

Expanding Business With Effective Networking

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<p>Abstract</p> <p>The aim of the thesis process was to investigate networking, personal selling and Russian markets in order to create a clear view of what is vital for effective networking in Russia. The objective of the study was to observe the case company's readiness for expanding operations to Russia as well as analyzing the company's existing values and how they could be developed further. Additionally the purpose of the thesis was to give recommendations of the factors needed to be developed and suggest different models for networks and building relationships.</p> <p>The methodology used was qualitative consisting of interviews, internal databases, books, articles and magazines. Data was collected while the author was working in the company as well as taking part in meetings. The company information is confidential due to the contract made with the case company.</p> <p>The main results that the thesis suggested are that readiness for expanding operations with networking is rather good, while features to be developed were found such as researching target markets. The conclusion of the thesis process is that in near-future there is a great possibility to expand to Russia due to the market situation, Russia's WTO-membership as well as the company's internal situation.</p>			
Keywords Networking, personal selling, Russia			

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1 INTRODUCTION

The study's subject was established with co-operation of the case company's CEO, financial manager and the author of the thesis. The author has been working in the case company for several years and therefore offered assistance to investigate company's readiness for expanding operations to Russia. Knowledge of the company's internal as well as external operations offered an effective viewpoint to values but also forced the author to observe situation outside from the organization. The topic was chosen because in near future Russia is a lucrative opportunity for the case company to expand business due to Russian economic situation and its WTO-membership.

The objective of the study was to investigate company's readiness for expansion through different analyses. The target of analyses was to observe whether the company has abilities to utilize existing networks in Finland more efficiently and also to investigate the possibility to establish new relationships in Russia. Moreover, the purpose was to offer a viewpoint for the case company of how it should develop its actions further and what it could remove from daily functions as well as what analyses the case company could utilize in future as well.

The report starts with theory part consisting of networking theory from different authors, theory from personal selling and two different models of business-to-business selling, which are compared to each other. The last part of the theory consists of information from Russia, its relationships, economical situation and main features of doing business. After the theory part the study presents case company and all analyses completed in order to offer information for the company. The results are shortly presented after analyses and the discussion part offers new viewpoints observed based from the theory and the results. Finally the recommendation part offers a recommendation table for the case company including suggestions what should be completed in future in order to reach the set target.

2 NETWORKS

2.1 Introduction to networks

Developing and recognizing effective business models has been ongoing process in economic world over times. However in 1980's the viewpoint changed from investigating vertical integrated organizations to networked organizations due to the fast development of technology leading towards internationalization of companies. The consequence was that enterprises started to look for strategic alliances. The development led to the view from three different forms of organizing in business; market focused business relationships, relationship and network based business relations, and hierarchy based form (Möller, Rajala & Svahn 2004, 16). The figure below presents the three models.

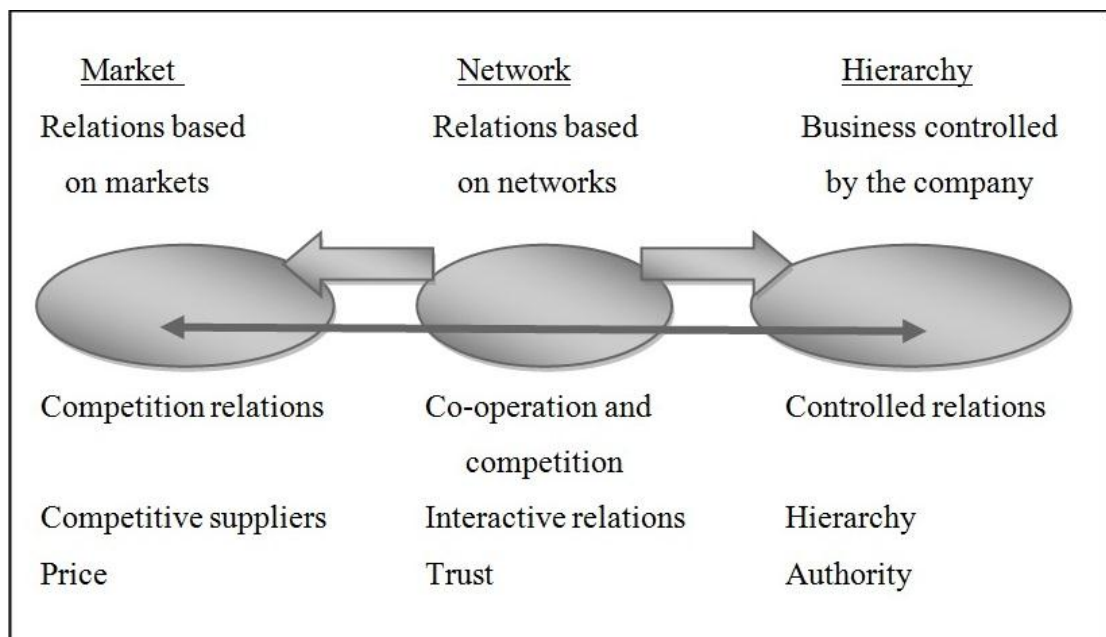


Figure 1. The three models of organizing business (Möller et al. 2004, 16).

The market based relationships are mostly used with standardized products and services produced cost effectively. Additionally the competition is commonly based on low prices while there is no commitment to business relationships. A company that follows market based relations must be flexible and constantly observe the market

situation and take a full responsibility from own actions because all companies are acting as individuals in the market, not as co-operators. (Donaldson & O`Toole 2007, 75)

Whilst in market based relations the flexibility is high and participants are independent, in form of hierarchy the flexibility is low and the organization is dependent on variables. Hierarchical companies are vertically integrated which means that almost whole chain of producing is in one company starting from raw materials and moving towards marketing actions. Vertically integrated companies are slow to react to changes in markets and all actions are based on routines in the company while the spirit is formal as well as bureaucratic. In today`s globalizing world the hierarchy form of functioning is rather old fashionable because hard competition, new customer bases and new innovations require fast reactions and co-operation over boundaries. Therefore relations based on networking are becoming more lucrative for the companies every day. (Donaldson et al. 2007, 75)

Network is a wide concept in business environment including, not only the companies acting individually in their own field, but also the combining relationships between them. “—the nodes are business units, such as producers, customers, service companies, and suppliers of finance, knowledge and influence. The threads are the relationships between the companies.” (Ford, Gadde, Håkansson & Snehota 2003, 18)

According to the mentioned theory, the individually acting companies create nodes. However the nodes cannot function effectively alone in developing business environment and therefore the threads are needed between them to create active network between different parties and individuals. Also one of the three acting models in business environment, form of networking, is following the theory from nodes and threads. Among nodes and threads the network is defined to be “spider`s web” according to Donaldson & O`Toole (2007, 73) who claim the spider`s web describing the connecting ties and interdependence of each other in the network.

Today all companies are belonging to some kind of network and the decision of how well to utilize it is in company`s own hands. Some companies establish stable relationships with their suppliers, customers and competitors and try to utilize networks as efficiently as possible while others do not put effort to same extent. The first mentioned companies are moving from competing with each other towards co-operation. (Dennis. 2000) According to Allee (2003, 9) “the centre is moving – out from corpo-

rate hubs to more diffuse and distributed webs of business relationships and alliances spreading across the globe.” Also Dennis (2000) underlines that co-operation with other organizations enables reaching the target more efficiently than those who try to work as separate units. Moreover, the speed of change is fast in today’s business environment and therefore effective networks are needed in order to adapt to changes (Dennis 2000).

2.1.1 Reasons for networking

“Whatever the reason, companies need to collaborate more widely and more deeply with other organizations to deliver superior customer value” (Ford et al. 2003, 12). As stated, the reason behind networking is on satisfying the needs of customers. Additionally the needs are changing due to globalized business environment which demands flexibility and co-operation from companies’ sides. Among producing more value for the customer, the whole organization model has changed from the traditional one towards business webs. (Allee 2003, 9)

Globalized world has lead to product entities which try to fulfil customers’ needs better and give more value for the product and/or service. Today the product commonly is not only a product but a package with actual product and its side services, as said it is an entity. For example one product or service includes the actual core but also maintenance and monetary services in order to bring more value and gain competitive advantage. Multinational companies, such as Microsoft and Nokia, are forced into networking because of cost-effectiveness and the wide range of services following the actual product. (Möller et al. 2004, 18-19) Among multinational companies also smaller organizations gain advantages from networking by improving their readiness to deliver globally as well as expanding brands (Allee 2003, 8).

In networking, the main idea is on concentrating to everyone’s strengths and to combine those strengths into workable action models. When companies utilize each other’s strengths more, the networks are born, which leads towards effective co-operation and better results. (Möller et al. 2004, 25) In other words, combining the core values of companies is beneficial and creates competitive advantage. The core values can even be outsourced from the company if it is vital for flexibility and if mutual trust and co-operation is on deeper level as stated by Allee (2003, 10).

2.1.2 Drivers for networking

Today the business environment is complex and customers demand more from products and services. The complexity of business environment is not the same as complicated working environment with many different participants but as Allee (2003, 61) claims "When something is truly complex there are simply too many variables for it to ever be truly known, fully understood, or managed". As stated, organizations are complex and changing constantly in globalized world. Therefore networks are needed in order to maintain the ability to compete and react to fast changes. (Allee 2003, 61)

Networking, creating spider's web (Donaldson & O`Toole 2007, 73), building threads between nodes (Ford et al. 2003, 18) have the same meaning of combining each company's strengths into competitive form, which can react to changes fast and be flexible. Behind there is a desire to maximize the profit while maintaining the costs at lowest possible level and therefore networks are established based on each company's core strengths (Möller et al. 2004, 39). For example, if customer is buying a computer, there usually are different programmes sold among the core product such as firewall programme and text handling application packages, occasionally also maintenance services are included into the total package the customer is purchasing. In package such this, every party is concentrating on own strengths and combining them to confront customers' needs as well as saving resources in development work, marketing, design, manufacturing and customer relations. (Möller et al. 2004, 18-19)

Complexity also contains the speed of change which nowadays is high. Therefore for manufacturing company proper networking offers fast and vital information from customer field with help of business partners. Also technological knowledge is dispersed because of the wide range of concepts it includes and therefore the full understanding of technology demands proper interaction with other operators. (Möller et al. 2004, 19)

According to Möller et al. (2004, 19) increased specialization increases the dependency between companies and therefore the specialization development drives the networking which enables the companies to react fast to constantly changing market situations. Fast reactions are vital for companies because of the hard competition in every field today and the more flexible the network is, the faster it can react to the changes as Donaldson & O`Toole presents also (2007, 12).

The continuous competition as well as increased costs of development is forcing companies to think cost-effectively which leads then to seek new customer bases abroad. Accordingly the business is globalizing with the help of internet as well as networking. However the globalization and new global customer bases increase costs, but to follow the cost-effectiveness it is possible to create relationships with the local companies already having customer relationships in target destination. It also makes the adaptation to new culture and habits easier as well as fosters the trust between the customer and the company especially in business areas where personal interaction is needed. (Möller et al. 2004, 20)

Consequently as mentioned earlier the organizations and business environment are complex, hard to define and hard to cope with. Therefore the main driver for networking can be stated to be the complexity causing fast changes and requiring flexibility. Globalization increases possibilities but also have an effect on existing market structures. To confront the global challenges and answer to constantly changing market situations the co-operation is needed and vital for each company. (Donaldson & O'Toole 2007, 12)

2.2 The dependency between network models and relationship forms

Before going further to the different types of networks, the basic entities are defined. The figure presents the three different basic types of networks.

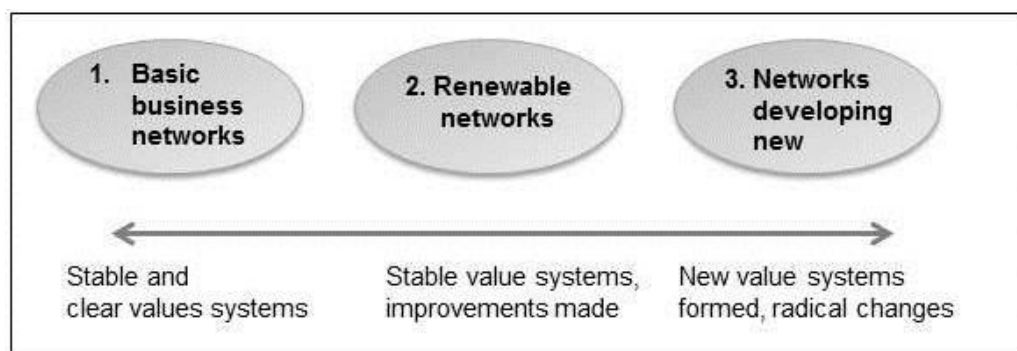


Figure 2. Basic types of networks (Möller et al. 2004, 36).

Basic business networks are having stable and clear functioning models. The participants are well-known and the technologies used are common. For example IKEA is having an effective network as well as innovative way of taking the customer into the value functions. It is controlling the whole chain beginning from the manufacturing process to customers' needs. The idea of basic networks is to utilize participants' existing knowledge, and to control the actions in order to obtain efficient results. Besides basic networks, there are renewable networks which try to develop already existing value chains and business processes. Frequently the renewable networks are existing certain time, having exact task to be completed. Reaching efficient renewable network requires co-operation across organizational borders and mutual trust. Among the two business networks the third one is a model which tries to develop totally new actions. The aim is to build new products, services, business concepts or even the technologies enabling the manufacturing. These kinds of changes require radical changes in each organization taking a part into the development work. (Möller et al. 2004, 36)

Among the varying networking forms presented, Donaldson & O'Toole (2007, 61) states the four different relationships forms and types of functioning which are close, recurrent, dominant partner and discrete relationships. Close relations are formed based on mutual understanding and co-operation with effective communication. No party is the dominant one and the aim is to create long-term partnerships from which all participants can gain. The core thought in close relationships is that all is gone through together; failure as well as success, and the partner is the one to rely on as also Donaldson & O'Toole state "partners are highly flexible in responding to each other's needs" (2007, 61).

Whilst in close relations the form of co-operating is strategic, in recurrent the form is more operational meaning that partners are working towards the same outcome but maybe not as strategically and closely as in close relationship form. Also in recurrent form the co-operation is effective and partners can rely on each other while having long-term goals. Typical example of recurrent relationship is partnership in supply relationships where the supplier's offering is added to the production process quickly and without hesitations. The process requires effective communication and mutual trust as stated before. (Donaldson et al. 2007, 62)

The two first ones close and recurrent are both based on high co-operation and trust whereas dominant partner relationship is one-way, powerful and rather non-flexible

form of relationship. The trust within co-operators is based on dominant partner's actions and take place when the other party is dependent on dominant's purchases. In dominant partner relation, the co-operation is tight but the communication is lacking and other party is making all decisions. Moreover in discrete relationship the co-operation is at the lowest possible level, communication is low and no information is shared among participants. The aim is only to make the business happening possible, in other words to make the customer to buy from the seller while not aiming to long-term relationships or mutual trust. (Donaldson et al. 2007, 63)

When the three basic networking models and the four different relationship forms are presented it is possible to observe on what level each relationship form can function. The table describes the dependency of the models and forms.

	Basic business networks	Renewable networks	Networks developing new businesses
Close relations	X	X	X
Recurrent relations	X	X	(X)
Dominant partner relations	X	(X)	-
Discrete relations	X	-	-

Table 1. The dependency of networking models and forms of relationships (created utilizing theories of Möller et al. 2004, 36; Donaldson et al. 2007, 63)

As seen the close relationship can be utilized in every phase of networks. The mutual trust and effective co-operation as well as same strategic goals enable full development and new innovations whereas the basic type can also function successfully. Also recurrent relations can fit to basic and renewable networks properly. However the new developing network requires same goals and same strategic view and therefore only the same operational view may not be enough for developing totally new business. Nevertheless according to Donaldson & O'Toole (2007, 62) the recurrent is "an easy type of relationship to develop" and therefore it partly fits to new developing section since the possibility to change recurrent to close relationship.

The dominant partner and discrete relationships are both in first section, basic type because of the state of commitment and already created models of co-operating. Especially in discrete relationship there is no need to develop the relationship further and the target is to maintain the basic models. In dominant partner relation the step towards renewable can be taken if the dominant party is willing to.

Consequently the changes in networking model require flexibility, commitment, desire for co-operation and mutual trust. Therefore companies having close and recurrent relationships are more likely to be successful in changes while dominant and discrete are hard to change since the lack of real co-operation. However the relationship forms can be developed over time in the company and the change in network models can be achieved through that. (Donaldson et al. 2007, 66)

2.3 Building networks

Building effective and lucrative networks demand time and resources. The process can take years and after the network still needs effort to stay efficient. Therefore the network is normally created with different steps heading towards stable co-operation. The figure 3 presents shortly the steps of building a network starting from values system analysis and aims as well as structure of network. Secondly the steps of moving towards business idea and partners of the network and organizing the network and its managing model.

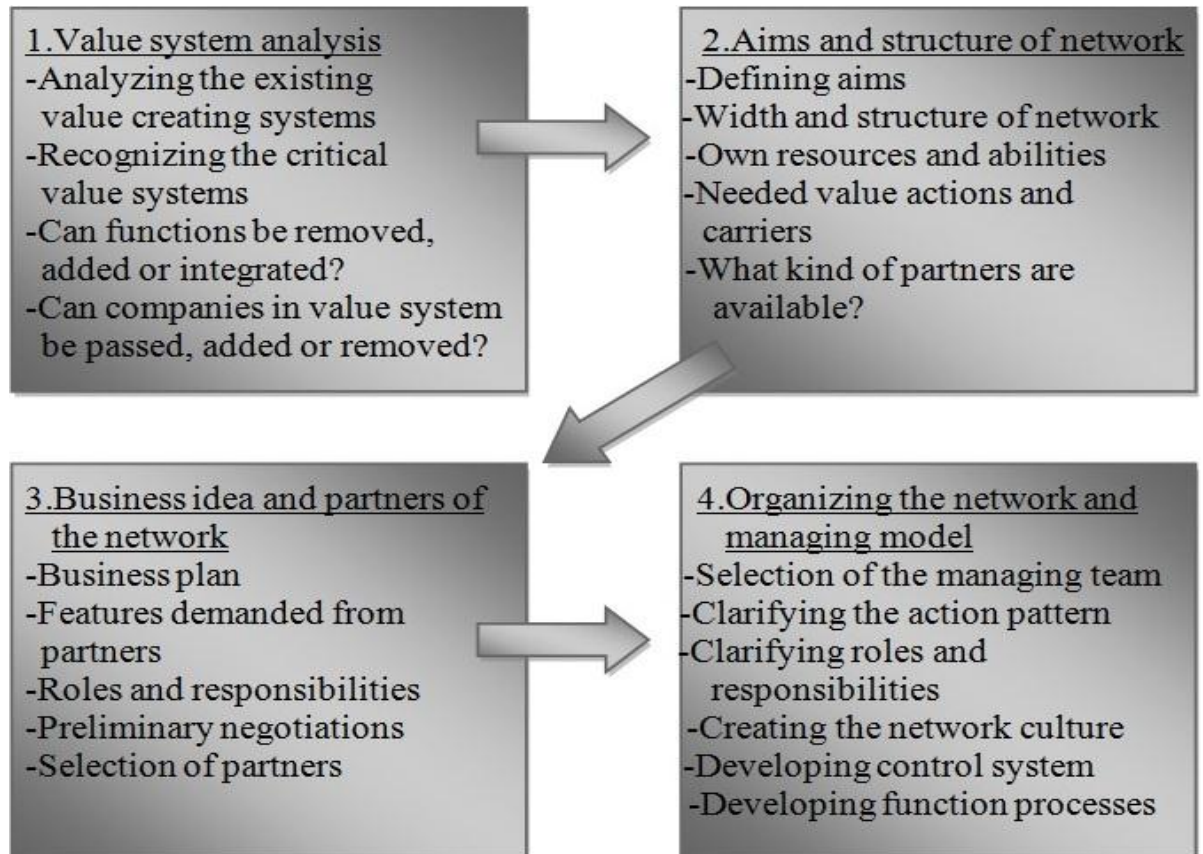


Figure 3. Building network (Möller et al. 2004, 56).

2.3.1 Value system analysis

According to Allee (2003, 192) “a value network is any web of relationships that generates both tangible and intangible value through complex dynamic exchanges between two or more individuals, groups, or organizations.” In organizations the critical values for system can be both intangible and tangible being hard to copy and found elsewhere (Möller et al. 2004, 57). As Donaldson & O’Toole (2007, 40) states the relationships are dependent on values because they make the customer to do the buying decision. For example an effective supply chain may build a value that is hard to copy and is vital for customers as well.

Values creating competitive advantage and being a base of effective relationships in networks can be analyzed with value system analysis. Among critical and important values the recognition process goes through the non-valuable functions which can be removed from burdening the organization. For example if a company has a marketing

department of its own the analysis can recognize whether it would be more cost-effective to outsource marketing. Besides valuable and non-valuable actions the company can investigate whether some actions should be totally removed or added. (Möller et al. 2004, 59)

Actions in the network as well as in individual organization may consist of analysis whether for example modulating would be possible in the network. According to Möller et al (2004, 58) modulating can bring time and monetary savings for the company and for whole network. Modulating is a way of producing components that can be used in different product versions. Among modulating and integration as well as disintegration of company`s actions, the investigation of members in network can be conducted. With analyzing existing members in network it is possible to observe their level of participation as well as utility for value functions. Based on the analysis done the network can decide whether keep all partners in the chain or not and also make decisions if some vital parts are lacking in order the chain be more effective and lucrative. (Donaldson & O`Toole 2007, 41)

Furthermore the total branch, its main actors and strategies should be analyzed in the first point of building networks. For example SWOT-analysis from competitors as well as from own company can be completed. It will clarify the strengths, weaknesses, opportunities and threats in the structure of value system. (Möller et al. 2004, 59)

2.3.2 Aims and structure of network

Based on SWOT-analysis and its outcomes the aim of building network can be defined. The aim is consisting of own targets as well as co-operator`s ones and the possible risks the partnership may cause. As mentioned in value system analysis the process go through the existing partners and according to the results some parties may be unnecessary for the new network to be built. Allee (2003, 204) claims that “any participant that is not contributing real value to the network as a whole will become increasingly isolated or may even be expelled”. Therefore the risk in building new network includes losing old co-operators and accordingly the decision whether threatening the old models in order to reach new aims should be gone through (Möller et al. 2004, 60).

Möller et al (2004, 60-61) state that the structure of network is built based on its width and depth. The width of network means how many different companies from supplier

side having knowledge on different technological solutions would be needed in network in order to produce the target supply. Whilst the depth of network is based on how many different branches the network is stretching to. The width and the depth are dependent since the amount of suppliers in vertical direction defines the depth, the amount of branches in network. The structure of network may therefore become strict and not flexible if it contains many different suppliers. Accordingly in analysis of structure the focus is to create flexible network which can react to changes without delays. (Möller et al. 2004, 61)

Among width and depth of suppliers, the same functions are analyzed in customer side as well. The main point is on analyzing the possible target customers while investigating the needed organizations in order to reach the target. According to the results the aim and structure of network can be created. (Möller et al. 2004, 62) Moreover the structure of network is consisting of many participants and therefore value creation analysis is vital for developing effective network. Participants' effort to network can be investigated by observing if they can offer new intangible or tangible value for network. Also the possibility if new participant can extend the value to other participants is vital to be investigated (Allee 2003, 206). With the value creation analysis it is possible to spot the matching partners to the developing network.

2.3.3 Business idea and partners of the network

After the aims and structure of network are defined, the business idea can be gathered in observation of the set target. Vesalainen (Möller et al. 2004, 63) has presented three different stages which help the companies to define the base of business idea. First stage is to decide the productive co-operation and each partner's responsibilities in production chain. Secondly setting the guidelines for IT and logistical co-operation and thirdly deciding the product development aims for co-operation. Whilst the idea is concluded, the company can present it to the possible partners in order to gain their interest and lust for co-operation.

2.3.4 Organizing the network and managing model

The fourth stage of building networks is to create the managing model of network and to organize it to be fully effective (Möller et al. 2004, 65). As mentioned in 2.2 there are four possible relationship forms for co-operators. According to Donaldson & O'Toole (2007, 66) "each of our four archetypes requires a different level of relation-

ship strength". Therefore the managing models as well as functioning habits must be defined in separate relationship portfolios which are aiming towards effective follow-up of each relationship (Donaldson & O`Toole 2007, 48). With the portfolios it is possible to observe the effectiveness, difficulty and un-potentiality of each relationship and accordingly it helps to clarify the tasks and responsibilities of each partner in the chain.

2.4 Challenges of complex networks

As mentioned "organizations are complex and changing constantly in globalized world." The complexity causes many questions and paradoxes around them (Ford et al. 2003, 23). The three network paradoxes are:

1. "The network simultaneously enables and restricts a company"
 2. "Relationships are developed and defined by companies, but companies are also developed and defined by relationships"
 3. "Companies try to control the network, but control is destructive"
- (Ford et al. 2003, 23)

The paradoxes are analyzed based on the assumption that the companies in the network are having either close or recurrent relationship because on those relationship forms the co-operation is tight and changes are conducted in mutual understanding.

2.4.1 The development of enabling and restricting networks

Before going further to the first paradox the company`s present situation in network has to be investigated through examining its position compared to other business units and the relationships between them. "The heaviness" is a term describing the amount of economic, technical and social features around the company. (Ford et al. 2003, 23) It emphasises the investments of resources put to the existing networks and all companies have made investments to networks on some extent. The heaviness can also be defined to be the width and depth of network when there are too many suppliers from too many different branches (Möller et al 2004, 61).

Accordingly all the decisions and actions in one company inside the network will have an influence to other members as well which leads to the first paradox of networks being enabling but also restricting (Ford et al. 2003, 24).

Through efficient networks it is possible to work in different fields and gain more value, therefore it can be stated that networks are enabling companies to reach the unreachable areas in business environment. For example for small organizations effective networks enable selling and competing globally while for the partner the small organization may offer technological knowledge they require. In other words the network creates more value for each participant. (Allee 2003, 8) However the existing networks also causes restrictions since all the decisions and changes in one organization will affect all members as mentioned above. The changes cause costs, which some can be observed immediately such as hiring new personnel but some only in longer run, such as changing the product type. Whilst causing costs to the company itself, also co-operative companies may confront costs. (Ford et al. 2003, 24)

Enabling and restricting features of networks are around the fact that the company cannot act as an individual in business if it is part of some kind of a network. Instead, the focus is on analysing own functions but to maintain the knowledge from counterparts' actions as well. (Ford et al. 2003, 25) As mentioned earlier, Möller et al (2004, 60) state that developing new networks may cause the old ones to fall down. However according to Ford et al. (2003, 25) "change must often be achieved with existing counterparts" Therefore the development process of network should define the target properly and the analysis whether to use old partners more efficiently in network is vital task to complete for the company searching new ways to develop. Additionally in today's business environment the change is usually gone through with the network and no individuals are acting globally. The actors inside the network can be from different branches but the goal is acting as a combined entity. (Sounio 2010, 181)

Consequently the first paradox of networks is around the challenge of how to develop networks – whether to create new ones or maintain the old ones or should even both actions take place in the company. The growth in globalized business environment demands resources and ability to be flexible. Therefore new networks are born over time during company's life cycle. However creating new networks require time and resources and the decision of developing new can instead be to develop the old. Balancing between new and old causes the first paradox that networks enables and restricts the company at the same time and all developing actions have an influence to all, especially to existing participants of network.

2.4.2 The dependency of development

“A company’s relationships are the outcomes of its own decisions and actions. But the paradox is that the company itself is the outcome of those relationships and of what has happened in them”, claims Ford et al. (2003, 27). The message is that every company is having relationships and is totally dependent on them. Therefore it can be stated that the company actually is an outcome of its relationships. However these relationships do not pop-up without any effort or actions but demand operations from company itself. The paradox is that the company already has some relationships which have modified it before and have given frames in which the company is acting. Accordingly the second paradox is a non-ending circle between the company and its relationships. (Ford et al. 2003, 27)

As mentioned in first paradox a company must use resources to create networks. By putting effort, relationships are created and through relationships it is possible to have an access on counterparts’ knowledge. Having mutual understanding and knowledge create efficient co-operation and accordingly it will determine the company itself by for example modifying its working methods and target markets. Therefore the statement that “companies become conditioned by their relationships” (Ford et al. 2003, 28) can be proved.

Being conditioned by its relationships has an impact also on development in network relationships. Companies, nodes, and relationships, threads are interdependent and what happens in one node influences on threads while what occurs in one thread has an effect on nodes. Therefore the development actions in relationships are based on the level of commitment of nodes. If the node is not committed to a relationship, it can act as a brake and the relation, the thread, cannot be developed fully whereas if the node is eager to improve the co-operation further, the relationship is possible to be developed over time. In this occasion the company can be captured to a non-profitable relationship if the other company is a brake, not wanting to develop mutual operations. Originated from a brake the whole cycle of threads can be threatened and have an impact on each nodes’ actions. Therefore “being conditioned by its relationships” can be seen as positive but also in negative light. (Ford et al. 2003, 29)

Moreover the threads and nodes can be tighten together also by describing them with intangible assets. Allee (2003, 155) states the intangible assets to be nonphysical factors that are used in producing goods or providing services. The meaning is that

nodes and threads are creating a developing cycle which is aiming towards creating more value. So therefore also the intangible assets underline the fact that the companies are conditioned by its relationships, in other words the intangible assets are developing the companies whereas the companies are utilizing intangibles and developing them.

Accordingly the conclusion of second paradox is that the nodes are specified by threads in the way of communication, mutual lust to develop actions and overall way of operating. Thus the paradox is that the threads are outcomes of the actions in nodes and the outcome in threads can be either positive or negative depending on the level of commitment in relationship. As mentioned earlier, this creates a never-ending cycle between the threads and the nodes where all actions have an effect on both interdependent

2.4.3 The desire to control as a brake

Companies in networks try constantly manage the relationships and control them to confront the assumable goals. However the more there is control, the less the network can develop and be innovative over time. For example if the company is being very strict of who can be possible suppliers, it may become too static and changes are very slow to be done. Other more flexible companies will develop faster than the one who is trying to maintain control to all actions. Once keeping too much of a control it takes time and resources to change the organization towards more flexible model. Additionally the company itself has to be developed before networks since if the node is not working correctly, the thread cannot be stable enough. (Ford et al. 2003, 31)

As mentioned in second paradox, standardisation of networks is an efficient way of maintaining the control to some extent. However the single action in strategic level of managing networks cannot be accomplished since it is not a linear process but rather complex and variable. Therefore the company could also see possible conflicts as a source of developing rather than losing the control. Consequently the third paradox of networks is a question of how much the control can to be kept in order to maintain the flexibility of total chain.

2.4.4 Conclusion of challenges

To sum up, the paradoxes are built around how to develop networks, how the networks can affect to the company and the company to networks and also how to maintain a view from present networks without keeping too much control. Additionally the ongoing process of networking can be seen as a group of nodes who try to stick together with a help of threads. However the nodes constantly are eager to find new nodes and create new threads. The communication is dependent on nodes and their actions but also the threads have an effect on nodes and their operations. Behind the on-going process there is a desire to maintain the control on some level while keeping nodes and threads flexible enough to confront new challenges.

3 PERSONAL SELLING

The requirements of networking in today's business environment demand more from the sales personnel and from other employees in the company than before. Lately the trend has forced to expand the circle whereas before the circle around the company may have been rather closed and tight. (Sounio 2010, 180) The change has occurred from the fact that before the working environment was stable and changes slow while today the situation is completely different with fast changes and requirements of adapting quickly to confronted situations. Moreover the circle may have included parties from the same industry before whilst nowadays the circles are becoming more and more multifaceted since only then the new ideas are born, claims Lisa Sounio (2010, 181), Finnish brand and design professional.

According to Allee (2003, 240) relationships are all about real people even though technological solutions constantly develop. Additionally personal selling is people oriented and is stated to be the most important part in business-to-business marketing where there is not that much other sides of marketing such as sales promotion and public relations, which are more used in business-to-consumer marketing (Ingram, LaForge, Avila, Schwepker & Williams 2010, 4).

Personal selling was not well-known before the industrial revolution in 1750-1850. Since then sales personnel has been developing the business environment by sales actions and finally early in 20th century it became a part of other business actions, such as marketing, as well. (Ingram et al. 2010, 7) Moreover, Ingram et al (2010, 4) claim that "The successful professional salesperson of today and the future is likely a better listener than a talker." Also Sounio (2010, 189) highlights the fact that a good networker and seller is the one who can listen and give value to the message obtained from the other party.

The demands of constantly developing industries have created different approaching models for selling. However the following section is only focused on business-to-business selling and its requirements.

3.1 Two different business-to-business selling models

“The process of selling is an inherently complex phenomenon because it is ultimately dependent on solving problems in the context of personal human interactions” states Lars Johan Åge (2011). Again the phrase “complex” is tighten into sales actions and it has forced investigators to develop different models for selling. Additionally Åge (2011) has investigated business-to-business selling by creating a proposal for possible model to be followed in sales actions. The model is based on research conducted and the aim was to improve existing models of business-to-business selling such as “seven steps of selling” created by Moncrief & Marshall (2005) consisting of “prospecting”, “pre-approach”, “approach”, “presentation”, “overcoming objections”, “close” and “follow-up”.

Additionally prospecting is consisting of sales personnel’s actions to get more customers, pre-approach to sellers` investigations about customers` backgrounds and possible needs. The actual approach phase is including handshakes and short information before the core presentation where the seller tries to highlight actions the company is ready to complete in order to fulfil customer`s needs. After presentation the phase overcoming objections is occurring often, which means that customer is having some hesitations with the seller`s offering. Accordingly when customer has been ensured, the close is possible. In phase “close” the customer is purchasing the goods or the service. Even after closing, the phase “follow-up” requires resources to ensure that customer is satisfied with the goods or service. (Moncrief & Marshall 2005)

Accordingly the seven steps of selling is claimed to be rather old-fashioned and not totally suitable for today`s complex business environment and globalized actions (Moncrief & Marshall 2005). Therefore Åge (2011) as well as Moncrief & Marshall (2005) developed different models from seven steps of selling and tried to improve the selling model to confront the changed requirements better.

3.1.1 Business manoeuvring

Åge (2011) has presented “business manoeuvring” in order to improve the seven steps. The figure below presents the model.

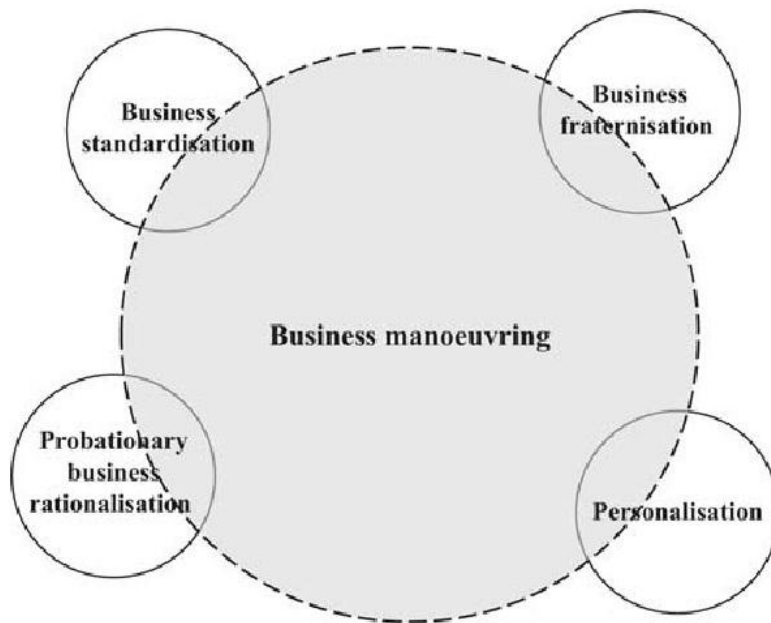


Figure 4. Business manoeuvring (Åge 2011)

The model of business manoeuvring is consisting of four different stages and different phases inside them. The four stages and the sub-phases are as follows:

- Business standardisation: purchasing standardisation, selling standardisation and standardisation of offering
- Business fraternisation: distance reduction, operational trust, fraternisation competence and learning process
- Personalisation: informal business, pedagogic challenge, service awareness, changing expectations, behavioural trust and personal selling
- Probationary business rationalisation: cost reduction and risk reduction

Business standardisation is including standardized documents as a part of purchasing, selling habits to be equalized and standardizing the offering, in other words the service solutions customer is gaining. Moreover business fraternisation starts with distance reduction which means the closeness of separate units in order to gain effective communication and mutual trust whereas operational trust is the customers' trust to company's fluent operations. Besides the relationships with customers and

inside the organization, fraternisation competence is highlighting the importance of having knowledge from markets around as well as competitors in the branch. The last one of business fraternisation, learning process, is referring to the business processes as a teacher for both parties, for seller and buyer. (Åge 2011).

Third main category of business manoeuvring is personalisation which includes six different subcategories. Informal business is meaning the relationships created in the past, which can help to close a new deal in the future. Additionally pedagogic challenge is described to be “the challenges faced by a selling company in changing the perspectives and attitudes of people (both internally and externally) to its offered solutions” (Åge 2011). Third subcategory is service awareness which is reflecting to the fact that the seller must know the additional value sold among the actual goods or services whilst the fourth, changing expectations, means to change customer`s expectations of the goods or services to be realistic. The fifth subcategory of personalization is behavioral trust which highlights that the sales personnel must act so that customers can feel themselves confident and ensured. The last one is personal selling, an important factor meaning the personal skills and ability to sell for different customers. Additionally the fourth main category is probationary business rationalization which is referring to the cost and risk followings. (Åge 2011)

To be concluded Åge (2011) states “these four categories are held together by the core category of “business manoeuvring”, which describes the way in which these mutually dependent and complementary dimensions are managed in real situations.”

3.1.2 Evolved selling process

Among Åge`s model of business manoeuvring also Moncrief & Marshall (2005) presented a model of evolved selling. The figure is illustrating their creation.

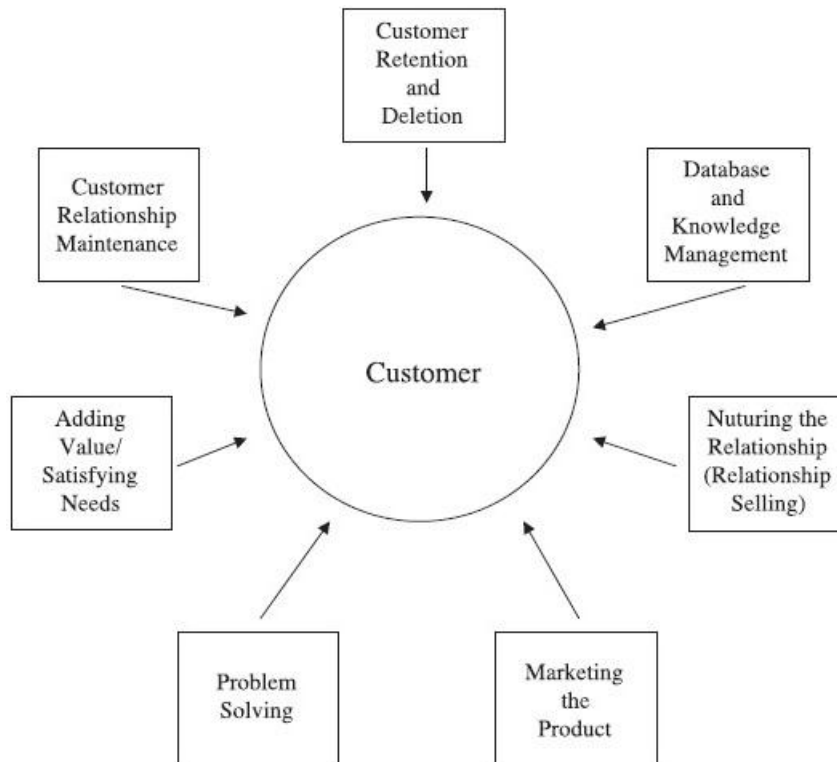


Figure 5. Evolved selling process (Moncrief & Marshall 2005)

The first section is customer retention which highlights the importance of putting emphasis on existing customer relationships, on those which are proved to be profitable and effective besides of establishing new ones. Second, database and knowledge management is about the created databases for customers. With the help of databases the customer can get more value and the sales organization more information from the customer. Third category, nurturing the relationship, is referring to sales personnel's abilities to take care of existing relationships. Accordingly "Therefore, in many respects, the success of the firm as a whole depends on the success of the sales person". (Moncrief & Marshall 2005)

The fourth category of evolved selling process is "marketing the product", which is consisting the presentation process as also in seven-steps of selling but is nearer the marketing actions such as giving the information with the help of web pages. The fifth category is problem solving which is concentrating on acting as a consultant for customer and trying to solve customer's problems as well as modifying the product if needed. The sixth category is adding value/satisfying needs meaning according to Moncrief & Marshall (2005) "-- the sales organization (and salesperson) must add

value to the customer's enterprise". Aim is to gain long-term relationships as well as customer loyalty by this action. The seventh and the last category is customer relationship maintenance which may be a team or the sales person to take care of the relationships established by even more consultative approach as used to. (Moncrief & Marshall 2005)

3.1.3 The comparison of business manoeuvring and evolved selling process

The two separate models of business-to-business selling are approaching the challenge from a slightly different point of view but as authors conclude their survey, similarities can be underlined. Åge (2011) claims as follows: "The study finds that previous "linear" models of the selling process, most of which are based on the so-called "seven steps of selling", are deficient in failing to capture the dynamic nature of contemporary B2B sales processes; in particular, linear models fail to recognize that, in contemporary selling processes, several dimensions coexist simultaneously." In turn, Moncrief & Marshall (2005) state "Salespeople that received basic sales training were almost always taught to sell by following the traditional seven steps format. Even today, most personal selling textbooks still build their pedagogical framework around this paradigm. However, selling as a profession and a function has evolved and dramatically changed over recent decades as has been evidenced through the focus of recent sales literature on customer relationships."

Both points of views are highlighting that the traditional seven steps of selling is rather old-fashioned way of completing sales processes. Based on the two models the following actions can be found out to be similar even though the different approaches:

- customer must have trust to organization's operations
- sales personnel's personal skills have a high impact on selling process and its outcomes
- putting emphasis on already existing relationships rather than gathering a great amount of new ones
- seller must act as a consultant and be ready to fill customer's needs

Even though the similarities occur, the two models also have different kind of approaches to some extent. The differences are as follows:

- business manoeuvring is concentrating more on the learning process of the sales actions while evolved selling model to the seller's ability to offer solutions for the customer
- evolved selling model is concentrating more on seller's competences to understand marketing and complete the marketing actions as a part of sales
- evolved selling model is also concentrating more on maintenance the customer relations
- business manoeuvring has more financial point of view since it is proposing to putting emphasis on cost and risk followings as well whereas evolved selling model is underlining the importance of nurturing the relationships as effectively as possible

All in all the two models have similarities but also differences to each other. However the message behind both studies was to develop new model for business-to-business selling and argue why the seven steps of selling is old-fashioned in today's complex business environment. The models created are having different views to some extent but both useful in organizing the business-to-business selling in organization.

3.2 Consultative selling

As stated by Åge (2011) as well as Moncrief & Marshall (2005) the personal skills of the sales personnel have a high impact on the outcome. As presented, the sales actions are rather complex in business-to-business environment and therefore it requires commitment from sales personnel in order to give more value for the customer (Moncrief & Marshall 2005). Additionally the complexity, changing situations and demands of customers requires proper sales approach, which is named as "consultative selling". According to Moncrief & Marshall (2005) "In consultative selling, also referred to as "solution selling" or "selling solutions", the salesperson is not focusing so much on overcoming objections but rather on serving as "consultant" to work with the customer to identify problems, determine needs, and propose and implement effective solutions". In other words consultative selling can be seen as a process to help the customer to reach their strategic goals by using seller organization's professionalism. (Ingram et al. 2010, 16) Also Kaario, Pennanen, Storbacka&Mäkinen (2003, 31) agrees Moncrief & Marshall (2005) and Ingram et al. (2010) by stating "The sales person needs to able to deliver positive impacts on the customer's business results. Therefore the profile of the sales person is closer to a consultant than a product expert."

The difference to other sales techniques is that consultative selling is not only concentrating to customer`s needs or narrowly to their problems in own organizations but to act as a partner and create more value. The sales person can be whether strategic orchestrator, business consultant or long-term ally. (Ingram et al 2010, 16) The first mentioned sales person is in-between the customer`s organization and own organization offering the resources of own organization to help the customer in their development. As seen, strategic orchestrator is strongly tightened to networking; having effective networks creates new ones. The second, business consultant helps the customer with products or services and present reasons why the product or service sold is better than competitors` ones. Among the two, a long-term ally is always behind the customer even though no sales actions would be assumed to happen. (Ingram et al. 2010, 16) Also Moncrief & Marshall (2005) underlines that "The goal is not necessarily an immediate sale but rather the enhancement of the relationship based on win-win solutions". Besides the different approaches also the modification of product or service to confront customer`s needs is included to consultative selling (Moncrief & Marshall 2005). In order to act as a consultant and be able to modify the goods or services, the sales personnel must have a wide knowledge from customer`s branch and the possible solutions giving more value (Kaario et al. 2003, 32).

4 RUSSIA

4.1 Background information of the relationship between Finland and Russia

According to Finnish-Russian Chamber of Commerce (FRCC) Russia's area is over 17 million sq km which makes it the biggest area in the whole world. The amount of inhabitants is around 140 702 096 people from which approximately 80% are Russians and the rest representing other nationalities. Moreover the two biggest cities of Russia have claimed to be Moscow and St. Peters-burg among other 11 cities with over million inhabitants. (FRCC 2009, 7-8)

The history full of conflicts between Russia and Finland has influence on business culture even today. However Ketola & Vihavainen (2008, 175) state that in Russia the Finns are popular whereas in Finland the Russians are not enjoying high appreciation. The reason behind is prejudices the Finns have from Russian and the lack of knowledge of Russia. As Ketola & Vihavainen (2008, 174) present in the publication, already in 1812 Gustaf Mauritz Armfelt, architect of Finnish autonomy, highlighted the importance of knowing Russia and its language as well as habits when constructing business relationships. Also, in 1899 Väinö Voionmaa (Ketola & Vihavainen 2008, 174) claimed the Finns lack of knowledge about Russia even though the close location would have offered the opportunity to gain information. Regardless of the many decades, Finland is still lacking the proper knowledge of Russia in 21st century (Ketola & Vihavainen 2008, 175).

Despite the prejudices, Finland has long business relationships with Russia starting already from 1860- century when Finland exported almost all of its textile- production to Russia. In 1870- century the economy changed and the demand of wood started to grow which enabled Finland to establish new timber mills (Shlyamin 2007, 14). Moreover the war reparations Finland had to pay for Russia forced Finland to put more emphasis on metal and machine industry, which lead that the industry became one of the most important ones in Finland (Shlyamin 2007, 15).

4.2 Economical situation in Russia

The World Bank of Russia (2011) states as follows "Labor market conditions are improving across the economy, especially in finance, mining, and construction, increas-

ingly benefitting urban areas and the male segment of the labor force.” Due to the changed conditions, the unemployment rates are coming down in certain areas such as Moscow and St. Petersburg which enables the economical growth whereas especially in Northern Caucasus the unemployment rates are high. The reason to varying unemployment rates is the existence of small and medium-sized enterprises (SME) and foreign direct investments (FDI) which drive the economical development and enables employing. In areas of Moscow and St. Petersburg the amount of SMEs is great and FDIs are done actively. (The World Bank of Russia 2011)

Recently the growth in GDP was informed to be 4% instead of 4,4% which was announced in the beginning of 2011. The minor decrease is due to economical crisis in Europe but the high oil prices and rather low unemployment rates will keep the growth in decent level. For example the growth in GDP has been forecasted to be 3,2% in whole world in 2012 whereas in Russia the corresponding figure have been estimated to be 3,8%. (The World Bank of Russia 2011) To gain more economical growth, Russian leaders have presented that the economy should be modernised and diversified so that Russia would not be that dependent on oil industry (OECD 2011). Additionally the bank of Finland estimates that import rate will grow in Russia 8-9% in years 2012 and 2013 (Finnish Bank 2011).

Although growth will occur in Russian economy some risks caused by the European crisis and decrease in oil prices are observed (Kosonen, Karhunen, Parviainen&JärviKuona 2011). However the membership to WTO, World`s Trade Organization, should happen during 2012, which can help Russia to improve their economy even more (Kosonen et al. 2011). To be concluded from Russia`s economical situation, the economy is on rather stable base due to the vast range of industries in Russia (FRCC 2009, 12).

4.2.1 St. Petersburg and Moscow as target markets

According to David Steer (Moscow Times 2010, 62) it is possible to say that in Russia there are too many opportunities. “—the hardest thing to do in Russia is to decide what not to do”, Steer claims. Therefore the concentration is mainly on St. Petersburg`s opportunities and also some from Moscow. St. Petersburg is having approximately 4 500 000 inhabitants and is claimed to be the northern capital city of Russia as well as the gate to Europe (FRCC 2009, 8). Finland has traditions of exporting to St. Petersburg and therefore many companies aim towards its markets without even

planning to operate elsewhere (FRCC 2009, 26-27). St. Petersburg is also called as logistic city since its vast transportation opportunities via roads, rivers, railways and airports (FRCC 2009, 28). Inhabitants in St. Petersburg are rather wealthy and the purchase power of middle class is good (FRCC 2009, 29). Additionally the structure of industry in St. Petersburg is consisting of building machines, shipyards, manufacturing of equipments, electronic devices field, manufacturing of optical devices and especially food industry (FRCC 2009, 31-32).

Moscow is the capital city of Russia having over 10 400 000 inhabitants (FRCC 2009, 8). Besides St. Petersburg, Moscow is popular exporting target for Finnish companies (FRCC 2009, 38). The industry is mainly consisting of building machines, food industry and production of electricity (FRCC 2009, 39). The middle class is vast also in Moscow, consisting approximately 60% of all inhabitants (FRCC 2009, 8).

4.3 Business culture in Russia

Noritsugu Uemura (2010, 41) highlighted the importance of familiarizing with the culture as follows: "It is like ocean – for those who sail it is the easiest way from place to another, for those who cannot swim it is very dangerous." The culture is, as Hofstede describes it (2005, 16) "Culture changes have been brought about, and will continue to be brought about, by major impacts of forces of nature and forces of humans." He claims that every nation have the culture of its own (2005, 18). Besides, Trompenaars and Hampden-Turner (1997, 6) defines the culture to be the way of how people solve problems. Every nation having its own culture, the way of solving problems and act, leads to cultural differences in business environment as well as understanding each other even though backgrounds are varying. To act fully effectively in international business, companies must understand the culture and its impacts on people.

Among Hofstede's (2005, 18) thought of culture being national, it also can be regional. Russia being such a vast country also the culture varies regionally so therefore it is not possible to define whole countries culture at the same time too detailed, claims FRCC (2009, 95). However some certain habits effecting to business culture in Russia is possible to be spotted and the concentration is on areas of Moscow and St. Petersburg due to they being the target markets of Finnish export (FRCC 2009, 26, 37).

The main features of Russian business culture are commonly high power distance (PDI) in working places. Accordingly, countries with high power distance can tolerate hierarchy and appreciate statutes as well as high salaries. (Hofstede 2007, 57) In Russia the manager has a significant role and is highly appreciated (FRCC 2009, 99; the University of Applied Sciences of southern Karelia 2001, 63). Despite the high PDI, Russians are more collectivists than individualists, which mean that they appreciate family and leisure time more than working whereas in Finland people are more individualists and keep the working life in higher light than family and leisure time (Hofstede 2007, 76; FRCC 2009, 96). The impact on working life in collectivist cultures is that relationships are appreciated highly and people are using the old ones rather than creating new ones (Hofstede 2007, 80).

Among high PDI and collectivist nature, Russians have high scores in uncertainty avoidance (UAI). According to Hofstede (2007, 182) "The emotional need for laws and rules in a strong uncertainty avoidance society can lead to rules or rule-oriented behaviours that are purely ritual, inconsistent, or even dysfunctional." In Russia the strong UAI has lead to bureaucracy in governmental as well as corporate stages. Though the new direction in corporate level, there still exist a lot of enterprises from Soviet Union times with bureaucratic action models (FRCC 2009, 97-98). Moreover, high UAI and collectivist culture causes that no one is eager to take the final responsibility (The University of Applied Sciences of southern Karelia 2001, 63). The reason behind may lay in the fact that in Russia people are used to be punished somehow if something fails. Therefore the manager is often consulted in difficult situations so that everybody can have a certainty what is occurring (FRCC 2009, 101).

In negotiations Russians normally are talented but the lack of proper linguistic skills may cause problems in understanding. In the end of negotiations the habit is to withdraw the conversation and ensure that both parties have good knowledge of what they agreed. It is recommended to take contact to Russian partner one week after the meeting to ensure the partner that operations agreed on negotiation are flowing. (FRCC 2009, 100) The dress code in meetings is normally official and traditional including suits and proper shoes (FRCC 2009, 105).

To be concluded, Russian business culture is having features from history and the characteristics if Russians highly impact on the business culture as well. High power distance, strong uncertainty avoidance and collectivism make Russia rather different country to operate with than Finland.

4.4 Requirements of doing business in Russia

As mentioned, Russia's business culture is varying from Finnish one and therefore also the requirements of doing business in Russia demands to be known properly before any business actions (Adidam, Gajre and Kejriwal 2009). The background information before starting business actions contains of dealing with Customs which may be problematic occasionally. The exporting outside of EU-area demands different kind of documents and Russian habits are rather different from other countries (FRCC 2009, 162). Also documents concerning business transactions must be literal since the Russian law which keep the transaction invalid if no proper literal contracts are done (FRCC 2009, 172). The contract must contain at least information from the branch of the contract as well as payment term and price (FRCC 2009, 174).

Moreover, Russian people being collectivists and accepting high power distance, the importance of relationships highlights. Therefore effective personal selling as well as networking are vital if establishing business actions in Russia (FRCC 2009, 94). In Russia the sales person is recommended to be creative and open to different solutions. The challenge is however to find the right representatives from Russia and establish effective relationships with them (FRCC 2009, 94).

To be concluded, dealing with Russians demands flexibility, open-minded viewpoint and tools to create trustful relationships. Also the importance is to know Custom habits, documents, certificates and lay-out of contracts.

5 METHODOLOGY

While the case study different kind of qualitative ways of gathering information was used. Observation played a significant role while also interviewing CEO and financial manager offered a good point of view to the state of the case company. Also company's databases were utilized to some extent while observing the financial figures. Moreover the theory part was conducted with assistance of books, magazines, articles and news which offered total package of networking, personal selling and Russia.

The analyses were completed based on theory part and different kinds of approaches to networking were taken account while analyses processes. The analyses followed the order of theory part and utilized knowledge gained from different authors.

The company is presented shortly and the names as well as people interviewed are confidential due to the contract made with the case company.

6 CASE COMPANY

The company is private-own organization in Finland dealing with importing and re-selling domestically as well as internationally. Goods are imported from Spain, Italy, France, Germany, Netherlands, Check Republic, Sweden, USA and Portugal whereas exporting operations are mainly focused to Estonia and occasionally to Poland, Russia, Switzerland, UK and Australia. The trend has been increasing exporting and is the target in future as well. Though growing operations, the company is still SME sized company having approximately 12 employees. Yet there is no certain strict responsibilities divided among sales personnel and therefore everyone is dealing with purchasing and selling. The growing demand from customers` side requires hiring new personnel in sales team as well as in office side in near future. (CEO 5 January 2012)

At the moment the company is gaining purchasing orders from customers and having good relationships with suppliers. However the trend of exporting to Russia has become lucrative opportunity in Finland nowadays and also the company would like to utilize the opportunity to do business with Eastern neighbour. Some actions have already been concluded but due to company`s SME size the aim is to look for effective networks and co-operation abroad. (CEO 5 January 2012)

The domestic sales in 2010 have decreased 9 percentage figures from 2009 while international sales increased 9 percentage figures. In 2011 the domestic sales grew 7 percentage figures and international sales decreased 7 percentage figures. (Financial manager 12 January 2012) The reason for decrease in domestic as well as international sales is on big projects. Vast projects do not appear every year so therefore the influence is seen in turnover as well. Nevertheless, the business is flowing normally even though the big projects are not gained every year and coverage structure is on healthy base. (CEO 12 January 2012) Among bigger projects, the company has put emphasis on developing its customer base further and product base vaster. In actions such mentioned, the aim is not to be as dependent on bigger projects. To be concluded, no company can only rely on long-term projects but the need is to look for smaller clients also. (CEO 12 January 2012)

Since the company has been operating profitably in domestic markets for over 20 years, the target is to expand operations to abroad also in order to increase turnover

and develop the company further. The set target is Russia because of the opportunities it provides in business sector. However, business actions to Russia are going to be established rather slowly without unnecessary risks to failure. Indirect exporting have been going on for a while which can be kept as a start to new business area. The aim is to create reliable and stable network to Russia to areas of St. Petersburg and Moscow. Moreover the main target is not on separate sales with separate companies but long-term relationships utilizing both parties committing to it. Also, the target is to observe already existing networks in Finland more effectively and increase indirect exporting. (CEO 15 January 2012)

Even though the aim is to increase international business operations, still the existing networks and customers are wanted to be maintained in future as well. Also, the company does not want to increase the size but maintain the status of SME-company because of the nature of the business and the flexibility the company wants to maintain. (CEO 15 January 2012)

6.1 Analyses

The following sections include information gained from different analyses completed in the company during January 2012. The CEO and financial manager were sources of information for all analyses and also internal database were used on sections concerning company's documents, customers and suppliers. The target of analyses were to gain information of company's current readiness to expand its operations as well as to gather knowledge of the factors to be developed further.

The analyses were completed according to theory part of the study, which was presenting different analysing models for networking as well as business-to-business selling. Following section of analyses is presenting the core idea of each separate analysis and offering information from key factors in table formats. Additionally the analyses section is not including the results gained from the different analyses but the section "7 Results" is offering explanations and reasons for each analyses stage. Moreover, the tables were created in order to offer quick information for the case company's representatives and will be presented in separate meeting.

6.1.1 SWOT-analysis

According to Helms, Rodríguez, de los Ríos & Hargrave (2011) “SWOT examinations are a useful strategic tool to fill gaps in the assessment of economic conditions facing an entity as well as categorize internal variables.” Therefore, the reason why SWOT-analysis was completed in the case company is the information it can offer, and new viewpoints that it can establish to the researcher. Additionally, the table below presents the key factors of SWOT-analysis completed in the case company. The analysis went through company’s strengths, weaknesses, opportunities and threats in expanding operations to Russia.

CURRENT STRENGTHS	CURRENT WEAKNESSES
<ul style="list-style-type: none"> - company`s experience from the branch - stable financial situation and customer base - existing relationships - company`s SME size - current employee mastering Russian 	<ul style="list-style-type: none"> - Lacking knowledge of Russia as target market - SME size; limited amount of resources
FUTURE OPPORTUNITIES	FUTURE THREATS
<ul style="list-style-type: none"> - Russia`s WTO-membership - Increase of investments made to Russia - Investments made to case company`s branch - Increasing networking between Finland and Russia 	<ul style="list-style-type: none"> - Risks of doing business in Russia; corruption, grey area of economics and bureaucracy - Competitors - Loss of company`s resources

Table 3. SWOT-analysis

Current strengths main point at the moment is the experience the company has from the branch. Personnel have knowledge for over decades and are well motivated to work in the company whereas also company’s stable financial situation offers a good base for expansion actions. Due to company’s SME-size, it has been managed to create vast relationships in Europe as well as in Finland. Additionally strength is also

one part-time employee who is mastering Russian and has already translated web-sites and brochures into Russian.

Case company's current weaknesses are mainly around the lacking knowledge of Russia as target markets. There are no Russian skills in sales department or knowledge of how to do business with Russians. Also the SME-size creates a weakness due to the limited amount of resources to be used in Russian markets.

Additionally the future opportunities are circling around Russia's upcoming developments in areas of case company's branch as well as Russia's WTO-membership. Since Russia is a lucrative target for Finnish companies, the amount of networking is increasing constantly and also creating opportunities for the case company. However future threats were also recognized in SWOT analysis consisting of overall risks in Russian business; bureaucracy, corruption and grey area as well as the possibility to suffer loss of resources put to expansion operations. Also competitors are seen as threat since the competition from the same customers can be harsh.

6.1.2 Network analysis

Network analysis (Möller et al. 2004, 57-65) consists of values system analysis going through company's operations and suggesting whether they should be maintained or added, as well as if some functions could be removed from daily operations. When company's current values are analyzed, the aim of network is settled according to company's needs and also the most wanted structure of the network wanted to be established is defined. After, the network analysis move towards defining the business idea of the network and the type of partners that are looked for. Finally the analysis considers the organizing process of the network and observes the best possible managing model for it.

The table describes the main results of network analysis completed in the case company and the upcoming section “7 Results” explains the analysis more carefully.

Sector	Recommendations
Value system analysis	<p><u>Maintain</u>: flexibility, technical knowledge, modern websites</p> <p><u>Add</u>: competitor analysis, marketing to Russia, intra-net, resource allocation</p> <p><u>Outsource</u>: marketing to some extent, linguistic training, market research</p>
Aims and structure of the network	<p><u>Aim</u>: to establish long-term relationships in Russia</p> <p><u>Structure</u>: a few participants, not too complex</p> <p><u>Possible partners</u>: searched for with a co-operation of the companies mastering Russian business</p>
Business idea and partners of the network	<p><u>Business idea</u>: look for partners having same kind of a business idea in mind</p> <p><u>Partners</u>: reliable, long experience, good reputation</p> <p><u>Observe</u>: existing network, market situation</p> <p><u>Utilize</u>: FRCC, Finnpro, existing networks</p>
Organizing the network and managing model	<p><u>Control</u>: CEO and export manager are responsible</p> <p><u>Portfolio</u>: create portfolios for each partner</p> <p><u>Observe</u>: monitor different branches with different measurements</p>

Table 4. Network analysis

6.1.3 Business manoeuvring

The table below presents the features of standardisation, fraternisation, personalisation and probationary business rationalisation (Åge 2011) in the company. The factors of business-to-business selling analysis are presented as “positive (+)” and “negative (-)” features so that information offered to the case company could be as brief and informative as possible.

Business standardisation is consisting of three subcategories; purchasing standardisation, selling standardisation and standardisation of offering (Åge 2011). The thought is that the company can offer standard documents and products for the customer and that the customer can rely on company’s processes to be on good quality and rather similar over time. Business standardisation is presented as follows below.

	Positive	Negative
Business Standardisation	+ clear documents + possibility to tailor products according to customer`s needs + standard goods available in warehouse	- lack of intranet

Table 5. Business standardisation

Moreover, business fraternisation is consisting of four subcategories; distance reduction, operational trust, fraternisation competence and learning process (Åge 2011). Business fraternisation is concentrating on the co-operation inside the organization as well as the ability to create relationships based on mutual trust (Åge 2011).

The table below describes the main findings of business fraternisation analysis made in the case company.

	Positive	Negative
Business Fraternisation	<ul style="list-style-type: none"> + effective communication inside the sales team + knowledge of the industry + customers' reliance on delivery times + daily varying business operations offer opportunities to learn for personnel 	<ul style="list-style-type: none"> - occasionally a gap in information between sales team and office personnel - lack of knowledge of Russian business culture - lack of competitor analysis

Table 7. Business fraternisation

The third main category of business manoeuvring is personalisation, which is including six subcategories; informal business, pedagogic challenge, service awareness, changing expectations, behavioural trust and personal selling (Åge 2011). Category of personalisation is concentrating on people's attitudes towards the organization and the sales team's ability to increase the trust and improve the attitudes (Åge 2011).

	Positive	Negative
Personalisation	<ul style="list-style-type: none"> + existing domestic relationships + part of the personnel eager to develop functions + customer orientation; aim to create positive attitudes + behavioural trust; sales team that customers can trust + customer orientation and personal selling 	<ul style="list-style-type: none"> - lack of relationships in Russia - part of the personnel against of changing old working habits - the lack of Russian speaking person in sales team may be suspicious for some Russians - more emphasis on taking contact to customer

Table 8. Personalisation

The final part of business manoeuvring is probationary business allocation, which refers to the company's ability to reduce risks in costs as well as financial and operational levels (Åge 2011). The table below present shortly the findings of probationary business allocation.

Probationary Business Rationalisation	+ effective financial management + good risk following; observing world economy and opportunities in Russian markets + prepayments required from many customers abroad decreases the risk of monetary losses	- no calculations of possible target profit from Russian markets - no calculations of resources that can be used in marketing and selling in Russia
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Table 9. Probationary business allocation

6.1.4 Evolved selling process

Evolved selling process is consisting of seven different steps; customer retention and deletion, database and knowledge management, nurturing the relationship, marketing the product, problem solving, adding value/satisfying needs and customer relationship maintenance (Moncrief & Marshall 2005). The first category, customer retention and deletion, is focusing on taking care of existing customers and maintenance existing relationships rather than gathering new contacts (Moncrief & Marshall 2005). The case company is arranging customer meetings and evenings for existing customers as well as sending presents. However, contacting silent customer is lacking from daily functions.

The second category, database and knowledge management is focusing on the company's databases that help the sales personnel to contact customers and also, how the customers can contact sales personnel (Moncrief & Marshall 2005). Analysis shows that vast customer register is helping sales personnel to contact the customer

whereas modern websites serves the customer effectively. However the lack of intranet for customers and lack of portfolios inside the company are seen as negative features. Moreover the third category, nurturing the relationships, offers viewpoint of how the company can serve the customer with long-term solutions and nurture the existing relationships (Moncrief & Marshall 2005).

The fourth category of evolved selling process is marketing the product, which occur to be effective in domestic areas but lacking from Russian markets. Moreover, the fifth category is problem solving where the sales person is a consultant trying to solve customer's problems. The problem solving is having positive features since the case company can offer proper knowledge from the products, can tailor goods according to customer's needs as well as can maintenance the goods if there occur to be problems.

Additionally the fifth category, adding value and satisfying needs, is around the fact that customer and seller have a mutual goal where to head (Moncrief & Marshall 2005). In the case company the basic operations such as quick delivery times and availability of sales personnel add value for the customer. However the company has not yet managed to investigate the main functions that offer more value for customer. The final category is customer relationship maintenance, which also takes place after the sales operation. Even though the case company's employees have knowledge of certain customers and their purchasing habits, there is no protocol of how the existing relationships supported and followed.

6.1.5 Analysis of business-to-business selling processes

After business manoeuvring and evolved selling process analysis, the business-to-business selling process itself was analysed. The main concentration was on personal selling in the case company. The table below describes the two main categories of personal selling found from the case company and the results gained are explained more carefully in section "7 Results".

	Situation	Features	Requirements
Project selling	<ul style="list-style-type: none"> - long-term projects - vast amount of goods needed - customer's need for special products 	<ul style="list-style-type: none"> - many participants - emphasis on proper knowledge - tailoring products - meetings with customers - competing in offering phase with other companies - knowing the customer well 	<ul style="list-style-type: none"> - effective personal selling - listening customer's suggestions carefully - ability to create more value for the customer - long-term commitment to the project
Straight selling	<ul style="list-style-type: none"> - everyday selling operations - quick deliveries - smaller amount of goods needed 	<ul style="list-style-type: none"> - offering quick solutions for customer - reacting quickly to customer's requirements - recognizing customer's needs 	<ul style="list-style-type: none"> - highlighting company's products - more value through quick deliveries - offering professional knowledge for customer

Table 10. Business-to-business selling types

7 RESULTS

7.1 SWOT-analysis

In SWOT analysis company's strengths were focusing on stable supplier base which has created also good relationships all over Europe as well as knowledge from international trade. Also motivated and experienced personnel in areas of knowledge from the branch and requirements of doing business in Russia create strong strength and SME size enables effective communication within sales team and office personnel. Moreover existing relationships to Estonia and one part-time employee having Russian skills are seen as strengths while company's stable financial situation creates strength for expanding operations. Company also has its websites already translated into Russian. Besides, the SME size resulted to be also weakness due to the limited amount of resources to be used even though the financial situation is good. Also, lack of Russian speaking sales person is a weakness as well as lacking knowledge of Russian business culture and accordingly networks which have not established to Russia yet.

Moreover the opportunities are around the investments made to Russia and the WTO-membership which makes the business safer with Russians. The market situation in Russia is on rather good level and accordingly it creates opportunity for the company. Also, possible co-operator such as Finnpro is lucrative opportunity to the company to utilize expertise on sector of Russian trade. Besides, threats are focusing on grey area of economics in Russia consisting of corruption and also bureaucracy may cause threats. Besides, competitors are seen as threats but also some company's suppliers from Europe if they start to sell straight to Russia.

7.2 Network analysis

In network analysis (Möller et al. 2004, 56) company's core values and other functions were investigated with value system analysis. Core values to be maintained are big warehouse and vast supplier base, which both ensure flexibility and quick deliveries. Also, modern websites create more value as well as effective logistics. Added values resulted to be analysis concentrating on company's competitors and marketing in Russia as well as more effective resource allocation in areas of finance and sales department's tasks. Due to modern websites, intranet for key customers would

create more value. In order to allocate resources, some functions can be outsourced such as marketing to some extent and market research.

The aim of creating networks resulted to be long-term relations in Russia established but not to make the structure complex with gathering too many participants. The observation of possible partners has started in the company and aim is to look for partners who have the same goals in mind or who already have operations in Russian markets. The partners should have a long experience from the branch and good reputation while risky and one-sided partnerships should be avoided actively. The results suggest the company to utilize professionals such as Finnish-Russian chamber of commerce, Finnpro, and existing networks as well as considering Finnish competitors as co-operators in Russian markets. Organizing the network is on hands of CEO and export manager while also one assistant is transacting the changes. Results present that portfolios of competitors, co-operators and customers would be vital in expanding operations and would help the company to follow the situations. Results also suggest widening the viewpoint and also look for developing branches which not yet have been that lucrative for the company but may change to be good opportunities.

7.3 Results of business-to-business selling

7.3.1 Results of business manoeuvring

In business manoeuvring (Åge 2011) the business standardisation revealed to be on effective stage where different documents offered to customers are good quality and customers can rely on having standard goods quickly from warehouse. Lack of intranet was seen as lacking feature in standardisation. Fraternisation concentrated on effective flow of information between members of sales team but results also suggest that occasionally a gap between sales team and office personnel can cause slight misunderstandings. Moreover daily varying business operations create a good chance for the personnel to learn by doing. In sector of fraternisation, lacking features resulted to be knowledge of Russian culture and also competitor analysis. In stage of personalisation results show that personnel have ability to serve customer effectively because of the knowledge and side services among the product. Also customer orientation is on good level and the customers can rely on companies operations. However the missing parts are concentrating on contacting the customer which is not emphasised enough. Also part of the personnel is not that eager to change old working habits which may cause problems in longer run. Probationary business allocation

concentrated on analysing financial issues and resulted to be on good level. Prepayments required from new customers abroad lower the risk of monetary losses and the situation in world's economics is followed continuously. However resources that can be used to Russian markets are not calculated yet.

7.3.2 Results of evolved selling process

In analysis of evolved selling processes (Moncrief & Marshall 2005), taking care of customers resulted to be on rather good base. The company arranges customer meetings, customer evenings as well as remembers the customer with gifts. Sales personnel know customers and their purchasing habits. However contacting customers regularly should be more effective and also emphasis should be put more to intranet available for customers. Databases inside the company are with information of sales, purchases, names, addresses, phone numbers etc. Also sales personnel are easily available by phone or e-mail. Marketing in domestic areas is rather effective including magazines and exhibitions but lacking from Russian markets. Additionally problem solving is effective in the company including own knowledge and also possibility to tailor products according to customer's needs. Results also present that even though some core values are known in the company, some are hidden and no investigations are completed to observe those.

7.3.3 Results of personal selling analysis

Moreover two different classes of selling were recognized; project and straight selling. Both are used in different situations but roughly project selling is a long-term project consisting of vast product base whereas straight selling is concentrating on everyday selling being rather short-term action chain. In project selling products are more special ones whilst in straight selling commonly standard products available from warehouse. Customer meetings are part of project selling and also competing with offerings with competitors is occasionally appearing. The main requirement of being successful in project selling is to listen customer's needs carefully and make suggestions based on them as well as having long-term commitment to the project. Besides, having success on straight selling requires fast reactions and offering professional assistance to customer.

8 DISCUSSION

8.1 Discussion of thesis process and results

The objective of the study was to investigate company's readiness to network in Russia in ways of utilizing existing networks more efficiently as well as by creating own business webs to Russian markets. Focus was to investigate company's readiness to start co-operation actions and also analyse company's business-to-business selling habits in order to suggest actions further. At first the target was to analyse financial figures of the case company but due to publicity of the study, financial part was abandoned since the confidential information it included. Confidentiality of the case company's information created challenges in some parts of the study and the difficulty was to create text that would give enough information but leave the exact data out.

The data was gathered by using qualitative methods consisting of interviews, magazines, academic books and articles as well as other online sources. Additionally the most effective source of information revealed to be interviews because of the vast knowledge CEO has from the branch and its requirements. Information from Russia, culture, habits and economical situation were easily available and especially Finnish Russian Chamber of Commerce occurred to be vital source of information to each section. The difficulty in qualitative analysis was to find literature concerning networking in SME sized companies since most of the source material were concentrating on bigger organizations and their relationship creation. Further studies could be done concerning the matter so that information for SME companies could be offered in future. Also challenging part was to decide what theories to use because of the vast amount of different models from different authors were available. The theory part of the study aimed to be in logical order offering the most important knowledge of networking, personal selling and Russia.

Investigation process started with gathering theoretical information from different sources available. While gathering information the case company's representatives were interviewed, internal databases observed and analyses completed from theoretical base. Information gained from the company is seen to be reliable because the CEO and financial manager gave information required. The set objective to observe readiness was reached to some extent and the results show that expanding operations is a realistic target in near future for the case company. Creating answers

whether the company has readiness or not occurred to be challenging due to vast amount of information and theory available. In certain way, combining the gathered theory to case company's analyses resulted to be rather difficult and demanded a lot of brain work to be successful. At the moment, more time would be used for gathering the information and analysing it.

The study revealed company's SME size to be both strength and weakness. Strength is the flexibility size creates and weakness the limited resources. Also as mentioned before, most of the source material was concentrating on bigger organizations so therefore the information needed to be adjusted to confront smaller company's needs. Accordingly the concentration is on how the company could utilize its SME size and make it a competitive advantage, not a weakness that would act as a brake to company's success on Russian markets. As Hofstede (2007, 76) presents, Russians are collectivists respecting family and close relationships in business environment as well, therefore the suggestion is to consider how the company could put emphasis on marketing itself as "small and cosy" company instead of concentrating only to marketing its products. By making close and warm atmosphere of the company in Russian markets, relationships would maybe be easier to establish. Highlighted values would be the amount of employees and the flexibility due to SME size. Also, suggestion is to take new portraits from personnel together with correct attitude consisting of a hint of casual feeling. Additionally further investigation of marketing should concentrate on utilizing SME-size and being proud of it as well as how to allocate resources so that SME size would not occur to be weakness in any phase.

In network analysis the challenge was to spot the facts important for SME company and leave unnecessary features of analysis meant for bigger organizations out. The results of values system analysis (Möller et al. 2004, 57) presented that the company knows its core values well but it has no knowledge yet of how to make core values more competitive in Russian markets. To be able to create more value in Russian markets, the company should actively look for sales person having Russian skills. The challenge is to find reliable one from Finland but putting more emphasis on finding would bring more value in future. Suggestion for the company is to utilize existing networks in finding proper sales person. For example CEO of the company has long relationships all over Finland and the possibility to find new employee via networks is rather realistic. While conducting network analysis it also appeared that the company has vast supplier base in Europe. However the question popped-up if it is possible to centralize purchases more so that price advantages would appear and again the

company itself could offer goods with lower prices and be more competitive with Chinese cheaper products. If the company would create contracts with certain suppliers the advantages would be monetary but risks also if suppliers decide to raise prices. Therefore in actions such suggested further investigation is recommended and if risks occur to be higher than advantages, the idea should be abandoned. Also, if centralizing purchases the company must be aware not to control the supplier base too much but to be open for new suppliers as well (Ford et al. 2003, 31).

Moreover the results presented an idea of utilizing competitors as co-operators in Russian markets. As Ford et al. (2003, 12) presented "Whatever the reason, companies need to collaborate more widely and more deeply with other organizations to deliver superior customer value". So accordingly if the company lacks some operation that would create more value for customer, it could co-operate with its domestic competitors abroad. Co-operation would lower the risks because it would be divided and also lower the costs of expanding operations. Also if competitors have already channels to Russia it would make case company's expansion easier because of the existing networks it would gain through co-operating. While analysis it also appeared that company's suppliers may cause risks if they are starting to sell straight to Russia. Therefore reasonable contracts gaining both parties could be utilized to prevent risks such mentioned. Since Russia's culture with high power distance (Hofstede 2007, 57) the challenge is to find right representatives from right positions having the possibility to make decisions. Additionally the study does not suggest channels to find possible co-operators from areas of competitors and partners so therefore the further investigation should concentrate on finding the right channels to complete actions proposed.

In business-to-business selling analyses two different categories of selling were found; project and straight selling. The company was aware of two main categories but has not ever considered selling processes further even though certain flexible protocols exist. In project selling the sales person is more in a role of listener and consultant than seller, which highlights the importance of having knowledge from personal selling (Ingram et al. 2010, 4). Sales person makes suggestions based on customer's requirements and usually customer is well aware of the need. The challenge for sales person occurred to be in areas of value creation and having the patience of staying more in a role of listener. Besides, straight selling is about the sales person recognizing customer's needs because occasionally customer lacks the knowledge of goods needed. Seller must be active and sell effectively while also concentrating

on justifying why the prices may be a bit higher than for example goods imported from China. Even though there occurred to be two main categories, the division is not as rough in real life situations and therefore sales actions need good and fast recognizing skills from sales personnel to be able to circle around both categories. Further suggestion based on the study is to investigate whether online-store would serve customers needing basic goods, in other words if online-store would decrease the amount of small straight selling actions and free resources to project selling as well as to network creation and relationship maintenance.

The division of selling categories also is targeted to relationship types. The study suggested that company would concentrate on close and recurrent relationships (Donaldson & O'Toole 2007, 61), which both are based on co-operation and mutual trust but close relations are taken even further towards partnership. The rough division would therefore be that straight selling is belonging to recurrent relationships whereas project selling to close relationships. More emphasis would be put to close relations and some more effective selling methods would be developed to recurrent relationships, such as online-store as suggested. The target in Russia was set to be on close relationships and released resources from straight selling would enable travelling to Russia and visiting customers there. Moreover the network type the company should look for in Russia is renewable network (Möller et al. 2004, 36) because the concentration cannot be on basic business networks since the lacking relationships as well as minimum advantage it would bring to the company. Also, networks developing new business actions are not yet reasonable for the company because it has no footprint in Russia yet. Therefore renewable networks, creating something new from familiar base, are suggested by the study.

While analyses it came clear that company must develop its networks further in order to reach the set target. Nevertheless also the case company has to consider paradoxes around networking (Ford et al. 2003, 23) and therefore certain relationship types and networking models were suggested. By allocating resources on base of relationship type the company can avoid the first paradox, network being too restricting. Also there is the reason why flexibility and avoidance of too heavy networks were presented to be important in future as well (Ford et al. 2003, 23).

One of the main suggestions that study also presents is portfolios as a tool in the case company. Even though customer relationships are taken care rather actively, follow-ups are lacking and no portfolios are kept from suppliers or competitors either.

Portfolios would make following easier and would bring time savings. For example portfolio could consist of purchased goods, contact information and branch situation. Available for every member of the personnel, it would help to co-operate with suppliers as well as customers and transacting competitors' main functions could give more time to react into their actions. Portfolios would help the company to control networks to some extent but the company must maintain the flexibility due to controlling being too restricting in some occasions (Ford et al. 2003, 23).

Additionally the case company has rather realistic view from its core values, readiness to expand operations and needed actions. It has already taken steps towards creating networks in Russia as well as considered how to utilize existing networks in Finland and Estonia even better. However the study presents a few new viewpoints for the case company and goes underneath the visible surface offering suggestions, which may help the case company to reach the set target. The purpose of suggesting is to give an understanding for the company of how to utilize core values more efficiently and how to achieve more competitive advantage by using core values. Company's SME size was turned to be considered as value that could be used in marketing in Russia. It offered totally new viewpoint for the company and will differentiate it from other bigger organizations. The size matter could be investigated even further and used in domestic marketing as well.

Among, the study proposes to add some critical functions so that the company would be able to increase its readiness of making business in Russia. Case company can utilize the results further in their actions by accomplishing the suggested actions and after decide whether to take suggestions into everyday working habits or continue as used to. One of the main further investigation subjects was to establish online-store in domestic markets and find the right sales person while also accomplishing market research in target markets with help of professionals. Online-store would free resources to the important actions such as relationship maintenance and project selling. However suggestion of online-store did not achieve that high appreciation from the company's side but could be reasonable to consider in future and observe if it would bring resource savings to the company. Study presented that by actions such market research and hiring Russian speaking sales person, the company would gain vital information and would learn how to swim in Russian markets (Noritsugu Uemura, 2010, 41).

8.2 Discussion of own learning process

According to Hakala (1999) the ability to move logically from viewpoint to another is that what makes the thinking process investigative enough. In the beginning of the thesis process author's ideas and thoughts were mixed and the objective of the study was slightly different than the final outcome. When considering the starting point at the moment, when the last paragraph is soon written, it should have been more logical and more emphasis should have been put to planning phase. By actions such mentioned it could have been easier to reach the target of thesis process; the ability to move logically and be enough investigative. The author somehow forgot that well planned work is half done, but to spot some positive from the confusing starting point, the amount of ideas was huge and offered a good base to start the process even though some ideas had to be limited out from the thesis.

When considering the starting point and comparing it to the present moment, clear development in author's mind is recognized. Before the process the author had heard the word "networking" and had some kind of an idea in mind from the meaning. Simple thought was that networking is creating relationships with other companies and that it will be on the wall in the future's business environment. However the process showed that networking demands preparation from the company and also proper planning if the aim is to establish long-term networks based on mutual trust and mutual goals. The knowledge gained from networks will surely be beneficial in author's working career as well. Also information gained from business-to-business selling is important in future since the competition is getting harder everyday and the company really must know its own core functions well to be able to survive.

Among author's increased knowledge of theoretical issues, the awareness of research process increased vastly. Especially the amount of work and different aspects has to be taken account surprised the author during the process. At the moment the research would be concluded a bit differently and more respondents would be interviewed in order to gain even more vision of the company. Criticism is presented especially towards lacking questionnaire forms because with many respondents and questionnaire forms more viewpoints would maybe have appeared and the results may be slightly different.

Additionally, author had to learn to be critical towards own text during the process and it demanded time. Still, too much of criticism towards own text may not neces-

sarily be useful since then the whole thesis process could be questioned, as also Hakala (1999) mentions. Besides, to go back to the first thought presented by Hakala (1999) that the investigative thinking is moving logically from viewpoint to another is something the author has struggled with during the whole process. The difficulty was to combine theories from different authors while not to make the thesis too complex. At the moment when observing the theory part, the author is rather satisfied with the work even though the starting point of the process was not that easy to cope with.

All in all the thesis process increased author's knowledge from theoretical issues as well as researching a lot. Many aspects would be conducted differently at this point but because of those, the learning has been effective during the process. The thesis process and the information it gave can be easily targeted to working environment and used there in daily functions. Consequently the process demanded time and offered a good example of how important allocating time is whereas also self leadership was in a big role during the process. Having self leadership is vital when conducting vaster projects and discipline towards own actions important so that the process stayed in time.

To be concluded, the starting point was that the author had some knowledge of the subjects to be handled, some information of Russia and knowledge from the case company. The author had also a slight understanding of what researching might occur to be. During the process it was clarified that indeed the author had *some* knowledge but the gap between real understanding and existing knowledge was huge. Now the ending point is that the author has real knowledge, but also *understanding* of factors that were gone through during the thesis process. Therefore the process can be stated to be successful because it forced the author not only to think, but to think logically and be investigative in order to gain answers to questions that were presented.

9 RECOMMENDATIONS

The table below includes recommendations for domestic and international markets as well as for personnel and the company. Recommendations were established based on theory, results and discussion. The viewpoint of recommendations was on the company's readiness to expand operations to Russia as well as utilize existing networks more efficiently.

Area	Recommendation	Reason
Domestic Markets	- create portfolios of main customers	→ observing existing networks more effectively
	- create effective following system	
	- search for companies aiming to Russia	→ utilizing existing networks better
	- observe domestic competitors	→ market observation
	- refresh marketing	→ to gain more attention
	- consider establishing online-store for straight selling process	→ resources more to project selling

Table 11. Recommendations for domestic markets

The suggestion is to create portfolios of main customers in domestic markets in order to observe the existing networks more efficiently. The portfolio may include information from name, branch, purchased goods, regular follow-ups and contact people in the followed company. With observing it is possible to spot co-operators that are aiming to Russian markets and also to notice if some competitors are planning taking their operations to Russia. Also marketing could be refreshed in domestic markets and the case company should consider marketing actions that really are separating it from competitors. Additionally one main recommendation for domestic markets is to establish online-store for straight selling. It is not short-term but long-term suggestion which could bring more competitive advantages for the case company.

Area	Recommendation	Reason
Russian Markets	- utilize professionals	→ statistics, possible partners, market situation
	- investigate the market situation	
	- search for partners who aim to mutual trust in their co-operation	→ avoidance of hierarchical structures and restrictions
	- go through financial calculations of resources put to Russian markets	→ maintain stable financial situation
	- hire Russian speaking person to sales team	→ more trustful for Russian customers
	- minimize risks by pre-payments and certificates	→ carefulness with grey area and corruption

Table 12. Recommendations for Russian markets

To Russian markets the suggestion is to utilize professionals in market research actions. The case company should investigate the situation and use all existing information that is available. Moreover the partners that are searched from Russia should have the same goal; long-term partnership, and therefore avoidance of too hierarchical structures and complex restrictions are important. Also, minimizing risks of failure in Russian markets the case company should investigate its own monetary resources that can be used to Russia while also investigate how it can maintain its stable financial situation. The importance of having sales person speaking Russian is highlighted in every phase because it would be more trustful to Russian customers while also emphasising the importance of minimizing risks in areas of certificates and pre-payments. With pre-payments the case company can lower its own risk to have monetary losses.

Area	Recommendation	Reason
Personnel	<ul style="list-style-type: none"> - more emphasis on linguistic training - create clearer division of tasks in sales team - highlight the importance of relationship maintenance - train personnel to confront Russian customers 	<ul style="list-style-type: none"> → overall state improved in future → more organized actions in the company → helps to recognize customers' needs better → eases both parties work; seller and buyer

Table 13. Recommendations for personnel

The case company should put more emphasis on linguistic training overall so that the communication would be more fluent. Also division of tasks in sales department would help in internationalization and handling the customer base since then everyone would know their own responsibility areas. Additionally the case company should emphasize the importance of relationship maintenance more to the personnel and encourage them to complete actions in order to create more value for the customers. Recommendation is also to train the personnel to confront Russian customers and offer knowledge from Russian culture, business habits and communication ways.

Area	Recommendation	Reason
Company	<ul style="list-style-type: none"> - maintain flexibility - make overall look for both domestic and international marketing - utilize whole personnel and give everyone a possibility to suggest new actions 	<ul style="list-style-type: none"> → adds value → highlighting competitive advantages the company has → closeness of the company, utilizing SME size

Table 14. Recommendations for the company

The overall suggestion for the case company is to maintain the core value, the flexibility it has enabling quick deliveries and effective communication inside the sales team as well as with customers. Moreover both domestic as well as international marketing should be investigated and developed further in order to reach the target, which is expanding business abroad. Also the company's SME-size is recommended to be utilized in ways of gathering ideas from the whole personnel and giving everyone a chance to have an impact on daily operations.

To be concluded, the recommendations are around the case company's ability to recognize its own competitive core values which show the direction of marketing, business actions and expansion. The company should carefully decide the target of expansion and work according to it and its core values.

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CEO

Financial manager

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