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Operating Model for the Expert Resource Supply Business

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In the expert resource sales, the major challenge is to predict the future customer resource needs in about half to one year period of time. Publicly available customer resource needs are to be fulfilled in the near future and consultation companies do not have time for recruiting the resources, which are already requested at short notice by the customers.

The representatives of the case company and customer companies have kindly accepted my proposal to do my research with their assistance. I wish to express my gratitude to you all about this great opportunity to learn.

I am also grateful to Dr. Marjatta Huhta for her practical and important advice and to Dr. Thomas Rohweder for continuously directing of my work towards the final results. Zinaida Merezhinskaya has not only inspected the language of my Thesis, but also improved it by giving practical advice, which I am also grateful for.

I wish to express my gratitude to my loving wife Anni for her tolerance and faith in my capability to finalize my thesis in time.

My studies towards a Master's degree, research work and writing of Thesis taught me much about resource supply business and the business life in general. Many phenomena previously so obvious to me have now acquired new and more meaningful explanations. I am grateful and happy about this great opportunity for learning.

Kirkkonummi, May 5, 2011

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<p>The expert resource supply business is somewhat challenging in order to have ability to predict in advance, what will be the most essential customer needs in half year to one year perspective. How to find enough in advance adequate resources that could be offered successfully to customers? Consultation companies advertise their customers' resource needs in their web pages, but these resources are usually required as soon as possible or within a few weeks.</p> <p>For a company to be able to provide such expert resources, it should have those persons recruited and ready for work as required. In order to have a forecast for future customer resource needs some research into the subject is needed. The consultation companies co-operating with the end customers on a daily basis can have information about future resource needs that are not yet publicly available. This information could be useful in recruiting new potential consultants for the case company. The key research question is therefore, what is the operating model to be successfully applied in resource supply business?</p> <p>This research concentrated on the interviews with most potential and important customers of the case company. Interviews were also conducted with the management of the company and with two existing consultants. Based on the theory and the research results, a new operating model for consultation sales of the company was suggested.</p>	
Key words	Operating model, resource, skill, technology, customer

TIIVISTELMÄ

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<p>Asiantuntijoiden välitysliiketoiminnan resurssien vuokraamisessa on jossain määrin haasteellista ennustaa, mitä tulevat asiakastarpeet olemaan seuraavan puolen vuoden tai vuoden kuluessa. Miten löytää riittävän ajoissa asiakastarpeita vastaavaa osaamista, jota voidaan menestyksellisesti tarjota asiakkaille? Konsultointiyrietykset mainostavat asiakastarpeitaan web-sivuillaan, mutta kuvatut tarpeet on täytettävä niin pian kuin mahdollista tai muutaman viikon kuluessa.</p> <p>Yrityksellä, joka aikoo kyseiset resurssit toimittaa, pitää olla resurssit rekrytoituina ja valmiina tarttumaan työhön tarpeen mukaan. Tulevaisuuden asiakastarpeiden ennustamiseksi tutkimustyö aiheesta on tarpeellinen. Loppuasiakasyritysten kanssa päivittäisessä yhteistyössä toimivat konsultointiyrietykset saattavat päästä käsiksi tietoon tulevista tarpeista, jotka ei ole vielä julkisesti saatavilla. Tämä tieto saattaa osoittautua hyödylliseksi yhtiön uusien konsulttien rekrytoinnissa. Avainkysymys onkin, millä toimintamallilla asiantuntijoiden välitys onnistuu parhaiten?</p> <p>Tämä tutkimus keskittyi haastatteluissaan kaikkein potentiaalisimpiin ja tärkeimpiin kohdeyhtiön asiakasyrityksiin. Tutkimuksessa haastateltiin myös yhtiön johtohenkilöt sekä yhtiön vapaina olevat konsultit. Teorian ja tutkimuksen tulosten pohjalta laadittiin ehdotus kohdeyhtiön uudeksi toimintamalliksi.</p>	
Avainsanat: Toimintamalli, resurssi, osaaminen, teknologia, asiakas	

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Tiivistelmä

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Glossary

Account	Follow-up of income and costs of customer operations
Agent	Company forwarding resources of resource suppliers
Agreement	Contract between customer and supplier
Assignment	Work of human resource in customer's premises
Business model	Definition on, how company works to earn money
Candidate	Potential employer for a customer's resource request
Case company	Company involved within the research
Consultant	Human resource hired to work for the customer
Consultation	Delivering knowledge and skills for the customer
Consultation company	Company hiring the human resource for customer
Consultation resource	Human resource for customer resource request
Consultation sales	Sell of human resources for customer requests
Customer	Company purchasing the work of human resource
Customer contract	Contract between a customer and a supplier
End customer	Customer of the supply chain using the expert service
Expert	Human resource hired to work for the customer
Expertise	Knowledge and skills of human resource
Expert resource	Human resource hired to work for the customer
Hub	Provider of human resources to end customer
Human resource	Human being with required skills and knowledge
IT	Information technology
Operating model	Model for business operation in the market
Resource	Human resource working for the customer
Resource profile	Qualifications of human resource
Resource supplier	Company providing a human resources
Resource request	Need of a work of a human resource
Resource supply	Provider of a service of a human resource
SWOT	Strength, Weakness, Opportunity and Threat analysis

1 Introduction

1.1 Business Environment

In the expert resource supply business, the challenge for any company aiming to provide resources to potential customer is how to predict the forth-coming customer needs in advance to have sufficient time to advertise the job opportunity, select the candidates for interviews, meet them and eventually choose the potential candidates to be offered for the customer companies.

To be able to handle this properly a resource supplier for consultation companies should have extensive pool of experts ready to start the assignment at the service of the customer company any time. But on the other hand, such experts cannot be hired beforehand, prior to the customer contract is realized, because the costs of idle resources cannot be sustained for long periods. The consultation companies provide resources to the joint purchase companies of industrial or governmental sector, also called as hubs, which are only entitled to provide resources to those mentioned technology manufacturing companies or governmental organizations as end customers for resources.

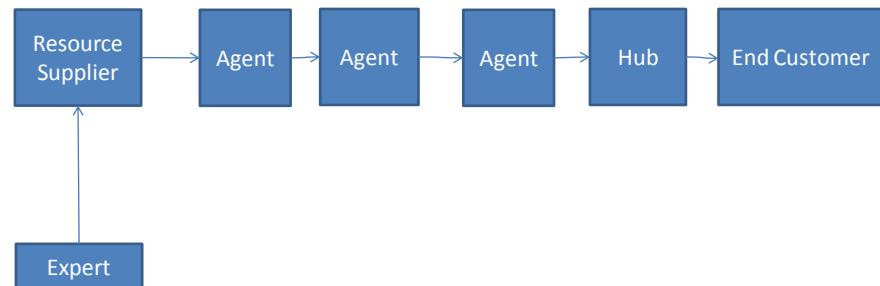


Figure 1. The Structure of Expert Resource Supply Chain.

The market comprises of small resource supplier companies, agent companies providing resources to the hubs, which are supplying the resources to the end customer in the market. The resource suppliers are providing their expert resources to the agents in the market. The agents are negotiating about their offered resources with next agent in the supply chain one step closer to end customers. Finally an agent closest with a hub after receiving a positive end customer message by the hub will accept the corresponding offer of the agent on the next step of the chain. The selected expert resource will be contracted through the whole chain step by step as indicated in the figure 1, which describes the structure the expert resource supply chain in the market.

During the research, interesting news in the market was announced about Nokia – Microsoft co-operation within mobile phone operating systems, which had a potential effect on the demand in the

market in about one year period. This announcement happened at the starting point of my study and gave a positive kick to my research. Also during the research, interesting news were that the semiconductor manufacturer Intel, who used to co-operate with Nokia in developing Meego operating system for Nokia mobile phones, was planning to establish a research and development centre in Finland. This was probably going to effect on resource demand in the market as well.

1.2 The Case Company Background

The case company was established in 2000 as a supplier of information technology systems. A year later the company started to provide expert resources to customers, who were suppliers of information technology for manufacturing companies or consultation and resource suppliers of the information technology companies. The best period of consultation sales resulted in the company's history as many as ten invoicing consultants working for the customers. These workers were project managers, high skilled experts working for IT departments of end customers. Since 2008, however, the consultation sales have dropped dramatically. The existing customer contracts for consultants were terminated by customers in 2009 and the consultants were laid off.

Even though new customer contracts have not been acquired by the case company, it still has this function of Consultancy, which aims to provide expert resources to potential customers and also to their end customers.

The potential customers of the company are consultation companies, agents or other resource suppliers. Offering resources to potential customers is provided through customer's web pages and exchanging emails about their resource needs. For any potential

resource need of a customer, the expertise of the most potential candidate consultant, whose skills and knowledge are at the required level, is offered.

Hubs are joint purchase companies that provide all the IT expert resources for big technology companies like Nokia, Nokia Siemens Networks and Tieto. Tieto is one of the companies providing external expert resources for Nokia R&D and Nokia Siemens Networks as a Hub. Other Hubs are Nice, Accenture, Logica and Data Consulting Services.

The case company has direct communication channels to the end customers and Hubs. Though, through those channels direct sales are not possible, the channels can be used to inform the end customers about the company's free and available consultation resources and their skills and knowledge. This is also one of the ways to hear about new projects, where end customers might need new external resources. Also advertisement segments of public newspapers may give additional hints about possible resource needs of end customers.

The case company is also advertising job opportunities for consultants in the web pages of Monster Oy. This was the reason behind in early stage of this study for a meeting with representative of the company at an interview, in which more effective methods for recruiting and advertising were discussed.

Potential consultants are sourced from outside of the company by placing job advertisements on the web pages of Monster Oy and also, through some of other external recruiting companies. According to the company practices, the consultants are not hired before the company has valid contract with the customer.

Decisions about the potential consultants are done by interviewing and cross-checking the background of the interviewees. Best knowledge and well-informed guesses about special skills and technology know-how have been the selection criteria for potential consultants, which might be needed in the near future. So far, the company has been successful in recruiting and selling project managers and specialists.

In the recruitment process of new consultants, the company is facing a challenge that the skills and technology know-how needed by the customers in the future six to twelve months ahead are not known. If the company starts to recruit skills and know-how, which is required by the customers at the moment, it is already late for providing them, considering the time for having them selected and recruited. This happens because, the required resources are normally needed in short notice and thus, there is no time for months long recruiting processes to take place.

1.3 Business Objective and Research Question

Key concern of this study was to find the ways to increase the sales of expert resources to resource consultation companies and to their end customers either through other consultation companies or directly to potential new end customers.

The idea was to focus on finding answer to the following question, which was to be solved by this study.

What is the operating model for the company to be applied successfully in the expert resource supply business?
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In order to have improved understanding on what kind of operating model could be successful; the most important customers with good knowledge of the market were interviewed. Interviews were

also conducted with the owners of the company and with the external consultants. The discussions with consultants were focused mostly on the sales efforts, while the discussions with the owners of the company were focused on identifying the key questions to be asked in interviewing the customers as for the applicable operating model for the future.

The outcome of this study was a proposal for a customer value proposition and a profit formula for the proposition. Recommendations on recruiting operations were also made.

Research Method and Material

The research method used in this Thesis was Action Research, which is further described in details below. As one of the preliminary materials for the research, the survey was made among the customers and experts in the market by eWork, an agent company also operating in the market. These results of the survey were used as one of the preliminary materials of the study. The second source of preliminary materials was the summary of latest correspondence of resource requests by the case company. Thirdly, the preliminary interviews of representatives of selected customer companies were conducted. Based on these three sources of information, the demand analysis was implemented.

Studies of applicable theories of business modeling gave the idea as for what could be the key components of the new model. Accordingly, based on the skills and knowledge in the company, existing capabilities and also on the obvious limitations, the study carried out the SWOT analysis of the case company. Together with the owners of the company targeted questions or themes for the discussions were developed to interview the representatives of the customer companies. With these targeted questions, the repre-

representatives of the selected customer companies were interviewed once again in order to confirm ideas and elements of the operating model for the case company.

With the developed proto version of the operating model, the same representatives were once more contacted in order to find any possible corrections for the model. Then the final conclusions of the research were made.

The next section discusses the research method and materials.

2 Research Method and Material

In this section the method and material of the research are discussed in more details. The research method used in this study was action research, which will be described in details. In this research, the researcher was acting not only as the researcher, but also as practioner, since the research was conducted in the organisation, where the researcher was also one of the members.

2.1 The Data Collection and Analysis Methods

In action research method, the research problem is defined in collaborative process involving practioners and researchers. The research is problem focused and the process has application and evaluation built in the experimental innovation stage.

The Action Research can be illustrated as in the following figure.

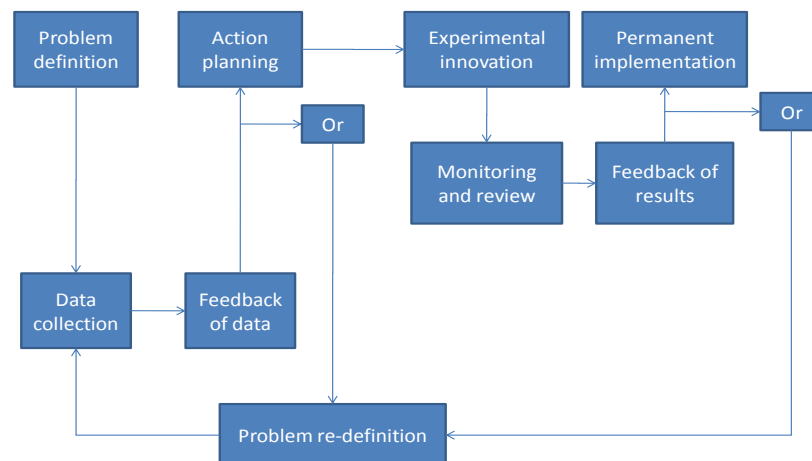


Figure 2. Action Research Model

When there is a problem in an organization and action research method is planned to be used for problem solving, the organization should first diagnose the problem and formulate it in a clear and understandable way for both parties, i.e. practitioners and researchers involved in the research and problem solving to be clear.

Around the problem area there must be enough data collected for example the working theme, key issues, theoretical foundations, which are then further analyzed in order to do the action planning of the research or for problem re-definition, if necessary already at this stage. Experimental innovation is performed and the results are then monitored and reviewed to reveal the feedback. In positive case the results lead to permanent implementation or to a problem re-definition and thus, the circle will take another round. (Wilson T. D. and Streatfield D. R; Action Research and users' needs, Högskolan i Borås, 1982, 51-70)

Action Research Spiral Model

Action research can also be described as a practice-based process like an ever-narrowing spiral of problem-posing and problem-solving. This process is illustrated in the spiral model of action in figure 2.

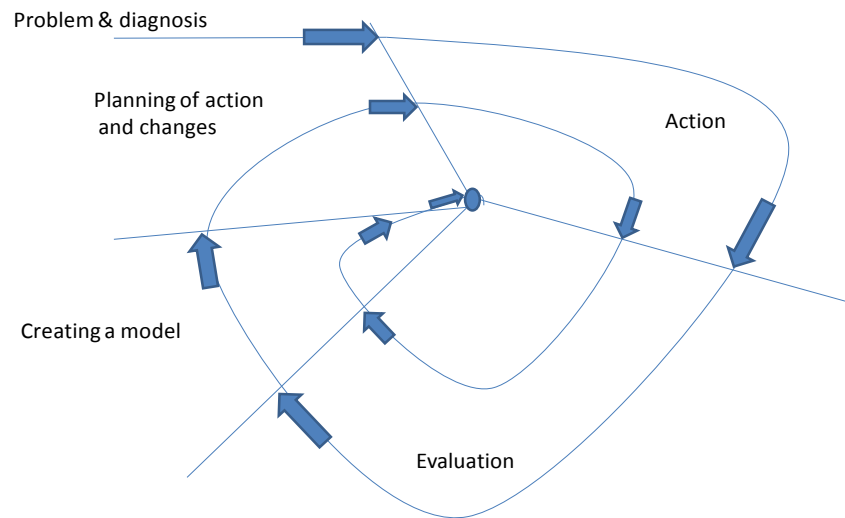


Figure 3. Action Research Spiral Model

According to the methodology of action research the problem is first identified and then based on diagnosis of the problem the first action cycle is planned including, for example, the working theme, key issues, theoretical foundations articulated, even though they may need to be changed after later iterations of the process.

Secondly, the action plan is made out. The action plan is made up of sequential spirals of diagnosis, action planning, action taking and evaluation. After that the action can be taken.

Fourthly, the evaluation is carried out, including the questions such: Was the diagnosis right? Was the action taken correct? Was the action taken in an appropriate manner? What are feeds into the next cycle of diagnosis, planning and action? Simultaneously, the model will be created for further improvements during the forthcoming cycles of the spiral.

For the second round of action research, the changes in action are planned and carried out. Then, again, the evaluation leads to the changes in the model and changes in the action accordingly are done until getting final improved results. (Davis Coghlan and Teresa Brannick; *Doing Action Research in your Own Organization*, Sage Publications limited, 2005)

Data collection

As attachment of this document there is a typical results document of a survey, which is conducted yearly among co-operators of the resource supply business in Finland. The results of the latest survey (at the end of year 2010) are already available and they are discussed here, because they were serving as basic data together with resource request summary and the results of preliminary interviews.

The existing consultants of the company were also interviewed at the beginning of the research and in order to collect data and discover the ways to gain better, sales of their expertise.

For the preliminary interviews, a number of selected customer companies were contacted. These preliminary interviews concentrated on finding out the obvious, predictable, unidentified and possibly even unserved customer needs and segments. The case company owners were interviewed in order to get their views into the targeted questions as the discussion themes for the second round interviews.

The second round of interviews with targeted questions concentrated on finding the important components of value proposition and profit formula, which were distinguished from the results of preliminary interviews.

The third contacts round with the interviewees concentrated on representing by email the ideas for the developed operating model and possibly have ideas and corrections for further developing these to better serve the company as the operating model for expert resource supply business.

The goal of this stage of the research was to increase the consultation sales of the company by developing a operating model, which would take into account the phenomenon of resource supply business in general and possibly concentrate on any market segment to customers, who were not yet served well enough or had needs that were not yet foreseen by the existing competitors in the market.

The potential customers that were contacted in this research, all are resource suppliers or agents for other consultation companies, technology companies and Hubs. The companies selected as customers to be interviewed all had slightly different approach to the expert resource supply business. While one of the companies was completely concentrating to act as an agent, another one was partly acting as an agent, but had also direct customers and had acquired new market as well. The additional two customers were focused more on direct and closer customer relationships by acting more as trusted partner to customers.

2.2 Research Design

In this study two rounds of discussions were taken. In the first round six open interviews were held, each lasting from 33 minutes to 1 hour 40 minutes. These preliminary interviews included the interviews of two consultants of the case company and also four representatives of customer companies. The second round of interviews included six interviews, each lasting from 27 minutes to 1 hour and 15 minutes. The owners of the case company were inter-

viewed and the same representatives of the customer companies as earlier on the preliminary round were again interviewed as well.

This study was following the principles of action research study and was implemented by interviewing the all parties within co-operation of the case company. The preliminary interviews with consultants and the potential customers concentrated on finding the ablest or most deserved or forgotten customer segments and sections. Even completely new areas of business were discussed. The chosen interview method was informal conversational and open, in which the respondents were encouraged to freely speak on the subjects rather than responded to specific questions. The interaction directed the direction and the content of the interviews. The interviews were recorded for further analysis.

The research design of the study followed the basics of action research and the detailed design is illustrated and explained below in the figure 4.

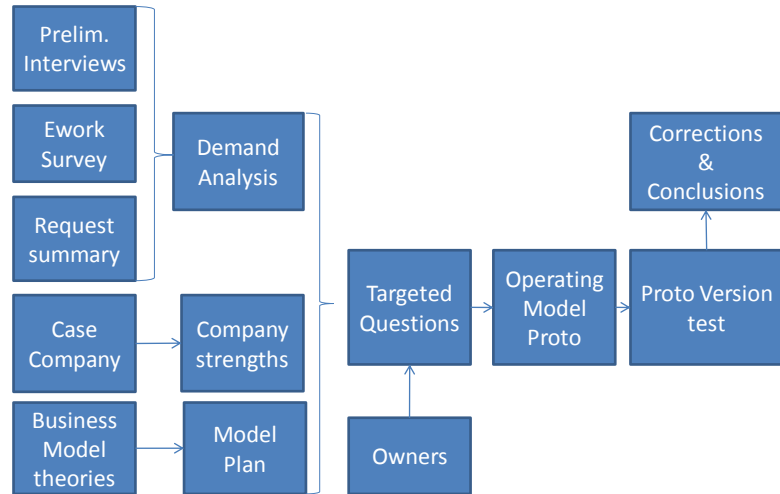


Figure 4. The Research Design of the study for Operating Model of Expert Resource Supply Business.

Model Plan

In this research project, extensive theoretical studies and discussions were carried out concerning an innovative business model for resource supply business. From the literature study five theories were selected, and some ideas were also picked up as a Model Plan to be further developed for the new operating model.

Demand Analysis

At the time of the research, one of the potential customers published the results of their own studies that were obtained from the co-operators in the market at the end of 2010. The summary of the results is briefly discussed as additional research material in the next subsection 3.3 of this study. This summary served as one of the preliminary data sources for the study. (See Appendix 1)

Also old resource requests from the last three months of the email correspondence with the selected customers were summarized to clarify the picture of what is required by the market. The summary made a good addition for the results of the preliminary interviews and the survey results, which were already mentioned before. Based on Preliminary interviews, the Request summary, the eWork survey results, the Demand Analysis was performed. An example of resource requests and the summary of resource requests are collected in Appendices 2 and 3.

Company Strengths

Based on the strengths, weaknesses, opportunity and threat of the company a brief SWOT-analysis was carried out to be able to identify the becoming challenges in the market of the resource supply business.

Market Analysis

A look at the market of free external experts was also taken into account to find out the potential for recruitment of expert candidates and their resource profiles. As there were significant changes happening in the market simultaneously with this study, these changes had also to be considered together with the availability of the expert resources. These two sources formed together the Market Analysis, which is a business as usual in the expert resource supply business and thus is not shown on figure 3 of research design.

Model Plan

Based on several Business Model Theories the Model Plan was developed to guide the research to follow the chosen theories.

Targeted questions

The model plan based on the business model theories, the request analysis, company strengths and the market analysis gave the ideas for targeted questions, which were developed together with the owners of the company as topics for discussions with the representatives of potential customers. These developed topics were guiding the discussions to discover dimensions for new operating model.

New Operating Model

Based on these discovered dimensions, the new operating model was developed to enable the success of expert resource supply sales. This new operating model was then presented to the respondents. The necessary adjustments were made according to their recommendations, when applicable. Finally, the conclusions were drawn based on the research findings and on the developed model.

The study had the goal to give a new operating model for the case company, in order to successfully select, recruit and sell the expert resources to potential customers in the market. The basic criteria for the new operating model were to develop a working scheme, which could be easy to adopt and can be modified according to the market demand.

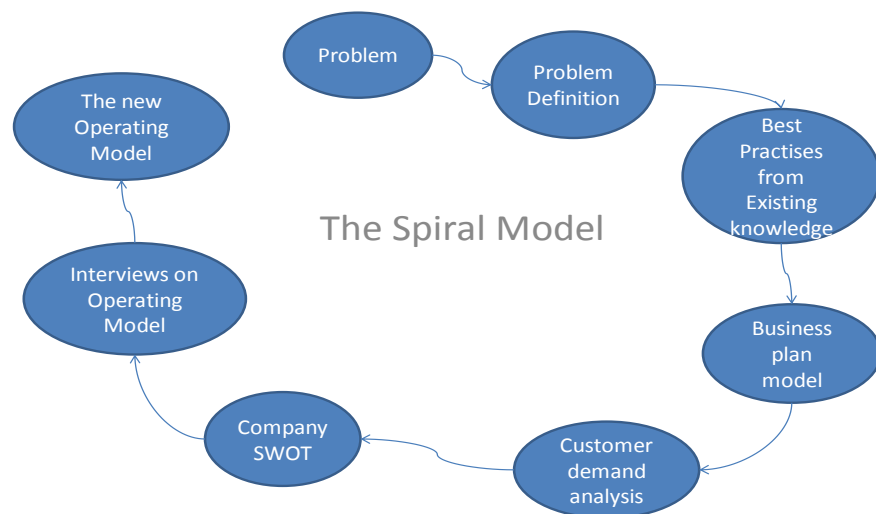


Figure 5. The cycle of the research presented as the spiral model of action research.

In figure 5 the cycle of the research flow as in a spiral model is illustrated. Generally, the action research project would include several rounds in the subject and thus guide the research to final conclusions. However, in this research, there was only one cycle completed. All additional cycles were left to be implemented by the representatives of the case company, in case the operating model was to be taken into use. In positive case, the revision of the new operating model most probably would be needed.

2.3 Research Materials

In this research three major types of materials were used and they were the existing summary of eWork, the summary of three month's resource requests and the series of interviews with three different parties involved with the case company, i.e. consultants, owners and customers of the company.

Survey Results of eWork

Firstly at the beginning of year 2011, an overview of survey results was published concerning the demand for information technology experts in resource supply business by eWork Nordic (Appendix 1).

This overview was one of the starting points for this research, since the year 2009 was exceptionally difficult for the expert resource supply business. Therefore this overview is important to discuss in order to get a picture of the resource business environment in general. This overview also acted as one of the sources of materials for the research study.

In this survey 91 customers and 268 experts and co-operators of the company gave answers to the survey questionnaire. According to the answers, the year 2009 was exceptional in terms of demand decrease for IT expert resources due to the worldwide recession. The prediction for the market demand in 2011 was almost on the same level as it used to be before the recession of 2009.

The overall picture also included the following features. According to this overview, most demand on the market was recorded for project directors and project managers, application experts and system architects by this overview. About two thirds of potential customers were already in trouble and one fifth felt that their business was suffering due to the unavailability.

As a result, customers were looking for already experienced IT- experts. They required experts to have well-proven records and references to successful projects, and they were expected to know well the customer's business field. In 2009, the most important skills required by customers were leadership related, but in the answers to this latest survey the leadership skills were not mentioned at all. As the conclusion for the survey it was explained that in situ-

ations with “lighter” expert resources the need to get similar amount of work done as with the “heavier” resourcing calls for leadership skills in particular, and therefore this was especially sought by management.

Both customer and IT-experts evaluated the know-how of customer business branch as one of the most important skills in addition to the special expertise areas. Customers expected more detailed know-how of IT branch from the experts than the experts themselves expected. Thus, it may happen that in situation of selling their expertise, the know-how of the branch in question is not informed adequately enough.

Almost half of customers valued the team working skills. One fourth of experts and project managers valued those skills as well.

These results of the survey could be interpreted in such a way that the market had the biggest demand for experienced project directors and managers with a lot of experience and successful projects completed on their well-known business branches. All this applied to IT-experts as well, which were almost as equally much required by the market.

Summary of Resource Requests

Secondly as a preliminary material of the resource requests received by the case company during the past three months time were summarized and used as another source for finding out details of the market demand for expert resource supply business. The results of this study of resource requests also supported results of the survey introduced above. The most of the demand was for project managers, designers/developers and experts on any particular field of expertise. An example of resource request and the summary of resource request are in the Appendices 2 and 3.

Interviews

Thirdly the consultants and the representatives of customer companies were interviewed. The interviews at this stage focused in finding the prospective, deserved or forgotten customer segments. Even, completely new areas of business were discussed. The interviews were open, in which instead of replying to specific questions, the interviewees were speaking freely on the titles of the interview. All these customer interviews were recorded for further notes to be taken and analysed.

2.4 Validity and Reliability

Qualitative analysis results is a different type of knowledge from the quantitative analysis, because one party argues from the underlying philosophical nature of each paradigm, enjoying detailed interviewing and other focuses on the apparent compatibility of the research methods, "enjoying the reward of both numbers and words" (Glesne & Peschkin 1992)

According to Patton (2001) validity and reliability are two factors which in qualitative research should be considered about while designing a study, analyzing results and judging the quality of the study.

If issues of reliability, validity, trustworthiness, quality and rigor are meant differentiating a 'good' from 'bad' research, then testing and increasing the reliability, validity, trustworthiness, quality and rigor will be important to the research in any paradigm. (Golafshani, 2003)

This study was qualitative in nature and applicable theories on business modeling were studied and preliminary material for the research included results of one survey made by another company with respondents of 91 customers and 268 experts co-operating with that particular company.

The analysis of the latest customer demand together with the preliminary interviews with customer company representatives gave further strengthened understanding of the market and the demand before the actual interviews on the components for the new operating model were carried out.

As the representatives of end customers were not generally known and also detailed discussions of fulfilling of any particular resource request were missing, this was one of factors limiting the market view of direct - and end customers requirements. Any business modeling without direct discussion with possible end customer about the Customer Value Proposition is challenging. The requirements of the end customers are likely to be simplified and streamlined within the request process along the operators in the resource supply chain.

The interviews of this research were conducted besides with the representatives of the customer companies also among the consultants and the owners of the case company. The customer companies and their representatives and the owners and the consultants of the case company all had long and extensive experience of the market and the end customers. These mentioned facts justified reasons to believe that the results of the research were validate and reliable.

The principles of confidentiality and openness were strictly followed in this research as the companies involved were in some cases di-

rectly competing in the same market. The subjects discussed within one interview were not as such directly distributed to any external parties. On the other hand all the general observations and phenomena of the market were evenly distributed to all parties involved in the research.

3 Business Modeling

The theories of business models are discussed in this section in order to find out operational business models available to succeed in the resource supply business.

A successful business model is based on four critical elements, which are the *design of offering, employee management, customer management* and the *funding mechanism*. (F. X. Frei; 2008: 70-80)

There are also researchers, who argue that the four elements necessary for successful business model are a *customer value proposition, a profit formula, key resources and key processes*. (Johnson et al; 2008: 51-59)

The three characteristics for a good business model is also described by researchers as *aligned with the company goals, robust* and *self-reinforcing*. (R. Casadesus-Masanell et al; 2011: 101-107)

The business model is describing the business and money earning logic of a company, acting as a glue between business strategy and processes as proposed by A. Osterwalder; (2004: 11-40)

In this research these researchers with their business modeling are considered and the characteristics of their models are studied.

The characteristics are now discussed in more details and evaluated in the following to consider the appropriate components of any model for the purpose of the case company.

3.1 Offering

Based on the definition by Frei, *offering* is one of the four things the service business must get right in order to succeed. Instead of product characteristics managers of a service company are advised to concentrate on the service experiences that customer of the company are expecting. They may expect friendlier or more convenient interaction, closer proximity, greater scope or lower prices. In order to produce a fascinating offer, the management of the company must have a clear vision on what attributes the company will compete. (Frei; 2008: 70-80)

As none of service companies can afford to serve every customer with services attractive all customer groups, they have to make strategic selection, in which service segment they serve poorly.

To make a successful service offering the company needs to decide, which attributes to target for excellence and which to target for inferior performance. Investigating the relative importance of different attributes among the targeted customer segment should give set of criteria for investments in service excellence with those priorities.

When an attractive customer service segment is found a new offering should be designed or existing modified to line up with that segment's preferences. The balance between excellence in some parts of the segment and inferior performance in other parts is necessary to succeed in the service business.

The *funding mechanism* in service business is believed to be somewhat more complicated than the price tag as it usually is in product business. Often the pricing is not transaction based but rather based on a bundle of several elements of value or follows some kind of subscription, e.g. on a monthly fee. In other words,

service business calls for careful planning on how the excellence will be paid off. The funding mechanism must allow the company to outshine the competitors in the attributes it has chosen. (Frei; 2008: 70-80)

Where are the biggest cost savings possible, there could also be the best opportunities to charge customers without highlighting this particular pricing model too much to them. Time saving is often fruitful as it can also directly improve the service even when cutting costs.

Investing in the first place to something enabling the savings later, is another, more painful, way to reduce customer's need for auxiliary service in the future. This can also mean investments for service development now, which is cheaper by the customers than by expensive service developments designers or consultants at later stage.

The funding should be thought carefully before launching the service rather than modifying it afterwards. For example, any service received cost free at the beginning will be difficult afterwards to be changed chargeable without severe customer complaints and even escapes.

The *employee management system* is vital for service businesses and therefore the management of a service company should give special attention to recruitment and selection processes, training, job design, and performance management among all other components that form together the employee management system. (Frei; 2008: 70-80)

To start the design, the two-part diagnostic, rather simple question together with the corresponding answers will have to be asked: What makes employees able and on the other hand motivated to

achieve to excellence? When considered carefully, the answers will be translated to company specific policies and programs. (Frei; 2008: 70-80)

The employees, who are above the average in attitude and aptitude, are also expensive to employ. In order to keep a competitive employee cost structure, companies will have to compromise on one quality or another. Again decision will have to be made in which target to aim at excellence and in which target it can be left to inferior performance. (Frei; 2008: 70-80)

The *Customer Management System* in a service environment can involve customers also sometimes to a very large extent in operational processes and thus they can influence their own experience quite heavily. This alters the traditional role of the business in value creation as both employees and customers are both part of value creation process. (Frei; 2008: 70-80)

Unlike the employees the customer labor can be much less expensive and this can lead to better service experiences. It is essential for service success to design a system that manages the challenges involved in here. The customers can't be selected like employees with interviews, background checks and personality profiles and customers are not as easy to train as employees. As this is often the case, shifting tasks from high-skilled, trained personnel to lower-skilled customers, then the complexity of the tasks required must be adjusted accordingly. (Frei; 2008: 70-80)

For new activity launched to the process employees can be ordered to do any new task in the process, but customers have to be persuaded to do the same as they are not in similar direct command chain like employees. Motivating customers instead of employees,

to perform the tasks, requires often a complex mix of rewards and penalties. (Freij; 2008: 70-80)

The management of customer operations calls for few questions to be asked. Who are the customers to be focused on? Which behaviors are required and which techniques will be most effective in influencing behavior. The two techniques are the instrumental (stick and carrots), and the normative (shame and blame). The key thing here is to treat the customers consistently according to the chosen service attributes. Source: Francis X. Freij; The four Things a service Business Must Get Right, Harward Business Review, April 2008, vol. 86 Issue 4, 70-80.

3.2 Value Proposition

A well-known business model suggested by Johnson, Christensen and Kagermann defines the key elements as *a customer value proposition, a profit formula, key resources and key processes*. These elements are next discussed in more details.

Customer value proposition is defined by any successful company, which has found a way to create value for customers. When customer is having any problem that needs to be taken care of, then the successful company will propose a solution that will get the job done at a cost that customer is willing to pay. *Customer value proposition* is most potential to succeed, when alternative solutions have been designed with this problem in mind. (Johnson et al; 2008: 51-59)

Profit formula defines how the company will create value for itself with the solution provided to the customer. The profit formula: *Revenue model*: price x volume and *Cost structure*: direct costs, indirect costs, economies of scale. Cost structure will be predominantly driven by the cost of key resources required by the business

model. *Margin model* given the expected volume and cost structure, the contribution needed from each transaction to achieve desired profits. *Resource velocity*: how fast must be the inventory turned over, fixed assets and other assets? How well it is needed to utilize resources, to support expected volume and achieve the anticipated profits. The price to deliver the *customer value proposition* should be set first and then determine backwards what the costs and gross margins must be. This then shows what scale and resource velocity needs to be to achieve the desired profits. Often cost reduction can be the key element in finding a new customer value proposition by defining, how the job for the customer can be done faster and with reduced costs. (Johnson et al; 2008: 51-59)

Key resources are assets like people, technology, products, facilities, equipment, channels and brand required to deliver the value proposition to the customer. The *key* elements of value creation for the customer should be focused and how they interact. (Johnson et al; 2008: 51-59)

Key processes in turn are operational and managerial processes that allow successful companies to deliver value in successfully repeatable way, which can increase in scale as well. They can be training, development, manufacturing, budgeting, planning, sales and service. The key processes also define rules, metrics and norms. The rules are for example, what to do, when the limit of faulty units in production (metrics) is exceeded and what are the norms in informing it to production personnel. (Johnson et al; 2008: 51-59)

These four elements define the building blocks of any business. The customer value proposition and the profit formula define value for the customer and the company. Key resources and key processes describe how that value will be delivered to customer

and the company. The power of this model is in the interdependencies between the different parts. Changes in one part affect the others and whole business model and the functionality of it.

According to Johnson et al. there are five strategic circumstances that often require a change of the business model. Firstly the opportunity to address through disruptive innovation the needs of large groups of potential customers, who are shut out of a market entirely because existing solutions are too expensive or complicated for them. This includes the opportunity to democratize products in emerging markets.

Secondly, the opportunity to capitalize on a brand-new technology by wrapping a new business model around it or the opportunity to leverage a tested technology by bringing it to a whole new market, for example by offering military technologies in the commercial space or vice versa.

Thirdly, the opportunity to bring a job-to-be-done focus where one does not yet exist. That's common in industries where companies focus on products or customer segments, which leads them to refine existing products more and more, increasing commoditization over time. A jobs focus allows companies to redefine industry profitability.

Fourthly, there is the need to defend against low-end attackers. These are competitors entering to the market with new disruptive innovations. A good example is Ryanair with the cheap flights with less service on the flights. This enabled the reducing of the fares, which resulted in booming of the customers, which in turn enabled reducing of the cost, which then again enabled reducing the price of flight ticket.

Fifthly there is the need to respond to a shifting basis of competition. Inevitably, what defines an acceptable solution in a market will change over time, leading core market segments to commoditize.

Successful new businesses typically revise their business models four times or so in their road to profitability. While a well-considered business model-innovation process can often shorten this cycle, successful incumbents must tolerate initial failure and grasp the need for course correction. In effect, companies have to focus on learning and adjusting as much as on executing. It is recommended by the authors that companies with new business models should be patient for growth (to allow the market opportunity to unfold) but impatient for profit (as an early validation that the model works). A profitable business is the best early indication of a viable model. (Johnson et al; 2008: 51-59)

3.3 Self-reinforcing Model with Company Goals

A good business model must be *aligned with the company goals* and it must be *robust* and *self-reinforcing* as recently defined by Ramon Casadesus- Masanell & Joan E. Ricart. (2011)

For a business model to be *aligned with company goals* in selecting between choices should deliver consequences that enable the company achieve the goals. The choices are such as compensation practices, procurement contracts, location of facilities, extent of vertical integration, sales and marketing initiatives. The consequences influence on the company's logic of value creation and value capture and thus they must be placed in the definition. (Casadesus-Masanell et al 2011: 101-107)

In creation of a business models there is a need of three types of choices to be made. *Policy choices* are to determine the actions to be taken across all operation of the organization. For example company rules and policies are in this category. *Asset choices* include the tangible resources of a company like manufacturing facilities, transportation or communication facilities. *Governance choices* give answers to how are decision-making-rights arranged over the other mentioned before. Small, meaningless looking differences in the governance of policies and assets can influence a lot their effectiveness. (Casadesus-Masanell et al 2011: 101-107)

The consequences can be flexible or rigid. The flexible consequence responds quickly when underlying choice changes. On the opposite a over long period of time in-build company policies' changes will be followed by rigid consequences that will effect over a long time rather than immediately. (Casadesus-Masanell et al 2011: 101-107)

3.4 Layer between Strategy and Processes

Business model of a company is a layer between strategic layer and process layer. Strategic layer is a planning level, where company's vision, goals and objectives are considered and decided. Process layer is company's implementation level, where organization and workflows are considered and planned as working methods. Between these two levels is the architectural level, which includes business model layer, which is all about money earning logic of a company. (Osterwalder; 2004: 11-40)

When company's strategy has been translated into business model design, the next step is to finance the business model, in other words define, from which internal or external source is the money that enables this model, coming from? However it does not guaran-

tee success, because to do that, it has to be implemented and managed.

There are three types of business models distinguished. First one is the abstract concept, a generic model of elements, components and relationships. Second type of business models are the implemented and existing business models of companies representing an instance of the generic models. The third type is the scenario business models that only virtual, not existing as such in the real world. They can foster innovation, simulate opportunities or act as a guideline in change management. They represent a virtual instance of the generic business model.

The business model in a company is located in the center of the triangle formed by *Business Strategy*, *Business Organization* and *ICT* (Information & Communication Technology). It touches all of these and because there is often quite substantial misunderstanding between these three completely different "worlds", the business model concept could be said to serve as federator or glue between them. (Osterwalder; 2004: 11-40)

The triangle above with the business model in the center of it, are subject to continuous external forces. These forces are competition, changes in legal, social or technological environment and change in customer demand.

The *business strategy* of a company includes the vision of the company's future in the sense, how the company's management wants to guide it. The business model is just translation of the strategy into value propositions, customer relations and value networks. (Osterwalder; 2004: 11-40)

Another corner of the triangle is the *business organization*. It materializes the conceptual business model into departments, units and

workflows. Understanding of this business infrastructure supports the optimization of the business organization. (Osterwalder; 2004: 11-40)

The third corner in the triangle is the technology, *ICT*, which is to be understood of the all information and communication technology used by the company. *ICT* has been a strong enabler for various innovative business models. Taking this into account technology people should find out, how *ICT* can improve a company's business model and vice versa business people should find out, what technological consequences a change in the business model could have?

The external forces around the triangle form the constantly changing environment, which continuously oblige a company to adapt the business model to adapt. These are *technological change*, *competitive forces*, *change in customer demand* and *change in social or legal environment*. (Osterwalder; 2004: 11-40)

Technological change is shown by the pace of changes in applications of ICT. This pressures to reflect on how technology can be adopted to improve the business logic. This technological change is a major force for business model change and can even challenge the existence of a particular business model as such. (Osterwalder; 2004: 11-40)

Competitive forces obviously come from the competitors of a firm. It is especially important for incumbents to adapt to the changes in the competitive environment, when new dynamic competitors rapidly dispute their market position. (Osterwalder; 2004: 11-40)

The *customer demand* may pressure the company's business model to adapt. Changes in customer consumption, revenue changes or

fashion changes are phenomenon of customer demand changes. (Osterwalder; 2004: 11-40)

Social environment and social mood can sometimes influence on company's business model. If company's business model is around a low cost production in developing countries, the public opinion could be mobilized against it and thus force the company to change it. (Osterwalder; 2004: 11-40)

Legal environment may change in a way that forces the business model to adapt and. New taxes may make company's customer value proposition too expensive and thus uninteresting for the customer. Legal environment has large influence on business models. (Osterwalder; 2004: 11-40)

Next these characteristics will be discussed together with the market situation, where the case company is located.

3.5 Considerations Behind the Case Company's Business Model

When we come to the question of the business model for the case company, there is a decision to be made whether we would wish to serve all of our potential customers or whether we would rather focus on some more interesting customer segment? It seems that the present business model is not selecting any segment that is served better than the others. Rather the customers have been equally proposed by a solution, if it has been possible by having idle and available consultant. The price has been defined by the market and even by the end customer's definition. The customer value proposition has not been the criteria to start offering, rather it has been the consideration against a customer's job specification, schedule, price and availability.

The success, however, does not start by thinking of a new business model at all as Johnson et al (2008) are stating, but rather the first question is, how to find an opportunity to satisfy the customer need by helping to get the work done? Secondly the draft with the four elements is needed on how to fulfill that need at a profit. Thirdly the comparison must be made with the draft to the existing model to see how much it should be changed to capture the opportunity. (Johnson et al; 2008: 51-59)

When there is an opportunity to make an attractive offering the designers should according to Frei (2008) concentrate on experiences that customers want to have. Keeping this and the service excellence in mind the next step is to consider, what the business chooses not do well. To create a successful service offering the designers should decide the attributes which target to excellence and which target to inferior performance. (Frei; 2008: 70-80)

By interviewing the customers there might expose a potential gap between service segments of main competitors. This could then define a customer segment that has been poorly served by competitors.

On the other hand, next we consider, what has changed in the market with the success of existing model. Referring to the list of changes identified by Osterwalder (2004), it could change in the environmental factors, customer demand or competitive forces. (Osterwalder; 2004: 11-40)

There was one remarkable change happening during the research. At the time of preliminary interviews, Nokia announced the new cooperation with Microsoft. The Windows Phone 7 will replace the earlier operating system of Nokia smart phones. This will affect the market quite significantly in one year time, and the consequences

of the decision must be taken into account considering a new business for the case company. One of the consequences will be that there will be hundreds of Symbian experts available in the market soon. How to benefit of this market change was one question to be considered.

The observations of the market demand over two years exposed that customer demand has not changed significantly. The price level has slightly decreased, but this probably was not due to the competition only, but more due to one end customer's pure dictation through the consultation companies acting as resource hubs for this particular end customer. The 2009 in particular was the period of a deep recession in IT expert consultation business, when the price levels for skilled consultation resources were eroded significantly. There are signs, like the answers of the survey (that are to be discussed in details below) that market for IT expert consultation will recover this year.

The challenge was to find, a rare, hard to find, by customers desperately needed consultation skill that could be then offered as a value proposition to customers. In positive case of market expectations this would easily lead again back to the questionnaire type of research. The results of one of the latest surveys are available for this consideration during this study. These considerations are discussed in this section as well.

Then another challenge could have been to find the service experience that customers would be happy to pay premium. As the legal and social environment were not likely going to be changed in one year perspective, then either there were no signs of a technological change, which would have effected on the whole market's demand and structure? The change of operating system for mobiles phones by Nokia could become as such change.

According to Ramon Casadesus - Masanell et al (2011: 101-107) the success or a failure of company's business model is largely dependent on the interaction with models of other players in the industry by. If company is the only one in the market, then any model will be successful. Normally companies build their model without thinking the competition. The case company is in the market, which has a tough competition and the prices are at the bottom.

In order to be successful, the case company's business model must be developed with keeping continuously bright in mind this competition and the passed difficulties to recruit in good time in advance correct skills for becoming customer needs as requested.

The best way to understand what customers are actually trying to do, opposite to what they say they want to do, is to watch them. (Christensen; 2002: 33-38). In other words one need to be very observant in following what people are trying to do, instead of what they say they wish they were doing. Don't just trust what you hear, but what you see.

As a result of such observations it could be seen, what the customers were trying to do, while being on a direct competition with one's customer and simultaneously also trying to sell one's resources to end customers in co-operation with the very same competitors. On the contrary, it was different thing to understand the function of the whole market in order to be able take benefit out of it. The interviews were thus in key position in helping to gain the understanding of the market. Also public newspapers were helping a lot in understanding the market.

Information received in any organisation is always biased by factors such as status, past experiences, politics, and evaluation of the source. When it is question of weak signals the bias can predict the

interpretation of the signal to one way or another. With these weak signals there are altogether nine approaches to amplify and clarify them to get sense out of them by Schoemacher et al (2009) as described below.

First, local intelligence should be tapped and local levels should be used to make sense of the signal. Local intelligence has the best knowledge on what is the right interpretation to the signal. In the interview this means that interviewees' interpretations should be carefully taken into account.

Second, partners, suppliers, customers, and others in organisation's ecosystem should be used. They extend the eyes and ears of the company in different ways and enable the understanding. This is exactly the idea for the interviews as the amount information is multiplied compared to questionnaire approach.

Third, search parties should be mobilized. Senior leaders identify weak signals that are worth of further investigation. The questionnaire made by the other organisation is serving this aspect. (Schoemacher et al; 2009: 81-89)

Fourth, multiple hypotheses should be tested. It is natural for any organisation to try to find single interpretation for the signal. Several hypotheses help avoiding the trap of single view only. (Schoemacher et al; 2009: 81-89)

Fifth, the wisdom of crowd should be wrapped. Attention to the grapevine should be paid. Organisations are useful source of information, when it is not officially asked. Anonymous market search can give that information as well.

Sixth, diverse scenarios should be developed. The consensus can be badly mistaken. To challenge the dominant view create multiple scenarios about the issue under debate.

Seventh, information to confront the reality should be sought. Some self-evident facts may have changed and they have to be noticed to make right decisions.

Eight, constructive conflict should be encouraged. Wisdom requires constructive conflict between ideas to ascertain and interpret the facts as they are.

Ninth, the seasoned intuition should be trusted. Experienced managers operating in their domains of expertise possess more knowledge than they realize. They should learn when and how to trust on their hunches. (Schoemaker et al; 2009: 81-89)

Through the research results and interview results the weak signals should be identified and further amplified to find the potential opportunities to make a value proposal, which has not yet been invented in the market. The self-evidence will probably be the phenomenon to be especially avoided and challenging the dominant view could give hints for new potential opportunities.

After the preliminary round of discussions with the customer companies the first conclusion was that the key elements for the new operating model to concentrate on are the *Offering* (Frei; 2008:70-78) or in other words *Customer Value Proposition* (Johnson et al; 2008: 51-59) and the *Funding Mechanism* (Frei; 2008:70-78) or in other words the *Profit Formula* (Johnson et al; 2008:51-59). As a small company with minimum of personnel the case company is capable of handling the *Key Processes* and the *Key Resources* (Johnson et al; 2008: 51-59) as well as the *Employee Management System* and *Customer Management System* (Frei; 2008: 70-80)

The Customer Value Proposition and consistent Profit Formula were the key issues to be found and further developed as working operating model for expert resource supply business.

In the next section we will analyse the results of the interviews, surveys and customer demand. Also company's options together with strengths, weaknesses, opportunities and threats are discussed in order to generate the new operating model.

4 Analysis and Results

This section discusses the analyses based on customer demand, market expectations and the strengths of the case company described. The generation of Customer Value Proposition and Profit Formula are discussed. Finally the targeted questions and the new operating model are also discussed.

4.1 Customer Demand Analysis

Firstly the discussion with consultants gave the idea of organize the company as a full service IT system, i.e. service and consultation provider rather than a supplier of systems and maintenance and, on the other hand, a totally separate consultation resource supplier.

Secondly, there was an idea of consultation for customers on, how to get prepared for the becoming solar storms. Main wave of the forthcoming solar storm will be active in 2013, but some smaller waves may be active already during this and next winter.

Being prepared for the forthcoming solar storm meant the need to have shielded electricity network cabling, external shielded data storing facilities, uninterrupted power supplies and emergency generators in case of failure in the power supply network. The power supply networks and transformers were most likely to be infected by the solar storm activities.

Customers

Thirdly for the preliminary round of discussions with the customer companies the first conclusions were that the key elements for the new operating model to be concentrated on were the *Offering* (Frei; 2008:70-78) or in other words *Customer Value Proposition* (Johnson et al; 2008: 51-59) and the *Funding Mechanism* (Frei; 2008:70-78) or in other words the *Profit Formula* (Johnson et al; 2008:51-59). As a small company with minimum of personnel the case company is capable of handling the *Key Processes* and the *Key Resources* (Johnson et al; 2008: 51-59) as well as the *Employee Management System* and *Customer Management System* (Frei; 2008: 70-80)

The preliminary discussions with customers gave much of the same information as the discussion with one representative of eWorkNordic earlier. The year 2011 had started as very hectic business-wise. Lots of inquiries in short term notice have been performed. Discussions also gave the information that competition was anyway harder than before, because the amount providers of resources has stayed the same, but need for resources has decreased. On the opposite it was also pointed out that the number of competitors had increased significantly and the expertise was sometimes required as per one whole project completed, meaning that the responsibility for the success was also to be taken by the consultation company team of experts.

Market Expectations

Non-Finnish speaking consultants were in very difficult position to get new deals as there were Finnish speaking consultants enough and there were customers that required Finnish speaking consultants as a must. When there were two consultants with same skill

level or even slightly different levels, the Finnish speaking person was selected, even, if the skill level was lower. This was explained with the expectation of easier co-operation with Finnish speaking already having knowledge of Finnish working culture. The price level was said to have decreased significantly in the main market. Software development was said to have been off-shored mostly from Finland. The market demand was recovering according to this customer already a year ago.

The need for project managers was common in the market. They were supposed to be competent, to have their project history and CVs in good order with no several years' periods out of the business and they were expected to be capable and willing to start as soon as possible. The last five years experience of the candidate was the most important for customers. The match between need and offer were supposed to be almost 100%. When the basic know-how of the person was on required level, then the personality was the key issue. Can-do attitude was a must. The work with the person hired was supposed to be fluent and easy. The successful candidates had in general kept their curiosity and willingness to learn new knowledge and skills.

Customers were impatient to have the resources working right away. Rather than to wait for the young, un-experienced experts to achieve higher competence levels than older, more experienced, but less educated senior experts were required as soon as possible by the customers.

Expertise on J2EE, C++ and SAP was continuously asked for in the market. Even though it was mentioned that all software design had been already off-shored from Finland, these needs still existed. Again successful candidates had to be well educated, experienced and their personality had to fit to the organization in a sense that it

was easy to work with them and they were co-operative and willing to learn.

There had also been earlier in the market requests for expertise of Maemo and later of MeeGo, which are Linux- based software platforms for mobile phones of Nokia. The semiconductor manufacturer Intel was planning to establish research and development centre in Finland. According to news Intel had confirmed hiring of 200 persons altogether in Finland in near future. This would raise the demand of expertise operating systems required by manufacturing of semiconductors for telecom industry.

Telecom industry, manufacturing industry in general and banking & financing were the biggest customer segments. For the governmental IT resource needs there was one remarkable resource purchaser, Hansel. According to one estimate the size of the whole IT market could have been around one thousand consultants in Finland having contract on going.

Business Ideas for the Case Company

Firstly as one of the ideas from customers was that the company concentrates on totally new field of expertise. In the present situation it could have been easier than before as the number of consultants was in minimum. Of course, some expertise for any new field was anyway needed and how that could have been acquired had to be answered first, if such opportunity was discovered.

Secondly an idea was performed to change the company role from resource supplier to more like a solution provider for the projects or provider of project solution teams. A solution team could be trained inside the company before offering the service to customers. Competent and experienced leaders in the team could train the young, un-experienced team members for better performance.

A management of a whole project could be well justified to be purchased from a competent service team provider, but hourly rated work would be easily justified to be purchased from where it would be cheapest, agent or service provider. The agents were considered more streamlined and probably more easily would win the latter cases.

Thirdly an idea was to search new direct customer contacts and build with them relation based on long term co-operation and trust. This would need much new direct contacts to potential customers.

The key question in resourcing was careful and enough detailed competence and personality checks. This ensured that for customers were offered only correct, competent resources. The match between customers real competence needs together with experts capabilities was supposed to be as close to each other as possible. Of course there were requirements with wishing lists that could not fully be met by any candidate.

Whatever the new way of competing was, the resource pool of consultants had to be big enough so that correct, potential candidates could be found for any customer need. Working with other consultation companies required big pool of experts from several fields.

Customer Demand

The customer demand analysis was performed upon the material of the email correspondence of the case company with the potential customer about their customer needs. This analysis produced the excel work sheet, which is presented as an appendix of this document. (The summary of customer Demand Analysis of the Company)

At the time of the preliminary interviews Nokia had published announcement about the co-operation with Microsoft. The aim was to utilize the Microsoft software Windows Phone 7 as new platform for smart mobile phones made by Nokia. This would probably have negative effect on the number of the employees of Nokia. Then this would affect directly to the market of IT experts working for Nokia as and when the existing software platform based on Symbian operating system was to be replaced by Microsoft platform Windows Phone 7.

There would have probably been in period of one year time lots of Symbian experts available in the market. As a matter of fact three weeks after the first announcement of the co-operation between Nokia and Microsoft there were news published that Nokia was trying to keep the existing Meego-experts in the company by promising 50% salary increase, if the last product with Meego operating system was launched into the market as scheduled until the end of the year 2011. In the future also Intel could be interested in these released Meego-experts.

Options for the Case Company

Based on the summary by eWork, preliminary interviews and the customer demand analysis it seemed that the company had four options to be selected. The options are illustrated in the following figure 5. and they are further discussed in the following text.

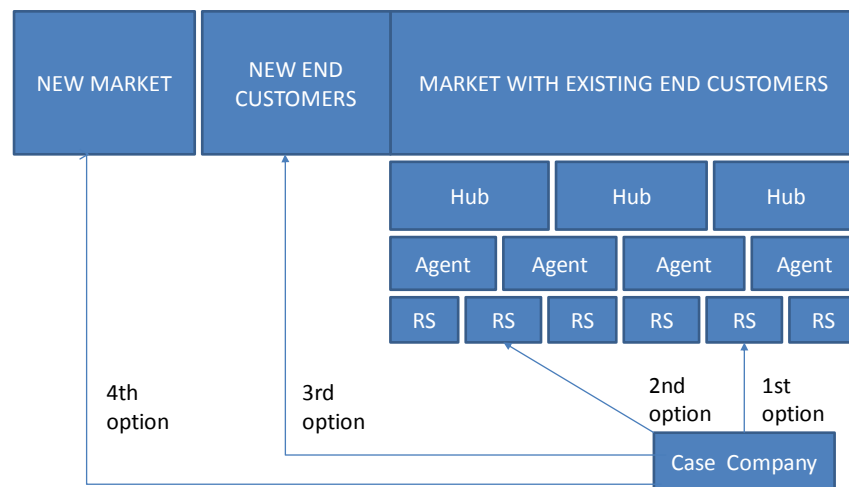


Figure 6. The Case Company Options.

Firstly the company could select to stay on the model as before and try to comply with all potential customer requests. This would mean heavy selection processes by advertising and interviewing candidates. This proposal was actually highlighted by one of the interviewees. In order to success with this model the resource pool must be extensive enough so that for any potential customer request the offer could include several candidates. This option includes the lowest price levels, because this is mostly competed segment in the market. In other words this market is the pool, where everybody is fishing, but it was still interesting option to check.

Secondly the company could have targeted on some particular area of expertise. This could have been J2EE, C++ or SAP, Network Architects or Project Managers & Directors some examples to be mentioned. Also one possibility could have been project managers with ITIL certificates or Agile, Scrum or Waterfall models of project

leading skills. Again heavy recruitment would have been needed in order to find the experts. Also in this category Project Managers could have been one potential resource for offering. They should have been experienced on some field of expertise like SAP or similar. Price levels here could have been somewhat better than with the previous option.

Thirdly the company could have tried to find completely new direct customers and serve their needs on required expertise area. This would have meant a lot of new contacts to be taken and discussions with potential customers. According to the discussions the required expertise then would have been recruited in house. This means in time scale easily the need of predicting of resource needs behind one year ahead or so. With this option the company could have funded the operation with slightly higher customer pricing compared to the earlier mentioned options.

Fourthly the company could have tried to find completely new market and new expertise and start to serve customers with new customer value proposition. To find the market and customers would have meant a lot of research work and discussions with all possible parties that could present new market segment or completely new market. Here again customer pricing could have been higher as there would not have been tough competition in place.

Based on these options second round of interviews with set of targeted questions were conducted. Obviously the target for the second round was to select the option or options for the company to go for in the future.

The announcement of Nokia – Microsoft co-operation at the time of preliminary interviews had significant effect on, what was going to

happen in the existing resource supply market and thus what had to be asked from the respondents.

4.2 The Case Company Strengths Analysis (SWOT)

The case company is already experienced resource supplier in the market, where it is operating. The existing end customers in the market with their resourcing, operation and external resourcing principles are also familiar. So is the company's internal resourcing process for the existing customer needs exercised several times a year during the past years of the operation in the market.

<p>Strengths</p> <ul style="list-style-type: none"> -Experience of the market -Fast reaction to changes 	<p>Weakness</p> <ul style="list-style-type: none"> -Lack of capability for mass interviews
<p>Opportunity</p> <ul style="list-style-type: none"> - Ability to fast implement new offer 	<p>Threat</p> <ul style="list-style-type: none"> -Lack of professional knowledge for interviews

Figure 7. The Case Company SWOT Analysis.

The strength of the case company is the ability to be fast in offering right resources as the corresponding requests arise. Being a small company with proportionally small amount of resources, it is easy for the company to care take of the key resources and processes and thus these elements of successful business model were not seen any need to be concentrated on.

The weakness of the company is the limited resources for mass interviews of candidates. In the recruitment process itself there should not come any surprises for the company in the future, but the minimum amount of personnel available for recruitment and the limited ability to interview in details potential candidates about their skills and knowledge could be a weakness, which have to be strengthened.

The opportunity for the company is the capability to react fast to any new opportunity in the market as and when it will arise. This is also supported by the fact that the company currently is not limited to special skill, which should be offered successfully to the existing market. Instead the company is free to start implement any new customer need, only limited by the factors as mentioned earlier.

The threats consist of the lack of capability to interview professionally candidates of any new, not previously known area of expertise. Also the psychological tests haven't been implemented earlier, but as new customer needs arise, these interviews and tests may become justified as well.

4.3 Generation of the Customer Value Proposition and the Profit Formula

The Customer Value Proposition and Profit Formula were the key issues to be found and further developed for working operating model for expert resource supply business.

Customer Value Proposition

Based on the customer demand analysis, the Customer Value Proposition include elements like expertise to be offered, the special skills of the expert, whose service would be offered, the availability schedule of the expert against the demand from customers.

One very important, already existing element for proposition was at the time of the research, the selling arguments of the expert offered i.e. simply the reasons, why the offered expert would be the best selection to the open position. The personality of the candidate was highlighted in the interviews with the representatives of customer companies. The personality of the candidate should easily fit to the customer organisation and the working style of the customer company as well. The service experience by the candidate should be overwhelming compared to any of competitors. This will ensure the customer to continue the well proved contract with the supplier company as long it is needed and justified.

The customer demand for the experts as well as for project managers called for multi skilled called for experts with latest working experience well documented and supporting the customer needs as required. The presentation skills should be in good level so that the candidate can give good detailed presentation of the area of his/her expertise. If this is possible for the candidate in recruiting situation, then it would also be beneficial for the candidate in customer's evaluation situation as well. Well communicating, positive thinking and proactive experts would sell themselves even in difficult market circumstances.

The discussions with owners as well as with the representatives of customer companies supported the idea of having pool of project managers, large enough to enable offering for customer needs, whenever they would arise.

The focus should be paid on quality recruiting, i.e. finding those multi skilled experts with good reputation and well documented work history. Attention should be paid on personality of a candidate. The co-operation with the candidate should be easy and flexible. Instead of only recruiting project managers, also some ex-

perts with some needed, special skills could be recruited, if these could be foreseen in the market.

The availability of qualified resources has become a bottle neck. A good candidate could have already several options from which to select and the decision to join the case customer company pay roll could already be challenge for the company to succeed in recruiting of the expert.

Concerning the existing market structure one, effective, idea could be directly contact with sales purposes the hubs for the big technology companies. These were not contacted during this research as the researcher did not have these contacts established.

The eyes should anyway be kept open also for any new, profitable, customer relationship. These could be found by reading the public newspapers and following the news of the development of the market. New opportunities may be available, but they just have to be discovered. For example the new Nokia-Microsoft co-operation could in the future call for expertise, which is not yet recognized by the market and the existing customer in the market.

Profit Formula

Profit Formula was another of the key issues to be considered and further developed for working operating model for expert resource supply business.

Based on the customer demand analysis, the service price for the customer is today defined by the market. From this price is then reversely calculated the acceptable salary level of the expert and the direct salary side costs. The costs of tools enabling the work of the expert are also defined. Then with the accepted price level and identified cost included the profit margin for the company will be

calculated. The market demand can be used to estimate the total income and costs included to the particular service business in total.

The criteria for customer prices should always be the economical profitability and the customers should not be in a position to dictate the acceptable price level. For a small resource supplier company the price level should be kept on the level that is acceptable both for the company and also for the expert. Also the assumption, that the case company with the new, expected amount of resources will remain as rather small resource supplier among others is supporting the mentioned target to keep profit structure as described. The volume resource business with tens of invoicing experts does not either seem to be very likely to be realized for the case company.

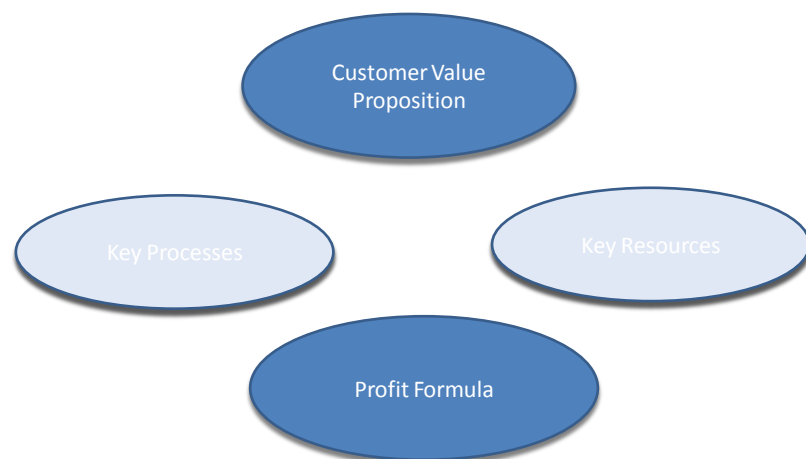


Figure 8. Business Model Elements.

Figure 8. shows the elements of business plan in dark blue, on which this research is primarily concentrating. Later, when the company has defined these elements and will start the implementation of the model, also the key processes and key resources become important to be solved.

However, already at this stage a strong signal of the market was that the advertisement, selection and recruitment of the potential experts are vital for the success of the company. As this is one of the key processes in the company, it should be taken right from the beginning seriously and treat as in advance fixed part of the customer value proposition and also profit formula as it effects heavily on both of these key elements.

4.4 The Targeted Questions and Results

Common Considerations

As discussed in the earlier in section 2.5 of considerations of a new business model for the case company, the Customer Value Proposition and the Profit Formula were discovered to be the most important components to be clarified within the interviews with targeted questions.

At the time of research the consideration of these components were even more important than the earlier as the market was simultaneously recovering and also there were significant changes in the market.

Indeed one question was to be formed about the new, becoming co-operation between Nokia and Microsoft in operating system of smart phones. Should the Windows experts have been searched now for possible future needs of Nokia or was it wiser to wait and see, what was going to happen with the co-operation? Only, then

after waiting, it would be too late to start the search of those experts as every competitor would then do exactly the same.

One idea could have been to start search of these mentioned expert profiles with Windows Phone 7 knowledge as the new Nokia smart phones would use this Windows phone 7 as their operating system. For this reason there would exist needs of managers on several levels to be able negotiate and agree on the working methods and schedules concerning the launching of Microsoft operating systems to phones manufactured by Nokia.

Preliminary interviews, the survey results and the request analysis gave very straight signal on, what should be the resource profiles that would best delight the customers. Project managers, designers, architects and experts were the most wanted resources in the market at that time.

Considerations in the Case Company

As few of the potential customer companies became as preselected suppliers for the governmental resource purchasing company Hansel, this could have been an opportunity for the case company. Again, required resources most likely are of the type, which have not been searched by the case company before. The search, interviews and selection could take couple of month's time, but the governmental resource needs are continuously developing as new needs rise all the time.

The idea from consultants about the idea of organizing the company as a full service IT system, service and consultation provider rather than supplier of systems and maintenance was presented to the owners of the company. This had been the original idea already from the beginning, but as small to medium size customer companies are acquiring new IT systems, they are not willing to pay any

consultation fees, what so ever. They are instead willing to pay premium price of a total solution tailored to their needs.

In other words pure consultants in that customer sector would not sell their services as such, but a trustworthy sales representative with excellent knowledge of the products and services can do the sales. As a matter of fact the sales forces of the company should have been increased as also indicated by the owners.

One question bothering in the company was the great un-success with the offerings before, even though lots of valuable offers with correct price levels and competent resources have been made during the past years. Any clear answer to this question was not received, but there were assumptions for example about lack of telecom experience of candidates. The telecom industry experience is necessary to access to certain companies in that industry.

The specialized expertise areas as SAP, ERP or such were considered by the owners of the company too challenging in a sense to find out their know-how and skills precisely. Pure Project managers as such were considered to be the easiest ones to be selected and recruited. This was also supported by the preliminary survey and other sources of market information.

Programming experts (i.e. J2EE, C++) were preferred by the owners rather than SAP or ERP experts to be advertised in the next round of recruitment. Testing was considered another rising area of expertise in the market of the future. Again the know-how to interview the experts was seen as problem of the future as there were not the competency of the field in the company.

The important issue to be discussed in the future was seen the specified skills and know-how for the project manager. Tempting

advertisement with competitive salary level promise should be the way to find competent project managers into the company.

The same customer base as earlier was seen to be adequate enough also in the future and no new markets or customers were seen necessary by the owners. Even the present price level for the becoming requirements was seen adequate. If some new customers were anyway easily found, there would not have been any objection to serve them.

The consultation model for getting ready for becoming solar storms had been proposed to one of the customers, but it had not been recognized as value proposition, which would have succeeded in the future.

The company would have needed more selling power in order to be able to find new direct customers. The selling of expertise to new direct customers would have needed according to the owners such more management and finalizing of documentation to more desired level. The competence information of current consultants was been kept by excel in one sheet and it was decided to be continued same way in the future also.

The working model for recruiting had been that new consultants were hired only then, when the customer contract was valid. It was discussed, if an optional model could have been applied. An optional model was to be searched and was to be discussed, if any suitable one could be found.

The project teams to be sold as such were considered too costly to be developed and they would have needed also more resources to manage the process of selection and training of the teams.

Based on these considerations and the ones in the previous sections, the targeted questions were presented keeping in mind the pre-evaluated the Customer Value Proposition and the Profit Formula, which were discovered to be the components of the operating business model to be concentrated on.

Results

The results of this research were somewhat surprising for the researcher. The expectations were such that it could have been possible to find some new customer needs, for which a new, obvious business model could have been considered.

Instead, nothing new as for the customer needs was discovered during the research. The structure of the existing market was as described in section 4.1 (with resource suppliers, agents and hubs). The heavy structure of the market itself was one of the reasons to search for a new business model for the case company. Since no new direct customers or new markets were discovered, the research concentrated on the existing market as it is.

The announcement of Nokia-Microsoft co-operation did not raise any indication among the interviewees to start recruiting Windows experts for the becoming market. Probably there was no faith in the market that those experts would be needed more in the future than they were needed already now. As indicated in the interviews also, there had not been any sign in the market concerning this possible becoming need.

The results supported the operation in the existing market, but as pointed out by the interviewees, much more focus should be paid in recruiting process in order to find the potential candidates among the applicants in the market.

4.5 The New Operating Model

The Customer Value Proposition and Profit Formula were discovered to be the most important components of the operating model to be formulated.

The Customer Value Proposition

The results of this study gave straight signal on, what was required by customers in the market. They were calling for project managers and experts with expertise in areas of interests defined by customers. Both project managers and experts were required to have experience on some particular area besides the general experience and qualifications. The customer value proposition of the case company is defined by the following numbered points.

1. The targeted end customers are the technology manufacturing companies, governmental organizations and also banking and finance sector. These organizations are continuously requiring experienced project managers or experts for various information technology development projects. Either the project managers are required to run a project of setting up a new system or upgrade existing one or as experts to create some kind of reporting system for system performance and then later plan improvements for it. The target customers for the value proposition are agents, hubs and consultation companies providing these expert resources to the end customers. In order to convince the customers about the competency and capability of the candidate to do the job as required, the candidates selected to customers must fulfill certain criteria as follows.

2. Project managers are required to have several years experience in project management of IT network projects, as well as well proven track-record of successfully completed projects. Good command of oral and written English is needed besides the Finnish. The candidate must understand the business requirements of customers and be able to act as head / member of team of experts in particular area of expertise.

3. Personality of the candidate must be co-operative and willing to learn and one should have the ability to communicate the project objectives, schedule and progress to the stakeholder of the project. The candidate must be able to manage problematic situations and to motivate people. The working habits of the candidate must fit to the working habits of the customer company. The technical knowledge for the area of expertise is also required, but this will be described in details case by case according to becoming customer requirements as needed.

Further the general requirements for experts call for co-operative personality of the candidate and willingness to learn. Willingness and ability to share information inside the organization are highly required. Several years' technical experience in particular technical field is, of course, required and it will be described in details according to becoming customers' needs.

4. The amount of potential candidates in the pool must be at least in order of 10-20 experts for any field of expertise. The expertise to be searched must be based on a similar kind of the analysis, which was performed in this research as preliminary research.

5. The company as employer and resource supplier must show that it takes good care of the employers and the customers. Otherwise these stakeholders of the company can select any other company

to continue the co-operation. In other words, there must be something valuable and special in the company that the stakeholders stay with the company.

Profit Formula

The value perceived by a customer is in the reliability of the company to provide solution to customer's problem, which the help is needed. The external resources required to fill in customers' resource gaps are normally called for short periods of time, i.e. three to six months on average. This time is spent to acquire any important, but somewhat problematic, job done without internal resources. The internal resources could be limited in head count to do just the necessary or they could be tied to something more important at the time as required. As these important resources are needed only to smooth certain peaks of resource needs, they are likely to be highly evaluated and thus paid premium also.

The availability of the resources required by customers is the key question to be solved for the market. The end customers are already facing difficulties to find the experts to do the job required as indicated by results of this research. The case company is in a good position to acquire those resources as it is experienced both with the market needs and also with the availability of any expertise.

The pool of expertise can be extended to required head count, if this can be sustained without increasing the costs. The pool could be arranged as a group of experts that are paid only according to income from their customers. This means that they earn directly an agreed percentage of the income from their customers. This percentage includes, besides their salary, also the salary side costs. These side costs are normally paid by the employer, but these experts would work more like entrepreneurs and would take care of

the cost by themselves with assistance of the company. The account for income would be also the account, which would carry all the costs enabling the operation of the expert. By this way the extended pool of experts could be extended without cost increased.

The profit formula or funding of the proposal should be based on the cost of the expert. Then adding the additional salary based costs, company profit and other side costs like tools and insurance costs should result as the customer price to be paid. If the company is able to find the pool of experts as expected, it will increase the income of the sales in the order of over 10 invoicing experts with valid contracts. This would be needed to start the systematic development of the processes as described in the managerial implications of sub section 5.2

Of course there are always slight adjustment possibilities, but the customer price should never be based on one eyed view from the customer side as it has been the case until now for at least some parts of expert resource business. Of course, the heavily competed market, which this tendency to define the end customer price, will keep the price level low. However, in case of low availability of the expert resources in the market, as forecasted in the preliminary interviews of this research, the price in this market will be increasing in the future.

On the other hand the company is especially experienced with the existing price level of the heavily competed market. In this sense it is capable of competing within that market. Just a perfect match between expert resource required and offered is needed for success. If new market or customers could be acquired, then these options would enable more profitable pricing as earlier.

5 Discussion and Conclusions

5.1 Summary of the Study and Results

The study of business theories gave reasons to believe that the new operating model could be found as an obvious and only solution for the case company. However, this was not the case.

Through, after the research and discussions, the view of the market became clearer and, eventually it was evitable that the existing market was the most potential one and the products to the markets were identified as the ones already well proven before. However, some major adjustments still have to be done.

Customers were expecting to get additional expert resources with short notice. The resources should be capable of improving the processes of the customers by improving the systems of information technology. They should be well educated and experienced in the field of their expertise. This sets challenges for the recruitment process of the company.

The recruitment of experts according to customer needs will be one of the most important areas for improvement in the operation. The number of potential candidates for customer cases should be tens rather than few experts for area of expertise as it were before. The more candidates there are in the pool, the higher are the chances that customer would select one from the case company's pool and not from competitor company's corresponding pool.

When having tens of candidates of different expertise in the pool, the ability to manage the pools becomes a key for successful business operations. The management of resource pools directly sup-

ports also the sales of resources, i.e. potential candidates with required knowledge and skills can be easily searched for and found.

During the time of research it was too early to make conclusion on what would be the market with the demand of Windows Phone 7 experts. According to latest news in public, Nokia will outsource the Symbian software development to Accenture and the Symbian software platform developers, altogether 3000 persons located in India, Great Britain, China, United States and Finland will be transferred from Nokia to Accenture. Also semiconductor manufacturer Intel, which was co-developer of MeeGo platform with Nokia, was planning to establish a research and development centre in Finland. The planned centre would hire approximately 200 designers and developers. This news of Symbian and MeeGo expertise of Nokia and Intel would probably have a stabilizing effect for the availability and demand in the market.

For the existing market with the key customers of the case company, the ability to predict the becoming customer needs was established for more systematic and reliable basis than before. Also the ability to change the business model to another one should be now easier, since all the actions to be taken have now been once studied. As the research gave no reasons to change the product portfolio to any completely new one, there were well grounded reasons to believe that it was possible to achieve success with the present product portfolio as well.

The customer demand for experts in certain areas of expertise already had increased more than could be offered, i.e. there were already difficulties to find experts as required. This was one of the reasons, which were also increasing the price level of the expertise in general.

5.2 Managerial Implications

The two important components of operating model were discovered as the result of this research. The Customer Value Proposition and Profit Formula were discussed in details already in the earlier sections.

There is a continuous need of project resources such as project managers and experts in the market. End customers are continuously requiring external resources to cover their temporary resource needs for limited periods of time. These needs are for selections, launches or upgrades of various systems in the information technology. These requirements must be fulfilled in short notice and thus the resources of any resource supplier must already be selected by the company and they must be ready to work as required.

Customers needing these resources are willing to pay profitable rates for suppliers of competent resources. Customers, who are processing their resource needs through joint purchase companies, i.e. Hubs, are not paying premium rates, but their resource needs are on a more continuous, stabilized level than the ones of occasional customers in the market. In other words, their resource needs are daily business as usual for the agent companies, operating between customers and resource suppliers in the market.

As the nature of the market is such, then the company must also start to consider fulfilling customer requirements by implementing also one of the basic processes of recruiting competent resources in a more systematic way. Thus the process of recruitment is worth

of discussion in more details. The recruitment process can be described in general by the following illustration.

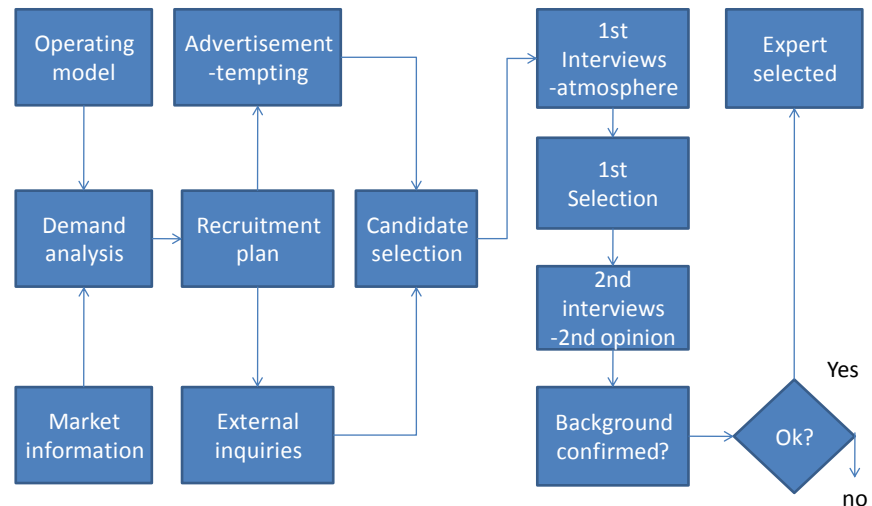


Figure 9. Recruitment Process.

Advertisement

The advertisement for open job opportunities is the key position in definition of skills and knowledge that are required for potential Customer Value Proposition. Thus, attention should also be paid to increase the number of tempting and specific job descriptions in selected channels. To do that, in some way, the company must differentiate itself from the advertisements in the market. The name of company must be well remembered and desire to work with the company must be awakened. This will add costs, but these costs are well justified, if bigger, more potential pool of experts is achieved by this way.

It is just not enough to have readers, but the advertisements should bring applicants as well. The applicants should be the ones that are required by customers and their preferences should meet the advertisements for the experts. The company must find ways to recruit as employees and further represent the best experts in the market. This can only be achieved by arranging better contracts and working circumstances for the experts working for the company. They must feel themselves to be taken good care of by the employer or otherwise they will leave the company, when the customer contract has ended.

Recruitment

The most obvious process to be improved by this research is the recruiting process of the company, which should have more attention. The parts of the process are discussed next.

Having a number of candidates less than ten for customer cases could not necessarily help to find a customer contracts for the candidates in the existing market. Rather the number of potential candidates should be around of 10-20 candidates in any field of expertise. This sets challenges for the recruiting process in general, but it is more beneficial for the company.

Interviews

The selection of the candidates for interviews is based on the documents from the applicants. The curriculum vitae, if well written, give a good picture on the applicant's education, work experience and special skills, knowledge and interests. This information is used as basis for the pre-selection of the candidates for the interviews.

The interviews are opportunities for the company to differentiate from other operators in the market. The first interview with the

candidate is the first face-to-face opportunity to give a positive, well-remembered experience of the recruiting company as employer for the applicant. Therefore it is important to create a positive atmosphere in the interview. The positive atmosphere will assist the applicant to relax and show the best positive characteristics as a becoming employee. If already the interview meeting is arranged as a positive happening, then it will be well remembered by the candidates as the first positive sign of the company. Even this may be the small, differentiating factor that will turn the decision towards the company.

The interviews of the potential candidates should be arranged to keep in mind that clarity for the question, whether the candidate knows all what she/he is claiming to know, can be answered after evaluations. Intuition often gives correct results, but more reliable methods are available.

The interviews should include detailed discussion with the candidate about her/his area of expertise. The candidate should be asked to tell about the system that she/he is familiar with. The general overview should be presented and further questions about the technical details of the system should be asked in order to find out the deepness of the expertise. This calls for detailed technical knowledge of the system in question from the interviewer as well.

Checking of background

Another important area is to verify, what is like the personality of the candidate. What kind of colleague and co-operator is the candidate in working society? This can be partly clarified during the personal interviews, but sometimes second opinion could be valuable as well. Second interview by another interviewer or even by psychologist could be also arranged. These actions could sound too

cautious, but they could eventually rescue the reputation of the company, if unsatisfactory candidates can be eliminated already during the interviews by this way.

Background checks from previous superiors and/or references should be made. Normally these either support the feelings that were discovered during the interview of a candidate or they leave unanswered questions, which in turn are signs of miss match between truth and the story told by a candidate. Again, this could save a lot of time and energy, if any unwanted candidates could be discovered already at this phase rather than as result of customer complaints at later stage.

Recruiting Sequence

The valid recruiting sequence for the case company has been that no work contracts with experts have been signed before the contracts with customers have been signed. This has been working so far, but it sets certain limitations to the success of recruitment.

The selected, but not yet recruited candidate may find a better work opportunity, before the case company can find a customer for the candidate. The company loses the potential income of the candidate and has lost the time and effort spent on interviewing and selecting the candidate from the mass of applicants.

For an invoicing expert could be paid, instead of monthly salary, a proposed percentage of the total monthly income. This account of the expert would carry all the cost related to expert's operations. This entrepreneurial approach could further increase interest to join to the company as the monthly income for the expert could improve to higher level than the standard monthly salary.

5.3 Validation of Results versus Target

The results of this research were, as mentioned already earlier, somewhat surprising. Even though the existing market is the toughest competed area for expert resource business, it still calls for new resources. The resources should be now skilled, they should have their records of experience well documented and their personality and attitudes should be on a level that it would be easy to work with them. Just now they are becoming rare, hard to find and their price level will probably increase as already indicated by the interviewees during this research.

Among the interviewees could have been selected at least one of the representatives of the end customers or the Hubs. This could have given more triangular perspective to the research and more reliability to the knowledge of the existing market. However, the preliminary survey data, interviews and request summary gave for the research reliable background information, since it was coming from three separate sources. This information from three independent sources gave similar results as what kind expert resources are required by the market.

The ideas of searching for new customers and market were also encouraged during the interviews. Even though these kinds of proposals were not expected by the research, they gave the feeling that all possibilities by the representatives of companies interviewed were considered with wide perspective. Few good questions like the one, why not offer resources directly to Hubs, indicated also that these companies were not trying to keep the business with Hubs by themselves, but rather were encouraging to contact the Hubs and search for any business.

Even though not entirely new business model was discovered, the research gave good tools to gain the resource sales of the case

company. One challenge to create completely new business model can be considered due to the fact that not any one of end customers were interviewed in this research. As a result of this, the end customers' requirements were not available, when the Customer Value Proposition and the Profit Formula for new business model were studied.

In order to understand customer's business and money earning logic and to be able to create real value for the customer with one's own proposal, one should have several in depth discussions with the customer. Further deep analysis on customer's business is necessary to be able to make a proposal, which would be a real solution for customer's business problem or development to the existing business process.

On the other hand the interviews of end customers could have widened timely the scope of the research too much and then again, for the existing end customers, operating through the hubs in the market, direct sales were not possible anyway.

The preliminary research from three different sources gave a reliable basis for the further research by interviews. All these three sources of preliminary information gave similar results on, what is the demand in the market today. Further interviews with the potential customer company representatives strengthened the understanding of the market demand. Since all the companies had a long extensive experience of the market there was no reason, what so ever, to suspect their best knowledge of the market and the customer demand in the market. Also the representatives of the case company were indicating similar kind of knowledge of the market and they also have already a long experience of the market.

6 Summary

The primary objective for this research was to increase the expert resource sales of the case company. The operating model to be applied should enhance the sales as well.

Already in the preliminary stage, the research discovered the important tools for predicting the customer needs. According to our findings, it can be done by summarizing the past requests in order to see, which skills and knowledge were required in the near past. The preliminary data collection from several sources would be increasing this capability.

The operating model discovered was somewhat surprising in this research. Rather the research expected to find some new, undiscovered customer need, which could have been approached with a completely new valuable proposal. As this was not the case, the existing opportunities were searched with more diligent look.

The ability to change the operating model in a short notice as and when required is a powerful tool in order to succeed in the expert resource business. The suggested operating model was developed taking into account all the necessary actions to ensure the correctness of the model. The timing for the change of operating model was correct, as there were no idle experts to be first employed, before starting the planning of the recruitment of experts with new skills and knowledge required in the market recently.

The results could have been improved by implementing another round of action research as the corresponding model for this research method advises. The time for this research was, however, limited and thus further improvement of the model is subject for

the case company to decide. The interviews with the representatives of the customer companies acting in the market enabled the access to most up-to-date information and the conclusions, which were in line with the development of the market changes.

There is still much work left to be done with recruitment of most potential candidates, before it can be stated whether this research has gained the expert resource sales. As discussed during the research with the owners of the case company about recruitment, this is much of a question, how much time and effort can be used in searching of the most potential experts. Bigger the number of available candidates to be offered for any customer case, the more it improves the probability of the case company to succeed in the expert resource supply market.

Then, an extended number of potential experts for customer needs in the selected fields of expertise will call for the employee management system to be put in place. Further, when these new experts are contracted with the forthcoming customers, the customer management system will also be needed. However this will only become necessary, if the case company has implemented the extensive recruitments and has been able to successfully fulfill several expert resource needs by resource pools to various customer requirements.

As a side product important new ideas for recruitment of the best experts in the market were discovered and they were to be implemented already with the first recruitment following the research.

This study comprising theories of business modeling, research, reading, interviewing and writing could be compared to the assembling of a puzzle. The pieces of the needed information within the market were searched, discovered and assembled into the correct

slot of interconnections, thus making a picture. In this type of research only finding of the correct slot for the piece of information on hand increases the value the research work as whole. And a lot of small signs of information can be left without attention, if their worth and interconnections are not recognized. Thus, a lot of important information could be neglected by this way.

On the other hand, without the understanding of the big picture, a lot of unnecessary information could be included into to the picture and even, if it would not help, would make a view even more complicated. This very scenario added one of the most positive challenges to this research. Sometimes, the certainty about the necessity of a piece of information was discovered only after months from the moment of first finding it. This puzzle is continuously challenging the researcher.

The expert resource supply market became by this research very clear. The operating model with defined customer value proposition was commonly usable by all customer segments in the market. The achievable profits just had to be adjusted by the formula according to the particular customer segments. In the most heavily competed segment, with hubs and agents operating between end customers and resource suppliers, the prices were already defined by the competition and also partly by customers.

On the quite opposite segments, the prices could be almost defined by the customer value proposition provider alone. The value proposition could be defined by taking into consideration aspects of the potential end customers. This preliminary work for proposals would require sales resources more than the present operation.

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Tiedotusvälineille 17.1.2011

IT-osaajista jälleen pulaa - eWorkin selvitys osoittaa asiantuntijamarkkinoiden elpyvän vuonna 2011

Asiantuntijoiden välitysmarkkinoiden johtavan toimijan eWorkin selvityksen mukaan IT-asiantuntijoiden pula tietyissä osaajaryhmissä on jälleen todellinen. Yritys teki vuoden 2010 lopussa kyselyn siitä, miltä toimialanäkymät IT-osaajien piirissä näyttävät seuraavan 12 kuukauden aikana.

Kyselyyn vastasi 91 asiakasta ja 268 IT-asiantuntijaa. Vuoden 2010 tulosten valossa edellisvuosi 2009 näyttää olleen poikkeuksellinen asiantuntijoiden kysynnän suhteen. Sekä kyselyyn nyt vastanneet asiakkaat että asiantuntijat katsovat markkinan lähes palanneen vuosien 2008 ja 2007 kokonaiskysynnän tasolle vuoden 2009 notkahduksen jälkeen.

Kysytyimmät osaajat ovat hankejohtajat ja projektipäälliköt (60%), sovellusasiantuntijat (51%) sekä ohjelmisto- ja järjestelmäarkkitehdit (47%). Kaksi kolmannesta (74,7%) asiakkaista piti tiettyjen osaamisalueiden kohdalla IT-osaajien saatavuutta jo ongelmana ja lähes viidennes (18,7%) katsoo pulan jo näkyvän liiketoiminnassaan.

"Asiakasyritykset haluavat kokeneita, kannuksensa jo hankkineita IT-asiantuntijoita. Osaajilla pitää olla näyttöä ja referenssejä onnistuneista projekteista ja heidän odotetaan tuntevan asiakkaan toimialaa", eWorkin toimitusjohtaja Elina Liehu toteaa.

"Mielenkiintoista on, että vuonna 2009 asiakkaat pitivät tärkeimpänä tekijänä johtamistaitoja, mikä oli nyt yksi vähiten mainintoja saaneista osaamisalueista. Tämä osoittaa, että tilanteissa, joissa resurssit ovat entistä ohuemmat ja kuitenkin pitää tehdä vähintään yhtä paljon kuin ennen, tarvitaan nimenomaan johtamistaitoja. Apua on kaivattu johtoportaan", hän jatkaa.

Sekä asiakkaat että IT-asiantuntijat pitävät toimialatuntemusta yhtenä tärkeimmistä asiantuntijan osaamisalueista. Kyselyn avoin vastausosio kuitenkin paljastaa, että osa-

puolten käsitykset toimialaosaamisen sisällöstä eivät kohtaa. Asiakkaat odottavat huomattavasti tarkempaa ja yksityiskohtaisempaa osaamista kuin mitä IT-alan asiantuntijat olettavat, jolloin he eivät välttämättä osaamisensa myyntitilanteessa tuo riittävästi tai oikealla tavalla toimialatuntemustaan esiin.

Lisäksi asiakkaat arvostavat kyselyn mukaan IT-osaajien tiimityötaitoja (48,4 %) huomattavasti enemmän kuin asiantuntijat itse (27,5 %). IT-projektipäälliköistä vain neljännes (25,7%) piti tiimityötaitoja tärkeinä.

Pohjoismainen eWork on kokeneiden asiantuntijoiden välityksessä ensimmäinen toimija Suomessa. Alan markkinat ovat eWorkin Suomen viiden toimintavuoden aikana hiljalleen vakiintuneet ja vuotuinen kysyntä kasvanut vakaasti. Osaajien välitys onkin osoittautunut toimivaksi malliksi yrityksille täydentää IT- ja liikkeenjohdon osaamistaan ulkopuolisin voimin. eWorkin suomalaiseen osaajaverkostoon kuuluu yli 4 000 asiantuntijayritystä, joista lähes 450 asiantuntijaa työskenteli eWorkin kautta toimeksiannoissa vuoden 2011 aikana.

Lisätietoja: Nina Karlsson, maajohtaja eWork Nordic Oy puh. 020 787 0806
nina.karlsson(at)eworknordic.com

Example of resource request from one of the case company's customers

Project Manager (Transition)	(22.02.2011, 16:14)	Espoo
Tietokanta-arkkitehti (Sybase / Oracle)	(22.02.2011, 15:47)	Pk-seutu
Järjestelmäasiantuntija (AD, Citrix, VMware)	(22.02.2011, 14:17)	Pääkaupunkiseutu
Ohjelmistoasiantuntija (.NET)	(22.02.2011, 10:20)	Pääkaupunkiseutu
Project Manager (ePOS)	(22.02.2011, 10:24)	Helsinki
Project Manager (PDM, Customization)	(22.02.2011, 10:24)	Espoo

Project Manager (Transition)**Added:** 22.02.2011, 16:14**Role:** Project
Manager**Starts:** 1.3.2011**Duration:** 28.2.2012**Location:** Espoo**Job type:** Contract, Fixed term

Our Client is looking for a **Project Manager** for a **long term** transition project.

Project Description / Scope:

- Project type: Transition
- Setting up application platform
- Setting up application management & development capabilities
- Setting up 24x7x365 global support capabilities for the application
- Transition of the current solution to the new platform
- Location: Espoo
- Travel: some travelling to Salo
- workload: 1FTE

Required Skills:

- Senior project manager
- Experience in transition projects

Please **apply** by 24.2. at 11:00.

Please **include** :

- resume
- briefing why you are an ideal candidate
- request for hourly rate
- availability
- 2 referees

Tietokanta-arkkitehti (Sybase / Oracle)

Added: 22.02.2011, 15:47 **Role:** Arkkitehti

Starts: 15.03.2011

Duration: 30.06.2011 +

Location: Pk-seutu

Job type: Sopimustyö

Asiakkaamme hakee **tietokanta-arkkitehtia** / -asiantuntijaa.

Keskeisimmät tehtävät:

- Suorituskykyisyyden selvittäminen käytetyissä tietokantaratkaisussa (3-4 erilaista)
- Sovelluskehityksen tietokantoihin liittyvien ongelmakoh-
tien tarkentaminen ja kehittämisehdotukset
- Tietokantaryhmässä sovittujen kannan käsittelyn linja-
usten ja ohjeiden dokumentointi

Vaadittava osaaminen:

- Relaatiokantojen perusasiat (eheys, normalisointi, luki-
tukset, transaktiot, indeksoinnit jne.)
- Tietokannan tilan seuranta: tietokannan seurantaväli-
neiden tulosten tulkitseminen; käsitys mitä ko. välineillä
saadaan selville, mitä muuta täytyy osata ottaa huomi-
oon
- Tehokas tietokannan käyttö Java-sovelluksissa
- Sybase- ja Oracle -tietokantojen tietokantaohjelmisto-
ja optimointikokemus
- Kokonaisuuksien hahmotuskyky
- Kyky kompromisseihin, hyvät yhteistyö- ja vuorovaiku-
tustaidot
- Dokumentointi suomen kielellä

Eduksi katsottava osaaminen:

- Hibernaten käyttökokemukset elävässä elämässä
- Virheiden hallinta: lokitus, audit trail
- Historiointi ja arkistointi
- Tietoturvaperiaatteet ja käytännön toteutukset tietokantaympäristöissä
- Kannan käsittelyn testaus: painopisteen siirto sovelluskehityksen alkuvaiheeseen

Hae tehtävään **24.02. klo 16.00.** mennessä.

Liitä hakemukseesi:

- ansioluettelosi
- lyhyt perustelusi miksi sovellut tehtävään
- tuntihintapyyntösi
- tieto milloin voit aloittaa
- kahden suosittelijasi tiedot.

Järjestelmäasiantuntija (AD, Citrix, VMware)

Added: 22.02.2011, 14:17 **Role:** Järjestelmäasiantuntija

Starts: Mahdollisimman pian

Duration: useita kuukausia

Location: Pääkaupunkiseutu

Job type: Sopimustyö

Järjestelmäasiantuntija

Asiakkaamme etsii **Järjestelmäasiantuntijaa** projektiinsa.

Projektikuvaus:

- SCOM-valvonta ja raportointi sekä niiden tehostaminen
- Hajautettujen sovellutusten mallintaminen
- Työkuorma (100%)

Vaadittava osaaminen:

- Vähintään 2-vuoden kokemus järjestelmähallinnasta
- Kokemusta Windows ja HP palvelimista
- Active Directory (AD)
- Citrix (XenApp + XenDesktop)
- VMware

- Exchange 2010 ja Microsoft LYNC
- Suomen kieli

Haethan tehtävään mahdollisimman pian

Liitä hakemukseesi:

- ansioluettelosi
- lyhyt perustelusi miksi sovellet tehtävään
- tuntihintapyyntösi
- tieto milloin voit aloittaa
- kahden suosittelijasi tiedot.

Ohjelmistoasiantuntija (.NET)

Added: 22.02.2011, 10:20 **Role:** Asiantuntija

Starts: Sopimuksen mukaan

Duration: 6 kk + rekrytointioptio

Location: Pääkaupunkiseutu

Job type: Sopimustyö

Asiakkaamme etsii **kokenutta ohjelmistoasiantuntijaa** tiimiinsä.

Projektinkuvaus:

Tulet työskentelemään scrum-tiiminjäsenenä asiakkaan ohjelmistokehitysyksikössä.

Vaadittava osaaminen:

- .NET Framework 2.0 tai uudempi
- Visual Studio 2005/2008/2010
- Windows Forms
- Windows Presentation Foundation (WPF)
- C#
- IIS 6.0
- [ASP.NET](#) 2.0
- Hajautustekniikat (.NET Remoting, WS)
- Vähintään vuoden työkokemus kustakin ylläolevasta osa-alueesta.
- Kokemus ketteristä menetelmistä (Scrum tms.)
- Kielitaito: englanti ja/tai suomi
- tiimihenkiisyys.

Eduksesi katsotaan seuraava osaaminen:

- Monen käyttäjän yhtäaikaiset ohjelmistot (tietojen lukitukset ja synkronisointi)
- Oracle
- Kolmitasoarkkitehtuurit (DB->BL->GUI)
- MySQL.

Hae tehtävään mahdollisimman pian.

Liitä hakemukseesi:

- ansioluettelosi
- lyhyt perustelusi miksi sovellut tehtävään
- tuntihintapyyntösi
- tieto milloin voit aloittaa
- kahden suosittelijasi tiedot.

Project Manager (ePOS)

Added: 22.02.2011, 10:24 **Role:** Project Manager

Starts: Asap

Duration: 31.7.2011

Location: Helsinki

Job type: Contract, Fixed

term

Our Client is looking for a **Project manager**

Project Description:

- Project Scope: Torex ePOS (ePOS =electronic point of sale) development as per requirements to be frozen during the 1st milestone, ePOS-SAP R/3 integration development as per requirements to be frozen during the first milestone.
- Milestone one's target is 11.3.2011.Project description
- Project Type: Create
- Location: Helsinki
- Travel: possibly some travelling to UK
- Workload: 0,6 FTE

Required Skills:

- Experienced project manager
- Experience in technical implementation
- Experience and expertise about ePOS and required integrations
- Familiarity with resource planning ability to conduct

SAP R/3 integration analysis (MM and SD-modules)

Please **apply** by thursday 24.2.2011 at 11:00

Please include:

- resume
- briefing why you are an ideal candidate
- request for hourly rate
- availability
- 2 referees

Project Manager (PDM, Customization)

Added: 22.02.2011, 10:24 **Role:** Project Manager

Starts: 1.3.2011

Duration: 31.10.2011

Location: Espoo

Job type: Contract

Project Manager (PDM, Customization)

Our Client is looking for a **Project Manager** for a long term project.

Project Description:

- Project is deployment type of project
- The purpose of this project is to offer localized solutions
- Workload 1 FTE

Required Skills:experienced project manager

- Large scale deployment experience in a challenging environment. (R&D, Manufacturing, PDM, Customization etc.)
- Good planning and communication skills
- Fluent English
- some travelling once a month - to be defined later on

Please **apply** asap

Please include :

- resume
- briefing why you are an ideal candidate
- request for hourly rate
- availability
- 2 referees

The Summary of Customer Demand Analysis of the Case Company

TOT DEMAND	23	52	26	1	6	2	12	
	Proj.							
	Expert	Mgr/	designer/	Quality	Consultant	Coach	Architect	
	Specialist	Director	developer	resp.				
All companies	0	31	14	1	2	1	8	total
CRM	0	3	0	0	0	0	0	3
SyBase/Oracle	1	0	0	0	0	0	1	2
Linux	3	0	0	0	0	0	0	3
Security	0	2	0	0	0	0	0	2
Lotus notes	1	2	0	0	0	0	0	3
Documents	0	1	1	0	0	0	2	4
Testing	3	0	1	0	0	0	0	4
Sharepoint	1	0	2	0	0	0	0	3
Change	1	0	0	0	0	0	0	1
Finance	0	3	0	0	0	0	0	3
ERP	0	1	0	0	0	0	0	1
Infra	0	2	0	0	0	0	1	3
SAS Reporting	1	0	0	0	0	0	0	1
Control M	0	0	1	0	0	0	0	1
MS SQL Server	1	0	0	0	0	0	0	1
Help Desk	1	0	0	0	0	0	0	1
MS Dynamics Nav.	0	0	0	0	1	0	0	1
Mainframe	1	0	0	0	0	0	0	1
UI	0	0	1	0	0	0	0	1
Citrix/VMWare	1	0	0	0	0	0	0	1
.NET	0	0	1	0	0	0	0	1
ePOS	0	1	0	0	0	0	0	1
PDM	0	1	0	0	0	0	0	1
SAP/BI/BW	2	3	0	0	1	0	0	6
Fact. Logistics	0	1	0	0	0	0	0	1
QlikView	1	1	0	0	0	0	0	2
Web	0	0	2	0	0	0	0	2

Appendix 2 (17)

Prog. Software	1	0	0	0	0	0	0	1
Reporting	1	0	0	0	0	0	0	1
SQL migration	2	0	1	0	0	0	0	3
IAM	1	0	0	0	0	0	0	1
Java	0	0	2	0	0	1	0	3
Quality	0	0	0	0	1	0	0	1
Oracle BI Server	0	0	0	0	1	0	0	1

The company stakeholders and potential customers were interviewed as scheduled below.

Case company	Date	Length	Subjects
Consultant PW	Jan 25 th	1h	The skills, sales efforts, ideas
Consultant SG	Jan 27 th	1h 40 min	The skills, sales efforts , ideas
Managing D. MJ	Feb 25 th	1h 05 min	Ideas for new model interviews.
Chairman LN	Mar 3 rd	1h 15 min	Ideas for new model interviews.

Preliminary interviews for Customer companies representatives

Comp Pos	Name	Date	Length	Interview Subjects
Mfc Managing D.	KH	Feb 9 th	47 min	Demand, resources, skills
Tlw Partner	ES	Feb 10 th	51 min	Demand, resources, skills
Prs Business D.	LP	Feb 11 th	33 min	Demand, resources, skills
Ftc Managing D.	PH	Feb 9 th	37 min	Demand, resources, skills

Targeted interviews for Customer companies representatives

Comp Pos	Name	Date	Length	Interviwi Subjects
Tlw Partner	ES	Mar 16 th	40 min	Targeted questions
Mfc Managing D.	KH	Mar 16 th	27 min	Targeted questions
Ftc Managing D.	PH	Mar 23 rd	49 min	Targeted questions
Prs Business D.	LP	Mar 24 th	50 min	Targeted questions

Interview questions

Questions to the consultants of the company

1. Based on your experience and knowledge please mention the technology and skills that have been mostly appreciated and asked by the customers.
2. Based on your experience and knowledge what could be the technology and skills that you have or could get in the next 12 months period to best sell your expertise?
3. Based on your knowledge of the market what technology and skills could be best sold to the customers in the next 12 months period?

Questions to the owners of the company and the representatives of customers

1. Based on your experience and knowledge please mention the technology and skills that have mostly appreciated and sold to the customers?
2. Based on experience and knowledge what could be the technology and skills that our consultants have or could get in the next 12 months period to best sell to the customers?
3. Based on knowledge of the market what technology and skills could be best sold to the customers in the next 12 months period?

Targeted questions to the representatives of customer companies

4. Based on your experience and knowledge please mention what should be the components for the planned model as described for a working business model of the case company?
5. What else is necessary to take into consideration, when building a business model?
6. What are your future expectations of the changes in the market as the result of the announcement of Nokia- Microsoft co-operation in operating system of the mobile phones manufactured by Nokia?

Meeting with PS, Monster Oy, Jan 11th 2011 at 09:00-10:35

1. Based on your experience and knowledge please mention the technology and skills that have been mostly appreciated and asked by the customers.

She only started in December 2010 in her new position and could not yet answer anything my question. Instead she showed data base of applicants' CVs and proposed purchase access to this data base.

2. Based on experience and knowledge what could be the technology and skills and expertize that consultants should have in the next 12 months period in order to best sell to the customers?

She handed me the advertisement of recruitment trade show in the web pages of www.monster.fi including introductions of businesses, career stories, visit cards sending, usage of Google street view, usage of notice messages.

She also showed some statistics about the numbers of CVs in the data base stored by applicants by themselves. The number of applicant CVs of IT field was > 2000.

Later Jan 24th-25th we agreed by email that we will read the CV database for one month's time starting Feb 1st.

Also we will publish the last ordered advertisement of our open positions at the end of April.

Telephone discussion with MT, Ework, Jan 24th 2011 at 12:15-12:30

Ework is one of our potential customers, which is continuously advertising their customer needs in their web page and also frequently sending email messages about their customer needs to potential resource suppliers like the case company.

At the beginning of the discussion she told, how hectic the business in general has been after the beginning of the new year. She wondered, why we have been so quiet in offering any resource for their customer needs. I replied that many of our idle consultants, who were also potential candidates in the Ework consult database, have left our company and existing ones do not have required skills.

I reminded her about my proposal of the questionnaire to be sent to them and also if I can use the same questionnaire in my research with other consulting companies. She gave her permission to do so.

She told me that the results of their latest questionnaire will be sent to all their collaborators in near future. These results will be very useful as they represent the future views of most of the consultation companies in Finland.

She could tell that in half year- year period of time project managers with telecom background will be required by their customer (Nokia).

Drupal-, Meego-, oracle- experts are also required continuously... Later after checking their web pages I realized that she was just reading the required skills that we written in their existing job advertisements there.

She mentioned about one network security specialist vacation with CA siteminder expertise needed ASAP. I promised to check SG's experience, if he has that one. SG's CV was missing from the database and I promised save it there as well.

Meeting with Network expert PW in Salo Jan 25th at 14.20-15.20

He worked as network expert with the case company for Nokia couple years until June 2009, when Nokia decided to get rid of all external resources at their Salo premises. He worked as network engineer and in Finland has been unemployed since then. He is originally from northern part of China. His home town is about 700 km north of Beijing. After Nokia assignment he left for eight months back home and during that time he was also available for new assignment by the case company with few week's notice.

At the beginning of the meeting I described the situation inside the company as most of the consultants were laid off and they had later resigned themselves. We discussed to find ways to improve the success of selling his expertise to the potential customers. He promised to go through the sales arguments letter that is always attached to the applications together with his updated CV.

Many times the obstacle for offering his expertise is the missing ability to speak Finnish as fluent Finnish and English are required.

He told his plans to update his Cisco training and certificates with CCI. (Citrix Certified Instructor).

We agreed to keep in touch and he promised tell his plans, if he decides to travel back to China. We also agreed that we will let each other to know, if we invent something new to further strengthen our sales efforts.

Meeting with Security expert & Project manager SG in Valkeakoski Jan 27th at 10-11.40

He was interviewed and accepted to join to the company's consultants pool in the autumn 2008. Since then there have been only few requirements for security experts as for him, but many times the obstacle for offering his expertise is the missing ability to speak Finnish as fluent Finnish and English is required. Lately these announcements have included the statement that fluent Finnish a must. He runs a business of his own, which is concentrated on selling safety equipment of one German manufacturer. He is also originally from Duesseldorf area in Germany.

He learned the network security as his hobby and further developed his skills in the subject in his work in Germany as consultant working for IT consultation firm.

We discussed a lot about the market for IT consultancy. His opinions is that the company should be kind of a full service IT system, service and consultation provider rather than supplier of systems and maintenance and on the other hand totally separately consultation resource supplier.

With the present operating he mentioned that many times companies that offer to customers resources that are not in their pay roll yet, may face the situation where they don not actually have any resource available for the customer need. When this happens once or twice, customer tend remember it and ask for resources from elsewhere next time.

He introduced the business idea for the company to concentrate to consultation on how to get prepared for the becoming solar storms. Main wave of the becoming solar storm will be active in 2013, but some smaller waves may be active already during this and next winter.

Being prepared for solar storm means need to have shielded electricity network cabling, external shielded data storing facilities, uninterrupted power supplies and emergency generators in case of failure in the power supply network. The power supply networks and transformers are most likely to infected by the solar storm activities.

We agreed that his expertise will be offered via Eworknordic and his skills experience list together with CV will be stored into Ework's consultants CV-database.

Meeting with LN, the chairman of the case company, Mar 3rd at 10.00-11.25

Theme: What should be included in the customer interviews of next round?

It is important that the candidates to be offered to the customers were Finnish speaking, they have experienced and well-prepared. Special skills like SAP expertise need so much knowledge to search and interview the candidates that we can not afford the know-how on that. Project managers and technical experts are easier to start with.

There haven't been much inquiries of information security experts. ERP is developed a lot by the companies. Project managers, testing and information security experts are possible skills to searched.

Also programming skills could be searched, rather than SAP. Anyway we are missing the know-how on, how to interview. The candidates to be searched next could be, to be on safe side, project managers.

Theme: What should be the specifications for project managers, when advertising? One idea is to see the advertisements in HS and other newspapers and get the ideas, what to specify in own, new advertisements. Competitive salary level should be mentioned and the other specifications to be fine tuned accordingly. Project managers are easy to find, but also hard to sell. They will be always needed by the customers. Price level is improving.

Theme: new customers to be searched? The search of new customers requires sales force. The company is willing to find new customers, but there is no sales force available at reasonable cost. The time available for sales is limited. The CV base of potential candidates must be in order and also the competence table is needed in case of quick search of candidate with special skills required by any customer.

Theme: optional ways of operating in consultation sales. We should search for optional ways to operate, but cost should not be increased. In this sense for example, the project teams as proposed by customers are not feasible.

Meeting with LP, marketing director of Prs, Mar 31st at 13.00-13.55

Theme: Customer Value Proposition and Profit Formula. The selected candidates should be the ones that are easily sold to the customer needs as requested. The amount of idle consultants of case company is in minimum. Also the amount of open vacancies is not increasing, since the management of IT systems becomes easier and thus not that much resources are not needed. Off-shoring will decrease the number of IT work places in Finland. The management of some subjects will not disappear anyway.

The continuous change and development in IT systems and IT field will show, whether there will be escape from the field. The persons, who stay in the field, have decided to have that kind of career with continuous uncertainty of the job and the continuous need to update the knowledge and skills in order to stay competent in the field of particular expertise.

Theme: What perspective is missing? The end customer view of the market is missing. How is she/he planning to use the resource in the business to earn money? What is the money earning logic of the customer? This information should be understood in order to be able to propose valuable ideas for the customer. You must be able to understand customer's business, the market situation. The time needed for this kind of survey is too much for this research.

Some information to be found during the research could be such that it is not wise to publish it at all. The profiles of the customer companies are different and so are their customer base. The companies having a lot of direct customers do not need to be present in the market, where the case company is present.

Theme: Operational model for the case company. What should be the specifications for project managers to be searched by the next advertisements. The personality is important. The person should fit in the organisation, where is searched for. The importance of finding working atmosphere and culture of the customer, what are the working habits and culture of particular team will be essential, when finding potential resources for the customers. The companies, who are searching personnel for projects of short time scales, do not have to do this kind of basic research and interview round with the customer organisations. Only after all this, the candidates will be interviewed, whether they are in line with the customer requirements. By this way interviews are successful even without psychological tests.

Even though this importance is highlighted, the tendency to do the interviews very fast and many interviews per day rather than concentrating on the candidate. Every candidate is different and the interview with same questions to everyone without fine tuning them according to the candidate will not reveal in finding the real working habits and personality of the candidate. The personality of the interviewer, her/his work load, how many interviews per day, will effect to the results of the interview. The interviewer should be relaxed and feeling well in the interview situation. Otherwise the conclusions about the interviewee can not be well done and misjudgements are easily done. The interviews can not be done like in the factory. Maximum is eight interviews per day. Recruiting companies with lots of candidates tend to do interviews like in the factory.

The interviewee should feel relaxed and not like hunted animal in the corner. The positive atmosphere must be created in order to find the best possible out of the personality of a candidate.

Theme: how to differentiate with the next job advertisement from the others? Important is to think, what do you want achieve with your advertisement. If purpose is to get applications as much as possible, then the specifications should be quite open and not detailed. If purpose is to get specialists with detailed skills, then the ad should include those specs accordingly. Would you like to be recognized or would you like to get applicants is another question. What are the motives for the advertisement and accordingly start to think, if I were such a person as searched, what would best interest me and what kind of media I am following? Think of yourself as applicant and consider, how to delight. What do you want achieve with advertisement is the important question to be considered.

Theme: what will be the effect of Nokia-Microsoft co-operation to the market. There is no news so far, but it will be interesting to see, if Nokia will educate the symbian personnel for the expertise of Windows Phone 7 by itself.