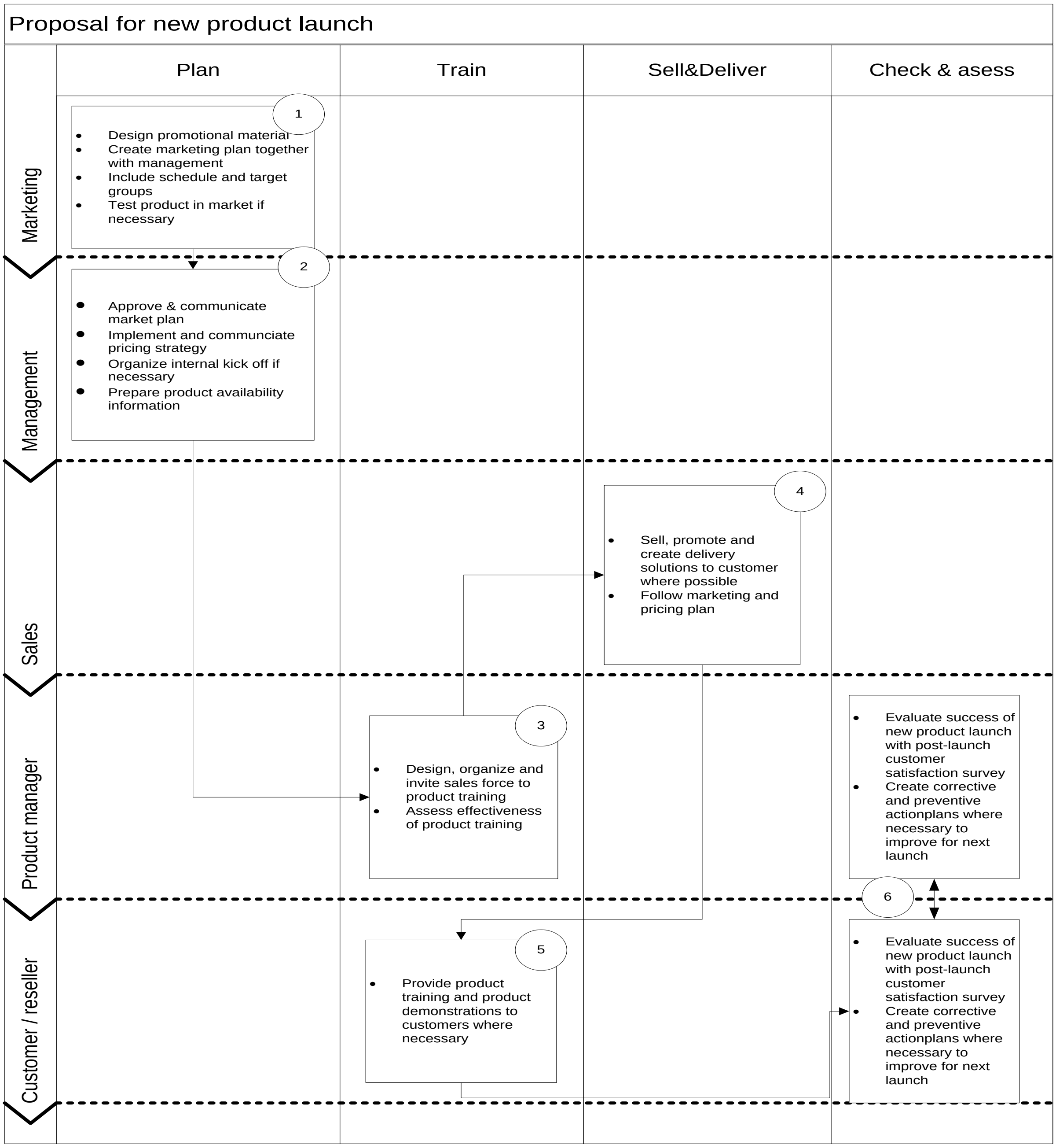


Figure 14: Proposed new process flow for new product launch

In addition to the process map, certain ground rules for “who does what” inside Kärcher organization should be agreed.

Below is a proposal for product launch process responsibility split in the form of RACI model, where A= Accountable, R=Responsible, C=Consulted, I=Informed.

#	Product launch stage for Kärcher	Management	Product manager	Sales	Marketing
1	Assign project manager to run product launch	A,R	R	I	I
2	Create launch plan & communicate internally	C	A,R	C	C
3	Create pricing strategy	A,R	R	I	I
4	Agree preliminary target dates for internal and external launch	R	A,R	R	R
5	Sales & marketing material produced	I	R	C	A,R
6	Secure product codes & update product catalogue	I	C	C	A,R
7	Train sales force and customer service	I	A,R	C	I
9	Confirm availability and logistics for product*	I	A	C	I
10	Test version, samples and pre-orders where applicable	I	A	R	I
11	Management decision go/no-go	A	C	C	C
12	Announce product to market	R	A,R	R	R
13	Post-launch analysis with customers	I	A	R	C

Figure 15: RACI model for product launch process

Below is one recommendation for Launch Checklist as proposed by Haines (2014). In the below example, each stage of the product launch is punctuated by a go/no-go decision. (Haines, 2014, 503). This checklist, if found useful, can be modified to the specific needs of Kärcher Oy.

Launch Review Checklist for Kärcher		
Criteria	**Yes**	**No**
Marketing materials complete		
Sales training complete		
Product and/or market tests complete		
Customer service agent training complete		
Operational systems ready		
Analyst briefings lined up and ready		
Events planned and ready		
All risks reviewed		
All business documentation validated		
Channels ready		
Pricing programs approved		
Web site ready (e-commerce & demo)		
Logistics ready		
Announcement date agreed upon		
Master Plan updated		
Review meeting scheduled		
Do we recommend go for launch?		

Figure 16: Product launch checklist

A “launch checklist” can be used as one alterative tool during new product launch. According to the RACI model mentioned previously, responsibility for running project launch “project” is normally with the Product Manager. The launch checklist acts as a useful quick guide for product managers, particularly before the process of new product launch is fully standardized and institutionalized.

6 Theoretical linkage

Majority of the theory presented in this study has been seen as useful, when observing the actual as-is situation in Karcher Oy. The importance of standardization and processes was clearly portrayed in the theory part of the study, and it was evident that some of this standardization was missing. The absence of standardized processes resulted in confusion and inaccurate information amongst the sales force, as demonstrated in the results of the questionnaire.

The theory of waste in the sales process was also clearly proven through the research as this seems to also exist within the ways of working of the sales force. The sales force felt they were performing duties and activities which were not clearly value-add, and this seemed to support the theory that resources could be used in a more efficient way, should the waste from the process be eliminated as much as possible.

The theory of waste is also closely linked to automation and the need to create efficiencies through a working and customer-friendly e-commerce system. It can be concluded from the research results that there is room for improving the e-commerce system at Karcher Oy. This would not only bring efficiencies and release resources from the sales force to perform sales-related tasks, but would also act as a valuable communication channel between customers and Kärcher Oy.

The link between theory and practice in the case of marketing material during product launch was similarly a strong one, however even though it was seen that the quality of marketing material was good, there is still something to be improved in the timing of the support material. This is closely linked to the theory of executive sponsorship and management involvement during product launch. In practice poor internal communication seems to be an issue which should be corrected. Closing the loop to customer satisfaction after product launch seems to be missing in the process currently all together, even though this was recommended to be carried out in the researched theory.

7 Summary

In summary, it can be concluded that Kärcher Oy would benefit from a more standardized and efficient process for product launch. Having a process in place would remove the risk of poor internal communication and clarify the roles and responsibilities of the different departments during product launch. Tools such as the RACI model can be used to clarify the roles of the different departments.

Waste in the sales process seems to be a significant problem, and I would recommend that further analysis is done on this issue in order to drive further efficiencies amongst resources. Reduction of wasteful activities could be achieved by leveraging and improving an already existing, however perhaps not systematically maintained order system.

I believe that with small changes and enhancements to the product launch activities, the sales force could leverage this critical phase of their work in a much more efficient way.

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Tables

Appendixes

Appendix 1: **Kärcher Oy product launch process – Questionnaire (in Finnish**)

1) Kun olet myymässä tuotetta, arvioi kuinka suuren osan työpäivästä käytät seuraavien asioiden tekemiseen? (%)

- Tilausten käsittely ……
- Neuvottelu asiakkaan kanssa …..
- Hinnan selvittäminen……
- Tuote-esittely…..
- Tiedonhaku (tuotetieto/ominaisuudet, markkinointimateriaali jne.) ….

2) Kuinka varma olet uuden tuotteen hinnoittelusta myyntialueellasi? (1-erittäin epävarma; 5-erittäin varma)

3) Oletko koskaan saanut negatiivista palautetta asiakkaalta uuden tuotteen lanseerauksen yhteydessä? (Kyllä/Ei) Jos vastasit kyllä, erittele minkälaista.

4) Asteikolla 1-5 kuinka tyytyväinen olet saamaasi uusien tuotteiden koulutukseen? (1-erittäin tyytymätön; 5-erittäin tyytyväinen)

5) Saatko markkinointimateriaalia koskien uusia tuotteita? (Kyllä/Ei) Jos vastasit kyllä niin,

a) Saatko materiaalin mielestäsi ajallaan? Kyllä/Ei
b) Onko materiaali mielestäsi hyväntasoista? Kyllä/Ei

6) Asteikolla 1-5 kuinka tyytyväinen olet Kärcher Oy:n sisäiseen tiedonkulkuun uuden tuotteen lanseerauksen yhteydessä? (1-erittäin tyytymätön; 5-erittäin tyytyväinen)

Onko yrityksellä mielestäsi olemassa toimiva jälkimarkkinointijärjestelmä uusien tuotteiden lanseeraamisen ollessa kyseessä? (Kyllä/Ei)