Towards Software Sales Success

Case: Comparison of Successful Business Practices of Nordic Sister Companies Selling Software X.

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ABSTRACT


The aim of this Master Thesis is to help Company A find new ways to achieve substantial success in the sales of Software X in Finland by comparing the methods and practices applied in its sister companies selling similar software. Software X is sold by Finnish Company A, Swedish Company B and Norwegian Company C. All three companies belong to a Nordic Group Y. The products included in the research are all the Software X launched in Finland.

For carrying out the research, different aspects such as sales growth, best business practices in terms of finding success in sales, and obstacles and challenges organisations face when selling software were studied. The choice of topic was based on the researcher’s interest in increasing the market share of Software X in the Finnish market.

Similar to most case studies, the material of this thesis included reviews of existing historical material as well as personal interviews. Six semi-structured interviews with the representatives of Company A, Company B and Company C were used for data collection in this qualitative single-case study. Secondary data included data from different books, articles, journals and internet sites.

The main findings suggested that the organizational structure of Company A is the biggest obstacle for the success in Software X sales in Finland, but additionally the company should employ its own people and further develop the training and motivation methods of its sales representatives. The Swedish and Norwegian interview forms, empirical findings and the analysis of the interviews written out in Appendix 1, Appendix 2, Appendix 3 and Appendix 4 respectively are considered to be confidential information and, therefore, they are not published in the version accessible through the Kemi-Tornio University of Applied Sciences Library databases.

Keywords: Software sales, sales growth, best practices, challenges, success factors.
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1 INTRODUCTION

This chapter is devoted to an introduction of the background of this thesis work. The purpose of the research as well as the research questions and the researcher’s views on the matter are presented. At the end of the chapter the readers can introduce themselves to the structure of the thesis.

1.1 Background and Motivation

Today’s sales organizations face multiple challenges; externally or internally driven, or ones caused by both influences. External challenges such as changes in industry structure, global prices, demand, regulations and buying behavior of customers have an impact on the way of selling and conducting business. The internal challenges that sales organizations confront differ from the internal pressures in reducing costs or increasing turnover, to handling the effect of mergers and acquisitions in the company. Globalization, declining prices, and constantly tougher competition are just a part of the big picture, which has an impact on the sales success of a company. Finding the best practices of sales is therefore not only a challenge for business but a necessity for survival. (Marone 2005, 1 – 2.)

Software X (pseudonym) products have achieved success in sales in the neighbouring Norway. In Sweden, Company B (pseudonym) is the market leader in offering bookkeeping software to Swedish SME’s (Company B 2009), but the sales share of Software X products is small compared to other Company B’s software products in the country. On the basis of my own knowledge acquired while working Company A (pseudonym) in Finland since 2008, the beginning of the company has been quite positive and there are already satisfied customers, but still there is the final boost missing from the sales of Software X products in Finland. To find this final boost, it is necessary to take a look at the organisational development of Company A to have an understanding about which actions have led the company to the current situation, and what could be done differently in the future. Additionally, a comparison of the business and sales practises between the three sister companies in three Nordic countries will be done to show possible differences and/or similarities in them. This information enables the analysis of whether the possible successful practises in the other market areas could be turned to Company A’s advantage in the Finnish market.
The reason for the choice of topic derives from the interest in increasing the market share of Software X in the Finnish market. The market situation for companies selling software designed for small companies in Finland is rather unilateral, because at the moment one company, Competitor AA (pseudonym), is basically controlling the whole market. There is need for competition to enable the small companies in the market area to have more options from which to choose their software. The interest for this thesis therefore is to search ways to adapt the business and sales practices of Company A to the Finnish market so that the potential customers find the software and become users.

1.2 Methodology and Objective of the Thesis

This study is an intensive qualitative research on companies inside Nordic Group Y (pseudonym): Finnish Company A, Swedish Company B and Norwegian Company C (pseudonym). Besides the common parent company, these companies have the same sales articles as well: Software X. The specific topic of this Master Thesis is Sales Growth. The focused topic deals with finding the best practices for ensuring the sales growth of Software X products for micro companies in Finland. This case study is based on a problem situation, where the reasons for unsatisfactory sales volume of Software X products in Finland are investigated. In cases problem situations result from actions, processes, activities, or forces that are not understood (Ellet 2007, 119). Further, as was discussed above, the practices used in Sweden and Norway will also be under scrutiny.

The specific objective of this work is to find new ways to achieve a substantial growth in the sales of Software X in Finland. The sales budget was budgeted to be five times bigger in 2010 compared to the actualized sales in 2009 (Interviewee F 2009). To achieve the budgeted sales, new suggestions to Company A’s business practices and marketing strategizing should be found. In this thesis the company’s sales progress as well as the business development will be investigated. The same issues will be then studied regarding the sister companies of Company A in the neighbouring Sweden and Norway. These companies have been successful in their markets, which motivates this research to concentrate on finding out if their operational and sales practices could give an insight into what could be done differently in Company A today. The suggestions rising from this research will be put forward to the company management of Company A to help boost the sale of Software X products in Finland. This is the biggest challenge
the company is facing at the moment. The products included in the research are all the Software X launched in Finland by the time of this research; invoicing software Software X Invoicing, Software X Bookkeeping, Software X Time Management and online solutions Software X Homepages and Software X Webshop.

1.3 Research Questions

The main question to be studied in the thesis is the following:
- What are the necessary changes to be done in the strategic practices of Company A to improve the sales of its software in Finland?

There are five sub questions as follows:
- How did the success of the companies selling Software X products in Finland, Sweden and Norway started?
- What kind of challenges has there been in the Nordic countries and could those problems be avoided in Finland?
- What are the biggest obstacles for sales success in Finland?
- What kinds of practices have enabled the biggest sales growth in Sweden and Norway?
- What kinds of successful sales practices could be applied in the Finnish market?

1.4 Main Findings

The main findings of the study indicate that the organizational structure of Company A is the biggest obstacle for the success in Software X sales in Finland. Additionally, the company should employ its own people and further develop the training and motivation methods of the sales representatives. They should be able to fully internalize different stages in the sales process, the products to be sold as well as the target segment in general.

Company A has experienced similar challenges than both Company B and Company C have, and that information should be used in advantage for future launches in new Software X countries. In addition to similar challenges, Company A has been much less supported by its stakeholders than its Norwegian sister company.
More research is suggested for finding out if cultural differences between Software X countries can have an impact on applying similar sales practices to each market. Conducting company, market, competitor and environment analyses is advisable. Further investigation could also be done for applying the results of follow-ups of Norwegian campaigns in Company A.

In compliance with the case company’s instructions, the interview forms, the empirical findings and the analysis of the interviews are regarded as confidential information. Deriving from this requirement, the Swedish and Norwegian interview forms, the empirical findings and the analysis of the interviews are written in Appendix 1, Appendix 2, Appendix 3 and Appendix 4 respectively and they are not published through the Library databases of Kemi-Tornio University of Applied Sciences.

1.5 Outline of the Study

The thesis continues in the second chapter where the theoretical framework for the study is presented. In the third chapter, there is an introduction of the research methods, the interviewees of the case study, and the structure of the interviews. Chapter 4 provides the conclusions of the work. Here the most important findings are summarized.

The appendices are considered confidential information and are not published in the KTUAS Library database. Appendix 1, i.e. SWEDISH INTERVIEW FORM presents the interview questions stated during the interviews of the Swedish interviewees. Appendix 2, i.e. NORWEGIAN INTERVIEW FORM presents the interview questions stated during the interviews of the Norwegian interviewees. Appendix 3, i.e. EMPIRICAL FINDINGS introduces the case companies in Finland, Sweden and Norway. Each case is introduced in a separated subchapter. Appendix 4, i.e. ANALYSIS OF THE INTERVIEWS presents the empirical findings connected to the theoretical framework.
2 THEORETICAL FRAMEWORK

This thesis explores the issues that can have an impact on the sales of Software X in Finland. Therefore, to find answers to the research questions presented in the beginning of the thesis, this chapter explains from the theoretical point of view the external and internal issues that can have an impact on the company’s sales figures. The first subchapter is an introduction to the world of sales. The following two subchapters about prospecting and customer acquisition create understanding about the challenges that can be faced in the company when trying to find new customers to increase the sales. In the last subchapter the impact of the sales personnel on the sales is discussed in order to point out how important the choice and motivation of the sales personnel is to the company’s success.

2.1 Behind the Sales

Before a company begins exploring different ways in finding new potential customers and defining their sales process, it should build a strong basis for its business. Company needs a vision, which requires strategy, which demands for planning, and the planning needs action (Kotler 2003, 99). Starting point analyses are tools to map factors that can have an impact on company’s success. These include analyses such as company, market, competitor and environment analysis. (Rope & Vahvaselkä 1994, 90 – 92.)

A marketing plan is a plan of action that consists of situation analysis, objectives, strategy, tactics, budget and control (Kotler 2003, 99). According to Kotler (2004) there are ten issues that can ruin the marketing of the company. If the company (a) is not market- or customer oriented enough, (b) does not understand its segment, (c) has not indentified the competitors, (d) has not done sufficient PR, (e) is not good in finding new possibilities, (f) has insufficient marketing plans and planning processes, (g) does not have suitable product and service policies, (h) is weak in building brands and communicate, (i) is not able to conduct an efficient and effective marketing and / or (j) is not using maximum technology, the success in the market will be harder to achieve. (Kotler 2004, 7 – 8).

The 4P, product, price, place and promotion describe the traditional tools for the company to have an impact on their sales (Kotler 2003, 91). The 4P can be
complemented by 4C, customer value, customer costs, convenience and communication that are issues from the customer’s point-of-view (Lauterborn 1990, 26).

2.2 Successful Prospecting, Successful Sales

There are different ways in finding the potential customers, and this section leads into a more specific field of prospecting techniques and sources. From the point of view of the empirical findings of this work, prospecting plays a significant role when comparing the cases and, therefore, presenting alternative ways of prospecting in a theoretical point of view is considered essential here.

Prospecting, the search for potential customers requires an identification of a customer needing and affording the product. Sources of prospects are multiple. They can be found for instance through market studies, by asking suggestions from the current customers, from competitors, and even in articles and announcements in the press. (Tacis 1996, 11.) In prospecting a positive decision about where, when and how to go, is made. According to Strafford and Grant (1986), to get success at prospecting, there needs to be a flow between the four following stages: (a) the unknown potential is surveyed, (b) the prime prospects with established needs are selected, (c) hot prospects with a need to buy immediately are selected and at last (d) the customer is acquired. (Strafford & Grant 1986, 164.)

Investigation made by a sales team needs to cover questions such as if there is need or want for the product, and whether the prospects can afford it or not. The prospects are then screened to poor prospects that are weeded out, and to qualified prospects with relevant facts about the potential customer, such as company names and addresses, current purchasing practices and background details about people responsible of purchasing. (Tacis 1996, 11.) Page (2002) lists reasons for unqualified prospects to clarify how important it is to pick a battle that can be won. The listing includes issues such as not being able to solve the customer’s problem, having no access to decision making power, running into a decision-making process unsuitable for the seller, not having enough resources for adequate pursuit and having better sales opportunities elsewhere. (Page 2002, 74.)
Kasper (2002) divides the prospects into three elements as follows: The authority for making decisions, control over the budget, and a need for the service or product. The sales representative needs to determine the prospects and the suspects. Suspects are missing one of the three abovementioned elements. (Kasper 2002, 3–4.) According to Strafford and Grant (1986), the determination of prime prospects can be done by a three-point test. In the test, the answers to the questions whether the prospect can afford the product, whether he has the authority to buy and if there is a significant need for the product, are searched upon. (Strafford & Grant 1986, 165.) A system can be created for following up prospects to rank the targets in order of potential opportunity and to record their details. Leads should always be followed up with a call or an e-mail. The aim is to build the biggest network of contacts possible and keep it breathing. (Gorton 2007, 136.)

After a lead is generated, the sales representatives start dealing with rejections and objections from prospects despite many attempts in closing the sale. Webb (2006) suggests taking action that generates resistance and then trying to overcome it, instead of seeing everyone as a prospect. He urges to take action that prompts real prospects to identify themselves. Becoming customers would then happen gradually by giving them the needed help in solving their problems. Webb’s ABC-model (Always Be Closing) makes sense only if one believes in one-shot, high-pressure selling. It will generate resistance, when again the process approach – adding value to prospects until they are ready for purchasing decision – does not. (Webb 2006, 159–160.)

2.2.1 Prospecting Techniques

There are no correct answers to the question of which prospecting techniques are most likely to work. Every business is different, which makes measuring the effectiveness of prospecting and promotional activity very important. (Gorton 2007, 123.)

Direct mailings get the company name better recognized, but are expensive and have a very low rate of return if the target group is not extremely carefully researched (Gorton 2007, 126; Kotler 2003, 140). On the basis of my experiences both in business and personal life, direct mailings seem to be becoming more and more out-of-date in today’s quickly digitalized world of business. The traditional posted advertisement can also be
associated as a waste of resources in a world where it is considered very important for companies to be aware of their ecological footprint.

Telephone prospecting is a technique that can be expensive and still produce a low hit ratio. However, cold calling is sometimes necessary and during particularly tough times possibly the only way to improve the situation. (Gorton 2007, 126 – 128.) According to Leppänen (2007) phoning to prospects is more effective than sending direct mail (Leppänen 2007, 63). In Gorton’s opinion, sending direct mail in order to get the target prepared for a phone call does not have much to do with success and can even create negativity with the recipient if they cannot remember receiving it. (Gorton 2007, 126 – 128.) However, when done correctly, telephone marketers are able to use the time spent on telephone to find new ideas and learn something new from the markets (Kotler 2003, 127).

Referrals are the cheapest and most effective method of a tight budget prospecting. They are based on a job well done and are therefore powerful introductions to potential customers. The power in referrals lay in listening to a friend or a respected colleague instead of a sales representative. (Gorton 2007, 137.) References add company’s credibility and separate the company from its competitors (Vahvaselkä 2004, 137). Especially in invoicing and economy software purchasing process the references from the bookkeepers are highly appreciated. After Ronkainen (2008) had listed the top three software choices for the client company in his research, those choices were then more carefully explored with the bookkeeper of the client company. The reference companies announced by the software providers were also interviewed (Ronkainen 2008, 36). This only reaffirms the importance of wisely chosen referrals. According to Gorton (2007) the best time for the sales representative to ask about referrals is when the customer has just ordered a product (Gorton 2007, 140). My personal view about the timing differs from that of Gorton’s. In my opinion the referral is more powerful, when the customer has already been able to use both the product and the possible services attached to it for a while. They have been able to form a solid opinion about the products and services, and their positive attitude towards them and the company is based on a real-life experience. Contrary to Gorton’s opinion, I think it can be even dangerous to ask for a reference before the product has been properly used by the customer. If the customer would find the product later not suitable or even a bad solution to their problems, having them as a referral would pose a high risk for the company.
According to the Chartered Institute of Marketing, networking is the best way of creating word-of-mouth that brings sales in. Effective and easy networking requires thorough preparation, clear objectives, and personally represented and practiced conversation skills, not to mention early arrival to the happening in question. (Gorton 2007, 131 – 132.)

2.2.2 The Internet as a Source of Prospects

The Internet enables virtual networking and the cost is from zero to small (Gorton 2007, 137). According to Paananen (2006) there are potential customers available in the Internet despite the business area. In average Finnish people use the Internet more than they read the newspaper, and over a half of the people using the Internet also use the search engines. (Paananen 2006, 10.) For instance most of the software listed in a research that aimed to finding correct economy software for a small Finnish enterprise, were found with the help of Internet search engines (Ronkainen 2008, 39).

For boosting sales, the use of the Internet has many advantages. It makes the business round the clock, reduces sales and marketing costs, widens the possibilities for advertising, broadens customer reach, enables customer and competitor data collection as well as the increase of sales and market share (Kotler 2003, 35; Kourdi 2003, 197). The Internet allows a quick evaluation of products, which leads to the use of product and technical experts for greater value-added activities. It enables quick and cost-effective sales systems without sales people intervening, providing immediate responses to enquiries, reducing the lead time for sales, ensuring accurate hand-over of order details, and saving time and effort in handling orders. (Kourdi 2003, 198.) However, the Internet makes buying more efficient as well, when more suppliers are found with less inconvenience (Kotler 2003, 35). This creates challenges for the selling companies to find ways to stand out from the crowd. However, no matter which sector the company is in, Internet activities should be integrated into the whole business (Kourdi 2003, 197).

The purpose of the company website is to unlock potential customers. The website should be focused on creating a path of communication which can be used to build trust, and to make that path as useful and accessible as possible. (Gorton 2007, 156.) Kourdi (2003) introduces seven techniques to boost Internet sales: (a) generating participation,
ownership and commitment within the entire company, (b) ensuring that the online sales strategy enhances existing activities and learns from past experience, (c) simplifying the customer's sales process experience, (d) ensuring the irresistibility of the website, (e) focusing on flexibility and efficient personalization, (f) avoiding duplication and past mistakes, and (g) preparing internally for the becoming changes due to the Internet sales strategy. (Kourdi 2003, 199.) Kotler (2003) talks for the simplicity as well. Customers need to find information; simply and easily and quickly. (Kotler 2003, 38.)

E-mail is a key part of Internet marketing. It is a tool that communicates directly with potential customers, is free of charge to send, allows personal messages, reaches the whole globe within seconds and provokes a prompt response. The website should provide a way to collect as many e-mail addresses from as many visitors as possible, with a permission to use them. Getting e-mail addresses needs to be quick and simple, and with a value-adding inducement provided. Messages should be personal and add value for the potential customers, and the mechanism for unsubscribing should be easy. E-zine, an Internet newsletter, contains articles with useful information and is a viable way of regularly reminding people about the company. (Gorton 2007, 156 – 161.)

2.3 Customer Acquisition in the Sales Process

There are countless studies and models for sales processes in the world of sales and marketing strategizing. Nevertheless, the sales cycle is always expected to end to the same conclusion, a sale. In this section findings about different methods in closing the deal from different researchers are presented. At this point it is necessary to clarify the variety of sales challenges in diverse business and sales environments to be able to understand and analyze the sales practices in the case companies presented later in this thesis.

2.3.1 Sales Process

A successful sales generally include six vital functions; prospecting, customer record and feedback maintenance, self-management, services, relationship management and complaint handling (Tacis 1996, 9). The company’s sales cycle should be defined in terms of the phases unique to the company and industry in question (Page 2006, 112). In software industry also the elements of the application have an impact on the sales
process. Hilska (2008) divides software applications into three categories: (a) software projects customized on the preferences of the customer, (b) software services with minor adaptations and (c) standardized software products (Hilska 2008, 8). Each Software X is a standardized package product designed for mass markets.

There are countless sales cycles available. Nevertheless, it is obvious that in general selling is seen as a process. Figure 1 introduces an example of a sales cycle (SMP Strategies 2010). It shows the selling process as a step-by-step circle, which supports the findings about sales processes later in this chapter. Like in processes in general, there is a beginning, middle and an end. However, the specific steps inside the process vary between industries and customer situations (Kasper 2002, 8).

Figure 1. Example of a Sales Cycle (SMP Strategies 2010)

Out of all the phases in the sales cycle it may be hardest to get the prospect or customer to return to the seller. With this problem an inordinate amount of time is spent. Scenario planning can be used as a sales cycle shortening technique, because it aims at saving time when preparing for the unknown. Rehearsing with this tool, all the possible outcomes, objections, responses and questions from the customer can be identified. (Kasper 2002, 83.) Kasper (2002) introduces a model A.R.E.B.A to squeeze the sales
cycle so that a discussion with the prospect can be started with as few telephone calls to them as possible. The model is an acronym for Approach, Reason, Explain, Benefit, and Ask. (Kasper 2002, 55.) For comparison, Page (2006) refers to a R.A.D.A.R. process for winning a complex sale (Page 2002, 49). Kasper’s (2002) Approach includes the sales representative introducing themselves and the company, asking about timing, and presenting the Unique Selling Proposition. The Reason means telling the prospect the reason for the call. The Explain covers an explanation about what normally is done at the interview, which aims to passing the uncertainty or threat stage. In the Benefit stage the prospect is informed of the list of benefits after a thorough discussion with the sales person. (Kasper 2002, 56.) It is important to note, however, that the fast evolving information technology environment can make customer need evaluation quite challenging (Hilska 2008, 7), which can lead to quite rapidly varying benefits. The last phase of the A.R.E.B.A. process, Ask, closes the model with a question for an appointment (Kasper 2002, 56).

Page (2002) starts his R.A.D.A.R. model by finding out the clients pain; the problem to be solved. It is followed by qualification of the prospect, building competitive preference, determining the decision-making process and indentifying the power in the prospect. At the end the plan should be developed and communicated. (Page 2002, 53 – 120.) The timing, i.e. doing the right activities at the right times during the sales cycle, is critical. The sales personnel should be coached to understand the sales cycle in such a way that they understand how to execute actions most effectively, who to focus their efforts on, and why certain activities should be done. (Page 2006, 113 – 114.) Vahvaselkä (2004) introduces a Finnish viewpoint for selling by dividing the sales process to planning and preparation phase, contact phase, negotiation phase, closing phase and after sales marketing (Vahvaselkä 2004, 142). However, whichever the model, according to McCormack (1995) the sales process is and will always be based on the following phases: (a) finding a need, (b) knowing the product, (c) believing in the product, (d) reaching a mass of prospects and (e) asking for the order (McCormack 1995, 147).

There are different methods in approaching the prospects. The introductory approach where the sales representative introduces himself and the company is the most frequently used method, but also the weakest. In the assessment approach the sales representative is positioned more as a consultant, asking for further information or
permission to investigate the problem of the prospect’s company further. The product
approach is useful when the product is unique, and the sales representative will be
informed on an early stage if the prospect has no need for the product. When the benefit
for the prospect is emphasized, the approach is referred to as the customer benefit
approach. In the consultative approach the sales representative positions himself more in
the role of an expert and problem solver, than that of a seller. The referral approach
requires a reference from an old or a current customer to provide an access to the
prospect. (Tacis 1996, 12.) On the basis of my working experiences within software
industry, the software sales methods are a combination of assessment, benefit and
consultative approaches. When selling software designed for a wide spectrum of
companies, also introductory approach is used.

It is important to make clear from the start, which part the contact person is playing in
the process. One of the differences in software industry compared to traditional
industries is that the customer and the user of the program may actually not be the same
(Hilska 2008, 6). Especially in sales processes that can continue for months, it is vital to
check if the contact person on the customer’s side is the one making the decision
(McCormack 1995, 88). In Kasper’s (2002) description of a standard sales cycle the
whole sales process starts with an identification and effort to uncover and penetrate a
prospect by trying to get in discussion with the decision maker or a person with the
influence for decision making. Finding a correct person can be hard because there can
be many people within the customer’s organization influencing in major decisions. Not
only should a sales representative find the decision makers, but possibly impress
different committees as well. (Kasper 2002, 3.)

After presenting the product and convincing the prospect about its advantages, one can
expect objections. They are raised in almost every presentation. (Tacis 1996, 12.)
Objections need to be accepted as natural, inevitable interruptions in the sales process.
They can be observed as an indication of interest, and also to show the prospect’s
attitude, needs and understanding. (Strafferd & Grant 1986, 179 ; Leppänen 2007, 95.)
Objections can vary from real, valid objections such as justification of cost or need, to
invalid objections including for example prejudice. There are different ways of dealing
with objections depending on the quality of the objection. It is important to remember to
listen, give convinced answers, to never argue and to avoid misunderstandings, both ask
and answer questions. (Strafferd & Grant 1986, 179 – 181; Vahvaselkä 2004, 164 –
Using the “agree-and-counter” technique can create a climate of agreement instead of a conflict, when the sales representative understands the prospect’s views and gives them alternative arguments accordingly. (Tacis 1996, 12-13.) When an objection has been dealt with, a closing question should always be asked (Strafford & Grant 1986, 181). On the basis of my working experience in software customer support one common hidden objection appearing during software sales could be the customer’s insecurity in using computers. The technological development can be a challenge for SME’s, because the IT knowledge and resources are small in companies of that size (Kettunen et al 2001, 51). It can be interpreted from this argument, that the situation is the same, if not even worse in the micro segment, which is the target market for Software X. Therefore, it is important for a sales representative to be able to locate these hidden objections, because when found, they can easily be overcome with just a little assurance. When not found, they can be strong enough an obstacle to keep the process from never leading to a sale.

To keep the potential customers feel they are respected, interrupting during objections should not be done. Listening to the customer will give the prospect a feeling of an appreciation about the seriousness of the problem they are having, and the sales representative in return will have a clear and full understanding about the prospect’s situation. (Tacis 1996, 12 – 13.) A successful sales representative listens more than talks, because this way he learns more about his customer (McCormack 1995, 25; Leppänen 2007, 72). Listening as well as asking is especially difficult for Finnish sales representatives. With few specific questions added it is the most effective method of steering a conversation, because it helps in finding for instance the customer’s hidden needs. (Vahvaselkä 2004, 134.) In his research for finding suitable software for his client company, Ronkainen (2008) states that the purchasing process could have been improved if they had informed the software providers about the reasons for changing the current software solution. This way the software suppliers could have been able to understand the holistic situation better. (Ronkainen 2008, 40) The sales representative needs to know the needs of the prospect (Tacis 1996, 13). It was not stated in Ronkainen’s research whether the sellers did all the talking and therefore did not hear the hidden needs of the customer, or if they was merely unskilled. Asking the correct questions, listening to the issues left unsaid and understanding the customer’s problem is a skill of a successful software sales representative.
Closing is the logical conclusion to a sales presentation. The sales representative should try to close the deal right from the beginning. A skilled sales representative can remove the uncertainty of the prospect’s decision-making situation and the carefulness of spending money. (Strafford & Grant 1986, 183.) Concluding the sale requires recognizing the specific verbal buying signals. If the prospect’s reactions are positive, the conclusion is close. (Tacis 1996, 13.) Vahvaselkä (2004) lists six methods for closing a sale: (a) ask directly, (b) suggest action, (c) give options, (d) use “if”-phrase, (e) allow decision-making step-by-step and (f) ask for a preliminary order (Vahvaselkä 2004, 170 – 171). After the question, no further talking should be done, but to leave the rest to the prospect (Strafford & Grant 1986, 183; Leppänen 2007, 97).

The model of the anatomy of a sales call in figure 2 shows the main structure of the sales presentation described earlier (SMP Strategies 2010). It is clearly seen that all sources presented in the previous subchapters show the process in similar steps, with just a few variables added per researcher. However, it is important to understand that despite many common stages between the processes, there most certainly will also be differences. (Kasper 2002, 8 – 9.)

Figure 2. Anatomy of a Sales Call (SMP Strategies 2010)
2.3.2 Sales and Purchasing Side-by-Side

Besides understanding the rhythm of their own sales cycle, it is beneficiary for the sales representative to also understand the process that their potential customer is following. According to Kaskela (2005) the software purchasing process can be divided in two parts. The planning part starts with defining the company’s requirements. The company should see the purchase as an investment, allocate the information needs inside the company, and create documentation with requirement needs for the software supplier. The second part is the executing part. When the possible suppliers are found, the offer requests are created. The comparison of received offers leads to the choice of supplier and closing the deal. In the end there are the stages of implementation and managing the investment, i.e. the software. (Kaskela 2005.) Obstacles for buying are for instance the sales representative, the company he represents, the products and services to be sold, price, the timing of purchasing as well as customer’s own personal attributes. Sales representative should be aware of all these factors. (Vahvaselkä 2004, 139; Leppänen 2007, 90.)

It is not possible to name only one issue that is always the crucial point when purchasing software. In his research Ronkainen (2008) has compared different economy programs in order to find a suitable choice of software for his client company. The choice was based on the features, price and usability of the software as well as its ability to be expanded in the future. The features of the program were of highest importance out of all the factors. (Ronkainen 2008, 29) This is a good real-life example of a purchasing process where for instance quality, that is usually a widely respected feature in a product, had not been mentioned as a meaningful factor of choice. This small example shows how various the factors that different companies appreciate in software can be. What may act as the most important factor for one company may not be even in the top five of the list for the other. A skillful sales representative knows which questions to ask already in the very beginning of the sales process to be able to have a clear view about the factors bringing value to the potential customer. The solution for customer’s problem can be discovered only by listening to the customer, which requires less talk from the seller and more listening on what the customer has to say (McCormack 1995, 30).
2.4 The Power of the Sales Force

As was stated in the previous sections, there are several issues impacting on the choice of sales practices in the company. One of them is the sales personnel. The employment criterions, personnel training strategies and even location of sales team members can have a remarkable influence in the amount of sales. Therefore different studies about the importance and roles of the sales personnel are seen valuable to be presented.

A company’s success is crucially impacted by the effectiveness of its sales force. The sales representatives represent their company and are largely responsible of the generation of revenue. (Tacis 1996, 8.) The role of the sales personnel is to sell the company’s products and services to new and existing customers (Cichelli 2004, 1). According to McCormack (1995) the sales representative’s knowledge of the products is vital for sales success. Other important characteristics of a successful seller are ability to listen the customer, to get to know them and their needs, to set realistic goals and to promise less instead of too much. (McCormack 1995, 25 – 28.)

The main activities of sales organization are sales planning and sales operations. Market research needs to show what the customers want, and with it product, distribution, promotion and sales force management answer to questions such as what, where and how. Sales organization should have proper relations between responsibility and authority, and they should not be confused nor given one without the other. (Strafford & Grant 1986, 39.)

A modern sales force is complex, while several companies sell through multiple sales channels. Besides the traditional territory sales representative today’s customer coverage model includes also telesales, major account sales, product overlay specialists, and partner management. Products vary from physical products to services and solutions, and the sales revenue can include also rental, lease, product usage revenue and maintenance revenue. Contrary to yesterday’s organizations, nowadays sales organizations can also be integrated with customer contact units such as Customer Service and Collections. (Cichelli 2004, 1.)

In Gorton’s (2007) view, training the sales representatives is an expensive and skills-intensive process (Gorton 2007, 124). To find talented and motivated employees not to
mention keeping them employed, is a key for successful business (Kotler 2003, 177). The most common mistake is not to train the sales personnel early enough (Page 2006, 48). For a company that needs to employ sales people, has to choose a right type of person. Gorton (2007) refers to two categories of types: ‘Hunters’, who are highly active people in seeking new business and bringing it back in, and ‘farmers’, who are less active in bringing in new business but excellent at building and maintaining ongoing relationships (Gorton 2007, 124). McCormack (1995) refers to proactive and reactive sellers. Proactive sales representatives actively create their own ideas for different projects, find customers and inform them of their needs. Reactive sellers use the ideas of others or copy the competitors, and are mostly recipients of incoming purchasing needs. (McCormack 1995, 117 – 118.) For the company to grow, it needs Gorton’s ‘hunters’ (Gorton 2007, 125). However, if the resources allow employing also a ‘farmer’ or two in the growth phase of the company, it might be worth the investment. Having sales representatives with a mindset of building long business relationships and finding additional sales possibilities out of existing customers bring value to the company in a long run. Especially in a software industry long-term relationships are the ones bringing in money in a form of annual maintenance fees.

Companies that are known for generous paychecks not only attract the most skillful people, but also have smaller turnover, smaller wage costs due to high employee commitment, and smaller training costs (Kotler 2003, 177). Vahvaselkä (2004) states that in expert organizations, such as companies in software industry, money rarely is the motivator. Challenging and variable tasks, development and publicity of the work and latest technical equipment are regarded more motivating than high wages. (Vahvaselkä 2004, 58.) In their study of reward systems as motivation factors for sales personnel Janhunen and Lehtoranta (2008) state that both economical and non-economical factors were equally important for motivation (Janhunen & Lehtoranta 2008, 32). Kotler (2003) agrees with this finding. According to him the financial compensation is only one part of a successful human resources. (Kotler 2003, 177.) Page (2006) claims that if a sales representative does not have certain motivators, there is no use for motivational speeches and cheerleading. These factors are (a) products that really help the customer, (b) solutions that have relative strengths to win, (c) a good compensation for the job well done, (d) trips as a sign for peer and management recognition, (e) personal standards and drivers such as ambition and ego, (e) a good management that can be
trusted and that allows opportunity for personal growth, (f) achievable goals and (g) a support organization. (Page 2006, 241 – 242.)
3 METHODOLOGY

In this chapter, the research methods and reasons for the choice of methods will be presented. The reader will be introduced to the interviewees of the case study, as well as the general structure of the interviews. The collection of data has been divided into primary and secondary data, which both will be explained.

3.1 Approach

The aim of this study is to do an intensive qualitative research on three companies selling Software X inside Nordic Group Y: Company A, Company B and Company C. Qualitative methods share a long history with business and management research. Cassell (2006) refers to a wide variety of authors such as Crompton and Jones (1988), and Boje (2001) who have highlighted how remarkable a contribution qualitative research can make to the field, suggesting that when utilising qualitative techniques in research there are chances to find such new ways to approach different issues that may catch the interest of both the management and researchers. (Cassell 2006, 290 – 291.) As most case studies, also this research is done by reviewing existing historical material and interviews. The case study method has many similarities with historical review, but differs from it with possibilities of direct observation and interaction (Ghauri 2004, 111.) This case study aims at not only catching the interest of the management of Company A, but also giving an input to the company’s decision-making process and future planning.

The number and choice of cases to be studied are to be chosen according to the research problem and the research objectives in question (Ghauri 2004, 114). As the problems in cases are complex, for diagnosis it is essential ask how many causes are sufficient for the study (Ellet 2007, 52). This thesis includes three cases that will be cross-compared to isolate possible themes or patterns in their business and sales practices. Finding similarities in practices that have enabled success for the sister companies can be of use to the practices in Company A. Retrieving good background information is considered possible, which enables the use of the case method. Additionally, out of options of multiple and single case study, the single-case study was chosen. The choice became apparent, because the approach is inductive approach and explanations specific. These features in a case study enable the use of a single-case design (Ghauri 2004, 115).
A survey was also considered as a choice of method, but it would have needed much larger data available to be a successful method. The survey method was declined because the objective of this case is to examine three narrow objects, i.e. three companies selling Software X. The reason for choosing case study as a study method in this work is its applicability to real business situations, and its focus on contemporary and complex real-life situations (Soy 1997). Using the case study method for an international business research like this study is a suitable choice, because the data is collected from cross-border and cross-cultural settings (Ghauri 2004, 111). Particularly in the Nordic countries there are openness and trust from many business practitioners towards business schools. Nordic companies are often welcoming to investigate real problems as a case study (Piekkari & Welch 2006, 572.) This finding applies also in this research. Using case study method provides a basis for analysing the decision-making process under various conditions and for applying emerged ideas into practice (Naumes 2006, 4 – 5), and it is perceived valuable in the company to be researched in this thesis.

Deriving from my knowledge acquired from various discussions with colleagues, Software X products have already been a success in the neighbouring Norway and also in Sweden some positive sales results have been achieved. Nevertheless, the progress of Software X sales in Finland is not satisfactory enough. To achieve the increase in sales, I find it necessary to look into the organisational development and both business and sales practises in the sister companies of Company A. To be able to find out if the practises found successful in the neighbouring countries could be applied to the advantage of Company A, a quantitative research is not the method to proceed with. Comparing the situation of Company A especially to its Norwegian sister company will enable a broad comparison of qualitative information, because both companies have started in their market area with Software X products and the starting points of the companies have been quite similar. In the Swedish sister company Software X products are just a small part of the software sold by Company B, a big company that has been on the market for years.

The information about the sales strategies and experiences about the beginning of the Software X’s journey in all three countries, Sweden, Norway and Finland was gathered by personal interviews. The comparison of the answers received through these
discussions aims to provide some understanding of the possible similarities of sales success in Sweden and Norway in comparison with the situation in Finland.

3.2 Data Collection

3.2.1 Primary Data

In this research interviews were used as the main mechanism for collecting data. Interviewing is open to a number of biases and shortcomings, and it may be difficult to obtain results that are reliable and valid. There are many types of interviews, and the choice between them is depended on multiple reasons, such as the type of data required and the availability of resources. In this case study, out of interviews ranging from structured, semi-structured and unstructured, the semi-structured style of interviews was conducted. The semi-structured interviewing style carries with it the advantages of both structured and unstructured approaches. The results of semi-structured style of interviews are generally easy to analyse, quantify and compare, with an extra in that they allow interviewees to explain their responses and if needed, to provide more in-depth information. Nevertheless, the interviewee’s possibility to give thorough explanations may cause unnecessary time spent on peripheral subjects. It cannot be emphasized enough, how important it is to keep the interviewee reminded of the boundaries of the discussion if it seems that the control is about to be lost during the interview. In addition to the challenges discussed above, there is also a chance for reduction in reliability when using non-standardized approaches to interview respondents. (Brewerton 2001, 69-70.)

The interviews were carried out during the initial phases of research to identify which specific areas need more detailed exploration. The interviews began with a face-to-face interview of the Company A’s Team Leader, Interviewee F (pseudonym). She was asked to give a thorough description about the situation Company A is facing in the Finnish market at the time of the interview. The interview also included questions about the beginning of the company and the product launches.

Interviewee F’s interview was followed by telephone and e-mail interviews of the representatives working with Software X products in both Norway and Sweden. In Norway the interviewees were the employees of Company C: Product Manager
Interviewee C (pseudonym), Sales Manager Interviewee D (pseudonym) and CEO Interviewee E (pseudonym). In Sweden the Software X products are a small part of the Company B’s wide product range, so the interviewees were the people working with Software X products inside Company B: Product Group Manager Interviewee B (pseudonym) and Business Developer Interviewee A (pseudonym).

The structure of all interviews was similar to most extent, because the aim of the interviews was the same; to find out which issues are considered to be the keys to sales success of Software X products. In the beginning of each interview the interviewees were asked to describe the history of their companies. The interviewees faced questions challenging them to evaluate which decisions and practices had been contributing to their success, and which practices had not been equally successful. Before closing the interview each interviewee was lead to a brief discussion about Company A. The interviewees were offered a possibility to voice their own opinions about issues that in their opinion might have an impact to the unsatisfactory sales figures in Finland.

Gummesson (2006) recommends everyone to be their own methodologist. Compared to highly controlled and bureaucratic field of economics, management and business as a study subject hold more scope for entrepreneurship (Gummesson 2006, 175). Leaning to Gummesson’s suggestion of choosing the scientific tools that suits the researcher’s own personality, the telephone and e-mail interviews were chosen as means of collecting primary data for this research. According to Brewerton (2001), interviewing is a highly flexible research tool, and can also be used at any stage of the research process. (Brewerton 2001, 69-70.) For this case, the interviews were considered as the most suitable method.

As all the other interviewing methods, also telephone and e-mail interviews have both positive and negative aspects in them. One of the advantages of telephone interviews is the combination of virtues of survey sampling and in-depth interviewing. Neither telephone nor e-mail interviews are bound by geographical distance, which is a notable advantage to a research carried out in an international company. In addition, telephone interviews make it possible to choose from different levels of interview structures. Using a script and taking notes without distracting the interviewee is easier than in for instance face-to-face interviews. People can also be more sincere over the phone than normally. E-mail interviews give a good choice for those reluctant to participate in a
telephone interview – since e-mail makes communication instant, is extremely economical on time, and the response is at interviewee’s convenience. (Gillham 2005, 106 – 112; Timm et al 1994, 81.)

Disadvantages for both telephone and e-mail interviews are the lack of the interviewee’s non-verbal communication, including gestures. The duration of telephone interviews may also be limited, because there is a possibility for distractions that would probably not take place if the interview was conducted in person. Additionally, the interviewer is not able to use samples or illustrations as a part of the interview. (Gillham 2005, 106 – 112; Timm et al 1994, 82.) In e-mail interviews, the responses can be too informal for research purposes, or highly compact or edited. (Gillham 2005, 106 – 112.)

The interviews for the purposes of this research were performed in English, which is the official language of Group Y. According to Ghauri’s (2004) experience the use of a second language leads to simpler expressions and more straightforward and direct overall communication (Ghauri 2004, 113). On the basis of my own working experiences in an international business environment, there are certain challenges with the interpretation of the data when a foreign language is used. In these interviews both the interviewer and interviewee carry out the discussion in other language than their mother tongue. This can limit the discussion because if challenging language expressions are needed to convey some ideas it might be easier for the interviewee to leave their opinion unsaid. There is also a chance for misunderstandings between both the interviewer and the interviewee, when a foreign language is in question. The use of English as a lingua franca in these interviews can, therefore, be regarded as a limitation of this work due to the interviewees’ possible imprecision in expression and the interviewer’s need for making interpretations on the basis of the answers.

3.2.2 Secondary Data

In this research, secondary data was collected from different articles, journals, books and internet sites. Secondary data, in other words secondary analysis, is best known as a methodology for doing research using pre-existing statistical data (Heaton 13, 2004). It is a research strategy using pre-existing quantitative or qualitative research data for the purposes of investigating new questions or verifying previous studies (Heaton 16, 2004).
Some of the secondary data about the companies included in this case study was gathered with the help of the companies in question. Both the Internet sites and intranet of Group Y and its subsidiaries were used as a source of secondary data as well. The knowledge that I have acquired during working in case company Company A is also included in the secondary data used in this thesis.
4 CONCLUSIONS

In this research the reasons for both the successful and unsuccessful sales of Software X in Finland, Sweden and Norway have been studied. This chapter summarizes the most important conclusions that are based on the cases in question as well as the theoretical framework of prospecting, sales processes and the impact of sales professionals on the sales success.

Software X has come a long way from the time when the common factor for sales challenges in all Nordic countries were problems in the software. From the beginning until today the three companies within this case study have differed quite remarkably from each other. When in Sweden the reputation of Company B has been so respectful that the challenges in Software X sales have mainly been within the internal competition, in Norway the individual company had started its journey with organizational challenges. Nevertheless, Norway found its way to success after changing its organizational, sales and marketing strategies, not to mention segments. Their current challenges differ from those of the early days, and show for instance in the form of turnover in the sales personnel and difficulties in finding new sales representatives. Company A in Finland seems to have inherited the challenges from both of its sister companies. Additionally, it was found in this research that Company A in Finland has received much less support from its stakeholders than Company C in Norway. Neither has the company’s brand been of help to the Software X sales in Finland, because it is much less known in its market area than it is in Norway. The lack of integrations with other software and co-operations with accounting companies is also considered as a problem in Finland.

It is apparent, that according to the respondents in this research the members of the Finnish organization do not quite understand the importance of team members working closely together. According to them, the company should also employ its own people – after finding the correct ones – and then train and motivate them accordingly. It is clearly shown in this research that the organizational structure of Company A is seen as the biggest obstacle for sales success in Finland. There already are examples from Norway, where changes in organization and moving people into the same premises have had a positive impact on the sales figures. It is possible, that the structure of the Finnish organization could need some adjustments. It is important that especially the sales
department including the supervisor is located in the same place, because it improves team spirit and enables competition situations between the sales representatives, which again can lead to a better work motivation.

In Sweden Software X sells due to its internationality, flexibility and suitability for multiple users. In the analysis part of the thesis there were many factors listed for the reasons for successful sales in Norway. All of these issues could be worth using in advantage for the marketing material in Finland, if not already used. However, some cultural adjustments may need to be done. The Internet should be used increasingly more as an advertisement and promotion channel. Active marketing, good reputation, successful recruitments and extensive but low-priced product features, not to mention customer satisfaction have been key selling factors in Norway, and could be in Finland as well.

Several suggestions for the enhancement of practices were found from the interviews. Marketing department should check for their referrals, and whether they are used as widely and advantageously as possible. As the Internet seems to be the place for today’s marketing, the possibilities for combining referrals interactively to the Internet marketing to bring out the most of them should also be investigated. Additionally, focusing only on specific segments inside the micro segment even for a short while just enough to test the strategy could be worth the try.

The comments about the amount of prospects calls and retrieving e-mail addresses from as many prospects as possible indicated directly for the need of mass contacting. The processes for prospecting and selling should be thoroughly investigated to find out whether there could be any room for altering in methods, scripts and even timings. The sales manager should investigate, whether the prospecting techniques are used in the most effective way. The manager should also examine the company’s sales cycle – if there is one – and to make sure that every sales representative is aware of the different steps and challenges in the cycle. The management cannot be certain that the sales representatives have the correct tools for finding the correct solutions or handling objections, if they do not know whether the representatives understand the sales cycle or not. It could also be worthwhile to analyze whether there are hunters or farmers in the sales team of Company A. If there are farmers, it could be profitable to find methods to
bring out the hunter inside the farmers as well, to enable a more aggressive growth of the business.

This research focused on finding suggestions for achieving sales success for Company A based on the practices and experiences from its sister companies selling same software to similar segments in their countries. More research is needed for finding out whether there are cultural differences between these countries notable enough to have a negative impact on the launch in a new market area. The research can have a great value when Software X is introduced yet again to a new country. Additionally, company, market, competitor and environment analyses could be conducted to define if there are needs for any changes in the company’s practices. Another suggestion for further investigation is to find a way to apply the results of follow-ups of Norwegian campaigns into the advantage of Company A’s marketing.
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