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Analysing and Improving the Sales Strategy and Process
Case: Robert Bosch Oy

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In this thesis the intention is to identify and analyze the sales strategy and sales process of Robert Bosch Oy, which is a subsidiary of the multinational Robert Bosch GmbH. This thesis focuses on the mobility solutions business sector. The reason behind this research is to illuminate the problems the organization faces in implementing their sales strategy and sales process, and then offer improvement ideas on how they could be implemented in the Finnish market.

The literature review gives an overview of the theory on business-to-business sales, organizational purchasing behaviour, sales strategy and sales process. These subjects are reviewed with the emphasis on manufacturing industry, because the parent company manufactures automotive parts in large scale and the subsidiary does business with local manufacturers which implement these parts in their production.

The methodology uses qualitative research methods and interviews as a basis for primary data gathering. All of the interviewed work in different sales and management roles in the case company. The data gathered is analyzed together with the supporting theory and the author's own work experience in the company.

The thesis is concluded with a final analysis of highlighted issues, and improvement suggestions are made where pragmatic and supported by theory.

| Keywords | B2B sales, sales process, sales strategy, automotive industry |

Contents

Appendices

1   INTRODUCTION

The author of this thesis has worked with the case company in sales support and logistics functions during 2013 - 2015. The idea for the thesis evolved from originally improving new customer acquisition methods to focus more on the sales strategy and sales process aspects which take a broader view on the actions which also affects how new customers are acquired.

The products manufactured and sold by Bosch are tested proven by the necessities and demands of the automotive industry, but they do not sell themselves in spite of that and even less in a market the size of Finland. This thesis tries to make sense if the current sales strategy and sales process fit the needs of a small market with next to none in terms of passenger car industry, but with a lot industry where there is application potential for automotive parts.

Robert Bosch Oy enjoys the luxury of having a powerful organization at its back providing the latest and greatest technology, but it also carries the weight of its complex structure. One big question that needs to be answered is that has the organization grown complacent in its position as a supplier, that it does not address issues customers and internal processes face.

With theory based analysis done on primary data gathered from interviews with the sales, management, and author's personal work experience, this thesis aims to explain where the growth potential is and what issues are blocking the sales force from effectively achieving it. Towards the ends improvement suggestions are given if they are practical to implement.

2   OVERVIEW OF ROBERT BOSCH OY AND GMBH

Robert Bosch Oy is the Finnish subsidiary of the parent company Robert Bosch GmbH. Before becoming part of the Bosch Group, Robert Bosch Oy was originally Oy Alftan Ab which was founded already in 1911. Alftan was a business partner of Robert Bosch GmbH and it represented Bosch products in Finland before it was taken over in 1991 by the Bosch Group (Bosch n. d.).

2.1   A brief History of Robert Bosch

Robert Bosch was born on September 23, 1861 in a village called Albeck and was the man who became the founder and the namesake of the company which still holds his name up to this day. What is considered to be the starting point of the future Bosch Group was when Robert Bosch and his two associates opened a "Workshop of Precision Mechanics and Electrical Engineering" in Stuttgart in November 1886. 125 years later in 2011, the Bosch Group employed over 280,000 associates throughout the world. Today the Bosch Group is one of the most well-known suppliers of technology and services, and a global market leader (Fastnacht, Kuhgatz, Schmitt & Siegel 2011: 11, 28, 212). The core business sectors Bosch operates in are mobility solutions, industrial technology, consumer goods, and energy and building technology as seen in the figure below.
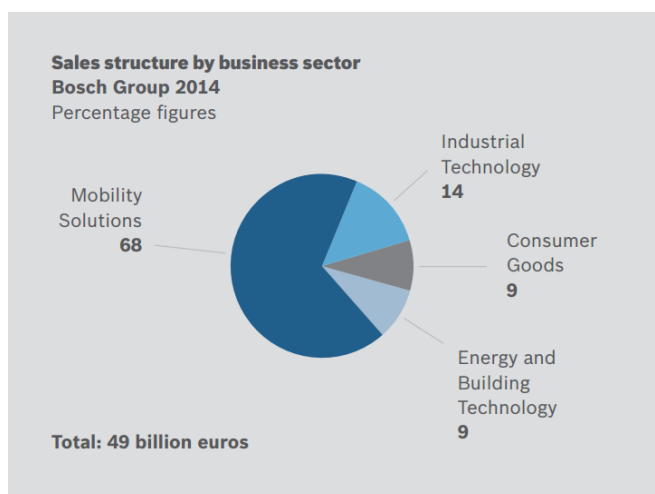

Figure 1. Sales structure by business sector Bosch Group 2014

2.2   Mobility solutions

With 68 percent of total revenue coming from the mobility solutions business sector (Bosch 2015a: 10), it is clear to see that it is the single most significant business sector to Bosch with the ever developing passenger car industry at its lead. Mobility solutions comprises of gasoline systems, diesel systems, chassis systems control, electrical drives, starter motors and generators, car multimedia automotive electronics, automotive aftermarket, and automotive steering (Bosch 2015b: 11). Though Bosch is looking for a buyer or a partner for its starter motors and generators division, according to Bosch announcement 9 June 2015 (Aftermarket News Global 2015).

Bosch is represented roughly in 150 countries worldwide and is one of the leading OEM parts suppliers within the automotive industry, which is evident from the #1 ranking in the "Top 100 global OEM parts suppliers - ranked by sales of original equipment parts in 2013" -ranking done by Automotive News (2014: 4). The automotive industry is very competitive and dominated largely by global corporations, the top of which are very similar in size when compared to Bosch.

2.2.1   OE and OES departments

OE stands for original equipment and OES for original equipment supplier. At Bosch in Finland the distinction between the two is born out of the organizational matrix and the channels through which the customer are being served and supplied. In practice the two departments are under the same roof and work in an interrelated fashion. While under the same head of the department for disciplinary purposes, both departments answer to their respective managers within the organizational matrix.

One of the more practical distinctions between the two departments is how the supply chain and logistics are handled. The OE department serves customers which order significant volumes directly from the plants to their own production facilities. Usually the level of cooperation and involvement with the customer is high, as is often the case between vehicle manufacturers and original equipment manufacturers. One aspect of

the relationship is the validation of automotive parts which is referred to as "production part approval process" (PPAP), a process through which new parts have to go before they are made available for production.

According to Automotive Engineering Hq (2014), the reason why the PPAP was created was to ensure that all the specifications are understood by the parts supplier. It is a lengthy process that is stringently controlled and reviewed before presented to the customer for sign off. All the testing and validating of the products is done to ensure that the end products meet the necessary requirements and specifications of the customer. The contracts made in the automotive industry for OE parts are for very long-term with the supplier having a contractual and a legal obligation to provide them as spare parts for as long as 10-15 years after the volume production of the vehicle has ceased (ACEA 2015: 1).

2.2.2 Industrial business and off-highway

In Finland original equipment and spare parts customers, that are too small for the OE channel, are serviced within the industrial business and off-highway business segments which are under the OES department which again is under the automotive aftermarket division. The reason why most Finnish customers are served through this channel is mostly due to the composition of the automotive industry in Finland which leans heavily on specialized vehicles and machines with low production volumes. (International Energy Agency n. d.).

The automotive aftermarket division offers solutions to different industry needs via application of automotive parts. These include non-automotive, off-highway and on-highway applications. Good examples of non-automotive uses of automotive parts would be reverse vending machines used for recycling bottles and cans, motorized hospital beds, dentist chairs, garage doors, sauna stoves, generators and even faucets. As the offering of different types of automotive parts is quite large, with some ingenuity many of them can be used outside their original automotive uses. Off-highway is more self-explanatory as it includes vehicles which the intended purpose is to move and function exclusively off-road even if they can move on-road. This includes at least the following vehicle types: agricultural, tractors, forestry, mining, railed and marine. For the Industrial Business division on-highway means more specialized on road vehicles. These include busses, heavy duty vehicles such as trucks, and sport

cars. In Finland off-highway is the most prominent and appealing one of the three to automotive parts suppliers, as off-highway vehicles are a comparatively large business in Finland.

3   LITERATURE REVIEW

The literature review of this thesis aims to convey an understanding of the theory behind sales processes and overall sales strategy especially relating to business-to-business sales. As interaction between organizations is a two-way street the role of organizational purchasing will be studied as it is crucial in understanding how two organizations manage their business relationships with one and another. The role of customer relationships in business-to-business sales will also be explored and its significance to modern sales strategies, because the relationships between organizations may be rooted deeper than just the simple exchange of products or services for money.

The theory will provide the necessary basis for analyzing Bosch's sales processes and strategy, whether they are successfully implemented in Finland, and if the processes align with the needs of the sales force. If there is a disparity between what the sales strategy is and what it should be, then by reviewing the relevant literature and theory the sales processes can be developed to meet the demands placed on the sales force by their employer and customers.

3.1   Business-to-business market

Business-to-business (B2B) is a clear-cut way of defining transactions between legal entities, id est companies or enterprises, as opposed to business-to-consumer (B2C) market where the end product is marketed towards individual consumers.
"Typically B2B companies operate in a given industry such as pulp & paper, metal, process, machinery, and information and communication technology (ICT)" (Kaario 2009: 28).

When compared to the B2C market the trade in B2B market is far larger in scale, and the relationships between organizations are more selective, and depending on the type of business these relationships vary in significance and duration. One of the defining characteristics of organizations in the B2B market is that it is necessary for the organizations to work with one and another, meaning that they are interdependent on

other organizations to reach their own goals (Fill and McKee 2011: 4). Organizations are increasingly more focused on their core competencies and use independent suppliers and service providers to handle parts of their processes which lie outside the area which they consider to be their core focus.

Whether an organization is B2B or B2C or both, all organizations buy and sell goods and services to create their own offering.

In consumer markets purchasing decisions are often made and the product or service consumed individually. The risk related to purchasing an everyday item is relatively low and the rationale for choosing a product can be emotionally motivated. In business markets purchasing decisions are essentially made in groups, which are referred to as decision making units (DMU). The size and significance of the purchase often determines how large the DMU is (Fill and McKee 2011: 7).

3.1.1   Input to process

Input to process (I2P) is one of two business logics derived from B2B market, referred to by Kaario (2009).

I2P business logic is concerned with the process industry where organizations are asset heavy, meaning that their business focus is towards the utilization of their production capacities. This utilization translates directly into economies of scale which is the rationale for the business model, because lower production costs per unit makes the product offering more appealing to customers with volume production, as well as for smaller producers that get to enjoy the lowered unit cost. The business logic leads to standardization, at both supplier and customer end, in the way that volume customers are able change providers, or use multiple different providers with little effect on running their own production, making the parts used interchangeable.

These producers are efficient and cost effective and readily employ capital to make their production even more efficient. This has the downside that the providers have difficulties to differentiate themselves from the traditional role of product supplier, and step up as a service and solution provider.

It is not only the customer which assesses the providers, a lot of appraising is done from the supplier's side. The process industry is so centered around order volumes and

production capacities that the sales process makes assessments of the customer base on the basis of their potential "consumption" of the products provided. A pattern can be seen in the way how a customer may be unwilling to invest in any one provider at a deeper level in their own processes, and vice versa, a supplier may be unwilling to invest additional resources in a potential customer with low order volume estimations. The willingness to invest in the cooperation often runs on both sides of the spectrum. The commoditization of the products and the inability generate value outside the product offering are two things which are holding production centered providers from growing into solution and service based providers, which are able add value to the customer's own processes (Kaario 2009: 38-40).

The rationale to enter the service and solutions sales is not only because it allows your organization to get more revenue from these added services sold alongside the products. The greater benefit of penetrating the barrier between the provider and the customer is that it drives up your new equipment sales. Being in the service business gives the provider a competitive advantage over others with similar production capabilities and equally competitive products (Kaario 2009: 45).

3.1.2 Organizational purchasing behaviour

For most organizations purchasing is not done haphazardly. Making the right purchasing decision is part of the value creation process for the organization, and unlike B2C the purchasing decisions made by organizations should not be emotionally motivated, rather they should follow a stringent set of key purchasing criteria, which is why for most organizations it is necessary to have professional purchasing. There is always a relative risk, which varies greatly according to many factors such as the complexity, frequency of purchase, and cost of the product, associated with purchasing decisions made by an organization. This is one of the major reasons why the field of purchasing has been professionalized. The intention of professional purchasing is to reduce the risks associated with purchasing, as major purchasing decisions or a chain of bad ones can have a detrimental effects on the company's profitability (Fill and McKee 2011: 63, 80; Gould 2012: 51).

In the table 1. seven types of organizational decision-making risks are listed and explained. The risks have been identified from the works of Yates and Stone 1992, Haakansson and Wootz 1979 cited by Mitchell 1999, and Wall 1982 (Fill and Mackee 2011: 80).

Table 1. Seven types of organisational decision-making risk (Fill and McKee 2011: 80)

Risk type	Explanation
Technical	Will the parts, equipment or product/service perform as expected?
Financial	Does this represent value for money, could we have bought cheaper?
Delivery	Will delivery be on time, complete and in good order? Will our production schedule be disrupted?
Service	Will the equipment be supported properly and within agreed time parameters?
Personal	Am I comfortable dealing with this organisation, are my own social and ego needs threatened?
Relationship	To what extent is the long-term relationship with this organisation likely to be jeopardised by this decision?
Professional	How will this decision affect my professional standing in the eyes of others and how might my career and personal development be impacted?

Understanding the risks and problems, as seen in table 1., which the organization purchasing products or services faces is essential for the sales of the organization offering their solutions. A sales professional needs to be able identify the risks a business transaction poses to the buyer, because the risks directly translate to some of the key purchase criteria according to which purchasing decisions will be made.

The value proposition should reflect the perceived risks of the buyer, and alleviate concerns because these are the questions the buyer needs to answer when making purchasing decisions. The benefits should outweigh the risks and meet the criteria by which the added value is being measured.

As previously mentioned in chapter 3.1 the size and significance of the purchase usually dictates the size of the DMU. According to Fill and McKee (2011: 80), research suggests that the make-up of DMUs is based on the risks perceived by the organization as well as by the type of purchase in question. The size of the DMU correlates with the

size of the risk involved with the purchase, which is why larger business transactions aren't referred only to a single purchaser.

Johnston and Lewin 1996 (Fill and McKee 2011: 81) came to the conclusion that when the perceived risk of the purchase increased, the amount of people that took part in the DMU increased as well. The DMUs became more populated with people that rank higher in terms of status and authority. The search for information becomes more crucial and subject matter experts are often part of the DMUs or used as outside consultants. The greater the perceived risk the more involved the participants in the DMU are throughout the whole process. DMUs are biased in the way that the better the DMU knows the organization, often through previous business transactions, the more likely it is to win the contract. This can be related to the risk titled as "relationship" in table 1. because long-term partners are often preferred. Through inter-organizational relationships the risks and uncertainties can be managed as both selling and the buying party become more involved in the process which can lead to improved working practices for both parties, improvements in dialogue between the organizations, supplier becoming more willing to invest in the relationship, and the digitalization of the processes and communication between the organizations that often comes in the form of enterprise resource planning (ERP) systems which are used to exchange data throughout different processes.

3.2   Sales strategy

A sales strategy is a plan by which the organization performs its sales functions, the goals of which are selling products or services or both, and to increase profits by organic growth. An important part of a sales strategy is defining your customer base and understanding the added value your organization can bring to your customers (Zolters, Sinha & Lorimer, cited in Marcos, Donaldson & Lemmens 2016: 113).

The reason why it is important to take sales strategies into account is because of the role sales organizations play in managing customer relationships. Traditionally what has been considered to be the role of marketing has shifted towards sales and the building of customer relationships. This can be seen in how resources are being allocated within companies from marketing to strategic sales (Gould 2012: 5). In

business-to-business sales, rather than focusing on closing individual sales with customers, the sales strategy looks at the bigger picture and the longevity of the relationships. The reason being that most organizations have grown out of being traditional product manufacturers, and with the growing global competition it is not enough for organizations to only manage products, but to offer services which enable their customers to achieve their own targets thus creating additional value for them (Kaario 2009: 21, 26). The way sales strategies have developed in the past decades mirror the changes in the relationships between suppliers and their customers. Customers have increased power and room for negotiation which is partly due to globalization and developing markets. This has enabled the customers to have more freedom of choice concerning their suppliers. Overall know-how within industries has also increased and customers are able to make strategic procurement decisions and segment their supplier base. The aim is to achieve long-term savings and increase the value gained from supplier relationships (Marcos et al. 2016: 8). Having a sound sales strategy ensures that the resources allocated in sales will be spent towards winning customers which are of strategic relevance to the organization, and a step by step sales process can be formulated which is in line with the customer expectations or as Gould (2012: 87) put it "Customer Journey".

3.2.1   Segmentation

Segmentation is the division of the whole market into distinct subunits. With these subunits of the market it is easier to distinguish differences in the needs of the buyer and therefore making the needs easier to address. By segmenting the potential customer base you group those customers which have common characteristics, needs and have similar reactions towards marketing (Fill and McKee 2011: 120).
Wind and Cardozo (1974, as quoted in Fill and McKee 2011: 121) "referred to market segmentation in B2B markets as the identification of ´a group of present or potential customers with some common characteristic which is relevant in explaining (and predicting) their response to a supplier's marketing stimuli´."

Business market segmentation is inherently challenging and more exacting than consumer markets which is due to the nature B2B market. In B2B market there can be a large variety of product applications which makes it difficult to categorize a group of

customers in a single market segment. Understanding what the key differences and similarities are between customers makes it possible to categorize them and then group them into a market segment. Business segmentation can be done using different variables ranging from product-specific to customer-specific attributes (Griffith and Pol, cited in Fill and McKee 2011: 121).

From sales point of view segmentation can be based on different criteria, such as what is the future potential of the customer and ordering volumes? Is the customer strategically significant? In solution based sales it should be asked whether the customer is interested in the services you provide alongside the product offering. To what degree is the customer supplied by your competition, and is there something you can provide the competition can not? These are but a few criteria which should be considered when you are segmenting your customer base for sales purposes (Kaario 2009: 123-124).

3.3 Sales process

To have consistent success with customers most organizations require a proper sales process. A sales process is, as Doug Dvorak (n. d.) puts it, "a sales process is a systematic approach involving a series of steps that enables a sales force to close more deals, increase margins and make more sales through referrals."

It is also believed by Kaario (2009: 121-122) that an organization which has the aim of growing organically through the efforts of its sales force, needs to have a systematic approach to the sales process, and the right tools for the job. Whether the person has natural proclivity towards sales or not, and even when some thrive "naturally" better in sales positions, a systematic sales process and tools ensure that even those who would not be considered the best in the field of sales will participate actively in meeting customers, engaging in dialogue with the customer, are able to produce an offer for the customer, and close the deal.

In the sales strategy the key customers are recognized, and from the pool of customers categories are formed called customer segments, for which the sales processes can be developed and implemented. By categorizing the customer base into distinct segments different customer needs can be addressed throughout the sales process. This is important because one approach may not fit different categories of

customer (Gould 2012: 12). Generally an organization can tweak its overall strategy and processes to suit different customer needs if it is strategically beneficial or necessary, but these processes need to be well defined and understood by the sales people before they can be implemented. Otherwise sales strategy and sales process are just grandiose words without substance.

Skills are also required from the sales force and management to accommodate the differences in customer needs, because for every stage of the organization's own sales process there is a stage in the customers' process called customer journey (Gould 2012: 87-88). In the table 2. below the stages of the sales process are identified along with the underlying substages. In the same table the stages of customer journey are identified and explained as well, and matched with the corresponding stage of the sales process.

Table 2. Sales process (Gould 2012: 87)

	Need	Search	Evaluation	Decision	Review
Customer Journey	Having a Requirement	Looking for Help	Examining the Options	Making a Commitment	Evaluating Experience
	Finding	**Engaging**	**Proving**	**Winning**	**Keeping**
	Searching	Opening	Features / Benefits	Objection Handling	Customer Satisfaction
Sales Process	Prospecting	Analysis / Fact Find	Value Proposition	Trading Value	Relationship Development
	Qualifying	Summary & Vision	References	Negotiation	Added Value

The traditional stages of the sales process differ slightly as there are considered to be seven of them (Moncrief and Marshall, cited in Marcos et al. 2016: 11), but fundamentally there is very little difference between the stages as the main concepts behind the sales process remain the same despite the words used.

3.3.1 Finding

More commonly known as prospecting, finding is the stage where the market is systematically surveyed for potential customers. Often companies receive this information as customer leads which can be put through the sales process. This stage of the sales process is all about finding the customers with the "Need". The organization's sales and marketing efforts have to produce enough prospective customers, because not every lead will end up being a potential customer. At this point the sales force needs to assess whether the customer qualifies or not. If the customer has no interest or they aren't a right fit then they don't qualify to be included in the sales process because the time and effort put into the customer are resources not being used to find other more potential customers. Sales resources, like any other resources, need to be applied towards efforts which will yield maximum returns (Gould 2012: 88-89; Honeycutt, Ford & Simintiras 2003: 67-69).

3.3.2 Engaging

Enaging is often referred to as approaching which is the part where the pool of potential customers are engaged. The customers may have been already approached during the assessment whether they qualify or not, but this is the stage when the customer is engaged in earnest to find out their in-depth requirements as a business and what their current situation is. In this step you don't only identify customer requirements for future business, but you also set the foundation for the relationship. One part of this stage is creating credibility and trust with the customer which is why this stage is also heavily reliant on the actual skills and knowledge of the sales force. The customer is, as mentioned in the customer journey, "Searching" for a provider that can add value to their processes and clearly understands their requirements and can ultimately provide a working solution for them. At this stage the purchasing can assess if what is being sold fits their requirements, so understanding what the customer is looking for is key for any future discussions.

A successful engagement should leave the customer expecting that the sales person will come back providing a solution that meets their requirements. This will set the premise for the next stage of the sales process (Gould 2012: 92-94).

3.3.3 Proving

The next stage of the sales process is Proving. At this point the customer has typically had the chance to review the information gathered from prospective product and service providers, and they are now doing the "Evaluation" of the providers to see which fit their key purchase criteria.

Commonly price, performance, delivery and other customer specific elements are included in the criteria. At this stage of the sales process the key purchase criteria should be identified so that the solution your organization is offering is communicated in a manner which fully conveys how the solution fulfills those criteria, and any additional benefits which may fit the customer's needs and thus increase value creation. It possible for the organization to affect what the customer's key purchase criteria are, because what the organization has to offer may differ from these criteria, but if you can prove that the solution you are offering provides better value for the customer, but doesn't fit the criteria, they may be inclined to change their initial criteria. (Gould 2012: 51; Marcos et al. 2016: 102). References are can play an important part when offering a solution outside the criteria.

Customer references are powerful way of proving that the solutions you provide have been implemented successfully in the past. It is an excellent show case for customers when there is tangible proof of how your solution has created value for other customers. Having satisfied customers is a strong selling point and it might be that your former success ends you winning the current sale (Gould 2012: 94).

Figure 2. The total proposition (Gould: 65)

The figure above illustrates the composition of value creating factors which are summed up as the total proposition. In manufacturing B2B sales is often about more than just the product and the benefits it offers, it is a mixture of product, services and other factors which add value to the customer. These factors which make up the total proposition can come together in a variety combinations, whichever is of import to the customer. The model gives an overview of the what the organization has to offer to its customers. Understanding the total offering your organization has is crucial when trying to prove why doing business with your organization adds value to the customer, and from where the value is actually generated from. If you are unable to explain what are the value creating factors of doing business with your organization then how can the customer see the value of doing business with you organization.

3.3.4 Winning

Everything so far has built towards this stage, the Winning of the sale. If all the customer requirements have been understood and a solution which matches their needs has been proposed you should expect to be successful in closing the deal.

At this stage any final objections should be met transparently and answered, and any lingering questions whether the solution is justifiable should be laid down on the table and discussed. The sale should not be lost due to a misunderstanding by either party. Any problems should be met with the best possible case response.

Even if the buyer has decided upon your product, last round negotiation are usually held and it is often about the price. The seller should have created as much value as they can for their proposition in comparison to the cost of the customer implementing it. The value proposition is the means by which you bargain with, in the end, because there has to be benefits that justify the price tag you've placed on your product or solution (Gould 2012: 94-95).

3.3.5 Keeping

Keeping is the stage where actual customer satisfaction and the depth of the relationship which has been built with the customer is measured. Any organization can go through organizational restructuring where personnel who have been key to building relationships with the suppliers are let go or move into a position where they can't affect supplier related matters that directly affect the nature and the extent of the relationship. Also the economies and markets can fluctuate, but whatever the reason may be an organization may choose to review its current supplier base and assess whether the relationships are meaningful or in truth beneficial for them at that time. It is necessary for the supplier to be ever vigilant about the external and internal factors affecting the customer organization, because of the effects they can have on the organizational structure especially regarding personnel. Stable relationships between organizations can't be build only at one level, rather they have to be made at multiple levels of the organization so that the relationship isn't founded on few key people, which would lead to the organizations relying heavily on the input of these few individuals. The supplier should be on the lookout for new opportunities to strengthen

cooperation and ways to add value to the processes and by offering additional services which helps the customer focus on their core competencies (Kaario 2009: 20-21; Gould 2012: 96).

4 RESEARCH METHODS

This thesis will favour exploratory and descriptive research as the methods are well suited for describing, explaining and validating findings which are not easily quantifiable. This type of research allows more freedom for the respondent in answering the research questions, as well as for the researcher in analyzing the responses. The analysis is performed in conjunction with the theoretical framework provided in the literature review, as well as practical work experience on the author's part.

4.1 Depth interviews

In this research, depth interviews are employed as the method of gathering information from professionals in the field of automotive parts and solution sales at Robert Bosch in Finland. The interview data gathered from the respondents will be comparatively reviewed with written literature on the subjects. The objective of comparing theory with practice is to find out what the sales strategy and sales processes are, and how they are being implemented in practice and whether there is room for improvement.

4.2 Qualitative over quantitative methods

The research method used will be a qualitative one as the attempt will be to understand the sales strategy and sales processes in broader terms from the point of view of the people working for Bosch, instead of trying to quantify responses with a set of questions for which a value can be assigned for.

Sales strategy and sales processes are inherently hard to quantify as you cannot assign a simple value to managing customer relationships, the true value generated is not simply represented by numbers alone. And to quantify would mean to constrain the interview within certain parameters for which the sample size is ill suited. In terms of data quality and sample size, a depth interview would yield more representative data. With depth interviews you can approach an interview from a different angle as opposed to a more structured interview with predetermined values for making the responses easier to quantify. As a research method this is most suited for acquiring the depth and breadth of information to understand the complexities of the sales processes used when building and maintaining customer relationships, and the

strategy underlying those processes (Hague P., Hague N. & Morgan 2004: 61-63). The level of detail required from the responses go well beyond of what could be easily quantified, also the sample size of the interview is very limited as the sales office in Finland has only a handful of people working in solution sales and relevant management in the OE and OES departments.

Another reason for using qualitative over quantitative research, other than the actual sample size of the group interviewed, is that the B2B qualitative research is about understanding the human aspects of the business. The respondents are emotional human beings and that is also what they bring to the table when meeting with clients and executing parts of the sales process (Hamersveld and de Bont 2008: 259-260). The feelings they have can't be quantified, and they may reflect on how things are managed in the organization, whether good or bad.

5 RESULTS AND ANALYSIS

This section provides the analysis of the primary data gathered from the interviews by giving an overview of how the sales strategy and sales processes are implemented in Finland, and how they compare with theory on sales strategy and sales processes especially in the manufacturing industry.

The emphasis will be on subjects and themes which are consistently present in the interviews, or lacking thereof. The analysis will make comparisons with theory from a pragmatic point of view, taking into account the practicalities of working in the Finnish market and the limited size of it. Based on theory and what is pragmatic, a summary in the conclusions section will be given where the findings are reviewed and improvement suggestions given where feasible.

5.1 Sales strategy analysis

The way strategy is implemented stems from the existing divisions within the company which in turn serve broader industry segments whether they are mining, forestry, agriculture, marine et cetera. The segmentation itself is not country specific. The strategy is dictated in a "top-down" manner rather than "bottom-up", meaning that the existing structure within the company is the main driver for the existing sales strategy and overall segmentation of the market.

The rationale for having a "top-down" model in the sales strategy is partly due to the organization having a complex structure which doesn't and possibly can't make allowances for country specific markets especially if the market does not bring in major revenue. The different market segments in Finland are served through the channels as depicted in the figure below (see Appendices 1,2 and 5).
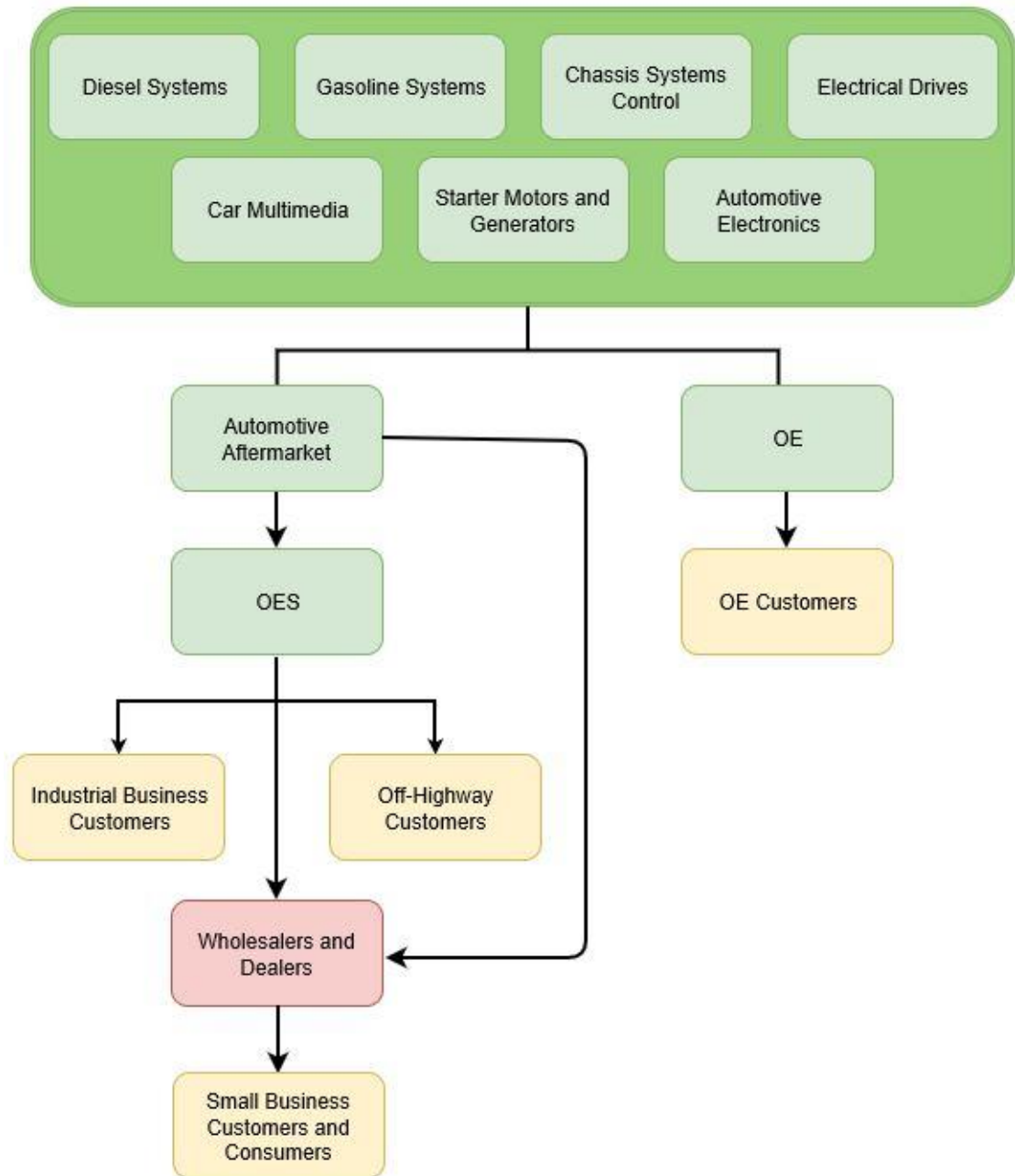
Figure 3. Sales channels

For manufacturers the OE channel would be the most straightforward one to do business in, because of the direct contact with the separate divisions inside the organization and the convenience of having a straight delivery channel with the production facilities. Though most customers in the Finnish market would not be considered for this sales channel due to the demanded order volumes and turnover generated from doing business directly. Direct sales channel also requires commitment from the customer in terms of production forecasting and often being able to set up

and support a functioning electronic data interchange (EDI) system. This level of commitment is not necessary when the customer is only seeking for readily available products which are standardized in terms of specifications demanded by the automotive industry, and which have the right price point. In these cases the customers see the organization in the more traditional sense as a product supplier rather than as a solution provider.

With relatively small order volumes and turnover, it is difficult to cross-sell services as the customer hardly sees the added benefits when they aren't buying a broad solution or a system. This in turn makes it difficult for the company to become a partner in truth to the customers.

OE is in a sense aligned to serve strategically significant customers, which have the level of commitment necessary to set up EDI systems, which serve the fluidity of the logistics and production to the benefit of both parties. Also installation and validation of new products become more relevant at this level on cooperation as the manufacturer is not buying the parts only "as is" anymore, but they are actually deeply involved in the actual definition of the required specifications and optimization during the actual product development.

With the direct division backing OE has better access to crucial resources when dealing with strategically important customers like AGCO that has major production in Finland and across the globe.

OES on the other hand, as depicted in figure 3., targets customer which have high enough order volumes to accommodate doing direct business through the OES channel. The two sub-segments of OES are industrial business and off-highway, off-highway customers are all automotive and non-automotive vehicle manufacturers in Finland. Industrial business segment is everything else where automotive parts can be functionally applied as a part of the machinery.

Due to the relatively small size of the OES customers, the department belongs to the AA division which means that even though the customers are manufacturers and using the sold products in manufacturing new equipment, they are treated as spare parts customers. The product portfolio itself is expansive and if the product is in production and not an end-of-life product, it will be available for the customer through the spare parts channel.

When the projected volume of business doesn't make the cut, then these prospective customers are referred to OES wholesale partners that have the capability to act as vendors to multiple small business customers therefore increasing their own order volumes, this combined with their ability to keep stock makes them more appealing as customers.

These types of smaller customers are not actively searched for or engaged by the sales people in the OES department, if a prospective customer of this size makes direct contact then a wholesale partner is contacted and the lead pointed out to them. How the customer is handled from that point onwards is up to them. Doing business with small manufacturers is reliant on the wholesale partner's ability to work as an intermediary supplier, whether or not the whole sale partner is actively selling is up to them. A lot of sales pull is involved due to brand awareness and the extent of the product portfolio, so often the customer is looking for products which are readily available from the supplier.

Not engaging with all smaller accounts frees up sales resources which can be put into furthering sales with existing accounts with additional and larger sales potential. The sales focus should also be directed at prospective customers with greater volume production or spare parts needs, which if won would yield better in terms of time invested and the turnover of the deal, and of course without forgetting the future potential of the customer especially if you can get the parts included into your customer's production.

Customers directed in the wholesale channel might argue against buying from an intermediary as there is a direct mark up in price when compared to buying directly from the original supplier. On one hand it may also lengthen the logistics chain, because of having to unload at the wholesaler's premises before being transported to the end customer, but on the other hand the wholesaler is often able to keep extra stock which means even shorter lead times for the end customer, this of course may not be the case with many of the products, especially ones with low stock turnover.

5.2   Sales process analysis

In this part of the analysis similarities between individual interviews can be observed especially relating to what points are seen as the strengths and weaknesses of the organization, or where the organization seems to be lacking and parts they may not have control over due to the hierarchical and bureaucratic nature of the organization. Which, as previously explored in sales strategy, may be the end result of how the organization is structured, meaning that the larger "cogs" in the organization dictate much of what is produced, how much and what the preferred size of the customer is for different channels.

5.2.1   Finding and qualifying potential customers

With Finland being a relatively small market for the automotive parts industry knowing the major players that manufacture off-highway vehicles does not require doing exhaustive market research to find leads on prospective customers. Sales people who are familiar with the market and have worked in the field for some number of years can point out the handful of significant manufacturers which have production in Finland.

The prospecting and qualifying of off-highway customers is straightforward, in the sense that the sales person has a list of prospective off-highway customers, which they go through by contacting the customers with the most sales potential first and progressing through them one by one. This is done with the intention of setting up a meeting to further discuss the customer's potential needs and finding out whether or not the products available are the right fit for the customer, basically mapping out what works and can be sold to the customer. It is also assessed if the customer has potential to be a direct OES customer or if they'll be directed into the partner channel where they will do business with third a party.

Things become more complicated when entering the industrial business segment, the customer potential of individual manufacturers becomes harder to distinguish without doing research on how automotive parts can be applied to the production of products with wildly different end uses. Knowing every possible application for a part is

impossible for a handful of sales people, especially when your organization's product portfolio is comprised of thousands of different parts (see Appendix 2).

It can take up a lot of sales resources and additional effort to map out the potential customers in the market, their production needs, technical requirements and actual sales potential. This demands extensive knowledge of the potential applicability of automotive parts from the sales person, in most cases sales engineer. Having reference customer applications throughout the world helps in mapping out the potential uses for the components.

To put the qualifying process of customers simply as explained in interview 1. and 2. (Appendices 1 and 2, quote translated) "Prospects are jointly evaluated mainly based on application area and turnover/number of production."

"An estimate is made based on the manufactured product and the production volume, ergo how many different components can be sold and what the volume could be. The customer is also estimated according to their turnover and solvency."

From the interviews it becomes apparent that the process of finding and qualifying prospective customers rests largely on individual sales people and how they tackle their respective target market segments and sub-segments. Professional understanding of the market segments and having technical know-how is deemed necessary when assessing customer needs and making estimates on what can be sold into production or as spare parts.

Very little is actually mentioned of a structured method of finding customers. The impression the interviews give is that most of the potential customers are already known, which would be in contradiction with the unknown potential of the industrial business segment. It can be deduced that the "known" customers are from the off-highway segment as previously mentioned in this chapter, simply because there are so few of them.

One way new customers are found is through supplier and manufacturer events, either the customers are pursued by the sales people or the customers make the initial contact themselves when they have component needs (see Appendix 3).

Other than that most research is done individually through the internet to map out the target market segments and if there are new developments happening.

To summarize there is no single process behind finding new customers. It is also varies greatly between the off-highway and industrial business segments due to the number

of application possibilities in the latter. But because a lot of the customers do contact first it is necessary to have presence in events and to be seen and heard through other channels as well so that the customers know how to find you and not always the other way around. This is also where brand image plays a big part as it pulls in the customers, which becomes apparent from the total proposition in virtually all of the interviews (see Appendices 1, 2, 3, 4 and 5).

5.2.2   Engaging qualified customers

After all of the background work is done in recognizing the key information a sales person needs to convincingly offer components and solutions, the qualified customers are contacted by the sales person either directly by phone or e-mail with the target of setting up a meeting to further discuss what the customer's needs are how to proceed from there onwards. The customer can also make a request for quotation (RFQ), which is a standard business process where the purpose is to invite suppliers into a bidding process to bid on specific products or services. The goal of this initial engagement is often to receive a RFQ from the customer (See Appendix 1).

The initial engagement goes also deeper into analyzing the needs and potential of the customer and during this engagement the technical requirements of the customer's products are reviewed and the possibilities of delivering test samples to the customer is agreed upon, first few meetings may include factory visits and getting acquainted with the customer's physical product. Initial bids or price may be agreed upon if the customer can give estimates on order volumes (see Appendices 1, 2 and 3).

Agreeing upon sending the test samples to the customer is important, because if the customer cannot do their own testing on the components to see whether or not they fill the technical requirements, the sales process won't go forwards and the negotiations go on a hiatus.

When product development is involved then the sales process is already beyond that of a regular supplier and customer engagement, and it is more likely an OE customer case or a possible project, where vast volumes are produced and delivered directly to the customer. In these cases it is important to have transparency if any add-on costs are incurred, because this can have direct impact on the price of the end-product (see Appendix 5).

Because the initial engagement is not only about what you get to sell to the customer but understanding the industry and market needs whether it is price, reliability, quality, availability et cetera, it is necessary to reflect on what is expected from the sales people and the organization behind them when presenting a proposal for the customers.

Customers expect a deep level of understanding about the technical aspects of the components offered and their applicability in manufacturing from the sales person whom they are having the initial meeting with. It is also important to have the ability to see what the customer's actual component needs are and what can be found from the product portfolio which could satisfy those needs, and because of the price point is of the one of the important topics it would be helpful to make a proposal from high runner products which have high production volumes and benefit from the economies of scale when making a proposal, especially to price sensitive customers (see appendices 2,3 and 5).

Customers will always have follow up questions which is why good technical support and service level is required from the sales people. Overall the customer wants an impression that the daily workings of doing business with you is smooth and that you reply promptly to inquiries and are able to provide the necessary information to them when needed.

As a well known brand, the brand image of the organization creates a certain amount of expectations too which the sales people have to live up to along with the actual products. So there is pressure from simply the name the organization behind you carries, but it's the sales person who is facing the actual customer, so they have to reflect the qualities expected from the brand and organization.

The structure of how qualified customers are engaged can be broken down to these rudimentary steps. First direct contact needs to be with the customer with the intention of setting up a meeting with the customer and pique their interest in truth. The second step would be to be to meet the customer face-to-face, and show that you have deep enough knowledge about your organization's product portfolio and technical aspects related to them, as well as understanding of what the customer's actual needs are and how your products fit their requirements. At this point the customer needs to be assessed in terms of turnover and order volume potential, because going further with a

customer that is not going to yield much in terms of sales is not a profitable use of organization's sales resources, and may need to be referred to the partner channel.

The third step would be, after identifying what the sales potential is and what the customer's component or solution needs are, to give a price estimate and agree upon sample part deliveries and follow up after testing.

5.2.3   Proving how Bosch creates value to its customers

The total proposition is used to depict how Bosch as a whole can create value to its customer, and to pinpoint the subject areas where they are the strongest and the weakest in as an organization.

The product aspect is agreed upon by all of the interviewees to be one of the organization's strongest area of competence. Everyone agrees that the organization has a unique economy of scale when it comes to mass production of automotive parts and the benefits it brings in terms of competitive pricing, this is coupled with the rigorous quality management which is necessary because of the demands placed by the automotive industry, so the amount of faulty or lower quality parts is small in the overall scale of production.

The sheer ability to produce components at such a vast scale as the organization does is a definitive competitive advantage, because the price of the components has a direct impact on the unit price of the end customer's product. And if it is at the same time of high quality then the components become more appealing when compared to other aftermarket parts which may compete solely on low pricing.

The technical aspect is commented on in Appendix 5 as follows "Along with our products and systems we provide technical customer documentation and guidelines. For inquiries, we have the customer team installed."

The use of modern or latest technology is often mentioned when characterizing the products. Technical support is also a part of the competencies listed, as well as support for installation when used for testing.

The financial aspects are reflect upon the sheer size of the organization and the financial stability it has. The organization can negotiate suitable payment terms when it

is a purchase criteria for the customer. And the economies of scale give freedom to the sales people to adjust the pricing relative to the minimum order quantities (MOQ), hence making larger volume orders more attractive to the customer. Giving higher MOQs with better prices is an incentive to order to stock, this way the availability of the components is not impacted so much by disturbances in the lead times.

The networks aspects seems to be poorly utilized for such a global company. What is mentioned though is the organization has global market access, which is apparent from the use of regional sales offices like that of Finland. The partner channel exists for smaller customers which do fit the OES channel, but not for much else.

There is no mention of how the large network of a global company is beneficial to the customers, especially the small ones. This is supported by the comment in Appendix 1 "Sometimes too complex structures, our market size in not always getting the needed attention in order to close the deal."

It emphasizes the argument that the available networks are not available for most business cases due to the limited size of the business it would generate, so the support which is readily available comes from the regional sales people themselves.

The image aspect of the organization is agreed by all of the interviewed to have a positive resonance in the marketplace. The brand name itself is well-known worldwide, if not for the automotive parts to people unfamiliar with the industry, then for the household appliances which can be found in many homes. In the automotive industry the brand name stands for quality, and as mentioned in the Appendices 1 and 5 the brand name itself can be used by the customer as a selling point when marketing their own end products of which the components are a part of. This is boosted by the fact that the organization has grown from a small workshop to a global market leader over the past hundred years and is a part of the history of the automotive industry. Therefore the organization has a legitimate status as a trustworthy automotive parts manufacturer.

As mentioned previously the brand name can be used as a selling point in the customer's marketing, and when negotiating pricing the "brand premium" associated with the manufacturer's name can be used as an argument when, for example, making a bid when the customer has made a RFQ. Even if not used for premium pricing, the image associated with the brand can help tip the scales in their favour.

The marketing aspect is something that is almost entirely missing locally for the business to business market. The marketing is only handled centrally from the parent company. The only local promoting that is happening is being visible in the industry specific events and engaging with people working for potential customers, so in sense the sales people are doing the direct business to business marketing (see Appendix 3).

The problem with promoting in industry specific events is that the events cater to only certain types of manufacturers for example forestry machines, agricultural machines, trucks et cetera. This means that it will not reach most customers in the industrial business segment, simply because it is not relevant to them. So with the off-highway vehicles related events it is more or less likely that it will be the same old faces visiting those events. Good way to get reacquainted with a lot of people from the industry within a short time period, but not as good in finding potential new customers.

The problem with the lack of localized marketing is that promoting anything in a large scale and reaching those customers which normally would not follow what goes in the industry becomes a challenge. How can new innovations be communicated to the right channels when there is no local input to the process. This rings especially true for the industrial business segment that may not up to date with progresses made with technology which could serve totally different industry needs. The existence of these innovations only become apparent if somebody goes out of their way to identify these needs for them and knows to pitch the right products.

The quality aspect of the products are seen as one of the main competences of the organization. A lot of this confidence comes from the wide variety of applications the products have been implemented in, not to mention the fact that all the parts have gone through rigorous testing that is demanded by the automotive industry in general. There are simply no parts which are manufactured for passenger cars or other on-highway vehicles that have not been validated. So at the very least the parts sold are held to a high industry standard, where cutting corners is not seen as a virtue (see Appendices 1 and 3).

Quality issues are also handled centrally, and in this case it can be seen as a good thing, because when there are quality issues the central quality teams can escalate the problems to the right management level, and in an organization with complex structures it can make a whole lot of difference when you can escalate to the right

level directly (see Appendices 1 and 5 q. 6.3). Shorter the path the faster the response to the issue.

The support aspect, can be viewed from a few different angles, the first being that support is available locally by the people working in sales and logistics. Response times are fast for issues which can be handled by the local teams, but when the issues can't be handled only with local resources then we have to look at the support aspect from a different angle. Globally support is not always readily available when the business case is not large enough to "merit" the effort it may require, so we see a division between the support different sized customers will receive concerning their issues.

Another issue that was raised (see Appendix 3) was that more information should be readily available. One customer concern has been that they are not proactively informed of any issues which might have an impact on their own functions, so the support is there but it is not always proactively utilized.

The issues seem to boil down to the fact the organizational complexity makes it difficult to get a hold of the information you require to do your work effectively and serve your customers (see Appendix 3 q. 6.3). And if issues are not reported on time to the people responsible for the accounts or logistics, the support becomes more reactive and proactive. This means it is required from the customers to make an additional effort in getting the support they need for problems which are not of their own making.

5.2.4   Winning the sales

As the theory stands this should be the stage where any customer objections are met and the final justifications for closing the deal are made, hopefully to the benefit of both the supplier and customer. If the meetings with the customer has reached this point and a deal can't be closed then something has clearly been misunderstood or not communicated properly to the customer, assuming that no external factors cause the talks to be put on ice.

The information gathered from the interviews tells a very typical story that the final objections from the customer are most often related to the pricing. It is likely that the customer is not satisfied with the MOQ restrictions linked to the given price. The price may be given on the basis of the customer's yearly need and adjusted according to

MOQ, but the customer may want to order smaller quantities throughout the year rather than the amount which has been given as the MOQ for the price (see Appendix 3 q. 7).

These are not considered to be deal-breaking issues, even though the organization is rather conservative when it comes to MOQ's and pricing, but these are still negotiable within a threshold.

It can happen that specifications are overlooked or that during the testing it is found out that some parts of the product are not compatible with their current set up or with parts sourced from another supplier. The technical issues which could arise can range from simply fitting badly in the customer's solution due to the dimensions of the part or, customer underestimating the needed power, momentum, durability, et cetera required from the implemented part. Whatever the issues are with the part, no matter how small, it is not possible to make any adjustments to the part in production line without some very weighty reasons.

If the customer really wants to have something changed in the part they either have to do the modifications themselves if it is necessary to make the part fit their configuration. Or they have to have large enough production and, the size of the business has to be significant before any types of modifications are even considered. This will not be the case with almost any OES size customer, because the business opportunity is simply not significant enough to merit modifications. If the customer is adamant that the changes need to be made or they will not use the part in their production, it will in most cases lead to closing the customer opportunity as lost regarding the part, as seen from the following quote (Appendix 1 q. 7) "Modifications are "impossible" to our products leading to take it or leave it discussions especially in OES area."

This is where even a potentially growing business opportunity can be lost. Simply due to the fact that the customer and business opportunity are not large enough now that any changes could be accommodated. This makes it essentially impossible to nurture business relationships with customers with growing potential, and to enter into partnership with them before they attract more competition.

But these are decisions which cannot be made locally and require the backing of the parent company, which is concerned with sales volumes and not necessarily with growth potential, or capturing the customer early on (see Appendix 5 q. 7).

5.2.5   Keeping the customer

Naturally to keep the customers you have won the overall quality of the products and service has to be kept at the very least at an acceptable level, especially in this type of business where parts are not always easily interchangeable to that of a competitor's. If the customer dissatisfaction has reached to the point where they are considering replacing yours with different components then something has in the daily workings of the business become unsustainable to the customer, which could be due to price hike, decrease in quality or poor availability.

It is obvious from the interviews that some metrics are used to measure customer satisfaction and delivery accuracy, but the problem is whether these accurately portray what the process is like for most of customers. The thing is that not all customers are heard equally, only the ones which are large enough to matter (see Appendices 1 and 5).

When it comes to delivery accuracy it can look great in the internal reporting, even when what the customer sees is 60 days lead time with no chance of receiving parts earlier. In these cases the customer has to accommodate the problems caused by long lead times by forecasting well in advance, especially if the product is not a high runner (see Appendix 2 q. 8). Urgent demands are hard to facilitate and the customer may be left feeling that the service level is bad and not reactive enough for their needs, but internally it won't look bad if the delivery was on time according to the lead time for the part. If you measure the customer satisfaction and get feedback from only few selected customers the results are very likely not telling of the problems smaller customers are facing.

A simple way to lose a customer is to stop producing the part they are using in their product, and even simpler way to lose them for good is to not inform them well in advance that a last call order is needed from the manufacturer to cover their future needs. To keep the customer the sales people have to be proactive in finding a replacement solution or a part by which to ensure that the opportunity continued and not lost to a competitor. With the volumes Finnish customers have it is not possible to keep end-of-life parts (EOL) in production

Keeping the customer it is not only about finding replacement products for EOL product but proactively seeking for new opportunities and capturing those

opportunities by being vigilant and knowledgeable about your customer's needs and the direction their research and development is going in. This places demands for the sales people to constantly update their knowledge on upcoming technologies in the industry (see Appendix 2 q. 8.2). Satisfying additional product needs and becoming a solution provider in truth helps in keeping the customer loyal as they see your organization as a trusted partner and a supplier that offers solutions to their current and possibly to future products, which makes their sourcing needs simpler.

6   CONCLUSIONS AND RECOMMENDATIONS

The interviews with the sales people and management draw a picture of an organization where, on paper, the roles of different channels and departments are distinct, and they play a clear role in implementing the sales strategy. OE serves only the largest customers with direct support from the divisions. OES serves the smaller customers as part of the automotive aftermarket id est, the spare parts channel. OES also directs customers, which cannot be served directly by either OE or OES, to wholesale partners. Industry segment, whether off-highway or industrial business, does not matter in the assessment as much as the actual business potential. The customer accounts themselves are distributed between the sales people according to the industry segments for example forestry, mining, agricultural, industrial et cetera.

The interviews indicate that the sales strategy is aimed at winning over mature businesses which have large enough production volumes, spare parts needs, or both. It is an underlying trend in the answers that the customers which are appraised as being too small to conduct business with are essentially dumped to the partner, because the orders they place generate enough volume collectively but not alone.

There is no indication that there is a one clear-cut model of the sales process for the sales team to follow, but rather every sales person is responsible for implementing the steps themselves and whether or not they follow through these steps in a systematic way.

It would be an improvement idea to implement a sales process tool to systematize the way potential, new and existing customers are managed. The rationale for this would be that all steps of the process could be monitored and progress mapped. It would also act as a way to remind you of your current progress and to get in touch with any pending sales topics or just remind you to revisit an existing customer to see if they have any new or additional needs you could turn into potential business.

The sales person has to be competent and aware of what is going on in the market, and the sales process should work as a tool to enable that competence to be used to its fullest potential.

With the limited human resources available, finding potential customers from industrial business segment can be very time consuming with more misses than hits. It should be considered whether it would be beneficial to use a service provider to map potential customers and bring in leads so that the sales team could focus their time more effectively on doing actual sales. Surveys for example could bring to the customers attention that you can provide them with something they are looking for.

When it comes to products, the biggest problem from the customer's perspective is that modifications are essentially impossible, this is something that should be considered at an organizational level, because the impact on unit cost and overall production output to make small volumes of modified parts would most likely make the whole process unattractive to the customer, even if it was possible. But pragmatically speaking even in the best case scenario this improvement idea is not economical to implement unless the customer requires volumes which would lower the per unit cost of the parts significantly.

The issue that stood out the most in all of the interviews in one form or another is how Bosch is able to dictate what the customer is to them. There is nothing wrong in directing the customers to the right channels as a business decision, especially if these are better able to cater to their needs. The problem is that the level of service which can be expected gets progressively lower the further down in the channel you go. It emphasizes the point that not all customers are equal, getting the service needed is more difficult the smaller the size of the business with the customer is.

This raises the question if customer potential should be viewed in broader terms, as previously mentioned (see pages 7-8) it is difficult for a supplier to extricate itself from the status of being a traditional product supplier, if the value they create for the customer is only the product itself and its price. The less value you create for your customer the easier you are to replace.

More effort should be put into capturing the customer early on and building up the relationship and business potential through the customer's own growth.

Implementing the possibility of engaging customers with lower present business potential but promising products from market and supplier perspective. It may not be too late to make the sale when the customer is already successful but it is definitely going to be more difficult to try to replace competitor's products, and if the competitor

has gone the extra mile to create additional value to the customer by offering a comprehensive solution it will be necessary to create better value than their solution offers.

The point is that in regions with a relatively small market for automotive parts, it should be made possible to make business decisions based on the future potential of the customers, which would enable the local organization to transcend the stigma of being a traditional product supplier to most of its customers and become a comprehensive solution provider. This will require improvements in the organizational agility and how customers are perceived.

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Interview 1.

The sales strategy

1 How are customers differentiated/segmented?

Bosch internally we are splitted in two: OE and OES

OE takes care customers dealing DIRECTLY with Bosch Disivisions (e.g. AGCO – Diesel Systems)

OES takes care of AA Original Equipment Sales, selling AA products only.

Our customers we have splitted also in two: Off-highway and Industrial customers.

Additionally we have distributors/partners taking care of the smaller accounts. OES is supporting our dealers.

2 How are strategies differentiated for different customer segments?

OE is dealing with big global customers, e.g. AGCO Power

OES is dealing with customers only within Finland.

3 How are different sales channels utilized for different customer segments?

Small customers served via dealers.

The sales process

4 Finding potential customers

4.1   What is the process behind finding prospective customers?

Every salesman has a specific prospect list they are responsible to work with.

4.2   How are prospective customers and leads qualified?

Prospects are jointly evaluated mainly based on application area and turnover/number of production.

5 Engaging qualified customers

5.1   What steps are taken during the initial engagement with the customer?

Typically first step is some background work by salesman (web, products, turnover, contact persons etc.), followed by first phone call.
Based on call there is typically a visit aiming for on RFQ.
RFQ is replied with our quotation and then normal follow up.
Samples and prototypes can the lead to serial orders.

5.2   From a sales perspective what do customers expect from the initial engagement?

I would guess, a professional approach with correct and deep enough information about the technical features about our products. Price indication naturally important.

6 Proving how Bosch creates value to its customers

6.1 The above figure illustrates the factors which make up the total proposition, which is the total extent of what your organization can offer to the customer.

Please explain with one or two sentences under each category how your organization can create value to the customer in that area, if applicable.

Product

Large scale production utilizes automotive processes and scale of economy is unique at Bosch

Technical

Financial

Global presence offer unique selling points and cost reduction potentials to our customers.

Networks

Image

Bosch brand is highly appreciated. Can even be a selling argument to our customers in their marketing.

Marketing

No real marketing functions in Finland.

Quality

Large scale production utilizes automotive processes with rigorous quality management

Support

6.2   What are the area(s) you consider to be part of your organization's core competences?

Technical knowhow, local presence (local for local), Bosch network utilization

6.3   In what area(s) would you consider your organization to be the weakest in?

Sometimes too complex structures, our market size in not always getting the needed attention in order to close the deal.

7 Winning the sales

7.1   When making a proposal what points in the proposal raise the most objections from the customer and why?

Modifications are "impossible" to our products leading to take it or leave it discussions especially in OES area.

7.2   Are you and your organization in a position to negotiate these objections to a mutually beneficial solution where your organization is not left with the short end of the stick, or vice versa?

As stated above, modifications in most cases can't be done with OES customers

8 Keeping the customer

8.1   Is the customer satisfaction with overall service levels and their relationship with your organization measured?

We have Real Time Customer feedback system in use. Not covering all customers though.

8.2   Are there other customer needs that could be satisfied with additional products and services?

Naturally our portfolio is not perfect. Time or space is not enough to list all.

Interview 2.

The sales strategy

1   How are customers differentiated/segmented?

Asiakkaat off highway OE ja OES, eli suomen laite ja työkonevalmistajat. Isoimpana asiakkaana AGCO group jolle globaali OES varaosa vastuu koordinoinnin osalta ja myynti vastuu Suomen pistelle.

2   How are strategies differentiated for different customer segments?

Pienet OE asiakkaat kuten esim Ponsse palvellaan olemassa olevilla tuotteilla, eli pyritään myymään asiakkaalle joko tuotantoon tai varaosiin Boschilla ohjemassa olevia tuotteita. Pääsääntöisesti Suomessa olevat laite ja konevalmistajien komponentti tarpeet ovat niin pieniä että Bosch ei taivu räätälöimään asiakas lähtöisiä ratkaisuja. AGON osalta taas määrät voivat nousta tasolle jossa projektista tulee tuotekehitys projekti asiakkaan uniikkiin tarpeeseen.

3   How are different sales channels utilized for different customer segments?

Oman toimintani osalta aina tavarat liikkuvat Bosch AA logistaakan kautta asiakkaalle (kandell –poka). Pienemmät asiakkaat palvellaan joko EA jm kautta tai IAM jm kautta. Kun taas isommat OE tarpeet toimitetaan suoraan Boschin tuotetta valmistavalta tehtaalta asiakkaalle.
Esim 1 Agco Power OE diesel komponentit: suoraam bosch tehtaalta asiakkaalle
Esim2 Agco Pwer OES varaoasat: bosch tehdas, bosch aa logistiikka, asiakas (näin myös pienet OE pokat kuten Ponssd jne)
Esim3 loput pienet asiakkaat: bosch tehdas, aa logistiikka, jm eli kolmas osapuoli, poka. Eli Bosch AA tekee kaupaa jälleenmyyjän kanssa, joka palvelee loppukäyttäjää.

The sales process

4 Finding potential customers

4.1 What is the process behind finding prospective customers?

Lista kaikista off higway asiakkaista, alustava myynti potentiaalin arviointi ja priorisointi. Kontaktointi alkaen potentiaalisimmista asiakkaista tavoitteena tapaaminen ja tutustuminen asiakkaan tuotantoon eli tarvekartoitus. Kartoituksen jälkeen jos kaupan paikka joko JM hoitoon tai suoraksi asiakkaaksi.

Toinen perinteisempi tapa löytää uusia asiakkaita on ysinkertaisesti tuntea markkinat ja olla läsnä missä tarvitaan. Kun pelkästään kyseessä on OH pokat, asiakas rajapinta on varsin suppea ja pitäisi olla myynnin tiedossa.

Jos taas kyseessä on kollegan hoitama teollisuus putki tilanne on aivan toinen. Teollisuudesta saattaa löytyä yllättäviä ja arvaamattomia tarpeita autopuolen komponenteille. Tälle puolelle tulisi jalkauttaa myyntiresurssia nimenomaan uusien asiakkaiden kartoittamiseen.

4.2 How are prospective customers and leads qualified?

Arvio asiakkaan valmistavan tuotteen ja määrän mukaan, eli kuinka monta ja mitä komponenttia voisi mennä. Myös asiakas arvioidaan liikevaihdon ja maksukyvyn perusteella.

5 Engaging qualified customers

5.1 What steps are taken during the initial engagement with the customer?

Puh kontaktointa target tapaaminen. Tapaaminen jolla tarve ja potentiaali kartoitus. Tekniset väännöt testit tehdas käynnit jne. Tarjous ja kauppaa.

5.2   From a sales perspective what do customers expect from the initial
        engagement?

*Teknisesti asiantuntevaa palvelua ja kykyä tunnnistaa asiakkaam tarpeet ja sitä kautta
löytää ratkasu boschin high runner tuotteista.*

6   Proving how Bosch creates value to its customers

6.1   The above figure illustrates the factors which make up the total proposition,
        which is the total extent of what your organization can offer to the
        customer.
        Please explain with one or two sentences under each category how your
        organization can create value to the customer in that area, if applicable.

Product

Tuotteet ovat valmiiksi laajasti käytössä ja tarkkaan testattuja

Technical

Asennus apu on testeissä käytössä, mutta ei sarjassa.

Alan johtavaa tekniikkaa käytössä

Financial

Ison talon tuoma taloudellinen vakaus ja kilpailukyky hinnoitella tuotteensa

Networks

Image

Yrityksen brändi on tunnettu laadustaan

Marketing

Omalta osin emme markkinoi

Quality

Laadullisesti korkeatasoista

Support

Teknisesti asiantunteva myyntihenkilöstö

6.2   What are the area(s) you consider to be part of your organization's core competences?

Tekninesti ja laadulliseti huippua.

6.3   In what area(s) would you consider your organization to be the weakest in?

Ei markkinointia ja hidas ja kankea organisaatio joka on luotu palvelemaan PC sektoria.

7 Winning the sales

7.1   When making a proposal what points in the proposal raise the most objections from the customer and why?

Bosch tarjoaa tuotteen semmoisena kun se on, eli asiakkaan tulee muokata oma aplikaatio sen mukaan.

7.2   Are you and your organization in a position to negotiate these objections to a mutually beneficial solution where your organization is not left with the short end of the stick, or vice versa?

Nimen omaam myyjän tulee löytää ratkaisu neuvottelemalla asiakas toimimaan halutulla tavalla. Mitä honnoitteluun tulee niin siihen on varsin laaja ikkuna käytössä, ja yleensä kauppa ei jää siitä kiinni.

8 Keeping the customer

8.1   Is the customer satisfaction with overall service levels and their relationship with your organization measured?

Olemassa olevan asiakkaan hoitaminen on hiolehtimosta logistiikasta ja asiakas suhteesta. Tuotteiden on liikuttava ajallaan ja tässä korostuu asiakkaan kyky ennustaa tarpeita tulevaisuuteen, koska tässäkään suhteessa Bosch toimii kuten toimii ja asiakkaan tulee sopeutua. Haasteena on myös jos korvaavien tuotteiden löytäminen tapauksissa jossa tulee phase outteja. Suomen asiakkaiden määrät ei ylsin riitä pitämään tuotteita ohjelmassa.

8.2   Are there other customer needs that could be satisfied with additional products and services?

Eli lisämyymti. Jos myyjä tuntee omat ja asiakaan taskut kaikki on jo kaiveltu. On syhtä kuitenkin muistaa olla läsnä asiakkaalle koska uusia tarpeita ilmenee aina. Kaikkien ns myymien osalta homma ei ole näin. Tämä vaatii asenteiden ja teknisen kykyjen päivitystä. Tai henkilöstön päivitys ei olisi pahitteeksi.

Interview 3.

The sales strategy

1   How are customers differentiated/segmented?

Noh, meillähän on tehty asiakasjako Saksassa, joten sillä periaatteessa mennään. Käytännössä asian on hieman toinen. Joskin epäilen, että jatkossa saksalaisten ohjeistuksesta tullaan pitämään tarkemmin kiinni. Tämä helpottaa mm. raportointia, koulutusta ja tuotetukea.

2   How are strategies differentiated for different customer segments?

Tuo edellisessä kohdassa selostettu asiakasjako määrittää myös stragiat ja tuen. Meillä on esim. CFH-osastolla seuraavanlaisia asiakasjakoja: Marine, Mining etc. näille on nimetty vastuuhenkilöt, joiden vastuulla periaatteessa pitäisi olla laajempi koordinointi….myös tuotetuen muodossa. Tähän organisaatiomalliin mentiin viimevuoden aikana.. joten on vielä aikaista sanoa, miten kaikki käytännössä pelittää. Paperilla hyvin.

3   How are different sales channels utilized for different customer segments?

Isossa kuvassa "pienet" asiakkaat segmentistä riippumatta ohjataan jälleenmyyntiputkeen ja merkittävät hoidetaan meidän osastoilla suoraan.
Täytyy muistaa, että olemme osa AA-organisaatiota, joten tyypillisempi tapa hoitaa jälkimarkkinaa on tukkureiden kautta… Mutta valmistavien asiakkaiden kanssa taas suorat kontaktit ovat ainoa tapa kaivaa uutta kauppaa.

The sales process

4 Finding potential customers

4.1   What is the process behind finding prospective customers?

Suomi on niin pieni markkina-alue, että pyörillä liikkuvat asiakkaa ovat jo tavalla tai toisella meidän tiedossa. Uusia asiakkaita, "propellipäitä", löytyy lähinnä messuilta tai he ottavat suoraan yhteyttä meihin etsiessään komponentteja. Toki käytämme nettiä katsastaaksemme potentiaalisia asiakkaita tai asiakassegmenttejä

4.2   How are prospective customers and leads qualified?

No ihan ottamalla yhteyttä ko. yritykseen ja selvittelemällä, millainen tarve oikeasti on. Valinta asiakkaan luokittelusta on myyjän vastuulla.

5 Engaging qualified customers

5.1   What steps are taken during the initial engagement with the customer?

No ihan ensin otetaan yhteyttä sähköpostitse tai puhelimlla… selvitellään asiakkaan tarve. Jos yhteisymmärrys löytyy, lähdetään sopimaan tapaamista ja haarukoimaan tarkemmin tarvittavia tuotteita. Jos asiakas lämpenee vielä edelleen, hankitaan mahdollisia tuotteita testiin.
Tämän jälkeen lähdetään avaamaan asiakasta ja suunnittelemaan toimituksia.

5.2   From a sales perspective what do customers expect from the initial
       engagement?

Valmistavalle teollisuudelle on tärkeää, että valitut tuotteet ovat laadullisesti ja hinnallisesti kilpailukykyisiä (vaikuttaa lopputuotteen hintaan). Lisäksi tunnettu valmistaja (tässä tapauksessa Bosch) lisää turvallisuutta pysyvyydestä ja laadusta. Tärkeää on myös toimitusten oikea-aikaisuus ja päivittäisten asioiden kitkaton hoito

(nopeat vastaukset, tekninen tuki jne) . Jos asiakas on merkittävä, tulevat kuvaan myös EDI… yms. asiat.

6 Proving how Bosch creates value to its customers

6.1 The above figure illustrates the factors which make up the total proposition, which is the total extent of what your organization can offer to the customer.

Please explain with one or two sentences under each category how your organization can create value to the customer in that area, if applicable.

Product

Laaja valikoima erilaisia tuotteita, suuret tuotantomäärät, vähäiset virheet, kilpailukykyiset hinnat

Technical

Teknisesti toimivat ja edistykselliset tuotteet, tekninen tuki

Financial

Ison talon mahdollisuudet (maksu- ja toimitusehdot), kilpailukykyiset hinnat

Networks

Image

No tältä osin firman yli satavuotinen taival kertokoon, että monta asiaa on tehty oikein. Bosch on siis brändinä tunnettu... joksaan kaikki meidän toimialat eivät ole suurelle yleisölle tunnettuja.

Marketing

Meidän osaston kannalta markkinointi ei näyttele kovin suurta roolia. Mutta messut ja mölyn pitäminen ei ole turhaa.. näillä haetaan tunnettuuden lisäämistä ja uusia asiakkaita.

Quality

Tämän pitäisi olla kohdallaan.. näitä tuotteita on käytetty laajamittaisesti eri valmistajien tuotteissa. Standarit ja vaatimukset ovat kunnossa.

Support

Tähän asias voisi antaa palautetta.. että nopeammin voisi toimia ja enemmän tietoa voisi avoimesti tarjota... Asia, joka tuottaa meille sisäisesti päänvaivaa. Jos tätä taas karkastellaan logistiikan ja kiinnisaatavuuden vinkkelistä, niin silloin asia lienee kunnossa.

6.2 What are the area(s) you consider to be part of your organization's core competences?

Tuotteiston laajuus

Tuotteiston laatu

Paikallisen henkilöstön halu palvella asiakasta

6.3 In what area(s) would you consider your organization to be the weakest in?

Toimitusten nopeus (sisäset lead timet)

Saksalaisten kyky tiedottaa asioista (esim. toimitusaikataulut, ongelmat)

Saksalaisten halu pantata tietoa

7   Winning the sales

7.1   When making a proposal what points in the proposal raise the most
objections from the customer and why?

noh… Bosch on kohtuullisen konservatiivinen talo… joten toimitusmäärät, hinnat.
myös tuotteiden räätälöintimahdottomuus (eli asiakkaan on modifioitava omaa konstruktiotaan Boschin komponenttiin sopivaksi)

7.2   Are you and your organization in a position to negotiate these objections to
a mutually beneficial solution where your organization is not left with the
short end of the stick, or vice versa?

hintojen osalta kyllä… modifioinnin osalta ei

8   Keeping the customer

8.1   Is the customer satisfaction with overall service levels and their relationship
with your organization measured?

No en muista nähneeni asiakastyytyväisyysmittausta… olisi hyvä tehdä
Isojen asiakkaiden kohdalla kommunikaatio on avointa ja monenlaista raportointia tehdään sekä asiakkaan ja toimittajan välillä että sisäisesti. Täältä saamme palautetta asiakastyytyväisyydestä ja parannuskohteista.

8.2   Are there other customer needs that could be satisfied with additional
products and services?

Ehkäpä, jokainen myyjä on vastuussa asiakkaista… ja myös siitä, mitä asiakkaalle tarjotaan ja myydään. Tässä kannatta muistaa boschin laaja tuotteisto myös crosssalesin vinkkelistä.

Interview 4.

The sales strategy

1   How are customers differentiated/segmented?

Based on their size /turn over.

2   How are strategies differentiated for different customer segments?

Smaller customers can only be served via central warehouse or via sales partners, no product development. Customers with big volumes are served directly from the BU or plant, product development together with the customers.

3   How are different sales channels utilized for different customer segments?

Deliveries directly from the plant to bigger customers.
Smaller customers are served from the central warehouse or via sales partner.

The sales process

4   Finding potential customers

   4.1   What is the process behind finding prospective customers?

Advertisement in trade magazines and news papers
Fair attendance
Internet marketing

   4.2   How are prospective customers and leads qualified?

Turnover, business area

5 Engaging qualified customers

5.1 What steps are taken during the initial engagement with the customer?

Direct contacts by phone, sending material, customer visit

5.2 From a sales perspective what do customers expect from the initial engagement?

Interesting products and solutions

6 Proving how Bosch creates value to its customers

PRODUCT
Performance
Design & Style
Specification
Delivery

SUPPORT
Consultancy
After-Sales
Marketing
Support Service
Response

TECHNICAL
Installation
Technology
Operations
Advice

QUALITY
Satisfaction
Reliability
Guarantees
Warranty

Total
Proposition
*Core competences
Organizational
capabilities*

FINANCIAL
Pricing
Credit Terms
Promotions
Discounts
Loans

MARKETING
Customer Reach
Advertising
NPD Distribution
Sales Force

IMAGE
Status
Brand Values
Green Credentials
Endorsements

NETWORKS
Alliances
Partnerships
Market Access

6.1 The above figure illustrates the factors which make up the total proposition, which is the total extent of what your organization can offer to the customer.

Please explain with one or two sentences under each category how your organization can create value to the customer in that area, if applicable.

Product

New products, customer branding

Technical

Latest technology, technical support

Financial

Pricing based on MOQ

Networks

Products and service via global network/presence

Image

Brand worldwide known

Marketing

Central marketing department

Quality

Good quality, central handling of quality issues

Support

Spare parts service

6.2   What are the area(s) you consider to be part of your organization's core competences?

Products of good quality and latest technology

6.3   In what area(s) would you consider your organization to be the weakest in?

Marketing, difficult to get product news and product information. Long lead-times.

7 Winning the sales

7.1   When making a proposal what points in the proposal raise the most objections from the customer and why?

Prices and long lead times.

7.2   Are you and your organization in a position to negotiate these objections to a mutually beneficial solution where your organization is not left with the short end of the stick, or vice versa?

It really depends on case by case

8 Keeping the customer

8.1   Is the customer satisfaction with overall service levels and their relationship with your organization measured?

8.2   Are there other customer needs that could be satisfied with additional products and services?

More business for lower volumes through product development.

Interview 5.

Sales strategy

1 How are customers differentiated/segmented?

For OE (original equipment) customers we have a dedicated customer team with all required support functions (sales, logistics, technical, quality, project development). For those customers, new products are released. These customers represent the core business.

For OES (original equipment sales) customers we have sales teams which typically are responsible of several of this kind of customers. There is no direct technical support in the organization. For those customers, we do not release new products. (must take product from the shelf).

Small OES customers, same as above, but with low business relevance. These customers are handled entirely by our partners. This partner gets similar support from us like regular OES customer.

2 How are strategies differentiated for different customer segments?

The main differentiation is the business volume

3 How are different sales channels utilized for different customer segments?

See (1)

The sales process

4 Finding potential customers

4.1   What is the process behind finding prospective customers?

I do not know (I work in OE)

4.2   How are prospective customers and leads qualified?

I do not know (I work in OE)

5 Engaging qualified customers

5.1   What steps are taken during the initial engagement with the customer?

For OE customers, we have a business opportunity team, which evaluates the business case. Only if a business case makes sense, we proceed.

5.2   From a sales perspective what do customers expect from the initial engagement?

Prompt technical support, availability of sample parts for testing, price indication. Any development add-on costs must be transparent.

6 Proving how Bosch creates value to its customers

6.1 The above figure illustrates the factors which make up the total proposition, which is the total extent of what your organization can offer to the customer.

Please explain with one or two sentences under each category how your organization can create value to the customer in that area, if applicable.

Product

we offer our best suitable product/ product combination which fits best into the customer's concept.

Technical

Along with our products and systems we provide technical customer documentation and guidelines. For inquiries, we have the customer team installed.

Financial

The initial price indications and development payments are presented so customer can consider in his budget. Payment plans and project resources sometimes need to be adjusted for best financial co-operation.

Networks

Diagno, our partner in Finland who handles small OES customers.

Image

Bosch image is strong, and we agree that customer refers Bosch brand in their own product marketing.

Marketing

-

Quality

Quality is monitored continuously.

Support

Support is given at all times. Customer knows where to get support (the customer team at Bosch is first contact for the customer).

6.2   What are the area(s) you consider to be part of your organization's core competences?

Network within our own mother organization. If an issue cannot be handle locally, we have access to a huge network for support.

6.3   In what area(s) would you consider your organization to be the weakest in?

Respond time of less important items. If an item cannot be handled locally, it can take time to receive support for the large organization on such "less" important items.

7 Winning the sales

7.1 When making a proposal what points in the proposal raise the most objections from the customer and why?

Price, technology.

7.2 Are you and your organization in a position to negotiate these objections to a mutually beneficial solution where your organization is not left with the short end of the stick, or vice versa?

For bigger objections, our local organization is not in a position to negotiate. It must be done in the name of the gmbh.

8 Keeping the customer

8.1 Is the customer satisfaction with overall service levels and their relationship with your organization measured?

Yes, we measure customer satisfaction.

8.2 Are there other customer needs that could be satisfied with additional products and services?

There are always different kinds of inquiries for services, or products. But not all of these make a business case.