

Saimaa University of Applied Sciences
Faculty of Business Administration, Lappeenranta
Bachelor Degree Programme in International Business

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**Creation of a Business Performance Management
strategy for a case company. Case study: Alfa
Cleaning Oy**

Thesis 2018

Abstract

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The purpose of the study was to do research into the Business Performance Management theory and to find a way how it is possible to develop business processes and operations in a case company, to make it operate in a more efficient way. First of all, the phenomenon of BPM is described, and theory reviewed. Afterwards, almost all of the theory is applied to the case company. The results are analysed, and a conclusion is presented at the end of the thesis.

The information was collected from different sources, such as special literature, journals, articles and reports. The author's working experience and proficiency in the business field and BPM also complement the findings. Empirical research consists of interviews with the case company's management, workers and previous owners; observations of business operations and processes are included as well.

As a result of this thesis the author found opportunities of performance optimisation in the case company, which were presented to the management and described in this thesis. The theory was applied to the particular case company, which allowed creating a personal solution. There were found many ways of performance optimisations were found in different business fields, such as HRM, inventory and product variation. Different BPM strategies were presented, which may be useful in terms of business and operations optimisations. The case company owners were more than satisfied with the results and found this work very efficient to their business. This research helped to find solutions for how to work efficiently in terms of money and business operations. Different opportunities were presented in the conclusion part. Also, two different copies of this thesis were made, one for public use, which excludes some private company information, and a second one for company use, with the whole range of findings and figures. Therefore, this thesis version is not full and does not include any private company information

Keywords: Business Performance Management, Corporate Performance Management, Performance Optimisation

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1 Introduction

1.1 Background

In today's world business optimization is a key factor in successful business. Every manager has their own tactics on working in the most efficient way. In this regard, in the early 1990's Harvard Business Review published a "Performance Measurement Manifesto", which was the beginning of Business Performance Management (BPM) as an independent discipline (Ballard et al. 2015, pp. 1-8). Nowadays, with the help of BPM it is possible to structure and organize all company processes in different business fields and companies of different sizes. This discipline is connected with some classic perspectives such as accounting, operations and strategy, but also with new ones, such as risk management, HRM, BI or project management. Thus, this area of management is quite interesting to work with, since a BPM manager should know quite a lot from different fields of a company's business operations and be able to use a wide range of theory in their work to achieve successful results.

With the help of BPM it is possible to organize the data flow inside the company, create a continuous business improvement and increase efficiency in each business field. In this century, a big amount of data may be both an advantage and a disadvantage at the same time. Firstly, if a company has a lot of useful information, that may affect the operations positively. After an appropriate analysis of data, it is possible to implement a new marketing or sales strategy, to optimize customer relationships or to analyse different supplier opportunities. However, at the same time data analysis is quite a demanding sphere of knowledge. With a chaotic data flow, it is quite hard to collect, analyse and sort the data. Therefore, to work efficiently and with the best performance, the management want to optimize their data flow and analyse it. (Dimon 2013.)

While organizations are trying to optimize their business performance framework with the help of different methods, such as Key Performance Indicators (KPI) or Balanced Scorecards (BSC), or with the help of different applications of Business Intelligence (BI), they forget to integrate them, which

creates chaotic functioning of every method and application and affects the whole business process negatively, with no performance increase as a result. Aholistic business performance management process is aimed at linking different types of best practices, techniques and standard concepts to work out a collaborative approach in the entire company or enterprise. (Paladino 2011, pp. 35-47.)

BPM optimization is a comprehensive process, which analyses almost every aspect and part of business process and operations. This analysis consists of three main parts: measurement, analysis and action; all of them should be continuously implemented and improved to achieve excellence and perfect optimization results. (Abdikeev, Bruskin, Danko, Diakonova, Kitova, Suslova & Khodimchuk 2015.)

Taking into consideration everything mentioned above, obviously it is beneficial for companies to properly implement BPM techniques. Optimisation of business processes may provide a better financial and quality outcome, with the same or even lower input. BPM is a trend, starting from this century, and numerous companies have integrated this practice already, or are planning to do it in a short while. However, knowing the theory may provide a better and more efficient integration with other parts of business, which is quite important for reaching better results in the end.

The aim of this work for the author was to do research on the topic and find a way to increase the performance of the case company by using the BPM theory. Also, research on the topic makes this work quite beneficial for the author, since there is a need to analyse a great amount of theory, to compress and present it in a comprehensible and concise way for the reader of this thesis. Since this field is quite new in the business world and unique, this project was quite challenging for the author because it covers a great variety of business fields and requires a wide range of knowledge.

1.2 Objectives of the study

The main objective of this study is to acquire more expertise on the business performance optimisation process and to have a chance to apply the theory in practise. In this thesis one may find an analysis and a summary of different theoretical sources, such as books, articles and journals, about different BPM tactics, methods and theories, which may be used by different sized companies in their operations. The case company was analysed with the help of a combination of BPM theories and different tactics. A conclusion as to how efficiently the case company is operating at the moment is offered and some steps of performance optimisation are suggested. Moreover, the conclusion chapter presents a list of possible steps which may be implemented for the case company to perform in a more efficient way.

Win-win relationships for both sides, for the author of the thesis and management of the case company, were required. The former had a chance to collect and analyse a great amount of theory which may be useful in the future professional life, while the case company's management obtained a view from the outside on their company and a comprehensive analysis with an audition of their business operations.

1.3 Limitations and delimitations

Since BPM is a quite new and not extended discipline, there was a limited amount of published theory, which was also quite hard to obtain for free due to copyrights. Thus, there were some issues with building the theoretical framework necessary for the study. Additionally, it was hard to observe the working performance in an unfamiliar company; usually such an observation requires a deeper integration in the working atmosphere and processes in the company and is quite challenging to be done in such a limited time period.

Moreover, there were conflicts of views on some points, when the management of the company had a different opinion concerning some optimisation steps and the meaning of performance process. In this regard, the author did not implement anything, only offered a roadmap of possible improvements, which may be applied to the case company's environment.

One of the most important aspects of this work is that it includes some confidential information on the case company, which cannot be published in the open sources. Thus, the author took a risk of excluding such information from the final public thesis version and changes in the second version were required. Therefore, there are two different versions of the thesis: One will be presented to the public, with key concepts and theory, the most important findings and some information on the case company. However, the second version is to be used only “inside the house”, meaning only by the case company’s management, university thesis supervisor and the author of the thesis.

This work is limited only within one case company review, and results, as well as theory, may vary for different companies. The thesis author applies BPM theory insights from different sources specifically for the case company. It is possible that future research should use a different combination of BPM theory concepts and tactics.

1.4 Research question

The main research question for the entire study is the following:

- How to develop a case company’s business and business processes by using the Business Performance Management theory?

However, there are also sub-questions, which should help to find an answer to the main research question:

- Which steps does a BPM process consist of?
- What type of the BPM strategy must be implemented to get business optimisation results?
- What type of BPM techniques and tools are useful to reach excellence in business processes and operations?
- What types of results are achieved by this work in the case company?

1.5 Research methods and data acquisition

The case study method was chosen to compile a combination of Business Performance Management theories from different sources. The research consists of a mixture of different research methods. First of all, for qualitative research interviews with business owners were used to get a deeper understanding of the business processes in the case company and to prepare a theory basis, which was suitable for the whole study and was applied to the case company. Interviews consisted of open-ended questions concerning the current situation in the company, based on the BPM theory and BPM methods. All the interviews were conducted in the Finnish language; however, all data in other languages, used in the thesis, was carefully translated into English.

Secondly, the quantitative research method was used to analyse statistical data of the company, which was necessary to measure the success of the company and performance optimisation possibilities. The data was collected from the case company's reports, provided by financial department and owners of the company. All data was analysed by the author using a critical literature review of the BPM theory, obtained from different printed and Internet sources.

1.6 Theoretical aspects

The author analysed different theories of BPM, such as KPI, Balance Scorecards, Performance Prism, and others, as well as different Business Intelligence opportunities which may be used for performance optimization in companies. The thesis is a summary of various BPM work by all around the world and from different authors. The main idea of the thesis is to review business performance optimization in the case company and provide performance optimization solutions for the management of the company.

1.7 Sources review

In this work different types of books, articles and journals, which are related or closely related to the study object, were used. Only reliable sources, which may be accessed via the Internet or university library, were studied. However, the amount of data related to the topic turned out to be smaller than the author expected. Even with the sources in the English, Finnish and Russian languages, the amount of available data was limited. A very careful review of the sources provided a possibility to formulate a full theory framework, applicable to the case company. Without studying the BPM theory, it would not have been possible to create any type of a reliable business performance optimisation strategy.

1.8 Thesis structure

The thesis is divided into four main parts: introduction, theory framework, case company observation and conclusion. However, the observation part of the thesis consists of several sub-parts, which are required for a better understanding of the performance optimisation process.

1 In the first part of the thesis the author introduces his work and what this work consists of; the introduction also includes such elements as objectives of the study, background, limitations and delimitations and others.

2 The theory is studied, described and reviewed in the second part of the thesis. It was necessary to make a narrowed structure, to represent a more clear and easily understandable theory framework, which can be used in the specific case company example.

3 In the third part of the work the author makes an analysis concerning the current situation in the case company. There are observations of the different spheres of business operations which may be improved with the help of the BPM. This part is divided into three main parts: Theoretical optimisation, Products optimisation and Processes optimisation.

4 The last part of the thesis concludes the whole process and summarises the work done in the case company. In this part of the thesis the author also presents the results of the work done in the case company. A suggestion map, which may be implemented by the management of the company to improve the performance of business operations and processes, is also presented here.

2 Business Performance Management

Chapter 2 describes one of the most important business fields: Business Performance Management. Business Performance Management is a continuous optimisation process in business processes and operations, which consists of three main steps: Measure – Analyse – Act. This business field covers optimisation in a majority of corporate divisions, such as Human Resource (HR), Finance/Accounting and risk management. In this work the author introduces such business studies as Business Performance Management (BPM), Corporate Performance Management (CPM) and Enterprise Performance Management (EPM), finds connections between them and clarifies what they are about. Moreover, there is an analysis of differences between BPM and Performance Management (PM). Furthermore, the roles of Business Intelligence (BI) and PM in BPM and the other way around are studied and analysed here. As for the main part of the thesis, the most common methods and tactics in business optimization are discussed, and software, which is usually used for such needs, is reviewed. (Abdikeev et al. 2015.)

As far as the author's opinion is concerned, this business field is significant for every corporation in any sphere. Optimisation of working processes is a key to every successful business. BPM brings harmony in each and every single share of business. It is impossible to reach success in a company where some part does not work properly, but only a harmonised company may achieve perfect results. If a wheel of a car is damaged, driving this car may be dangerous not only for the driver but also for everybody on the road.

2.1 Introduction to Business/Corporate Performance Management

While doing research on this topic the author was faced with the same problem of numerous opinions. There is no clear universal description of what business performance management is and what exactly it should consist of. Some sources, such as Investopedia, say that business performance management deals mostly with managing and organising human work and data flow inside the company, by using some specific software such as Adaptive Suite, software developed by Adaptive Insights company especially for Corporate Performance Management, business regulation and optimisation (Investopedia. a). Therefore, according to this source, BPM and CPM are parts of a Business Intelligence System and effective management of human resources.

The same opinion can be found in such sources as Adaptive Insights software (Adaptive Insights), where they state that BPM is more about digitalisation of the company's business processes. Therefore, some sources perceive BPM and CPM as a tool for optimisation and organisation of business with the help of digitalisation, BI and HRM. Quite a similar interpretation of this theory can be seen in BPM books, such as "Business Performance Management . . . Meets Business Intelligence" (Ballard, White, McDonald, Myllymaki, McDowell, Goerlich & Neroda 2005).

However, there is also a different opinion on this topic. In such sources as WebFinance Inc. Business dictionary they state that BPM is optimisation in business processes of all divisions of the company or corporation and overall business, by optimisation in goal reaching strategies. This requires excellent strategic planning, which is a key to success in such a field of business as BPM. (WebFinance Inc.) Bob Paladino, in his book Innovative Corporate Performance Management, defines BPM as the optimisation of processes, with a help of different and usual business methods, which are used in almost every business field for successful work, for example balance scorecard (Paladino 2011, pp. 35-47). Similar information is available in such sources as clearpointstrategy.com, where Jackson (2015) offers to use for optimisation a KPI and Balance Scorecard, which are cores of every BPM and CPM strategy. Also, from the book "Business Performance Management Systems", which is

used in some Russian universities as a CPM course book, one can find an analogous explanation of the CPM as strategic planning which is aimed at an increase in performance and optimisation of business processes to get a better output, by using different optimisation practices such as BSC, Six Sigma and Integrated EVA Scorecard (Abdikeev, et al. 2015, pp. 5 - 12).

2.1.1 BPM & CPM

Taking into consideration the above, it is possible to sum up that BPM or CPM are about optimisation business with the help of different methods, tactics and software, which vary from time to time, depending on the situation, company and its needs. It is clear that every information source presents its own view on this topic, depending on what they want to offer for their customers or readers.

2.1.2 Difference between BPM, CPM and EPM

In all sources the authors claim that Business Performance Management is a synonym to Corporate Performance Management, but what about Enterprise Performance Management? According to Technopedia, EPM is a type of business planning which is closely related with BI; mostly it is about evaluating and managing performance in the enterprise, which helps to succeed in goal reaching (Thechnopedia). Therefore, the definition of EPM is quite similar to that of BPM and CPM, as it was discussed previously.

John O'Rourke, Vice President of Strategic Marketing at Host Analytics writes in his blog about the main differences between EPM, CPM and BPM. He states that BPM was an original name of optimisation of business processes. The original model of BPM included Goal Setting - Modelling - Planning - Reporting – Analysis. These steps or a shorter and continuous version of it (measure – plan – act) are commonly used in almost every business division and field. (O'Rourke 2015.)

CPM is used more often than BPM nowadays, after this category was created. The main idea is to underline that this performance management is especially for corporations (O'Rourke 2015). According to Investopedia, a corporation is an organisation, usually a large business with its own and specific

characteristics. Under the law, corporations are deemed to be separate legal entities from their owners; this means that corporations themselves, not the owners, are legally liable for their actions and debts. If a corporation incurs debts, creditors have claims against the assets of the corporation, not the personal assets of the owners, which is a limited liability and is a major corporate advantage. (Investopedia b.)

EPM is a more up-to-date name for management of performance and emphasizes the fact that PM is applied to the entire enterprise. According to John O'Rourke (2015), there are five main processes in EPM: setting goals – creating strategy – periodic basis book closing – reporting – analysing. Therefore, all those processes are almost totally identical to the BPM definition. Thus, EPM is used mostly to highlight the enterprise size of the company in the management of performance.

In IBM redbook, the authors conclude that the following seven definitions are quite similar to each other and their main target is to operate the business in the most effective way:

1. Business Performance Management
2. Enterprise Performance Management
3. Corporate Performance Management
4. Business Intelligence
5. Business Service Management
6. Business Process Management
7. Business Activity Monitoring (Ballard, et al. 2005, pp. 1 – 8).

In this thesis, most concentration is on the first three of those definitions. Therefore, for the sake of simplification later in this thesis, BPM will be used in the meaning of a general optimisation process of business operations and processes.

2.1.3 BPM is business optimisation (as a tool of BPM)

Ron Dimon (2013, pp. 7-12) in his book Enterprise Performance Management Done Right finds out that BPM/CPM/EPM are not about:

- balance scorecards. He states that scorecards are only part of such a business field as BPM; it is not right to use only this method as a core for BPM strategy.
- budgeting/planning/forecasting. He points out that it is not right to think that the optimisation process in budgeting/planning/forecasting is a BPM process; later in his book he states that it is crucial to think about them and optimise the processes, but there is no need to concentrate only on them.
- BI. Some components of BI may be included into the BPM strategy, but BI is not a part of BPM.
- Business Project Management or Business Process Management. Even though the first letters of those terms names are the same as in BPM, all of them are about different aspects.
- Key Performance Management. There is a need for KPI in BPM, but as in the case with balance scorecards, it is only a part of the whole picture.
- reporting to management. Reporting is only a part of the BPM strategy.
- HR. The majority of business people think that Performance Management, meaning HRM, is the same as Business Performance Management. Later, there will be a more detailed observation on this issue.

Business performance managers have their own tactics and solutions, which may be totally different from each other. Ron Dimon (2013) sees BPM as something more global without a universal solution for every company. According to Stephen Covey (2004) and his book "7 Habits of Highly Effective People, *if some person concentrates only on their behaviour in society, not on personal habits and inner world, it is impossible to make a positive impact on their own personality.* A similar phenomenon can be observed in the business world. It is not effective to concentrate only on some of issues and/or

departments. It is essential to handle, in the most effective way, the entire business and all its departments.

2.2 Business Intelligence and Performance Management with BPM

It was stated earlier that Ron Dimon (2013) describes BI and management of performance as only parts of BPM. This chapter will analyse and answer the question *Are BI and management of performance only some parts of BPM or does BPM consist mostly of BI and management of performance; or are all of them absolutely in different fields with no relation at all?*

2.2.1 BI and BPM

Business intelligence (BI) applications gather information about business processes and activities to make it available to business users, enabling them to make more informed decisions and take more effective action. Increasingly, BI is the key to business success and is becoming a key component of almost all new business initiatives. Business intelligence is a fairly well understood area and is implemented in some form in all businesses (Ballard et al. 2005, pp. 27)

The main target of BI in business is to present, analyse and use business data for a successful decision-making process. BI covers daily operations as well as long- and short-term strategy. Table 1 presents the main view on BI and BPM relations, according to Ballard et al. (2005).:

Category	Traditional BI	BI for BPM
<i>Implementation:</i>	Departmental	Enterprise-wide
<i>Focus:</i>	Historical	Timely right-time, real-time
<i>Decisions:</i>	Strategic and tactical	Strategic, tactical, operational
<i>Users:</i>	Business analysts	Everyone
<i>Orientation:</i>	Reactive	Proactive
<i>Output:</i>	Analyses	Recommendations and actions
<i>Process:</i>	Open-ended	Closed-loop
<i>Measures:</i>	Metrics	KPI and actionable metrics
<i>Views:</i>	Generic	Personalised
<i>Visuals:</i>	Tables, charts, reports	Dashboard and scorecards
<i>Collaboration:</i>	Informal	Built-in

<i>Interaction:</i>	Pull (ad hoc queries)	Push (events and alerts)
<i>Analysis:</i>	Trends	Exceptions
<i>Data:</i>	Structured	Structured and unstructured

Table 1. BI and BPM comparison

However, according to Dimon (2013, pp. 12-13), BI is only a small part of BPM. It helps to use existing information for better decision making, utilization of resources and accountability. He claims that it is essential to distinguish between BI and BPM, since they are different solutions for a company and different business directions.

2.2.2 Performance Management/HR with BPM

Mike Bourne and Pippa Bourne (2011) in their book “Handbook of Corporate Performance Management”, write about the fact that people nowadays are the most important part of every company. All business processes in the company are controlled by its people; even a BPM strategy in the company is created and implemented by people in this company. Therefore, HR is an extremely important term in the BPM strategy. It is essential to analyse, measure and monitor workers’ impact on the company.

Bounce and Bourne (2011) found out two main elements of well performed employees – tangible and intangible. The former is about having the right people, working at the right place, at the right time, with the right equipment and in a good working environment, and a rewarding system suitable for them. Intangible elements, refer to people’s understanding of what they do, where they do, how they do and for what they do their work. Leadership makes an enormous impact on employees’ performance; with the help of leadership it is possible to affect tangible elements of good performance and in some way influence intangible elements for employees.

Bounce and Bourne (2011) argue that for good BPM, there is a need to measure, monitor, and create a strategy for the following HR policies: employee satisfaction, engagement, skills & experience, individual performance, staff turnover, absence, internal external appointments. By collecting such

information, the management will be able to analyse and measure the performance of the company. The authors state that the most difficult part of work is to decide what to do with the collected data. In this regard, it is essential to analyse data collected from HR policies properly.

2.2.3 BI and PM/HR in BPM

Concluding from the information above, Bounce and Bourne (2011) argue that BI and HR/PM in the BPM framework are quite important parts. It is not correct to state that BPM is only about BI or PM/HR, as well as it is not correct to affirm that PM and BI are not related to BPM. Obviously, both of them are only parts of a successful business strategy, and implementation of one of them or both of them, without any other performance strategy, will not provide excellence for business in its operations.

3 Business performance optimisation methods

3.1 BPM software

On the market, there are quite a many different BPM software solutions for companies, ready for integration in almost every business of different size. There are also specialized BPM solutions such as Adaptive Suite from Adaptive Insights Corp., or some universal solutions for all types of business needs, such as Oracle, SAP or IBM.

By using software in the BPM strategy, companies will get benefits on the following points: budget solutions, cloud / “off-cloud”, size flexibility, business integration, industry specification

Budget

With software budget solutions, companies will be able to monitor and measure their financial data, make different types of reports, access data online, get easier a more informative forecast, government reporting and decision-making process.

Software transforms a company's data to the online platform, which provides such possibilities for management as easy and fast access to all necessary information wherever and whenever they need it. Because of a smooth data flow and deep solution integration, all corporate divisions will be able to access required data for the decision making process. Additionally, the reporting process will become a very easy task. The last one of the most important benefits includes that planning and forecasting will be much easier than it was before software integration. System analysis of a big amount of information and data will help to make different types of estimations and forecasts in an easy and comprehensible way.

Cloud / "off-cloud"

Customers may choose by themselves where they want to store the information. If there is no need to store the information on their own servers and devices, the majority of companies may be offered a cloud solution. The company size does not matter; in this regard everything will be organised in the most flexible way of operating and integration as a result.

Size flexibility

No matter if it is a one-person company or a world-wide operating enterprise, leading BPM software providers offer flexible solutions for companies of every size. Flexibility is reflected in the final price and the level of integration.

Business integration

There are different levels of software integration: if a company does not want to buy a solution or some part of it, there is no need to do it. A company may choose the stage of software integration and software package size.

Industry specification

If a corporation operating on the restaurant market needs one business solution, a manufacturing company may need a totally different solution to be integrated. The majority of software providers offer different types of solutions for different types of fields, which provides a flexible solution for every need.

Figure 1 introduces the results from the G2 Crowd Inc. research (2017) on the best BPM solutions in 2016.

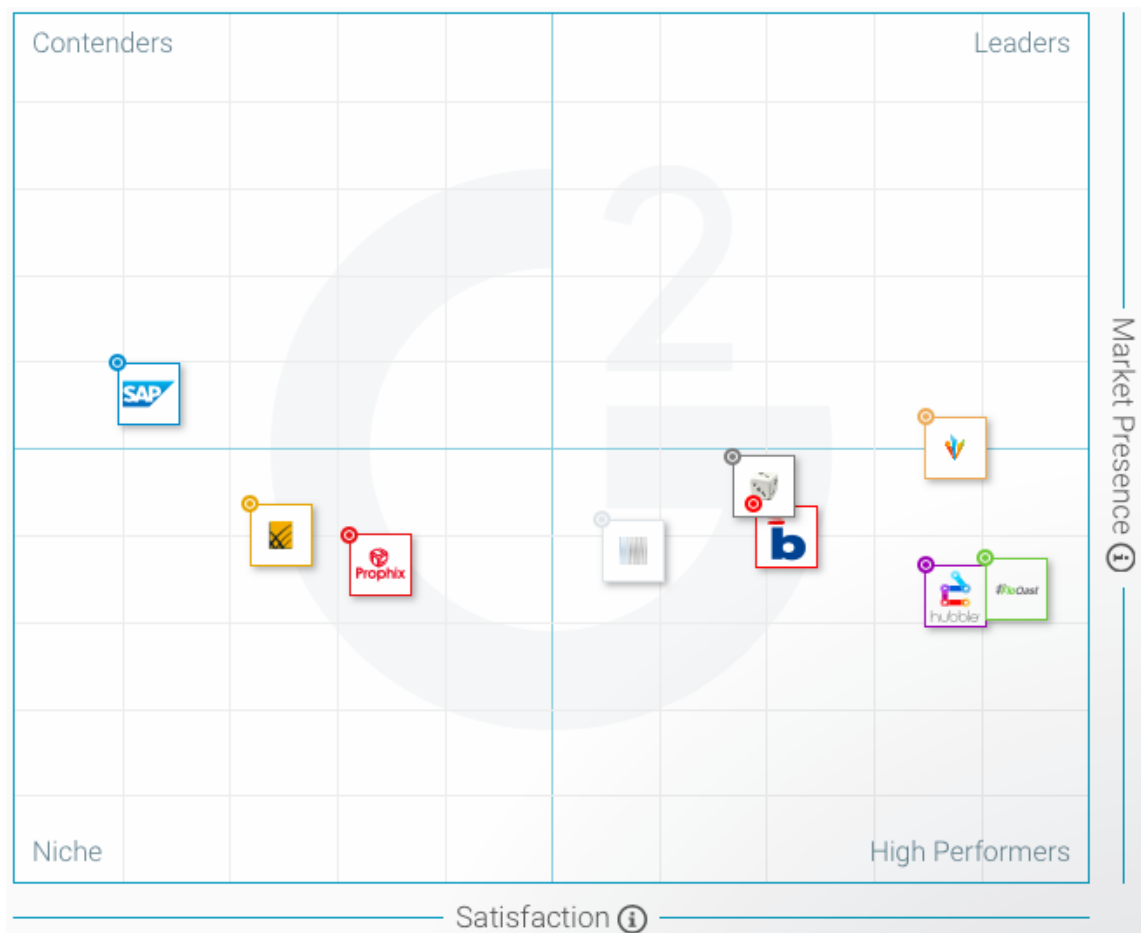


Figure 1. BPM-oriented software solutions TOP 2016

As shown above in Figure 1 Adaptive Suite is one of the leaders on the BPM software market. As G2 Crowd (2017) states in their report, SAP is quite a good solution for different types of enterprises, but it is not oriented to BPM solutions. SAP offers a wide package range for bigger enterprises because of the final integration price, while Adaptive Suite is commonly used in mid-sized enterprises because of the quality and price relation.

Looking for a global picture and future trend, there is a slightly different picture. Albert Pang (2016) claims in his report that there are only a few market leaders who have the biggest share of such software solutions. The main reason for it is that this is not correct to offer only BPM solutions, but it is advisable to offer

other products as well. Reaching the best integration with services is possible only if the entire company is working with the same software. Figure 2 displays the worldwide EPM vendor leaders.

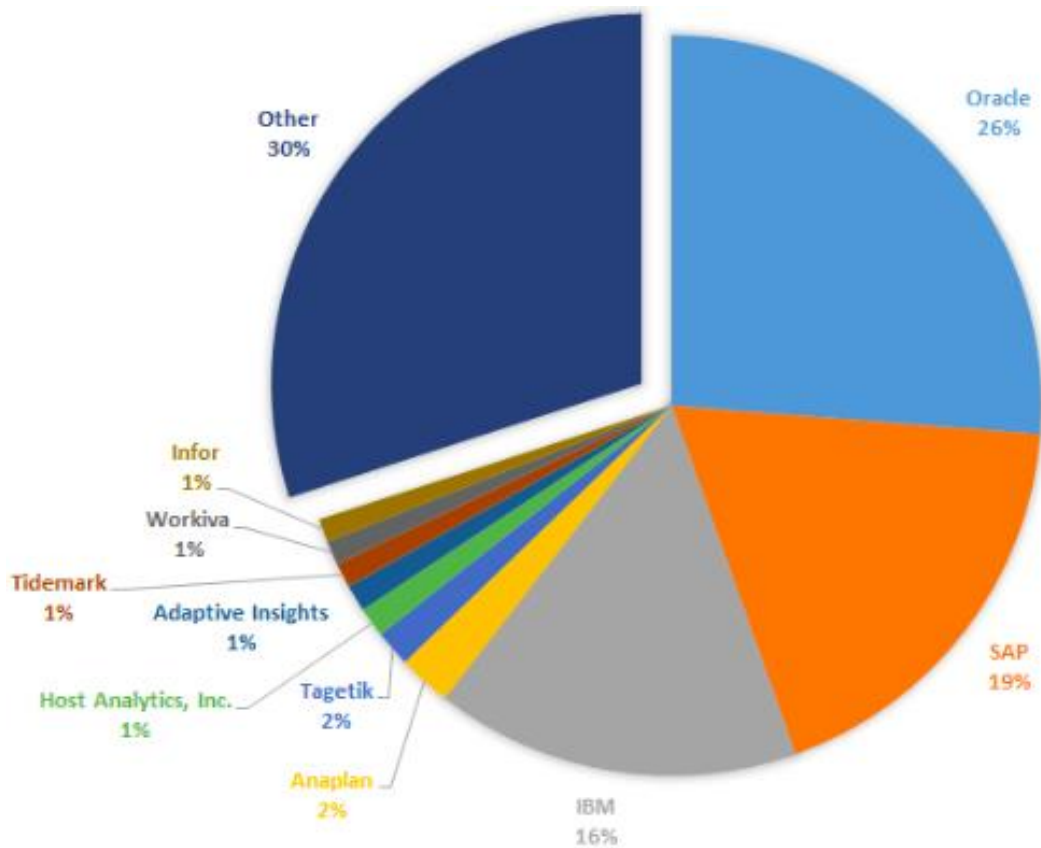


Figure 2. TOP 2015 Worldwide EPM Solutions

As shown in Figure 2, Oracle holds the leading position, with a share of 26% and offering ERP, EPM and SCM solutions for clients, while Adaptive Insight, only with a BPM solution, has only a 1% share on this worldwide market.

3.2 Innovative CPM, 5 principles

Bob Paladino (2011) invented his own system for BPM success. In his book “Innovative Corporate Performance Management”, he describes all necessary steps which must be integrated in the company, to reach excellence in BPM.

3.2.1 Establish and deploy a BPM office and officer

Paladino (2011) argues that BPM office may be not the first step that companies implement in their BPM strategy, but every company comes to this in a certain stage of integration. It is only number one in this list, but it does not mean that it is the first step which should be done before taking others.

There are eight main points in this stage: executive sponsorship, organisational level and reporting relationship, BPM office staff, leadership, influence factors, ownership of BPM processes and methods, BPM, industry and company knowledge, collaborative maturity, ability to learn (Paladino 2011).

The main idea of this principle is to create an environment in the whole company to implement BPM strategy practices. Paladino (2011) claims that it is impossible to reach some heights if the whole company is not working in the same way. If a corporation wants to implement a BPM strategy, there is a need to sponsor it from upside down. All types of reports should be presented to the management, all employees should be involved in the business process. Teams should not forget about specifications of their business field and the company’s mission and vision. Therefore, it is a process for everybody and experience should be shared among all employees in the company. It is essential that everybody should present new ideas, approaches and methods, of how to achieve excellence.

3.2.2 Refresh and communicate strategy

Quite a few employees in different companies lack an understanding of corporate strategy. The second principle includes the following parts: strategic planning, core and adjacent products and services, strategic plan, strategy mapping, link strategic planning and budgeting process, communication plan.

Senior management should start with analysing and updating the current marketing situation. It is essential to set up a suitable mission and come up with a vision of the company. Moving to the core products and services, it is necessary to check whether the products and services which the company provides are suitable for the current strategy. Mapping is quite an important stage, when the company brings up the most important objectives along four perspectives: people, financial, constituent/customer and process. Then the company offers a strategy how to reach those objectives. It is required to take into consideration the budget to reach success; integration of strategy and budget should be seamless. Finally comes the communication strategy throughout the whole corporation.

3.2.3 Cascade manage strategy

Following this principle, the company takes the results and outputs from principle 2 and transforms them into actionable and measurable by employees' strategic objectives.

1. Partner with business owners
2. Develop level 1 Balance Score card (later BSC)
3. Leverage proven BSC or comparable method
4. Cascade BSC to lower levels
5. Align support services
6. Align teams and individual employees
7. Link compensation
8. Manage using measures
9. Automatic measurement

The CEO of the company should cooperate with business owners, to reach such results as they want to see in their company. The strategy should be translated into BSC level 1 measures and targets, then moving to levels 2,3 and 4. All support services are essential to be identified and organised, starting from level 1 of BSC; besides, all employees should be involved in the process as well. For better motivation, some reward and compensation methods may be crucial to reach the goal. Measure is a key of success, so if a corporation is not able to measure success or changes, they will not reach excellence.

3.2.4 Improve performance

Six Sigma belt certification is the next step. Palladino (2011) offers a GE Six Sigma certification for every company; there may be different quality measure programs, depending on the region, field and other factors. The use of quality methods may help the company to see where they succeed and what still may be improved.

1. Prioritise improvement projects
2. Leverage customer facing processes
3. Leverage process improvement methods
4. Realize value from benchmarking
5. Create a performance culture

First of all, there is a need to prioritise projects. If a company cares about all improvements at the same time, they will fail. Customer processes are essential for a company; customer satisfaction should be a number one for every company. Improvement methods should be evaluated by the management, to get an understanding of what is working well and what is not. Performance culture should act as the environment for the whole company, not only for some personnel.

3.2.5 Manage and leverage knowledge

Continual improvement of the working process is needed to be a market leader. When a company has finished all improvements, it is essential to evaluate the tactics and methods used and start a new improvement circle.

1. Develop knowledge management process
2. Leverage technology
3. Develop expert locator systems
4. Link KM with improved process performance
5. Share best practices
6. Maintain a virtual knowledge management network

As shown above, Bob Paladino's (2011) work deals mostly with existing methods of performance management. All those practices together create a positive impact on the company, its business and operational performance. Therefore, if all processes are done properly, the company may reach the market leading position in a certain field.

3.3 Measurement and KPI

Michael and Phillippa Bourne found out that measurement is the most important factor in BPM. They identify five key factors of the measurement importance in BPM. (Bourne & Bourne, 2011 pp. 1 – 33, 81 – 209.)

The first factor is that it is possible to figure out the current position of the company. To start every optimization process, it is essential to know from where to start. The majority of companies do not know where they are at this moment, what they have, what they value and what is important for them. By measuring the current position, corporations should find all those aspects and only then is it possible to move forward. Thus, it is vital to organize data collection and then data analysing; only after these two steps it is possible to implement some forward steps.

Measurement of communications is the second factor. If a company does not know what their customers want to hear, it will be quite hard to make improvement in the right direction. Also, there is a need to communicate with

employees, to highlight some important points for them and to inform them about the company's strategy, if they do not know it yet. For society it may be important to hear that such a company operates in a green way, for instance, or that employee turnover is quite low there. Thus, before informing about something, it is important to get to know what type of information is preferable to be heard.

Measurement of the right performance is the third part. A company should carefully think of what, how and when to measure. The main idea of this part is that one should not overspend on measurement because if a measurement point is not necessary for the company, there is no reason to measure it, while a careful measurement provides a clearer picture of the requirements. If a company does not pay attention to it, finally some wrong financial measurements may be critical for the company's operations.

Measurement of resources and actions is the fourth factor. Firstly, as it was said previously, a company should pay attention to resources and measure where and what type of resources to invest in. Secondly, measurement of an action or a process is also quite important. A company should know how all implemented actions are going; therefore, there will be a possibility to evaluate efficiency and the result of those actions.

The last factor is learning; it is crucial to measure learning outcomes. A corporation should know what they have learned from certain actions, or what type of information provides certain data; they need to know if they move in the right direction or not. Also, it is essential to know if they do the right things or if the results meet the goals. Measurement drives performance; without measurement it is impossible to move forward, because managers will not know where the movement starts from and where it ends.

Key Performance indicators are measures or metrics which will give a possibility to measure the success on the way to excellence and to make business decisions. Those metrics show how the implemented strategy is working if it is. Most businesses have a large number of KPIs, which act as a framework for

any measurement system. For successful BPM, it is crucial to find the required KPIs, related to an action or a strategy. (Bourne & Bourne, 2011.)

3.4 Balance scorecard

Balance scorecard was used for the first time in 1980, while the popularity of BSC came only 12 years later, in 1992, developed by professor Robert S. Kaplan from Harvard Business School and consultant David P. Norton. BCS is still quite commonly used in business and process optimisation processes. BSC is more about measuring the activities, outputs and processes which are important for the business. In this scorecard, financial and non-financial measures are combined, as well as internal and external processes and needs. With the help of BSC it is possible to see a picture, with a perspective of business performance in its centre, by providing a complex reporting of different business aspects in a very short and informative way. Also, it provides an opportunity to evaluate all measurements from different divisions, and at the same time, to have a possibility to see a harmony in the whole picture. Moreover, it inveigles managers from different departments to bring ideas to the discussion, from different perspectives of their view.

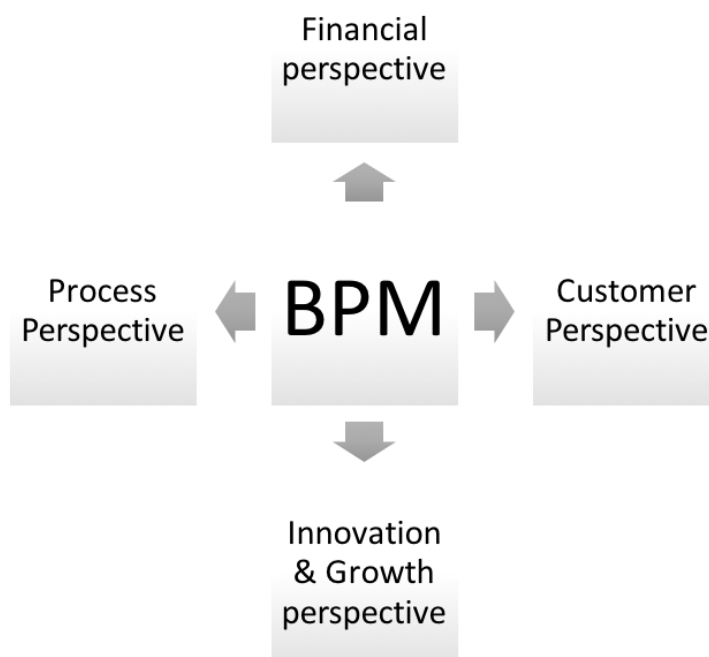


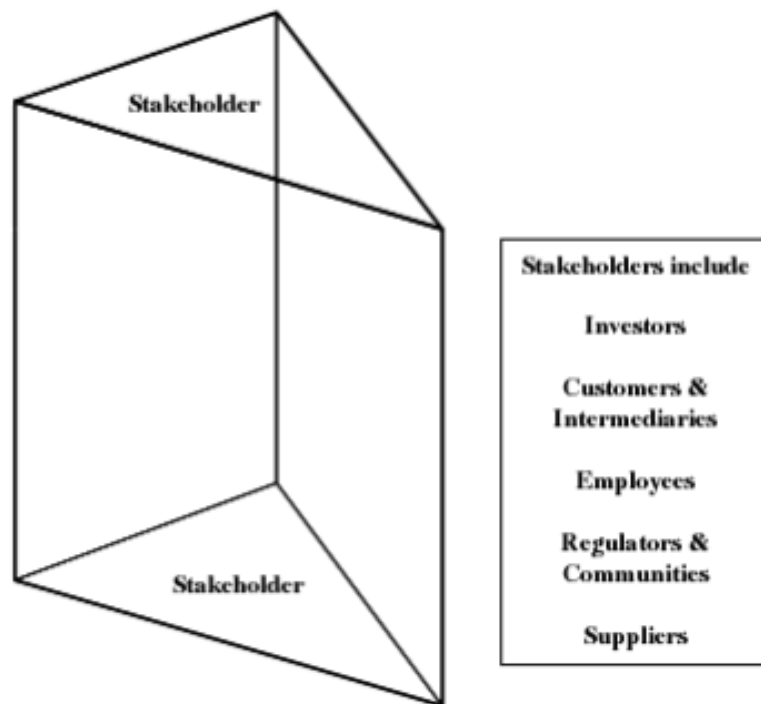
Figure 3. Balance Scorecard

Balance scorecard consists of four main parts: Financial, Customer, Internal processes, Knowledge and Growth Figure 3. Financial part is to analyse how the company looks to shareholders, while Customer part focuses on customer satisfaction and answers the question “how our customers see us”. Internal processes describe how the business is run and whether it provides exactly what customers want or where it should be best at. Last but not least, Knowledge and Growth answer the question “how the business can improve and create value”. (Infrafocus 2017.)

3.5 The Performance Prism

The Performance Prism was developed by The Centre for Business Performance and Accenture Inc. in 2002. As shown in Figure 4 this prism has five facets: requirements from stakeholders, strategy, stakeholder requirements, capability and resources, and process. It provides a deeper understanding of stakeholders’ needs within the performance measurement process. (Bourne & Bourne 2011, p. 20)

The two stakeholder facets of the performance prism



Three internal facets of the performance prism

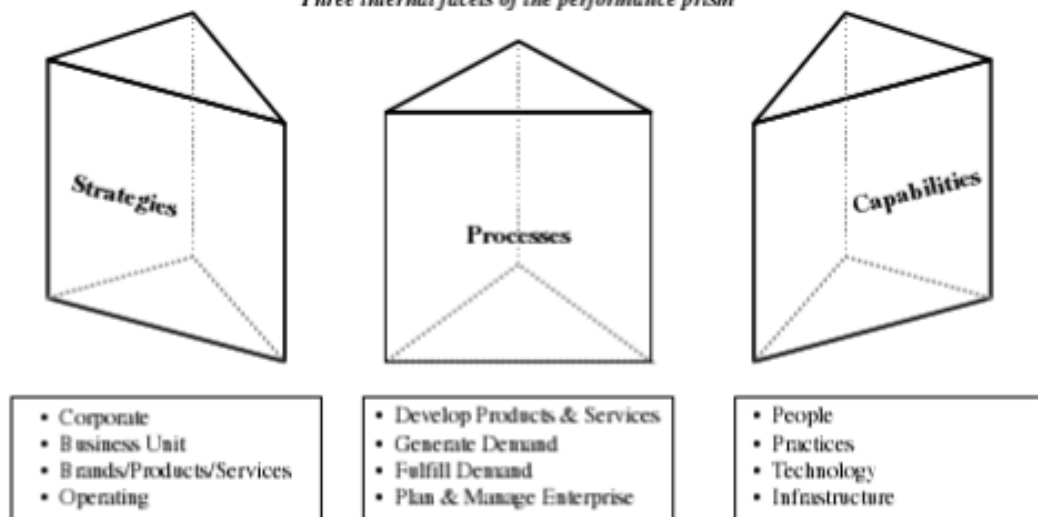


Figure 4 The performance Prism

3.6 Nature's 10 Simple Rules for Business Survival

Ron Dimon in his book “Enterprise Performance Management Done Right” offers readers a ten-step strategy to make a successful BPM strategy, by using an adaptation of Adam Werbach’s “Nature’s 10 Simple Rules for Business Survival” strategy for sustainability: A Business Manifesto (Dimon 2013. pp. 163 – 167). Dimon used his experience and work on BPM, described in his book, to adopt Adam’s theory for BPM. By using these steps, Dimon (2013) promises an

effective survival in business. Hereby come the concepts adopted from his book:

1. Define objectives and operational models
2. Know your company
3. Create a perfect data flow and transparency
4. Make a strategy for the whole company
5. Effectively use HR
6. Measure efficiently
7. Make a continuous improvement
8. Follow the strategy and objectives
9. Balance long-term and short-term goals
10. Measure results. (Dimon 2013.)

3.7 80/20 and ABC analysis

When speaking about performance optimisation, there are two quite important parts of it. The first one is the Pareto principle, which was discovered by an Italian economist Vilfredo Pareto. He claims that at the beginning of the 20th century 80% of the Italian land was owned by 20% of the people. That was quite an important finding, because this usually works with other parts of business life. By this rule it is possible to count the 20% of customers which form 80% of the income, or the 20% of inventory which forms 80% of the sales and so on. Nowadays this rule is typically used to boost a business, by effective planning of different spheres. (Investopedia c.)

By using the 80/20 rule, a company is able to concentrate more on the most prioritized parts. For instance, due to the analysis of the 20% of customers who produce 80% of the revenue, the company will obtain a list of their best customers, on whom they should focus. While implementing this rule to the stock, for example, a company is able to calculate the most important products. The main idea is to prioritise the products, customers, workers and other aspects of business, since sometimes business owners are spreading their focus on too many aspects and are not able to make effective business strategic planning. (Muller 2002, pp. 66-73.)

The second ABC analysis is quite similar to the 80/20 rule, but it is commonly used with inventory. The main idea is to divide the whole inventory, products and services into three categories each: A, B and C, with a higher priority in A. As an example, while dividing the whole product list by using the 80/20 rule one can find the 20% of products which make 80% of the sales, which are placed into the most prior group A. Moving to group B, there will be the products which make 15% of the sales. The least prioritized category C will consist of the rest of the products, which together make 5% of the sales. The percentage is floating, depending on the business, number of items and sales rates. However, usually group A consists of 70-80% of the products, B is 10-20% and C is 5-10%. ABC analysis is also used in different aspects of business, such as CRM, HRM and sales. (Muller 2011, pp. 145-153.) Figure 5 displays ABC grouping.

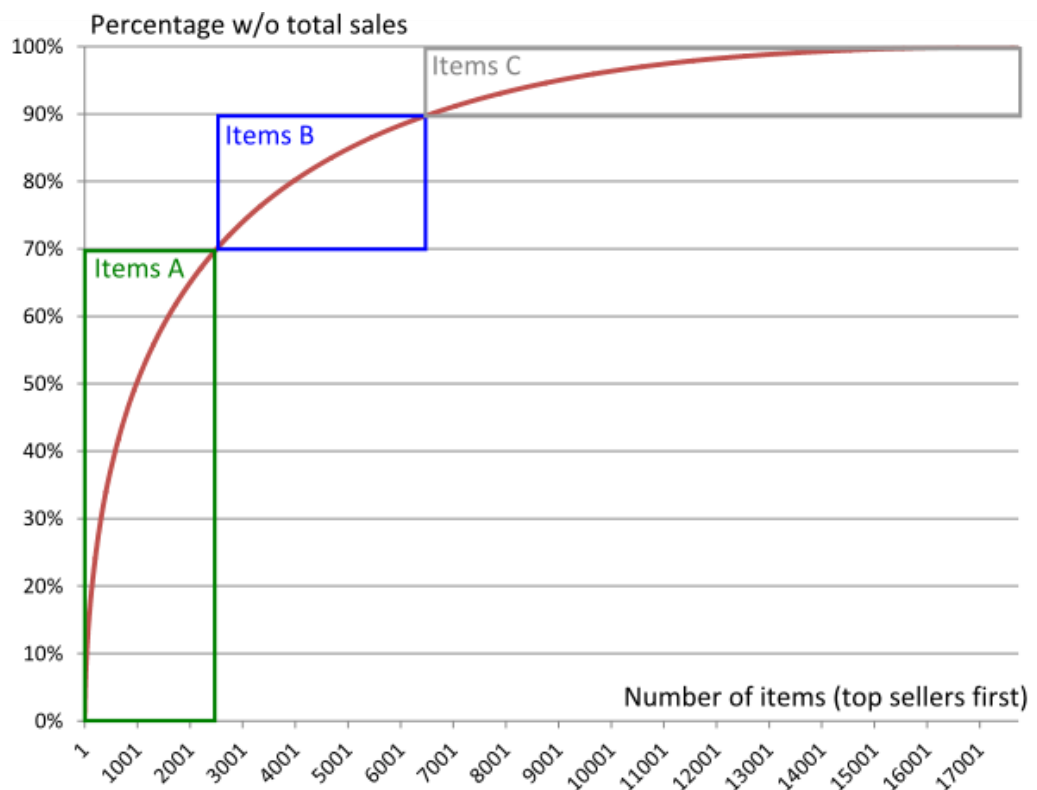


Figure 5. ABC grouping

3.8 Strategic Business Units (SBU)

Strategic business unit, also known as SBU, is quite common in large companies to divide their business into parts. Usually such a unit is operating independently from the company, only reporting to the headquarters concerning their business success. SBU is commonly used when the corporation is operating in different markets under one company; however, it can be used also when a company has different product lines or different products/brands under the same roof. Such business units usually have their independent departments such as HR or training sales, and also may have even a separate mission and vision. When some part of a company is turning to SBU, they are able to plan their own budgets, investments, purchases and make their own business decisions. The main idea of this is to give flexibility to a business unit, in case of market change. SBU is more flexible in different market situations, with new governmental regulations or in adaptation to the customers' needs. (Merna & Al-Thani 2008.) Figure 6 represents SBU hierarchy.

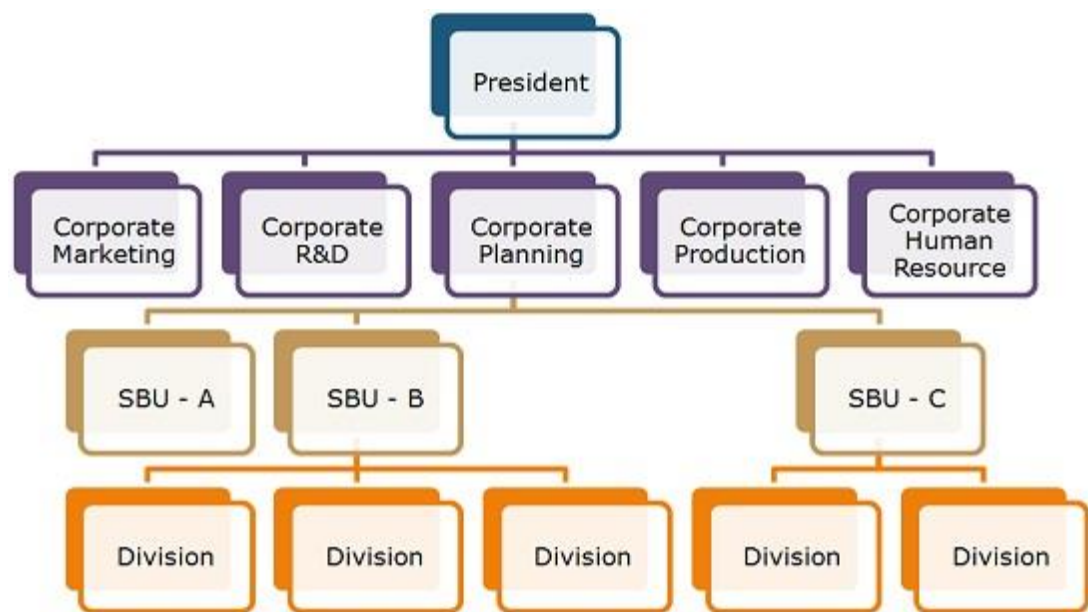


Figure 6. SBU hierarchy

The main focus of SBU is usually the same as in corporate level; therefore, it is about increasing sales and performance in all business aspects. Thus, strategic planning techniques and tools used in SBU are similar to business on the

whole. The only difference is that a business unit is focusing on the particular market in which it is operating, while the corporation is setting the business strategy for all SBUs and departments. By using SBU, a headquarters is able to concentrate more on global issues, and to let the SBU work independently. This is used when a certain company is big enough and there is no possibility anymore to hold the entire business process only in one pair of hands. (Merna & Al-Thani 2008.)

Another useful tool, developed by The Boston Consulting Group is a BCG matrix, which exists to make successful long-term strategies in business planning. This matrix provides a possibility to divide products, investments or customers, for example, into four categories:

1. Dogs. Low growth with low income.
2. Question marks. Low income with high growth.
3. Cash cows. High income with low growth.
4. Stars. High income with high growth.

By using this matrix, companies may divide, for instance, the products they have into four categories, to understand where they need to pay attention and possibly of what products it is better to discard. Figure 7 presents BCG matrix.

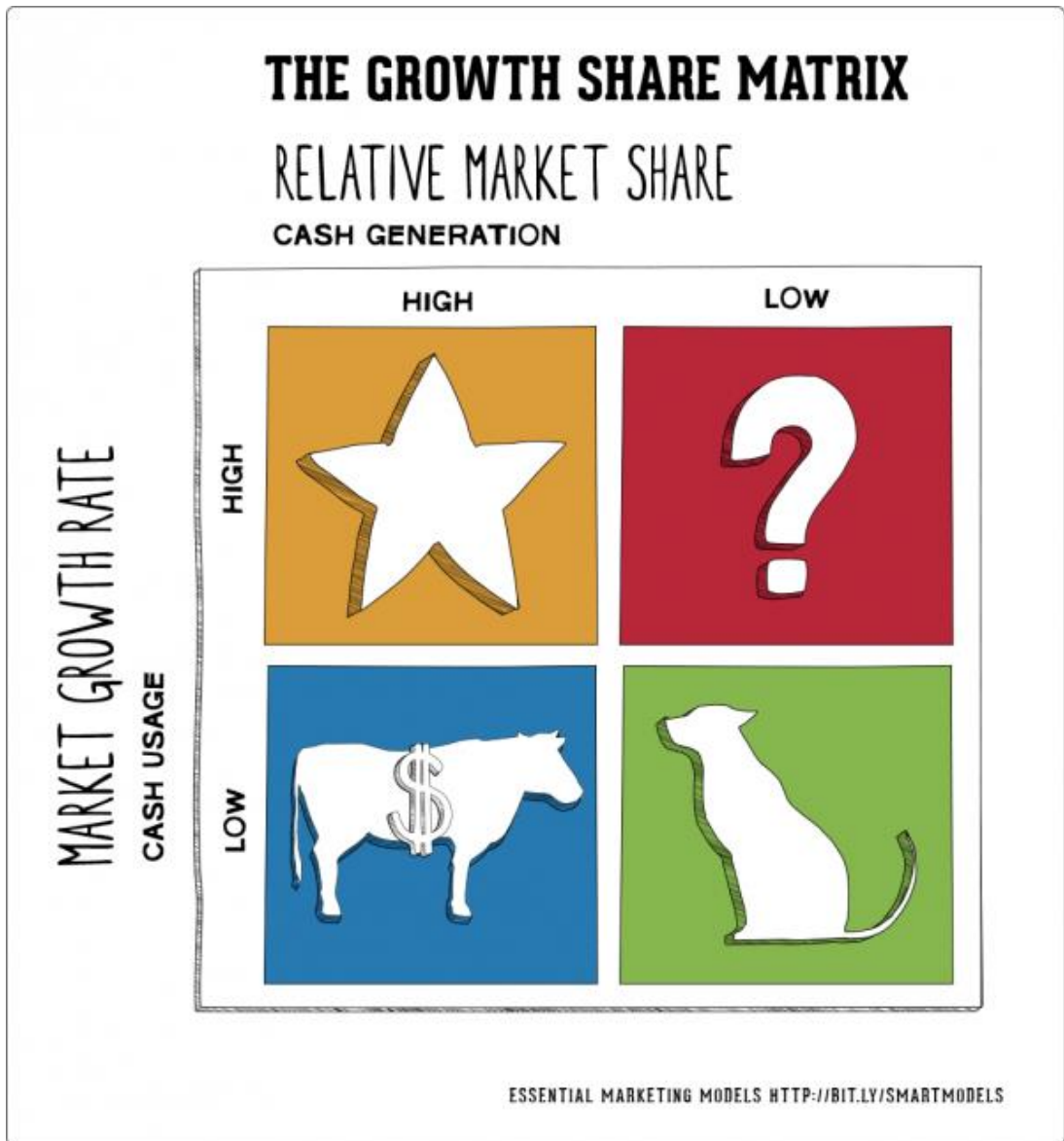


Figure 7. BCG matrix

3.9 Excellence models ISO and EFQM

This chapter offers an analysis of different excellence models which may act as parts of BPM because they represent the excellence of the company, examine the performance condition in business processes and, overall, are a sign for customers and suppliers that the company is operating with high standards commonly used all around the world.

3.9.1 ISO

ISO or the International Organisation for Standardisation 9001 system is a standard which sets requirements for quality management in all sizes of businesses. Basically, it is a world known quality management system, which shows to others that the company is operating in accordance with all standards. There are over one million companies in 170 countries certified with the ISO 9001 standard (International Organization for Standardization ISO 2017).

A quality management system shows how an organisation can meet the requirements of customers and stakeholders affected by its work. The main idea of ISO 9001 is a continual improvement or PDCA, which is “plan – do – check – act”. “Plan” is about establishing the objectives of the system and its processes, and resources necessary for the result, which will meet customers’ requirements to work. “Do” is the implementation of planned work. “Check” is about monitoring and measurement of the work performed, presenting results in some reports. “Act”, refers to actions which are aimed at improving the performance in the future work. (International Organization for Standardization ISO 2017.)

This system does not specify what objectives are related to the quality of meeting customer needs. They require organizations to define these objectives themselves and continually improve their process in order to reach them. ISO 9001 is suitable for all sized organisations in every and each field of operations and sectors. (International Organization for Standardization ISO 2017.)

After certification for ISO 9001 a company will obtain such benefits as assess to overall context of organisation to define who is affected by the work and what

they expect from the company. This step will give an opportunity to set objectives for business and identify new business opportunities. Secondly, certification will ensure that a company places a premium on their customers as well as customers' needs and satisfaction. The following step is working in the most efficient way; therefore, all processes will be aligned and understood by everyone working in the company. It is followed by meeting of the necessary and regulatory requirements. Also, ISO 9001 provides a better integration in expanding for new markets and clear identification of all types of possible risks. Moreover, one major factor is that some governments or public bodies may only contract with suppliers who have been certified by ISO. (International Organization for Standardization ISO 2017.)

However, companies may face challenges while implementing ISO 9001 standards. The key issues are connected with understanding of the external and internal factors that could impact the organization's ability to meet its objectives. The next step is to find interested parties of the business and to switch focus onto them. Also, risk-based thinking is not easy at all because it requires risk-oriented thinking by the management and a critical view on processes. (Gulo 2016.)

Moreover, all types of out-sources processes should be controlled and monitored including consideration of the environmental aspects and impacts on the life cycle of the product or service. Leadership and commitment are the requirements to demonstrate commitment to the organization's quality or environmental management systems and ensure the integration of those requirements into the organization's business processes has drawn in executive responsibilities in the certification processes. Multi-site coordination and timing are the next two challenges in the implementation process. All parts of business should be organised by standards and decision-making processes should be controlled to meet all ISO 9001 requirements, which may be challenging for big sized companies. The last meaningful challenge is outcomes and performance. Organizations that have relied on volumes of procedures and documents that cover up inefficiencies may find it challenging to demonstrate the effectiveness of their business processes. (Gulo 2016.)

3.9.2 ISO examination

Starting with the context of the organisation, a company shall determine external and internal issues that are relevant to its purpose and its strategic direction and that affect its ability to achieve the intended results of its quality management system. Also, a company shall monitor and review information about these external and internal issues. All interested parties, meaning customers, shareholders and others, should be given priority. The organization shall determine the boundaries and applicability of the quality management system to establish its scope. After that, it is required to continually improve the quality of the management system and processes in accordance with the requirements. (Suomen Standardisoimisliitto 2015, p. 10-12.)

Speaking about leadership, it is necessary to demonstrate leadership and commitment with respect to the quality management system. Also, customer focus should be respected and followed, as it was clarified above. The management need to pay attention to quality policy and all requirements in that, and the management shall ensure that the responsibilities and authorities for relevant roles are assigned, communicated and understood within the organization. (Suomen Standardisoimisliitto 2015, p. 12-13)

When it comes to planning, risk planning is one of the main targets here. Also, a company should establish quality objectives and plan how to achieve those objectives. With support, an organisation shall determine and provide the resources needed for the establishment, implementation, maintenance and continual improvement of the quality management system. A company should monitor working processes to ensure that requirements are followed. All types of internal and external communications should be relevant to the quality management system. (Suomen Standardisoimisliitto 2015, p. 13-18)

Operation is one of the biggest parts of ISO. A company should be able to plan, implement and control all types of processes which are necessary by the settled requirements. In the performance evaluation, a company should pay attention to the fact that it is able to monitor, measure, analyse and evaluate needs. Consequently, it is able to make changes which are required for continuous

modernisation and improvement. In improvement, a company must determine and select opportunities for improvement and implement any necessary actions to meet customer requirements and enhance customer satisfaction. (Suomen Standardisoimisliitto 2015, p. 18-29)

Bellow there is a summary of the basics. Thus, to implement the ISO system, there are only four simple steps:

1. Find out whether it is necessary to get a certification of ISO 9001.
2. Examine working processes with all requirements.
3. Successfully pass an audition of a third party.
4. Be ready for audition in every three years, with all possible changes in ISO format.

3.9.3 EFQM

EFQM is a European model or set of values, founded by 14 business leaders in 1988. This model states that an excellent organisation will operate with the 10 principles of the UN Global Compact. Due to EFQM, excellent organisations should have a great level of performance and meet or even exceed stakeholders' expectations. RADAR logic, used in the EFQM model, as well as fundamental concepts, together ensure that business operations in a certificated company are continuously improving and the company is implementing the intended strategy. (Laatukeskus Finland 2012)

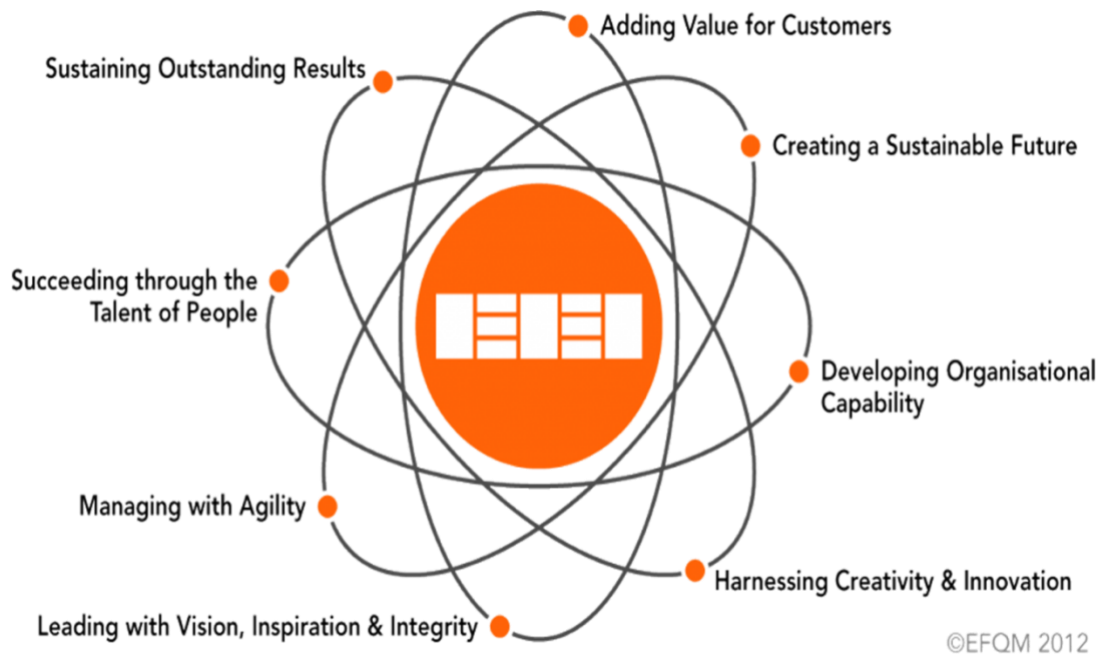


Figure 8. Eight main concepts of EFQM

The Fundamental Concepts of Excellence can be used as the basis to set the attributes of an excellent organisation. They also examine a common language for senior management. In figure the eight main concepts of EFQM are presented. This picture illustrates that every excellent organisation should:

1. Add value for customers. The company should understand, anticipate and fulfil the needs, opportunities and expectations of their customers.
2. Create a sustainable future. The company should make a positive impact on the market and world, by increasing its performance in economic, social and environmental conditions.
3. Develop organisational capability; Company should develop its capabilities and effective management change.
4. Harness Creativity and innovation. The company should increase value and level of its performance, by using continuous improvement and innovations.
5. Lead with vision, inspiration and integrity. The company should have management and leaders who will predict market changes and implement required changes in the business.
6. Manage with agility. The company should recognise its ability to identify and effectively respond to threats and opportunities.

7. Succeed through the talent of people. The company should value its workers, people and culture, be a support in organisational and personal goals.
8. Sustain outstanding results. The company should achieve results which are meeting short and long-term stakeholders' needs. (Laatukeskus Finland 2012.)

3.9.4 The Criteria

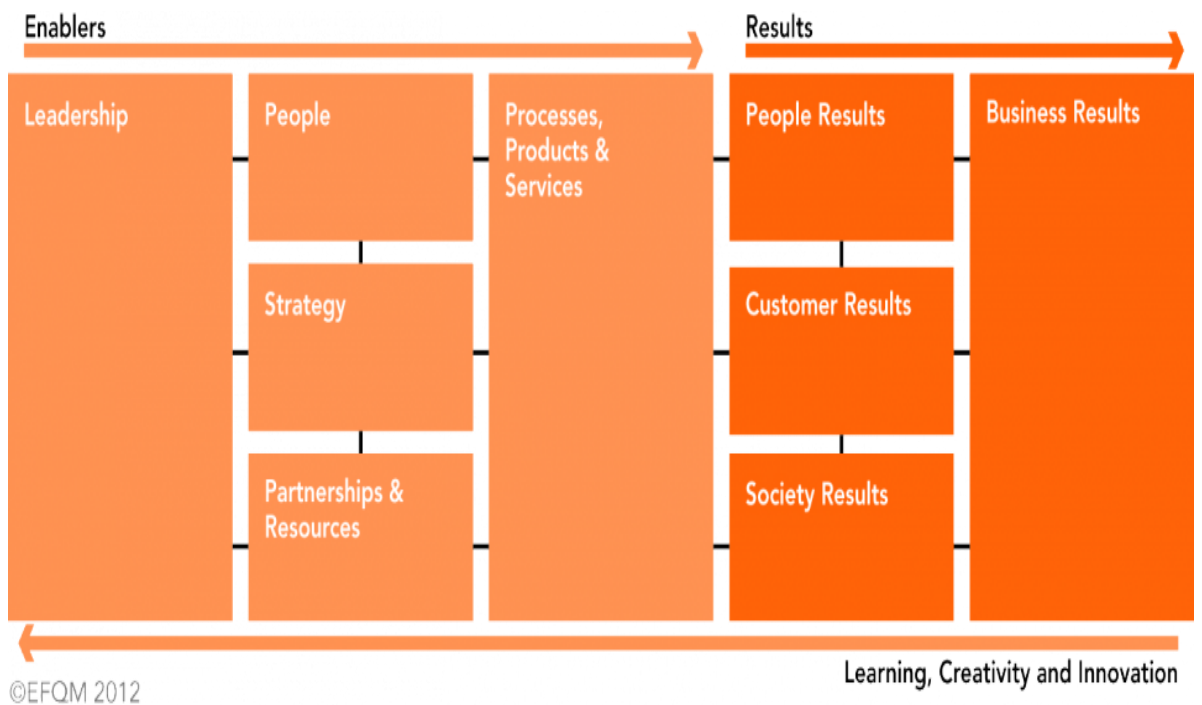


Figure 9. Nine criteria

Figure 9 above shows a framework of nine criteria. There are five enablers and four results. The left part examines what and how the organisation does, while the right part presents the results which are achieved, depending on the left part, enablers. Enablers may be improved using data from results. This makes a continuous improving process, and by using these nine criteria it is possible to reach excellence in EFQM

1. Leadership. The company should have leaders who will make an effective future strategy and be a firm wall in the business. A good leader should be flexible and success oriented.

2. Strategy. The company should develop their mission and vision, which will be a basement of their business and will set up a main road for every worker and project.
3. People. The company should value workers and people, be a support in achieving organisational and personal goals.
4. Partnerships and resources. Organisations should plan and manage external partnerships such as suppliers and internal resources in order to support their strategy, policies and the effective operation of processes. This ensures that they effectively manage their environmental and societal impact.
5. Processes, products and services. The company should improve and manage processes, services and products to increase value for their customers, workers and stakeholders.
6. Customer results. The company should make a success-oriented strategy to meet customers' expectations.
7. People results. The company should make a success-oriented strategy to meet workers' expectations.
8. Society results. The company should make a success-oriented strategy to meet stakeholders' and society expectations.
9. Business results. The company should make a success-oriented strategy to meet business and market expectations. (Laatukeskus Finland 2012.)

One of the aims of the EFQM Excellence model is to achieve a full integration of the fundamental concepts of excellence and the framework of the model.

3.9.5 ISO and EFQM

Both ISO and EFQM are approaches or models to achieve quality or excellence in business⁶ and both of them can be implemented at the same time. While ISO is presented as a standard that sets requirements to achieve excellence, EFQM is a non-prescriptive model, which recognizes that there are many ways to approach excellence. The basic focus of ISO is meeting customer needs and providing customer satisfaction through an effective system and process, whereas EFQM focuses on overall performance of the company and customer satisfaction is just part of it. As far as the scope of models is concerned, it is

important to mention the principles of the models. Each model has its own principles, most of which are the same. Despite the similarity of the principles, some of them are covered in a different scope by each model.

ISO	EFQM
Customer focus	Customer focus
Leadership	Leadership and constancy of purpose
Involvement of people	People development and involvement
Process approach	
System approach to management	Management by process and facts
Factual approach to decision-making	
Continual improvement	Continuous learning, innovation and improvement
Mutually beneficial supplier relationships	Partnership development Public Responsibility

Table 2. ISO and EFQM comparison

3.10 Powerful ways to transform business

This chapter analyses the book by Brian Tracy (2016) “Turbostrategy, 21 powerful ways to transform your business and boost your profits quickly”. The main ideas in the book are relevant for the case company discussed in the following chapters, while this part contains the most important idea, which is analysed and a conclusion is made.

Brian Tracy is one of the world's top professional speakers and has delivered more than 5,000 talks and seminars. In his life he has given more than 1000 consultations for different sized companies and more than for five million people; he has also participated in more than 5,000 talks and seminars. Thus, he is quite a famous business coach who may help to achieve different types of

business and personal goals. He is the author of more than 70 books, which have been translated into many different languages, and his experience in business coaching is not questioned because he has quite a lot of successful examples of business and personal development. (Brian Tracy International.)

According to Tracy (2016), everything starts with strategy planning. If somebody wants to develop something, there is a need to make a strategy how it will be done and what should be developed. There is also a need to prioritize the strategy, to start with the most important steps. According to research, the majority of CEOs agree that strategic planning is the most efficient way of reaching success and positive results in business, with all variety of business tools and techniques. By using Tracy's theoretical foundations, it is possible to update the strategic plan of the business and to reach excellence in it since one of the most typical issues in business is not an up-to-date strategy or even a lack of it. (Tracy B. 2016)

Bellow there are the main points, which are used in this thesis as a framework with regard to developing business efficiency. The ideas are cited form the Tracy (2016)

- Start from the very beginning
- Make a line before changes
- Create a business analyse
- GOSPA model
- Create an ideal future
- Mission and vision of the business
- Build a company again
- Choose right people
- Increase a marketing efficiency
- Know your competitors
- Better, faster, cheaper
- Create Strategical Business Units (SBU)
- Reengineer the company
- Calculate a profit of every product and service
- Find your citadel (Tracy 2016)

1. Start from the very beginning. This is the main point of every development process – measurement of the current situation. Before moving somewhere, there is a need to measure where a company is at the moment. Depending of the future needs, it is required to create a list of KPIs, which will be used for a development process. There is a set of different measurements, such as sales, margin, profits, and customer satisfaction. A successful company must know its best customers, best products or services, market strengths and why clients choose specifically this company. Therefore, the whole development process starts with an analysis of the current situation, which should be as wide as possible to understand what is working properly and what may be developed.
2. Make a line before changes. When a company decides to implement development changes, there is a need to make a line before it. That basically means that change or development managers should not concentrate on the past of their company. According to Brian Tracy, it is easier and cheaper to build something from the beginning than to try to repair something old. As an example, he writes about house building. Typically building companies prefer to destroy the old building and create something new in its place rather than to repair the old one since it will take much more time and money. Speaking about business, he recommends thinking that a company begins its life from the start: what management should do and should not change if everything begins from the basics. That tactic should work in every aspect of business, also, when considering human resources or an action which must reengineered. Therefore, every aspect of a company's operations should be analysed, whether an operation is good to have if the company begins a new life, and if not, then the company must get rid of it.
3. Create a business analysis. This is a type of measurement tool where it is required to analyse the basics of the business. This analysis should consist of research of the current market situation, competitors, demand and offer, as well as customer segmentation and every other aspect of beginning processes. A company should be an expert in the market and the products or services they sell. Goals and targets must be clear while actions which

are needed to reach those goals and targets must be thoroughly formulated and analysed.

4. GOSPA model: Goals Objectives Strategies Plans Actions. This is a model of thinking and business management from strategic planning. The main idea is to formulate the goals which the company is going to reach, then to divide them into milestones, which will act as measures on the way to reaching those goals. The idea is to create a strategy which will be a general way of reaching those goals and plans. The last step are actions which should be taken on the way to reach a final target. The main idea of GOSPA is to divide the goal to a clearer format, to analyse it from every perspective, so it will provide a clear strategy planning and more efficient way of working.
5. Create an ideal future. This is about thinking of what the company should reach after some period of time. How should a company operate in the most ideal future? What is an ideal company for the management? These two questions are the main ideas of this step. Creation of this picture is required to understand the way of business development, which should be the final point of the development process.
6. Mission and vision of the business. Both of these are basics in every business. Mission and vision are frameworks of every company. Every employee must know the key concepts of the company where he or she works. They describe why the company is doing this business and where the company sees itself in the future. Together they are making a type of manifesto, which represents the key concept of every decision made in this company.
7. Choose the right people. In the company everything is from people to people; therefore, human resources are a very important part of a successful business. There must be nobody who is not suitable for the company. Quite a typical mistake is to keep an unnecessary employee without any reason. The whole working team must be a combination of professionals, who are the best in their area of responsibility. If a worker does not meet the

requirements, there is a need to find somebody else for that position. People working in the company should always be motivated, competent, be in the positive mood; only then it will be possible to reach the required goals and targets. Also, people are not willing to work in ignorance, so management must set clear goals and requirements, which they want to reach.

8. Increase marketing efficiency. An efficient company always tries to market their products and services better than others, through development of new ways and possibilities of marketing. A clear and well-made market analysis will provide a possibility to reach excellent results. Knowing customers and implementing different marketing tools, such as market segmentation or marketing mix, will help in the way to perfection of performance management. A company must know who the main customer is and where this customer lives.
9. Know the competitors. Competitor analysis is another way of developing a business. It is required to know who the competitors are and why they are better; why customers choose to use the products or services of competitors and how to change it. A well-planned competitor analysis will provide a better market share to the company.
10. Better, faster, cheaper. A successful business must concentrate on strengths. To provide better products or services, faster delivered to customers at a lower price, is crucial for every business unit. If a company is not perfect in some part of business processes or operations, this is the main focus of optimization for management.
11. Create Strategical Business Units (SBU). This involves combining products or services by their characteristics or specifications or by market terms or customer segments. SBU is commonly used to change or optimize a business and categorize the products or services of a company. After creating a SBU, each divided group is operating independently by a

hierarchical business scheme top-down. Also, with SBU it is quite common to use a BCG matrix and divide products into four different groups: cash cows, stars, question marks and dogs. The SBU concept has already been described previously in this thesis.

12. Reengineer the company. The core of this idea is to rebuild principles of business operations in a more efficient way. This process consists of an analysis of existing expenses and contracts, such as insurance, mobile phone and book-keeping. The main target is to optimize each of those aspects, to outsource areas which are not at the core of interest and to get rid of hard processes. By hard processes Brian Tracy means processes which can be optimized and reorganized into a more efficient process. As an example, he talks about decision making processes, where more than twenty persons can be involved. They can be reorganized into two-person decision making units without any outcome quality loss.
13. Calculate the profit of every product and service. To know what the business selling is the basis of the business. By some tools, such as 80/20 or ABC analysis, it is possible to organize, monitor and analyse the products of the company. Both techniques have already been discussed in previous chapters.
14. Find the citadel. By a citadel, Tracy means the key products of the company, or something which can provide an emergency whatever happens on the market. A company must know what its core is, be it a product or service, who are the core customers and core workers. Then the task is to build a wall around those cores and place them at the top of a priority list. The main idea is to have a plan B if something happens on the market or in the business. If a company knows where they are the best and to whom they can sell their best products and who is the key worker in the company, such a company will never disappear from the business world.

According to Brian Tracy, increasing a company's efficiency starts with planning, imagination, data and knowledge collection. Then come strategy

planning and action, while the last stage is monitoring. First of all, he recommends getting as much data as it is possible, concerning the entire situation in the company, on the market and in the world. Next step is a detailed analysis of the data, which the management has got, including all types of human resource analysis and competitor analysis. After that, change makers should think what exactly they want to change, they should think about every possible aspect and the boldest ideas. Strategy planning is the next step of change management. There is a need to create a detailed plan how to reach the goals and targets the company wants to reach. It is also crucial to mark some important milestones on the way to excellence, to see what already has been done and where exactly reengineering is for the moment. The final stage is monitoring and analysis, to see the results and continuously improve business operations and processes. Thus, Tracy talks more about the BPM theory with improvement steps, which must be taken to reach excellence.

3.11 Overall view on BPM

There are many theories of what is required to do to reach excellence in business and BPM. After analysing different sources, it is possible to note that almost all of them highlight quite similar issues. After the literature review, it is possible to conclude that there are different ways of improving business; different authors have different opinions on specific steps which must be implemented to reach the best performance. However, all of them highlight the following parts of an optimisation strategy:

- Measure the current situation.
- Analyse data.
- Make a detailed strategy.
- Implement this strategy.
- Measure results.
- Continue this process

Thus, the BPM optimisation process can be compressed to the continuous process displayed in Figure 10.

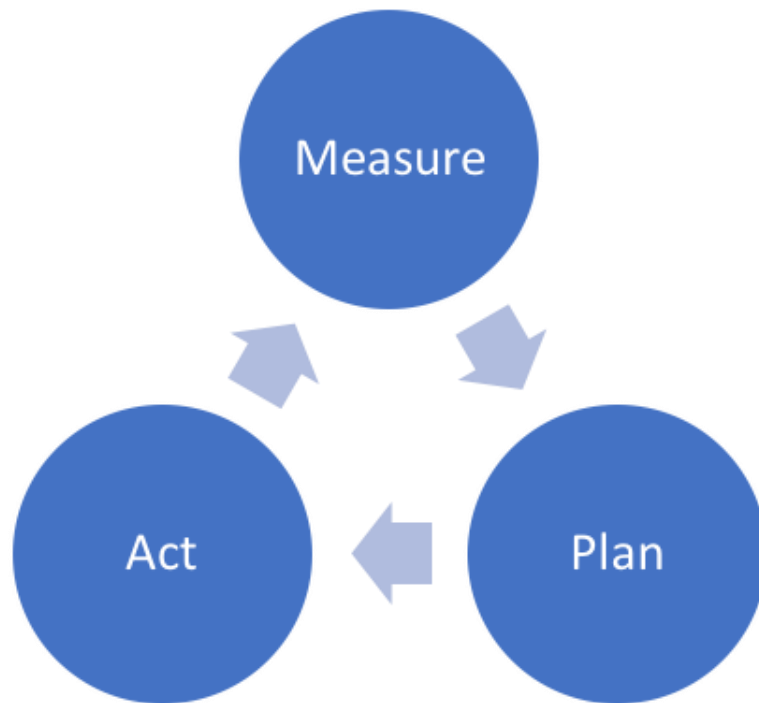


Figure 10. BPM continuous process

4 Case Company optimisation strategy

4.1 Description of the case company

Alfa Cleaning Oy and Siivous-Info Oy were established in 1978 by Juha Kaasalainen. Even though there are two different company names, it is one company, which was divided into two LLC companies or SBU due to better management and economic optimization. Sometime before becoming an entrepreneur Kaasalainen was working in the Starckjohann company in Lahti and was a very successful sales manager there. However, all the time he wanted to be an individual entrepreneur and work for himself. That is why he started his own company in Savonlinna – Savonlinna Siivous JK Ky. The first steps in this business were cleaning services and retail of detergents. At that time, his company dominated almost all the cleaning market in Savonlinna; they made cleaning agreements with the majority of companies and plants in that area. However, it was too hard to manage such a business, because cleaners performed bad quality work and the management of the company was responsible for that, so they spent too much time and money to fix such issues.

In the 1990s the company Alfa cleaning Oy was activated, as before that company was not in use, and Kaasalainen started to develop it. A little later, a group of three people working there built a strong sales network all around Finland. The main idea was to buy cleaning machines from Italy and sell them in Finland, which is what they are doing now. They started with the Italian brand Fimap in the early 1990s; however, today they are selling and repairing in Finland not only Fimap, but also Numatic, Haaga, Maxima, Tom Cat, True Wox and Viro from different parts of Europe and the world. The variety of cleaning machines is extensive; sales agents offer different types of cleaning equipment, depending on you're the customer's and possibilities. Nowadays they have solutions for different situations, for private consumers and business market as well.

The second company, Siivous-Info Oy, continues to operate in the local market in Savonlinna with professional cleaning chemicals, which are available not only for professionals but for private users as well. The idea is quite the same: they are selling such cleaning chemicals as Kiilto, Kemit, MMM, Berner, Diversio, Ecolab, Cif, Softcare and Alfacem, which are mostly made in Finland and Estonia. Also, they are selling cleaning equipment. Krister Kaasalainen, one of two owners today, says that this market is in the growth. In this regard they developed this area of business and their company may offer customers different types of solutions, for different budgets and needs. At the moment Alfa Cleaning Oy and Siivous-Info Oy have such big customers as the city government of Savonlinna, Helsinki and Oulu, Real Clean, Husdesico, Leo Clean, Hartman Rauta, Itä-Savo Hospitals, and Fintensit. With those customers they have long-term agreements and they are selling cleaning machines and chemicals for them.

4.2 Interviews

During the empirical study many interview sessions were conducted: three with the owners of the company and one with workers, one with Jarkko Oksman from Ideomena Oy, one with each of the company's sales persons in Visma Software Oy, with Virpi Lipsanen from Mediamaesto Oy, with Jari Tuomanen from SKJ Systems Ltd, OP-Pohjola/Ilmarinen, OsuusPankki, Fennia, Telia, BLC and Elisa, one with Arto Tolvanen from Grafical Oy, one with Trin Kaivola from Terveystalo, one with Riku Roitto from Elisa and one with Johanna Tapanila from Mediatili Oy.

The main purpose of the first interview with the owners was to get a deeper understanding of the business processes in the company, to collect information about the current situation, about the case company and desires for this research. The interview consisted of open-ended questions, based on the BPM theory and BPM methods. The interview was conducted in the Finnish language; however, all data was carefully translated into English. The results from this interview provided structured data of the current situation, and a basic introduction to the case company business. Based on this information, the author made a plan for the theory framework of this thesis, completed the theory part with required research, and made a further research plan required for the project.

The second interview conducted with the business owners, was aimed a clarification of the current situation. This interview was done after the theory part was written already, therefore the main purpose was data collecting for optimisation strategy creation. Also this interview consisted of open ended questions and examined mostly what is done in the company for efficient working processes. The third session was a presentation, where the author of the thesis presented the work results and collected feedback and future decisions, concerning each of the topics covered in the thesis.

The interview with the workers was based on the Mike Bourne and Pippa Bourne's theory from their book "Handbook of Corporate Performance Management". The interview examined two main elements of well performing

employees – tangible and intangible, as well as measured and monitored HR policies, which were explained in the theory part. The results from this interview will be presented later in the thesis, in a separate chapter. Every worker was asked the same questions. It is impossible to present the exact answers, due to the privacy agreement which was required by the workers. They did not want to present their own opinion in this work; therefore, it was decided to present the results without any names, only the findings and results. While all the rest questions were aimed to get an expert view on the company operations, depending on the sphere of operations of each interviewee and also to get some business product or service solution offer or inquiry, which information was analysed later and compared with other possibilities. All questions were open-ended.

4.3 Mission, vision and perfect customer terms building

The mission of a company is a purpose which stays unchanged for a long time. It is the main rule which sets the way the company is operating, while a vision is something that the organization wants to achieve in long- and mid-term future. (Blender 2017.)

As one of the first steps for the business performance strategy, it was decided to create a mission and vision for the company, which were generated through analysing collective ideas. During the first interview with the owners, there was an in/depth discussion about the main targets of the company, what all workers value and why this company is existing on the market. Also, the same was discussed with the workers, who had the same vision on this topic as the owners. By analysing all of those ideas, the mission and vision were generated.

Earlier the company did not have anything except a slogan, which finally was transformed into the mission; basically the slogan was rewritten in a longer form. The slogan was “Best quality for a reasonable price”, and the mission statement became: “We want to provide excellent quality services and products for our customers, with the best price on the market”. When the formulation of the mission answers the question “Why are we on this market?”, then it is right.

Regarding the vision, it is necessary to mention the main targets for the mid- and long-term future which the company wants to achieve. During the interview with the business owners the main targets were clarified.

All of those targets are great when speaking about business development. Using them reveals the areas of focus when implementing a business strategy. However, for the vision, this is not exactly what is required. A good vision needs to answer the questions “WHAT you do, WHO benefits from this and HOW you do it.” (Blender 2017.) Therefore, after analysing the interview outcomes with the owners and workers it was decided that the company’s vision should be as follows: “Our vision is to be a number one in Finland by providing excellent customer service and the best cleaning solutions for our clients”.

Both of them, the mission and vision, are closely related to each other and, as stated earlier, are important to be implemented in the company. Also, knowing a perfect customer is crucial to implement the right business strategy for the future. While observing the process, the author discovered that not every employee in the company knows who is a perfect customer for Alfa-Cleaning, not even the management. This was found during the interviews because nobody had any clear idea who is a main customer. The picture of a perfect customer must contain information on, where this customer is situated, what type of company he has, and how many employees the company have, for instance. By understanding these points, the company will get a possibility to perform the right customer segmentation, which may be used for different purposes, such as marketing planning, events/promotions, and expansion into new cities. In such a company the best customer should be a company, maybe even a cleaning company, who have a great number of surfaces to clean, and who is not strictly limited in budgets and working forces. Such a customer will need various cleaning equipment and will be flexible in budgets. Usually, all these requirements relate to governments, parties, plants and cleaning companies, on which Alfa-Cleaning should focus. This more detailed picture was developed by a deep understanding of potential customers, which was achieved through observation and interviews.

4.4 KPI and measurement establishment

After the main strategy for the entire business was clarified, the next strategy step is to move to the KPI and measurement which will help to establish the reference point. As it was described in the previous chapter, in five years Alfa-cleaning wants to reach a new level of business development.

For all of targets it was easy to find the KPI and measurements which were needed. A turnover consists of sales, which is the first KPI, while it is quite important not to forget about profit, to avoid unprofitable business. Considering an increase in employees, it would be good to measure the total working hours in the company and the total working hours divided by all employees to get an average number, average salary paid by working hour and workers employed at the moment. Moving to the next target, it is necessary to measure the costs for outsourced services and company spending on marketing, for example and financial costs at the moment. After this the company will see how much they spend on such services, and it will be clear how much they are able to pay for an employee for the same work if this employee is hired. For additional points of sale, the company must know where their customers are and whether it is reasonable to open an additional business branch. One should not forget that it is possible to combine needs with possibilities. For instance, it is possible to rent or buy a place which will be an inventory, showroom and a sales point, at the same time which will reduce costs and provide a possibility to operate more efficiently. It is quite hard to single out any KPI. However, such aspects are possible to measure by a different analysis and strategy planning. The analysis was based on the theory described by Michael and Phillipa Bourne in their book: "Handbook of Corporate Performance Management" (Bourne & Bourne. 2011).

4.5 BI and Lemonsoft in the case company

After observing the Business Intelligence system used in the company, it was concluded that the current Lemon Soft solution is suitable for all needs and requirements of Alfa-Cleaning, as changing the system would require a quite high amount of investments. On the market there are such software providers as

Visma, Maesto and SKJ who may provide the same or even better solutions for the case company, but after a negotiation by phone with those companies it was clarified that implementing of any of those systems may cost around 10,000 euros and will require from 10 to 50 hours for data transportation from one system to another. The conclusion, agreed on with the owners, concerning this finding is described in the conclusion part of this thesis.

4.6 80/20 and ABC product and inventory analysis

After making an 80/20 and ABC analysis, the author of the thesis obtained important results. The analysis was done by using the information acquired from the Business Intelligence System and it covers all the wide range of products in both LLC/Oy companies. More than 2000 products were collected together and analysed in three different ways. Three different ways of analysis were implemented: highest sale, highest income, and highest turnover.

The first analysis, highest sale, was conducted to get information concerning the most important products in each of companies. The target was to find the products which generate 80%, 15% and 5% of the sales from a wide range of products. The main purpose of this was to show the most popular products, on which it is essential to concentrate while planning sales and marketing strategy. It is impossible to fit the whole analysis into this work, because it takes 44 pages of information, neither to provide any detailed information due to the privacy agreement with the company. Therefore, almost all the information in this chapter was transformed to general information and all details were excluded. However, the general understanding should be the same.

There are three groups A, B and C, where A generates 80% of the sales, and it is the prior group of products. The products in group A should always be available in the inventory and it is extremely important to control them regularly. Group B is the second in the priority list; that means that this group is also important for the business, but does not require a very close control like group A. The last group generates the rest of the sales. Basically, all of those products need to be analysed to find out whether to stop working with them or to change selling or marketing tactics. The management of the case company will take the

responsibility for the results of the ABC analysis. The detailed table was sent to the case company.

The second ABC analysis was conducted to analyse the income from the products. The target was to sort the products by the highest income. There were two main reasons to undertake this analysis: the first one was to find out the best products for the company which generate the highest income, while the second one was to find the products which are non-profitable. Thus, in this analysis the author added a fourth sub-group D, which consists of the products selling with loss

Relationships between the products in group A and B are quite similar to the previous analysis, which proves the ABC theory. There are around 13% of the products which generate 80% of the income. Also, there are differences in the best sales products and best income products; therefore, the list of detailed information is different from the previous analysis. Additionally, the analysis of group D, the non-profit products leaves out those products which were changed or replaced under the warranty, so, they are not included. All those products must be reviewed and analysed, to operate efficiently in the future. Detailed information was sent to the case company.

The third report was prepared according to the wish of the case company. The main target was to find those products which are used more than others. In this regard the third ABC analysis was conducted by using a measure of inventory turnover.

Analysis of group A consists of 7% of all products, which generate 80% of the inventory turnover. Group B generate almost 18%. Finally, there is Group C with the remaining 75% of the products. According to the theory, this analysis means that the products from group A should be controlled daily/weekly/monthly, depending on the management needs, while the products from group B monthly/quarterly and from group C once in six months or yearly. The periodicity depends on the business and purchasing policy; however, the main idea is that the products from group A should be always under control (Muller 2003, pp. 66-73.). All detailed results were sent to the case company.

As a result, it is clear that the ABC analysis is quite a useful tool in the performance and inventory optimisation and business strategy. By using it, it is possible to analyse and prioritise almost every aspect of business or business project. The interpretation of these results was presented to the case company's management and detailed results and analyse were sent to them via e-mail.

4.7 Online shop development

Online shopping is quite important in today's world. Quite many customers are switching to online every day, especially for simple purchases (Abboud 2014). Therefore, development of an existing online shop platform is quite important. It must be user-friendly, with fast processing and delivery time. If companies have a possibility to connect their IB software with an online shopping platform, then it is one of the most successful solutions. Besides, on the website there must be clear and full information about products; reviews are also quite important for customers. Quality images and easy navigation are also a must for a successful online store. Easy payment process and customer support providing a high-level customer service for each store are necessary as well. (Paymill 2013.)

After reviewing the current version of online store www.alfacleaning.fi the author concludes that it is not user-friendly. The same conclusion was made also by a market expert Jarkko Oksman, who is providing internet solutions for a large number of customers in Finland and the EU. All texts and buttons are big, there is no full description of all products and the product line is limited to less than a hundred products, while the product list offered by the company is more than a hundred products. However, the smartphone adaptation is quite good. When it comes to payment and delivery, there is no flexibility of payment (by card, PayPal or other services). Only online banking is possible, which presents limitations for some groups of customers. Furthermore, delivery costs are high: delivery of one light and small vacuum cleaner filter bag of 10 euros costs a minimum of 16 euros, which is more expensive than the product itself. On the other hand, delivery time is quite short within Finland, usually 1-3 days from the order day.

As a result, optimization of online store is obviously required to meet more customer needs. This sphere is quite important in today's business for every company. Alfa-Cleaning should think how to make the interface more user-friendly and which type of products might be important to add there. For instance, they may be some accessories for cleaning machines or repairing parts. Also, delivery expenses are not competitive because such platforms as www.puhtoshop.fi offer delivery starting from 4.90 euros for the same size and weight. Besides, more variations in payment systems are required for better customer service.

4.8 Business transformation

For business transformation the author analysed a majority of the case company's expenses and offered alternatives which may better meet the needs and offer better products or services for the case company. As it was described by Tracy (2016, pp. 133-145), there is a need to analyse the highest expenses in the company and then compare them with other service providers on the market. As it was found, the highest monthly expenses which are possible to influence are as follows:

- insurances (e. g. business, pensions and vehicles)
- health insurance
- phone costs
- warehouse rent
- banking costs
- leasing and credits
- office equipment
- car services
- marketing
- gasoline
- book keeping
- IT services.

All of them were analysed if there was enough information provided by the case company. Inquiries, possibilities and opportunities were presented to the case

company's management, which will be described in the conclusion of this thesis. However, some solutions were quite hard to obtain due to the lack of information and difficulties in negotiations with current service providers. In this regard, the author analysed marketing only based on usual and popular orders from other companies. More detailed information is provided in the conclusion chapter.

The office equipment was impossible to compare with other companies, since there is a monopolist company in Savonlinna. Leasing and credit was also impossible to analyse because of confidentiality of the information the author required. The reply to an inquiry from the insurance company was sent directly to the company's e-mail address, due to confidential information and was discussed later in the final interview with the owners. Such warehouse rent opportunities were not offered in that area, which could cover all needs and requirements of the case company, hence there were no results or analyses of this matter.

4.9 HRM optimisation

Human Resource Management was analysed by a combination of the Bob Paladino theory, Mike and Bourne Pippa theory and Brian Tracy HRM solutions. Analysis of the current situation started with an interview with Krister and Mika Kaasalainen by clarifying the current situation as to which employee is most needed in the company. According to Tracy (2016), it is necessary to make a prioritization. For more reliable results interviews with owners were conducted separately. However, results were the same.

Everybody in the company share the opinion that they do have everything required for high quality and efficient work. According to the Mike and Pippa Bourne theory, at the work place there must be the right people, at the right place, at the right time, with the right equipment, and in a favourable working environment with a suitable rewarding system, which are tangible elements of well performing employees.

The next step of the HRM analysis was to see whether the working vision of the management/owners matches with the employees' vision. In other words, the

author tried to find out whether the management have the same picture as the employees in terms of what they are doing and what the employees' responsibility area is, which are intangible elements of HRM in the company (Bourne & Bourne P. 2011). The results from this analysis and analyse projected of the Brian Tracy theory of HRM cannot be published here, due to the privacy agreement.

4.10 Marketing optimisations

As regards, during the observation a lack in post-sales and CRM was found, as well as in direct marketing. Also, the company do not concentrate enough on the B2C market. They do not make any marketing segmentation; neither do they have a detailed customer base, with is necessary for marketing data. During the interview with the CEOs, the author of the thesis tried to clarify whether they know where the biggest concentration of their possible customers is but did not receive any answer. However, as a positive aspect Alfa-Cleaning is carefully monitoring the competitors' situation on the market, the advantages and disadvantages of their companies, pricing policy and many other parts of marketing and competitor analysis. They also participate frequently in different shows and exhibitions in Finland, where they meet their potential customers.

As possible advantages, based on the theory, it would be better to rethink customer segmentation and make a better analysis of the market opportunities, which is missing at the moment. Moreover, concentrating not only on B2B, but also on the B2C market would be more effective.

4.11 ISO and EFQM excellence models

One of the most important parts in performance management is evaluation of business excellence. As it was described previously, some excellence models would be very useful for the case company. It would be beneficial for them to invite a commission, which will observe the company and possibly will certificate the business. Both excellence models indicate that a company has high performance, works perfectly and is a certificated service provider. This is often a guarantee for clients that this company is an expert in their area of business, provides premium customer service and places customers on the first place.

Moreover, during the preparation for certification, the case company may have a possibility to do an additional audition of the company's business, to ensure that every single process is working perfectly. Also, as it was said above, some governmental parties may require an ISO or EFQM certification to win a contract.

Basically, there is not much difference between ISO and EFQM, both of them have their own advantages and disadvantages. Therefore, the company's management may choose on their own which of the excellence systems to use. If there is a need, both of them may be implemented at the same time. More detailed information was presented in previous chapters and the decision will be presented in the conclusion of the thesis.

5 Conclusion and results

The results from this thesis work were presented to the owners in a six hours presentation, where the author of the thesis described in details all findings and possible ways how to improve the business and operations of the case company. After and during the presentation, the management discussed the findings and made already some business decisions, which will transform their company right away and, in the future, as well. The presentation started from the mission and vision which were created during the thesis work and agreed on by the business owners. The mission and vision are absolutely suitable for their business and provide clear information on what the company is doing and what the main targets of the company are on the market. Therefore, it was decided to use as a mission the following: "We want to provide excellent quality services and products for our customers, with the best price on the market". The vision was formulated as follows: "Our vision is to be a number one in Finland by providing excellent customer service and best cleaning solutions for our clients". The importance of a perfect customer picture was clarified and the management agreed to forward this information to every worker.

When we are move to the KPI, after presenting all findings and explanations it was decided to use as a Key Performance Indicators for the company development.

Therefore, to reach all the targets discussed during the first interviews, Alfa-Cleaning should measure KPIs. The management agreed that measurement of these KPIs will help to see the need for the future improvements and to control the company's progress.

A balance score card is the next step in the optimization process for Alfa-Cleaning. As the owners said in the interview, they do not use anything like BSC or any other tool in business strategy or business planning. The author highly recommends having a closer look at such tools, which are commonly used by many successful and effective companies. By applying such tools, Alfa-Cleaning will have an opportunity to analyse and see from different perspectives the picture of the entire business. Focusing on something specific is more beneficial than focusing on a wide range of targets at the same time. Optimising all BSC aspects will help to reach excellence in the business, which is a key for a successful company. The owners decided to study this topic deeper and think where it may be used and with what type of benefits.

When it comes to BI systems, the author presented breath inquiries from Maestro, Visma and SKJ, which all were around of the same amount of money. Together each of offers makes around 10,000 euros in expences. The owners decided that such an investment is not profitable at this stage, because of unnecessity. There are no urgent reasons to change the BI system. However, as it was discussed, they will keep those offers in mind for the future, when they are planning to expand their business and develop an online store.

The presentation of the inventory analysis results made the most impact due to the amount of analyzed data and simplicity of results presentation. The owners said that it was very easy to understand everything what was discussed during the interview and the results from the work are very important for them. It was mentioned that in the future the 80/20 theory and ABC analysis will be one of the main analysis tools in their company. Concerning the results, there were three main analyses made for both companies: the most important products, best income, and inventory turnover. The first one, the most important products, may be used for targeting from the whole variety of products, the most important ones to customers, in other words the best sellers. Using this analysis

the owners may implement better marketing and sales strategies. The second one, the best income, shows which group of products bring to the company the greatest income, as lack of the best income products may affect negatively on the business. At the same time this analyse showed that company made 250.000 euros of losses on products, where income level is above zero. Owners decided to inspect the whole list of those products as soon as possible, because they did not know about it and this group of negative income products cannot exist in high performance company. The last analysis, the inventory turnover, will be used by the owners to predict the turnover of products, which will give an opportunity to work more efficiently and make purchases based also on statistics and analysis, not only based on intuition and personal predictions.

The next part of thesis work concerned the development of the online shop, which the company currently does not use with the whole potential this market has. It was decided to compete the prices of online shop administration and optimisation. For this purpose, the author of the thesis negotiated with a Finnish company which is specializing in online shops and asked for an offer. The results were presented to the management of the company.

During working on the project, one of the most challenging parts for conclusion concerned marketing. To make an analysis, an interview was conducted with t marketing agency Grafical Oy, Managing Director Arto Tolvanen. The main aim was to clarify all expenses and marketing strategy Alfacleaning is using for the moment. After the conversation it was the clear who the main customer audience are and what type of marketing strategy the company uses for the moment. As it was described previously, the main customer is a company which has quite a big area to clean and a large enough budget to clean professionally. Currently the marketing strategy is oriented on marketing events, where the company is searching for potential customers and also via internet.

Concerning the business transformation results, during the whole process it the main expenses of the whole company were analysed, by segments which were described in more detail previously. For every segment there were agreed meeting with product or service providers for inquiry request and lately all inquiries compared with each other. The first analysed segment was business

insurances, which covers pensions, vehicles and business operation, for instance. Meetings were conducted with OP-Pohjola/Ilmarinen and Fennia. During tender comparison it became clear that Fennia cannot provide such wide services as the current insurance provider Lahi-Tapiola, neither can the competitor Op-Pohjola/Ilmarinen. However, the second offer from Op-Pohjola/Ilmarinen was around 30% more cost efficient than the current contract with Lahi-Tapiola. Which makes more than 10,000 euros of cost saving in year. The business owners decided to contact the insurance company for further negotiations. The next segment of expenses was health insurance, current insurance was compete with Terveystalo company and meeting was with Triin Kaivola. In this offer there were not any benefits, except a wider choise of health services, which Terveystalo may offer. Therefore, the Kaasalainen's said that they will keep this in mind and possibly will return to this topic. Concerning warehouse rent, which is a next high expanse in the case company, it was impossible to find any place, which absolutely meets all requirements of the company in the Savonlinna area, therefore, there was not any inquiry or offer. Banking costs and services were analysed from Oma SP and Osuuspankki in Savonlinna. Both offers were not specified for the case company, due to private information and bank secret. However, some general cost information was collected during the interview and contact persons provided to the case company management for the future negotiations.

One of the biggest analyses in business transformation was comparing of phone and IT services. Alfa-Cleaning have a wide range of different services and requirements, and solution offers were asked from Telia, Elisa and BLC in Savonlinna. For discussing all needs and requirements, three meetings were conducted with each of the companies. Beforehand there was a need to make an analysis of the current situation: phone services the company buys from DNA, while IT services from BLC. After the author had got the final offers, the analysis of them gave a picture that BLC does not have a better or more cost-efficient solution for the company, while Telia is not able to arrange all requirements. When it comes to Elisa, there was a need to make an extra meeting with area manager Riku Roitto, who provided an excellent package solution, which was better in quality and with a lower final price. This solution

wondered Alfa-Cleaning's owners and they said that they will definitely conduct further negotiations with Elisa.

Car services analysis based on discussions with service managers of local companies. In verbal offers they mentioned that they have different discount programs for companies that would be beneficial for the case company, since they do not have any discounts right now on car repair and wheel service. With gasoline companies, the author implemented a filter based on the company requirements, which left only two companies: Neste, which is the current gasoline provider, and ABC of the S-Group. S-Group sales manager Liina offered a great opportunity to make the business life easier for Alfa-Cleaning by opening an S-business card, which will provide a higher discount on gasoline, grocery and everything purchased from S-Group shops. The owners concluded that this offer will be better than the current offer and will be beneficial for future negotiations. The last group of expenses was bookkeeping. A meeting was conducted with Johanna Tapanila, Managing Director of Savonlinna Mediatili Oy, which is the biggest company in Savonlinna providing excellence and expert bookkeeping services for customers in different market areas. Even if the offer did not fulfill the requirements of the case company, it was decided to arrange a meeting with Tapanila. Hence, Alfa-Cleaning would possibly continue with another bookkeeping service provider. The business owners mentioned the great impact of the business transformation method on their business, which will be beneficial for them and also will give an opportunity to operate more efficiently.

The conclusion from HRM optimisation is that based on the three theory references there are quite many aspects in the case company which may be improved to increase the level of satisfaction of employees. All the detailed information were forwarded to the management of the case company and cannot be published here. During the results presentation the owners agreed that the HRM policy must be updated and they will work on it in the nearest time.

All the information about ISO and EFQM was presented earlier in this report, as well as differences, benefits and weaknesses. Management of the case

company agreed that it is crucial to implement at least one of those excellence models, to assure customers and partners that the company is efficient. They also mentioned the importance of the certifications for governmental orders. However, it was decided to come back to this topic, later, after some of the business optimisation methods from this thesis have been implemented and tested in the company.

After presenting all thesis results to the owners it was concluded that the work was impressive and very meaningful for their company. They said that the author of the thesis has analysed almost all their business operations and found numerous development possibilities in almost every part of operations. The owners think that it would be very unprofessional not to implement all suggestions which were presented. Also, the informativeness and simplicity of understanding were parts of the thesis work presentation. Krister Kaasalainen and Mika Kaasalainen said that they were not faced with understanding issues during the whole meeting, where the author of the thesis presented the whole work and findings.

As a conclusion, it is important to mention that the performance optimization map was presented to the business owners, which they may be use for future development of the business. Theory was narrowed to the case company and its operations. An optimization strategy was developed by using different but reliable data sources and was transformed for the special needs of the case company. The author offered ways how to improve the Alfa-Cleaning business and operations, by development of principal business divisions such as HRM, inventory, operational costs, insurances and excellence certification. For each of these processes the author presented at least one possible solution which may be used for performance optimisation. More detailed information was presented earlier in this report.

During the thesis work, thousands of literature pages were analysed, hours were spent in interviews with company workers, owners and other service-providing companies. The development strategy aims to increase performance optimization in day-to-day operations, to increase satisfaction of workers, who are most important for the company's sustainability and overall to increase an

excellence and performance of the company on the market. It is possible to conclude that the main target of this research was reached successfully, answers to the research question and all sub-questions were found.

The main research question was: How to develop the case company's business and business operations by using Business Performance Management theory? As it was described earlier, the author presented a business performance optimisation strategy, which may be implemented in the company to operate more efficiently. Therefore, the answer to the main research question was found. There were also sub-questions: Which steps does BPM process consist of? What type of BPM strategy must be implemented to get business optimisation results? What type of BPM techniques and tools are useful to reach excellence in business process and operations? What types of results are achieved by this work in the case company? The author found answers to all sub-questions and presented them in different chapters in the thesis work.

Concedering future researches, it is possible to conduct wider research on possible performance optimizations. There were also some barriers, as with marketing expenses analysis, since the author did not get access to such information. As it was described, this work consisted of only two of the three steps of business performance optimization. These were the steps of collecting and analysing information, and creating an optimization strategy, but the exact actions and future measurement of results were not included, as that would have made this work too wide. Thus, the implementation stage and future measurement might be suitable for further research.

Two different copies were made of this thesis, one for public use, which excludes some private company information, and a second one for company use, with the whole range of findings and figures.

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Appendix 1

BLC. DD. Interview Savonlinna. 23 March 2018

Elisa. EE. 20 March 2018

Fennia. FF. Interview Lappeenranta. 20 March 2018

Issakainen J. Alfa-Cleaning Oy. Interview 20 January 2018

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