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University of Applied Sciences

Master's Degree Programme in International Business Management

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ESTABLISHING DEALER RELATIONSHIPS IN A MARKET NETWORK

Master's Thesis 2011

ABSTRACT

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This study was written in order to increase competitive advantage for Atlas Copco in compressed air business. The thesis was written during the process of establishing new multi-brand division for Oy Atlas Copco Kompressorit Ab. Part of this process was to create a distribution channel for the multi-brand products. The main objective of this study was to gain information from the recruitment activities made.

The recruitment process was studied and information and experience were gained for Atlas Copco to use in future as the division expands. Recruitment of distributors is crucial part in establishing new division, especially when competitive advantage is the main target.

This study was made in the form of multiple case study research. Three different cases were studied simultaneously when the process of creating distribution channels progressed. Information was logged between the early summer and fall 2011. The log includes notes from meetings, phone calls and e-mails.

There is no single right answer to the study questions. The conclusion includes an analysis about the cases and suggestions for both parties. Controversial to quantitative studies this study does not aim to produce answer, but instead focus is to increase professional and personal capabilities.

FOREWORD

This thesis was written for Oy Atlas Copco Kompessorit Ab. The company made my studies possible as I was simultaneously working in the company first as Sales Engineer and later as Business Manager.

Business Line Manager Martti Rask was my mentor while writing this thesis. General Manager Max Roos participated in this project in means of being charge of building this new division.

Senior Lecturer Ari Lindeman from Kymenlaakso University of Applied Sciences was the supervisor of this thesis.

Permissions from case companies were granted without problems, and I believe that reading this thesis would be useful for them too. The names of the case companies or persons involved are not published.

27th of October 2011 in Kouvola

Sami Suokas

CONTENT

ABSTRACT

FOREWORD

1	INTRODUCTION	6
1.1	Background	7
1.2	Goals of the study	8
1.3	Methodology	8
1.4	Research strategy	9
1.5	Literary review	10
2	DEALERS IN NETWORKS	11
2.1	Multichannel distribution system	12
2.2	Dealer networks	13
2.3	Dealer network in real life	16
3	DEALER STRATEGY	17
3.1	Selecting Dealers	18
3.2	Strategy toward different dealers	19
3.3	Motivating Dealers	20
3.4	Leadership in the process of winning dealers	21
4	MANAGING THE DEALERS	23
4.1	Different dealer categories	24
4.2	Different dealer organizations	25
4.3	Ethics in dealer management	26
4.4	Manager and power	27
5	WINNING THE DEALER	29
5.1	Process of winning	30
5.2	Obstacles in real life process	30
5.3	Moving the obstacles	31
5.4	Relationship management	32
5.5	Relationship development	32

6 CASES	34
6.1 Case 1	34
6.2 Case 2	35
6.3 Case 3	36
7 ANALYSIS	39
7.1 Analysis, Case 1	39
7.2 Analysis, Case 2	40
7.3 Analysis, Case 3	41
8 CONCLUSIONS	42
8.1 Managerial implications	42
8.2 Suggestions for Suppliers	43
8.3 Suggestion for dealers	44
8.4 Methodological reflection and suggestion for further research	45
8.5 Reflection on own professional development	45
8.6 Challenges and solutions	47

1 INTRODUCTION

As a market leader in compressed air business, Atlas Copco in Finland is in a situation, that the company thrives for improvement especially under 30kW compressor range. At the moment, the market share in this category is high and the company sees that it is possible to increase its market share by establishing multi-brands.

Atlas Copco Compressor Technique owns over 30 multi-brand companies worldwide. These products are differentiated and branded according the Atlas Copco Strategy. Multi-Brand compressor products are sold and marketed through different distribution channels. This study aims to contribute to the creating of distribution channels in Finland.



Figure 1: Atlas Copco Annual 2009.

The target for multi-branding for Atlas Copco is to challenge competitors and win a larger market share without cannibalization. Also, access to different customer categories is achieved more easily with differently branded products. The goal of multi-branding is simple: compete better.

The decision about launching new brands for the Finnish markets were made in late 2010 and the build up of distribution network started during autumn and summer 2011. The multi-brand division was established in the fall of 2011, and it employs one person as a Business Manager.

1.1 Background

Multi-branding can also be thought as an offensive towards competitors. The Offensive is at its most effective when it is directed toward a weak point of your enemy, writes Daniel Spulber. In this situation, the easiest and most offensive way is to win dealers from competitors. At the moment, Atlas Copco's competitor has created an amount of friction in company's distribution relationships, and the offensive has been directed there. Multi-branding can also be used to fortifying the company's own position toward competitors. (Spulber, 1998, 265) These both theories were seen and studied in the cases.

Multi-Brand products are only sold via distributors. In order to obtain products sold, delivered and maintained, a distribution channel needs to be created. There are approximately ten companies in Finland that were or are being approached in order to acquire them as Atlas Copco distributors. The case study companies were the first ones approached and therefore best matched with the schedule of this study. The next step after Finland is conquered is to expand the process to Baltic countries where also multi-cultural aspect has to be taken into consideration.

There is no previous academic research on this subject, as is discussed in the chapter concerning literature review. The process studied is anyhow the most important part of building a company's distribution network. Without winning the distributing company to your side the supplier does not have anything or it might be the second best choice, or the supplier has to create new distributor business. In this later choice the start up will be most time consuming.

The study question is relevant for Atlas Copco because the company is investing on multi-branding. It is also relevant for me since I was appointed as a Business Manager, a position in which I am supposed to build distribution channels for the division. Also, the study question is relevant for the case companies since they are living in a network that is to change its form.

Since I was appointed as Business Manager to build this business in Finland and Baltic countries, was clear that writing this thesis and establishing distribution network are not proceeding simultaneously. The initial contact to the first dealer was made in

June 2011. First verbal contracts were agreed August, and first written agreements were made in December 2011.

1.2 Goals of the study

Main study question is: how to win a dealer candidate from a competitor to our side? There are also sub-questions that are being examined: what is the influence of network where dealers are living in? What are the requirements for success, especially when strategies and sizes of the companies vary?

There is a common factor between this study and the majority of case studies as there are no single correct answer to the study questions (Zaleznik 2008, 109). At the end of this study, the conclusion is made of how different variables are affecting. I tried my best to discover my own behaviour models which are more or less instinctual.

1.3 Methodology

Case study was developed in Harvard Business School to better educate students to face real business life problems. When there is no exact answer to the question, study will transform into a path of discovery which will affect the students' ability to master complicated problems. Therefore, case study method was chosen for this study. (Zaleznik 2008, 109)

Case study is used to research social sciences. It is most suitable to discover real life phenomena, as example to study individuals, groups, organizations. A common theme for case studies is to understand complex social phenomena. (Yin 2003, 2)

A multiple case study method was used with three different cases. The multiple case study method was not chosen to increase quantification, but to increase validity of the study. These three different cases were chosen to obtain three different kinds of companies so real life business information could be better presented.

The information gathered in this study is qualitative, and it has been collected from observations, diary and notes from negotiations and interactions occurred. The qualitative method was chosen because it produces new knowledge from systems working

mechanism in real-life business context and especially because the number of possible dealers is limited. (Eriksson & Kovalainen 2008, 3)

Criticism towards the case study is wide. Robert K. Yin notes in his book that this is because researchers are not using procedures systematically. Eriksson and Kovalainen (2008, 10) write that with proper philosophical stand study will be stronger and more solid, and this will affect the gaining information from the case.

Geoff Easton writes in his article that case study can be justified when process includes a philosophical point of view. Philosophical part of this study is ontological to describe that there are social values affecting decisions made, and cases were used to gather and analyse information. The ethics of real-life relation between chrematistic and oikonomic behaviour was part of this study.

1.4 Research strategy

The idea of this study is based on a tripod, which consists of dealer strategy, managing the dealer and ultimately winning the dealer leading to established business relationship. The first networks were studied to create solid foundations for the tripod. Networks in Finland are small, and dealer strategy and dealer management were studied in order to increase Atlas Copco's social capital in networks.

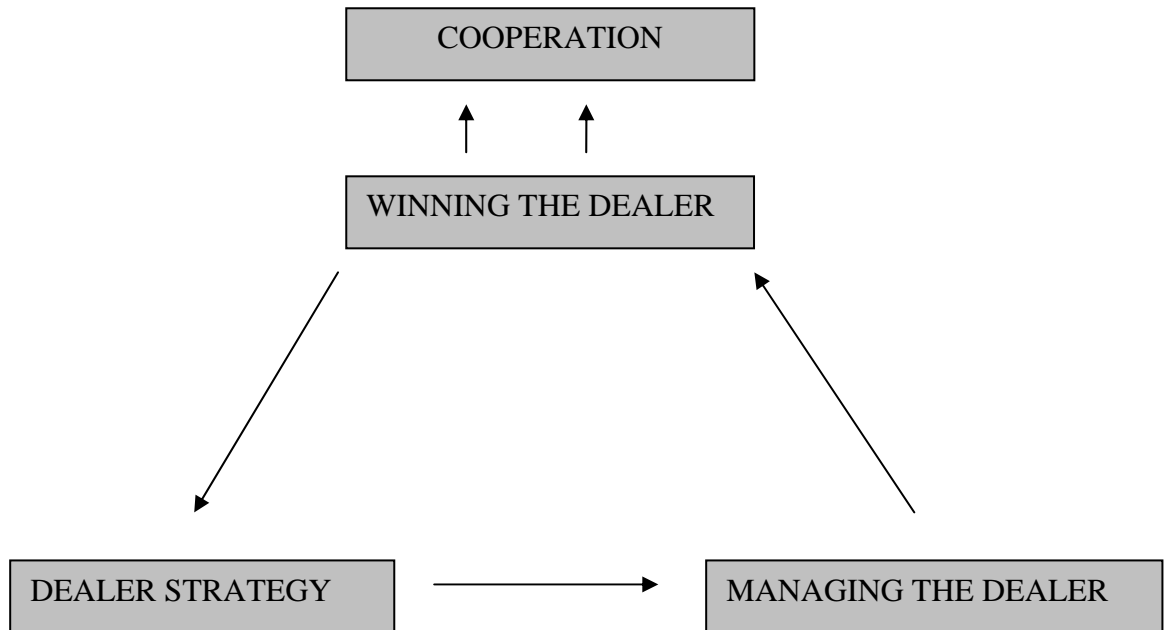


Figure 2, Tripod formation

As can be seen in the figure 2, the strategy, management and winning capabilities form a roundabout where manager can go in circles and all three aspects are tuned and adjusted until it opens the exit and leads to cooperation. It is important that the circling does not stop when the cooperation is achieved and relationships are forming or new company is taken as a target. Otherwise the competitive edge is lost.

1.5 Literary review

This study is a sub-topic to multi-branding which Atlas Copco started 40 years ago. Other famous “multibranders” are Volkswagen and Toyota representing car industry and Levi Strauss Co producing also other clothes than jeans with other brand names. Although multi-branding has been a phenomenon in business for decades, it does not pop up in literature like Yan (2010) says in his article. Crucial information is not studied and if it is, it is not published widely. The same phenomenon applies in the process of winning the dealer.

Generally, the literature on distribution concentrates on finding the right distributor from the supplier point of view. The practical point is missing: does the distributor company want to interact with your company?

In marketing theories the words distributor, retailer, reseller and dealer are used. Differences exist but the dealer is equipped with related services, so in this study the word *dealer* is the right one. The main search word is retail, since it includes grocery shop business. Search word retail competition is the closest to the topic, but it is about different distribution channels competing with each other.

These search words were used to search literature from Science direct, ABI inform and ebrary:

Retail, channel		Competition, recruitment
Recruiting, establishing	and, w l	Dealer, Distributor, retailer
Winning, managing	and	dealer Dealer, Distributor, retailer, resources
Entry		Dealer, Distributor, retailer, barriers
Relationship		Development,

Table 1. Search words

The theoretical framework is combination of network, management, leadership, consultation and marketing theories. The following three chapters include discussion on the theoretical framework in more depth.

2 DEALERS IN NETWORKS

Companies operate in different ways and it is impossible to put dealers in a certain category. In order to obtain more information, the categorization of case companies was done later in this study. Companies are also affected by external forces caused by actions of other companies. These forces affect dealers but they also limit supplier ac-

tions and managers' ability to act independently. (Ford, Gadde, Håkansson and Snehota, 16)

The majority of dealers in compressor business represent only one main brand. On the other hand most of them need multiple sources e.g. spare parts. Therefore, they have access to other brands and limiting this access would be unethical. This will also affect the network complexity.

A change starts to take place in a relatively small network of companies where actors are known to each other and the number of companies is limited. In such a case, external forces increase rapidly. Change here means that the dealer changes the supplier. It will affect directly to the actions of ex-dealers, competitors and customers.

2.1 Multichannel distribution system

A distributor is a company that purchases, stocks and resells products to end users. Generally speaking the distributor does not deliver services or technical support to customers but the manufacturer does it instead.

Atlas Copco distributors represent oil-injected compressor range smaller than 30kW. Atlas Copco uses direct interaction with the customer needing bigger than 30kW compressor. Multi-brand dealers represent the whole assortment without kW limitations. Traditionally, there has been one distributor in one city to avoid conflict and price competition on the same product, but this can be avoided by using multi-brands.

A dealer is a company as distributor but it also provides support and services to the end customers. Therefore, an Atlas Copco distributor and multi-brand dealer can locate in the same city without having too intense competition on the same product.

Multi-branding allows Atlas Copco to make denser distribution channel system in each town so the products can be easily reached by the customer, especially when customers tend to use one shop to gain more purchasing power. The denser dealer network allows Atlas Copco to meet more customers.

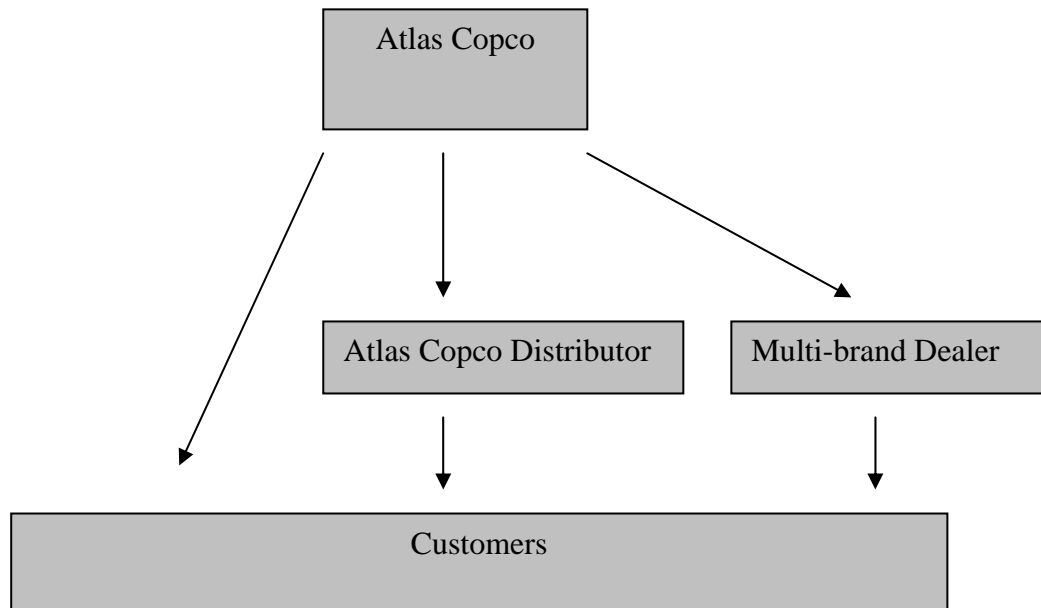


Figure 3. Multichannel distribution

Therefore, Atlas Copco uses three different strategies on the market, i.e. going direct, and via distributors with Atlas Copco products, and using dealers with multi-brand products as seen in figure 2. This is called a multichannel distribution system which is an effective way to increase presence on the markets.

2.2 Dealer networks

In this study, the word network refers to a network formed by multiple companies in the compressed air business. It includes manufacturers, importers, dealers, distributors and maintenance companies and other companies.

Many writers as Anderson, Narus and Narayandas, Ian Ruskin Brown in *Mastering Marketing* (p124), and Bradley in *International Marketing Strategy*, describe distribution channels as follows:

Figure 7.6 Hybrid Channel for Computer Software

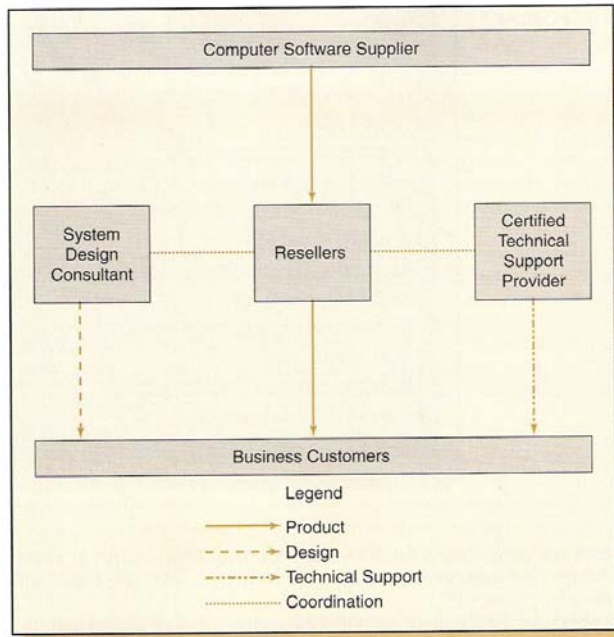


Figure 4, Hybrid Channel

(Anderson, Narus and Narayandas 2009, 296)

In my experience this model is overly simplified and therefore not suitable for technical sales where the model in figure 6 is more suitable in reality. If a manager tries to make market entry with a model like this in his mind, he/she will have to change his/hers point of view from this simple model to the model below.

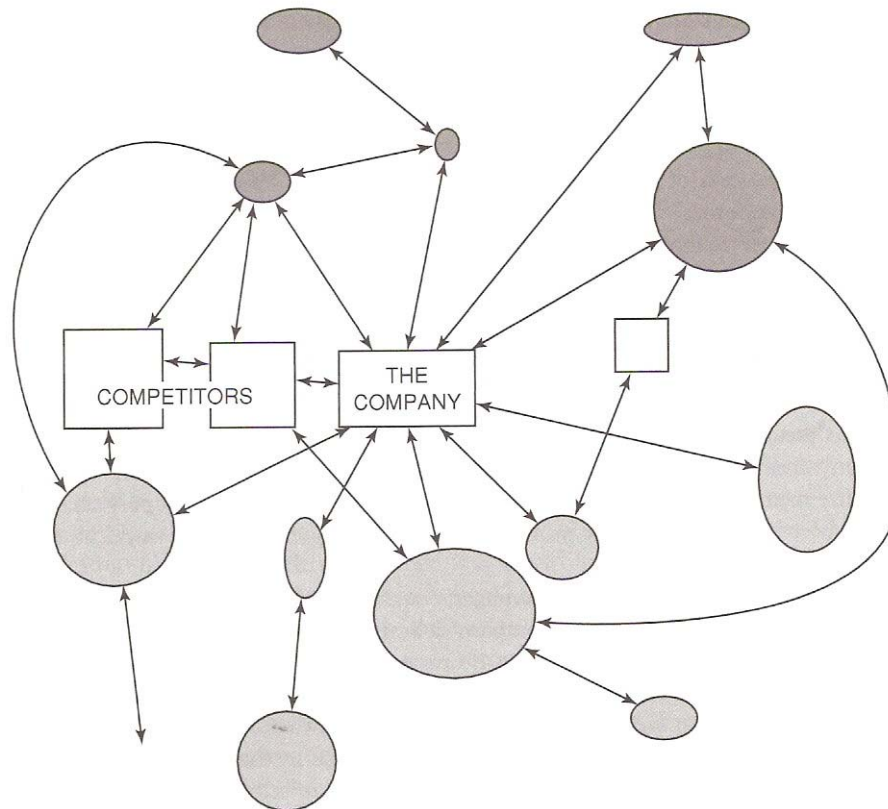


Figure 5, Network

(Ford, Gadde, Håkansson and Snehota, 15)

Dealer network in Finland is like a mountain of marshmallow and it is constantly changing its form. Also Ian Ruskin-Brown writes in *Mastering Marketing* that dealer networks are not well managed and parties are trying to benefit of each others. Networks cannot be described graphically because the networks are unlimited and restricting the network figure always leaves something out. Nevertheless, in this study such a network model is done in order to give a figure for the reader to better understand the research. It is important that observing the network is constant. Accordingly the model inside managers' inner model is updated all the time. (Ford, Gadde, Håkansson and Snehota, 194)

When viewing the network in order to choose the dealer candidate, the first thing would be trying to view the network from the dealers' perspective. When new connection is established the network will change and retrospect should be given some time.

The re-evaluation of your winning capacity should be done. This way the competitive advantage is maintained.

2.3 Dealer network in real life

The real network is complicated like the previous chapter suggests. Existing network is drawn here but it may be that it is not drawn correctly because there might be some links we do not know. Solidity of the drawing is also low because network may have connections outside the figure which are leading back in.

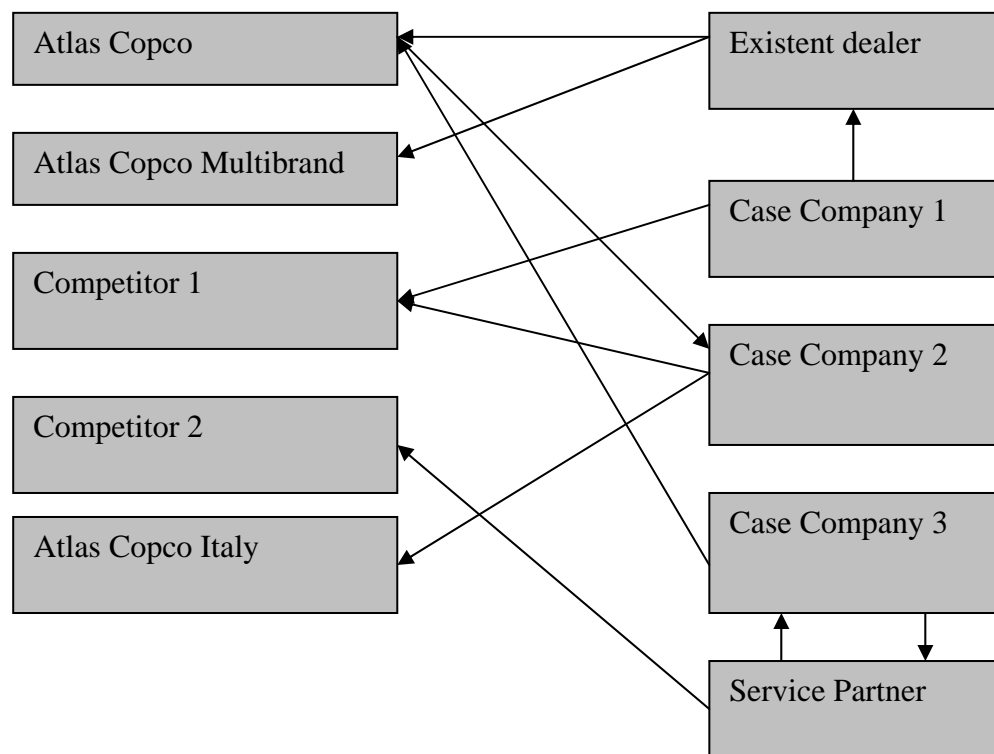


Figure 6. Existing network model

Figure 6 is description of network at the moment and the next moment it is changed. Aim of this process was to compete better as said in abstract. The goal is to move those arrows leading to competitor boxes to lead in Atlas Copco boxes like seen on figure 7 under.

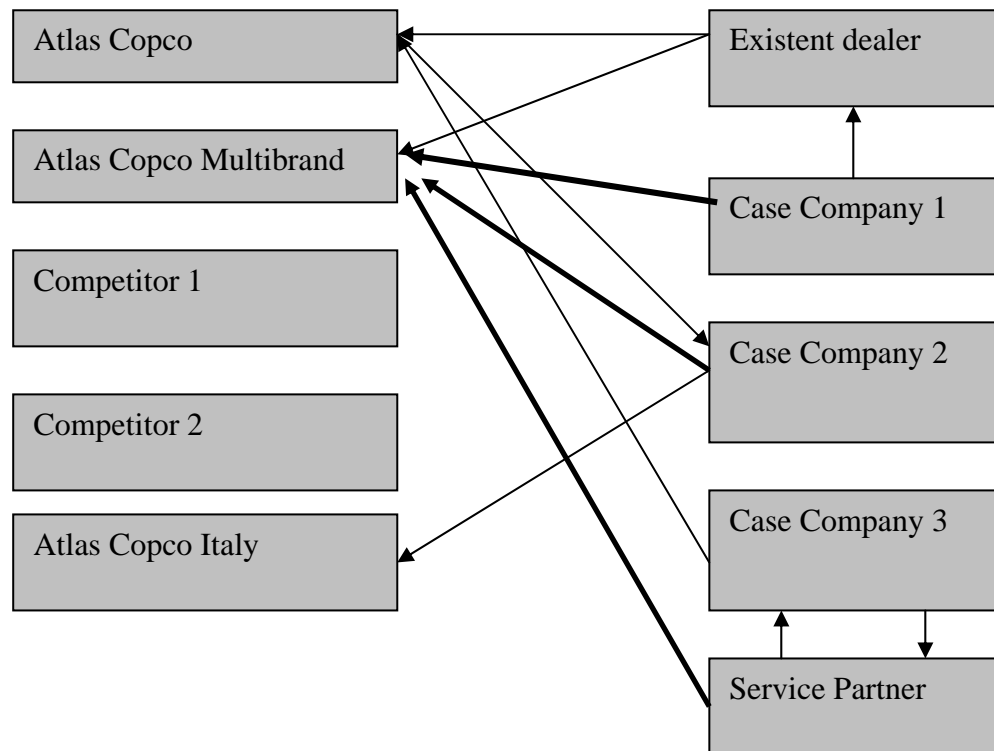


Figure 7. Future network model pursued

The ideal future chart would look like this, but like it was said in chapter 2 the network will change especially when disturbed. When the whole network includes hundreds of variables the outcome is unpredictable. There are also changes outside the drawing, but how they do affect is not studied here. Possibilities do exist in real life and those are very difficult to influence or foresee.

3 DEALER STRATEGY

Dealer strategy is first part of the tripod handled in this chapter. At the beginning of making dealer strategy supplier company must realise that manager needs winning capacity. At winning capacity means the power the manager has when negotiating with dealer candidate. Roughly the power comes from:

- Marketing mix (Price, Product, Promotion and Place)

- Personal power (Information, knowledge and ability to get things done)
- Credibility (Personal and Financial)

These factors have to exist in order to make you successful. These factors are variables in reflection to the business area. They need to be practised and constantly evolved. Otherwise the cooperation with dealer is hard to establish.

There are certain criteria the distributing companies set for their suppliers. Theories of supply chain management can be used to make the criteria. Every company do have own criteria reflecting dealer's wishes and hopes.

Dealers are likely to feel aggravated if their supplier is working with their competitor. This is very common in real life when two dealers influence in same area. Dealers are not willing to communicate freely with the supplier, because they are afraid that the information might leak to their competitors. Anyhow, these factors can be used when building trust between companies.

3.1 Selecting Dealers

Relationship establishment is time consuming and therefore an expensive process. Manager should be able to pick the right ones from variety of dealer candidates and eventually get those companies to work with Atlas Copco. Dealers will affect directly on our brands and brand values because they are the customer contacts.

- Dealer should have the best possible connections
- Financially Sound
- Service Oriented
- Professional
- Flexible
- Stable
- Eager
- Far Sighted
- Unbiased
- Open
- Moral

(Curry 2009, 122)

From the customer point of view the dealers represents Atlas Copco or given multi-brand. To facilitate channel member selection, the manufacturer should determine what characteristics distinguish the better intermediaries.

- number of years in business
- other lines carried
- growth and profit records
- financial strength
- cooperativeness
- service reputation
- size and quality of salesforce

(Kotler and Keller 2008, 463)

These factors mentioned affect what companies should be approached. There are also systematic procedures to calculate which dealers are most suitable like Shuoi-Pei Chen and Wann-Yih Wu 2010 present in their article. Pragmatically thinking the appropriate dealer-candidate selection can be made without time consuming calculations, because there is no more than twenty actors in Finland and they are more or less known for us as competitors. As this was considered, a particular company was excluded from the process, because the company was seen as a negative value producer to Atlas Copco.

Social Capital gives value for social structures, relationships, networks and groups. Suppliers build social capital by means of shared goals, but in complicated networks it may not function properly because of distrust. Also trust is social capital and source of social capital. (Finch, Wagner and Hynes, 2010)

3.2 Strategy toward different dealers

Main goal of setting strategy in distribution lay-out is that supplier's strategy toward dealer must be structured in a way that dealers possibilities to win end user is maximised. Companies have different strategies and goals, and therefore supplier needs different strategies toward different dealers. Growth oriented dealer needs are fulfilled with aggressive strategy, when company with no growth target needs to be managed differently. As Gorchels has listed:

- Understanding partners strategy and accepting that
- Realistic goals for the partner
- Cooperation model is motivating partner
- Back up procedures are in place for the partner
- Concrete performance measurements

(Gorhels 2004, 19)

Companies employing a few people, with stabilised income sufficient to make the livelihood, might not seek growth. These companies are called low-performing companies, for the reason that modern day business sets the standard of growth as a permission to survive. A dealer who is so-called low-performing and happy with it, usually needs more safety. John Adair notes about Maslow's hierarchy of needs, that when physiological needs of human are fulfilled human tries to fill his/hers safety needs (John Adair, 51).

There has to be a balance between the number of low-performing- and growth seeking-companies in dealer portfolio. The common factor in managing these different categories is that the manufacturer has to establish trust in the supplier – dealer relationship.

3.3 Motivating Dealers

Reward Power is the most important part of dealer motivation. Of course this also depends on what kind of dealer there is. Different dealer categories are studied closer in a chapter four. Main differences are that small company, who is making the living out of your products only, is more dependant on supplier than is stock company making the income from multiple product areas.

These stock companies (or larger companies) are motivated better by delivering superior back up procedure and the efficiency of their work is properly supported. The goal is to make their sales and service personnel's daily work as easy and flowing as possible.

3.4 Leadership in the process of winning dealers

Leadership is an important part of managing intercompany relationships' and crucial in the implementation phase, when a relationship is established and new partnership is been built. Leadership in this process needs to be strong because management does not have ownership or authority given by certain position in company. In the process on winning dealer the leadership capability effects on atrociousness of your company.

Northouse (2009, 45) describes three different leadership styles in his book. First is the Laissez-Faire style, which means management lets things be as they are and things will flow on their own weight. Laissez-Faire is low on leader influence scale as can be seen in figure 8. This style can be advantageous in winning distributors, especially if the distributor is protecting strategies and procedures of the company. On the other hand it is creating disturbance and problems in relationships.

Second style is the democratic leadership which is better on influencing capabilities than the Laissez-Faire. The democratic leadership is open and collegial, presenting equal possibilities for both parties to take part in the process.

The authoritarian leadership style is the most effective in gaining influence. In the process of winning a customer in can be seen as negative. In an authoritarian leadership style all the decisions are made by the manager, and this can not be seen working in this business layout where manager does not have authority given by position.

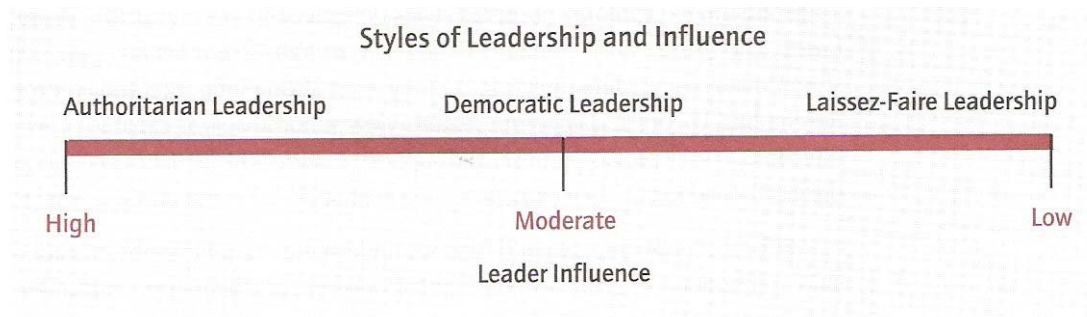


Figure 8. Styles of leadership
(Peter G. Northouse, 2009, 45)

Managers' leadership styles affect the emotions of followers. Changing the style to match each dealer is not easy. Every manager feels or develops a preferred management style on his own personal features.

Task of winning the dealer and achieving smooth cooperation fails if the people on both sides lack skills or competence. Personal capabilities consist of three equal parts which are knowledge, feelings and behaviour. Knowledge is time consuming to gain, at least in compressed air business where the amount of technical information to be mastered is large. Feelings and behaviour instead are easier to change. Managers' behaviour and feelings affect on dealers feelings and behaviour, therefore they must be recognised. (Cockman, Evans, Reynolds 1999, 53)

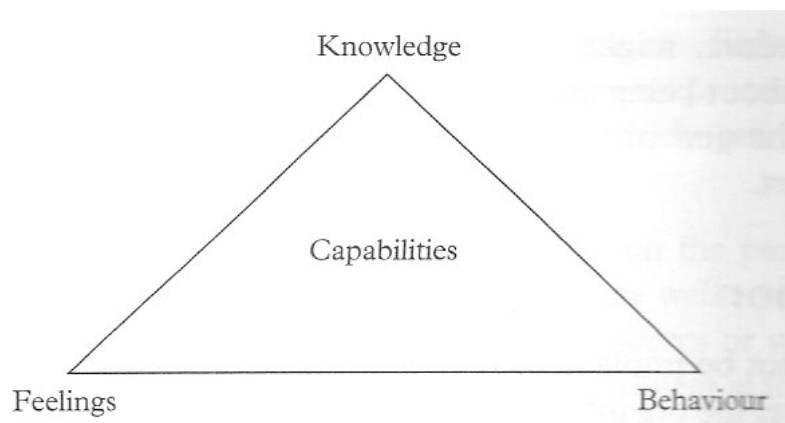


Figure 9. Capability triangle
(Cockman, Evans, Reynolds 1999, 213)

In larger companies the management is making the deals with supplier. Sales force is therefore, in different level of influence. Management needs to be committed in order to get the sales personal capabilities on the satisfactory level and get them also committed. Suppliers' role is to influence on management team how they are planning to introduce new supplier to their organization. (Cockman, Evans, Reynolds 1999, 212)

4 MANAGING THE DEALERS

Management is the second part of the tripod in this study. Without solid management, a competitive edge cannot be created and the organizational performance decreases. In his book *Future Management*, Gary Hamel describes management practices suitable for most human processes like this:

- Setting and Programming objective
- Motivating and aligning effort
- Coordinating and controlling activities
- Developing and assessing talent
- Accumulating and applying knowledge
- Amassing and allocating resources
- building and nurturing relationships
- balancing and meeting stakeholder demands

(Gary Hamel 2007, 20)

Tuning your management is the most effective way to gain competitive advantage, and it also hard to compete against the tuned and constantly innovated management system. Modern day management, concentrating on control and efficiency, is not good enough for business success where adaptability and creativity give better results. (Hamel, 2007)

Dealers are independent companies and therefore manufacturers cannot expect them to change their strategy even if the manufacturer would like it. Manufacturers should also be able to understand the dealers selling strategy. This is important because dealer companies are different and their customer base is different demanding different sales strategies. Manager need to be innovative in order to create a business environment that enables continuous development especially when working with growth oriented companies.

Management means setting techniques and tactics, in order to gain better results with the dealer. Setting management issues in the most effective way is done by acknowledging the needs of the dealers. These techniques and tactics should be developed constantly. Traditionally management issues are:

- aligning goals with the channel
- motivate channel to reach goals
- evaluate channel performance
- improve support with channel members

(Gorchels, Marien, West, 2004, 15)

In the process of winning dealers management issues are different, especially if the manager is in a situation where the infrastructure is not ready. This will cause different management issues as follows:

- Evaluating possible results dealer by dealer
- build and market support functions (like order flow)
- maintain performance of support functions

As can be seen these are different from the traditional management issues. Problems may also rise in a situation where the manager sets a plan A. e.g. how the order flow should work, and makes simultaneously marketing work toward the dealer and finds out that the plan A does not work and moves to use plan B. But in this case the information is already out and all the changes affect the feelings and behaviour of the dealer.

4.1 Different dealer categories

In this study where three different companies are negotiated with, it is clear that they cannot be treated in the same way.. There are small one man companies among the dealers that do service business with compressors and one the other side there is large group of companies with resources to invest plenty of money e.g. in marketing. Because of this, three different cases are forms three different categories made for this study only. Unifying theme is that every category in this study fits in the SME (Small and Medium sized) category defined by the European Commission.

First category consists of one or two man businesses' providing compressor services to customers. Usually these companies make their living by charging their customer a reasonable hour rate. This is possible because companies' expenses are small, as is their organization. They usually operate from their garage and they do not stock products but only service parts needed for emergency situations. These kinds of dealers

tend to be quite service oriented and they have good relationships with their customers. These kinds of dealers will provide a steady flow of spare part sales but compressor sales volume does not necessarily grow every year. Their sales strategy is to maintain compressors and when old one is broken and it is not wise to repair it will get replaced.

Second category employs from three to ten people and they have workshop, and also maybe some shop premises they operate from. These kinds of companies have more expenses and therefore they do need more profit or volume when selling services and products to their customers. These kinds of companies are more eager to make sales by creating the need to buy for the customers, and they tend to be most expertise from all the categories.

Third category is group of companies, employing more than ten people. These companies usually have centralised management and possible central warehousing with delivery services. Because these companies are larger than companies in other categories they do have more resources to do marketing and direct selling. Their sales people are selling also many other products and therefore the expertise do not grow as big as in second category.

4.2 Different dealer organizations

As was noted in previous chapter these case companies do have different kind of organizations. Company with hundred of employees in multiple locations do have different organization compared to one man company operating from his garage. But they do have common model as follows:

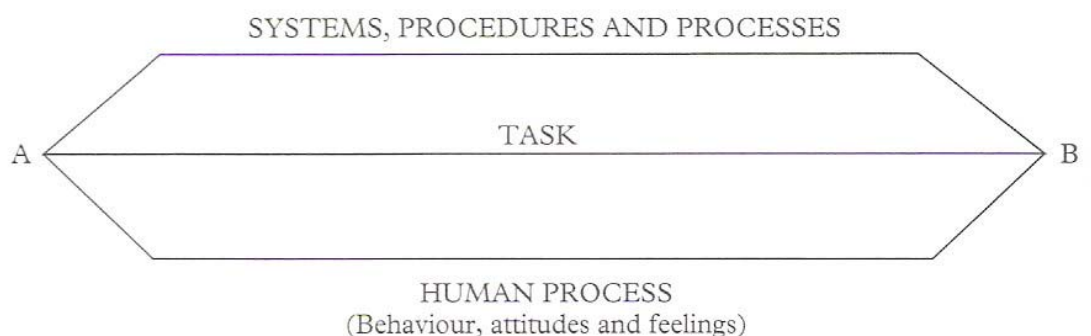


Figure 10. Organizational life model
(Cockman, Evans, Reynolds 1999, 53)

In this study point A is a situation where decision to go Multi-brand was made. Goal of the task is establishing positive relationship with new company. Point B is the contract signing ceremony.

When doing the task, process takes place. Process requires procedures to get the task done. And finally there is some kind of a system providing needed things to make the process happen. Like different task exists also processes and procedures change but they are most often existing in human process. Possibilities to affect dealers system and processes are existing.

Affecting human processes is possible, especially with the two first dealer categories. Third one is more complicated because there will be more other actors in the company and. Network the company is in is more complex including different manufacturers where we have to compete to get our time from the dealer. Manufacturer who provide easiest way to get the task done with reasonable priced products, will usually success in competition between the other manufacturers.

Different companies have different strategies. Companies look for good financial performance and growth. Exception here is low-performing organizations, which are usually family companies. These companies have survived though performance and growth is seen as necessity in business thinking. (Joseph H. Astrachan, 7)

In these kinds of companies the human process is totally different when compared e.g. company listed in stock. Gaining trust and improving or strengthening dealer attitude will provide better results for both manufacturer and dealer in a long run.

4.3 Ethics in dealer management

Leaders do influence on lives of other people, and also in this case directly to their income and livelihood. From this fact comes the need for ethical perspective of dealer management. (Peter G. Northouse, 2009, 157)

Aristotle moralised commerce and disapproved chrematistics, which is art of getting rich. He also underlines the connection between oikonomia, which means household model for handling money, and ethics. (Dierksmeier and Pirson 2009)

Ethical leadership outcomes are most suitable in distribution network. It encourages dealers to act similarly, emphasizes citizenship behaviour, and reduces counterproductive behaviour. (Brown, Trevino 2006)

Ethical leadership comes together from six parts says Northouse: character, actions, goals, honesty, power, and values of the leader. Ethical leadership is a process where a person acts to accomplish his/hers goals by his/hers values. (Peter G. Northouse, 2009, 169)

Ethics in manager actions depends greatly on personal characteristics, which are possible to develop by role-modelling and training. Developing ethical behaviour demands organization culture to be ethically right. (Brown, Trevino 2006)

Manager's behaviour in a situation where he/she sees or senses that he is not going to success to win the dealer at the end for his/hers side. Sensation may occur during the process but it is just a sensation, and how manager should act? Lower the price in order to "buy" the dealer, but if it is not going to work out the affect on the competitor is easy to be seen. Dealer will form pressure toward its supplier and therefore the market price level is lowered and it turns against you. Also lot of pressure on the manager and potential dealer with low ethical working habit may lower the manager's ability to sustain cooperation.

4.4 Manager and power

Manager with power is more likely to get the tripod in balance. Therefore, he is more likely to win the dealer than a manager lacking power. Nevertheless power is not having power over somebody or something, like gaining power for example from technical expertise. Powerful feeling instead gets more likely to get things done and things happen. Powerfulness can be described as solid self-image of what you are. (Cockman, Evans, Reynolds 1999, 253)

Managing nationwide network of dealers is complex task because every action of every actor affects on everything. Also figure your company sees is different what your dealer or competitor will see. A company's figure from network should be big part of developing company's strategy toward its dealers, suppliers, competitors and other parties. (Ford, Gadde, Håkansson and Snehota, 189)

Networks are in constant state of movement and so company should not be fixated to its original figure. But the figure should be relooked and the strategy should also be redone. This will lead the company to a situation where a competitive advantage is gained.(Ford, Gadde, Håkansson and Snehota, 190)

Confronting dealer and getting over it together with dealer is sign of mature relationship (Ford, Gadde, Håkansson and Snehota, 149). Conflict between dealer and supplier needs not to be feared. Anyhow they need to be handled without delay with solid argumentation. By standing your ground manager can gain power, but not if the argumentation is loose, not it goes too far away.

Power is needed in order to win dealers for your side. External power sources do increase power, but manager can not rely totally on external power sources. External power sources are listed, as follows.

- Power on information
- Power of asking questions and listening
- Power of expertise
- Power of options
- Power to think
- Power of where you are
- Power of who you know
- Power of collaboration
- Power of having rights

(Cockman, Evans, Reynolds 1999, 253)

Professional and technical expertises are also important factors when interacting with dealer-candidate, but they just cannot be used to increase manager personal power. Real personal power comes from inside the person itself. Internal power sources are

self-belief which can be strengthened by positive self-image. Positive self image can be built with positive self-talk. (Cockman, Evans, Reynolds 1999, 258)

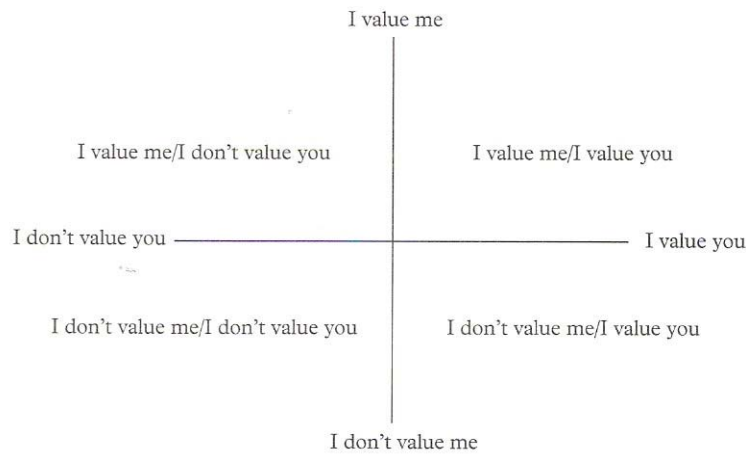


Figure 11 Life positions model (Cockman, Evans, Reynolds 1999, 259)

Life position model express how an individual relates to others. Once positioned on the model, individual changes position according the circumstances we are in at the moment. Best place to be is I value me/I value you section, it is the part where trust and equality is raised. (Cockman, Evans, Reynolds 1999, 260)

5 WINNING THE DEALER

Winning the dealer is the goal of this process. It is final and most important part of the tripod, leading Atlas Copco and dealer company in cooperation. Dealer working with another supplier is not likely to change its supplier without good reason. There are plenty of factors which are against changing:

- investments done by dealer (e.g. supplier logo taped on a car)
- ready made infrastructure
- risk concerning to change (no turning back)

On the other hand there is always the pressure for change to better.

5.1 Process of winning

Winning the dealer can be seen as winning the deal in sales. Winning includes negotiating of course but the process can be ruined in the first call where manager tries to introduce himself and company. Simulated process of sales goes, as follows:

1. Inquiry and categorise customer, (if possible)
2. Get the opponent interested
3. Create the need for the customer
4. Introduce your offer
5. Listen to your opponent
6. Work your offer so it comes common
7. Lead your opponent towards common goal
8. Lead your opponent toward decision

Given closer look to this sales cycle, similarity to consulting cycle can be seen clearly.

1. Preparing to meet clients
2. Purposeful initial meeting
3. Gaining Entry
4. Willingness to change
5. Signing the contract

(Cockman, Evans, Reynolds 1999, 125)

This combined in the figure 6, where getting the contract would be the task. System, procedures and processes are where the impact is done. It will affect to the human process which is the key factor in order to get the deal.

5.2 Obstacles in real life process

It may be that your chosen dealer candidate does not want to interact with you. Even the first call you make may turn into negative income. Gaining entry in this process has been like the problems I faced, as I worked as a Sales Engineer. It may be that you cannot get him to listen. At the first stages there is no immediate need for the dealer candidate to change supplier. Therefore, the Managers needs are not interest for the dealer candidate.

Cockman, Evans and Reynolds have written list of obstacles:

- Bad first impression
- Your appearance, manner, style may be off-putting or contrary to your client's norms
- You may not be what the client expected – male/female, black/white, etc.
- You turn up late or the client keeps you waiting.

(Cockman, Evans, Reynolds 1999, 135)

The list continues, so manager needs to be aware. Most things mentioned can be seen in real life where a manager tries to interact with the customer and obstacle occurs. There usually is no way round the obstacle and the it has to move away.

5.3 Moving the obstacles

Obstacles can be minimized by making reconnaissance beforehand if possible. With beforehand information manager can adjust his appearance for more suitable. Of course it is impossible to change your sex or race but in such a case, be open, positive and ready to deal with dealers' negative feelings.

(Cockman, Evans, Reynolds 1999, 130)

As the dealers are often seen as business partner, they need to be treated as important customers, because they will provide turnover for Atlas Copco. Customer relationships are the most important relationships in business markets. Business relationships are usually complex, because customers challenge suppliers in order to get more and suppliers are balancing between customer and profitability. (Ford, Gadde, Håkansson and Snehota, 63)

Relationships do matter and the relationship between two companies starts with first contacts between individuals from the companies. Relationship describes how companies and individuals act and behave toward the other party. (Ford, Gadde, Håkansson and Snehota, 38)

Though relationship is not almighty tool for managing and improving the process, it can turn against manager where relationship does restrict the managerial decisions. Also problems do occur in relationship and they need to be confronted or comforted as written in chapter 3.2. (Ford, Gadde, Håkansson and Snehota, 59)

5.4 Relationship management

Relationships can be used systematically to increasing efficiency, improving innovation rate and influencing others. When influencing other manager as leader have to be aware not to use authoritative leadership style, (like regulating authorities) but rather use democratic leadership. As relationships matter they are also misused, like a customer giving false information about quantities they intend to buy in order to receive better negotiation positions.

As relationship is started it is important to keep the relationship developed. Otherwise it will not flourish, and might end as example to exploratory stage.

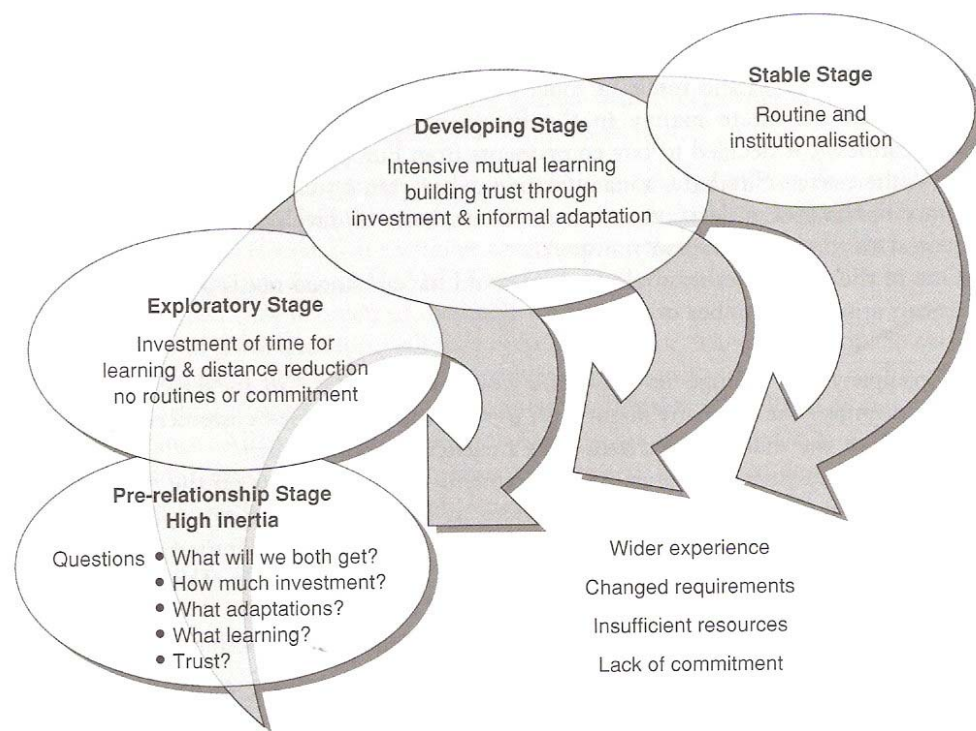


Figure 12, The Development of Buyer-Seller Relationships in Business Markets. (Ford, Gadde, Håkansson and Snehota, 38)

5.5 Relationship development

New relationship develops from interaction between individuals and companies, coordinating activities and adaptations. Intense communication makes the ground for interaction which should be two-way in business relationship. Communication happens

usually between two individuals and through good communication trust can be built, commitment demonstrated and problems solved.

Informal relationship based on common interest sharing experiences is more effective than formal relationship between companies. Sharing experiences with dealer candidate can be problematic because if the agreement does not take place, competitor has gained something from supplier and might gain better position in markets, when competed again.

5.6 Intervention styles

Cockman et al. presents four different intervention styles for consulting. Intervention style is a term describing your behaviour with other people. In the process of winning dealers, managers' intervention capabilities reflect the results gained. (Cockman, Evans, Reynolds 1999, 79).

In acceptant style empathetic listening is used to get understanding of how your dealer is feeling about the problem. Nevertheless, the acceptant style can not be used if the dealer does not want to talk about the concerns with you. (Cockman, Evans, Reynolds 1999, 81)

In catalytic style interacting is used to speed thing up in decision making process. It can be used to solve problem by clarifying data or gathering more of it. In this style the responsibility stays with the dealer. (Cockman, Evans, Reynolds 1999, 91)

Confrontational style is high risk style is it possible that it leads to conflict. Therefore, the usage of it especially in dealer winning must be thought. Confrontation comes from pointing out the implications of behaviour or implications of behaviour. (Cockman, Evans, Reynolds 1999, 102)

Prescriptive style is most used of intervention styles. It is also most inappropriately used style. Prescriptive style means that consultant is expert and can provide solution for the problem of the dealer. (Cockman, Evans, Reynolds 1999, 113)

In winning process these intervention styles can not be used unattended cause they are originally intended for consulting. They can be part of winning of course and should be used carefully.

6 CASES

As earlier said this is multiple case study concentrates on three different companies and the network that has evolved during the years. Case companies are different in size, strategy and structure, only common thing is that they are selling compressors and related products. Permission to write was asked from case companies in order to keep up the ethical standards.

6.1 Case 1

First case company is “one man company” who earlier was dealing competitors products and competition between Atlas Copco existed fiercely. Company have two legs to stand on: company also owns diggers and performs small landscaping works. Turn-over has been in 2009; 153 000€ and in 2010; 205 000€(finder.fi). Ratio between the compressed air business and landscaping business is unknown to us.

This company was approached with Worthington Creyssensac brand. There is a company already selling Worthington Creyssensac products in Finland and case company has used this company as a source.

Company’s main source was Atlas Copco competitor but also Atlas Copco and Worthington Creyssensac dealer, where they sourced spare parts. This connection was found out during the negotiations. This connection between another dealer is problematic because with this we affect our dealer income negatively by taking out part of their spare parts sales.

First impression you give is important. It will provide the ground to success in the process of winning dealer and smoothen the way. So it should given time to think the first impression you give, and place yourself on a proper point of manner map. Because the fact is that different people do appreciate differently.

The target for the first meeting was to get opponent the interested in your offer.

- how to prepare for a meeting
 - Just one leaflet, because I wanted him to concentrate what I say, not what I have brought
 - Computer and notepad was left in a car
- how to dress
 - meeting took place in a terrace of public cafeteria
 - both parties were dressed in casual clothes, as it was summer polo-shirt and jeans
- meeting was scheduled for maximum one hour, but eventually it took four and a half hours
- As this is one man company no one should be offended if opponent takes phone calls during the meeting, because they do not have nobody else to take care of calls

At the moment the relationship is on second level of figure twelve where no routines have evolved. The commitment mentioned in figure should be there at least from supplier side. Second meeting took also place in cafeteria where price lists and draft from the contract were given. In this point first equipment was already sold and delivered to end user.

Reason why he did choose to change was read between the lines that his former supplier and our competitor were too aggressive to gain more money in all means including taking over their dealer's service business as well as single deals.

6.2 Case 2

Second case company is manufacturer / sales company. They do manufacture also compressors and sell them using private brand. In screw compressor business the company sells our competitors products and they have been competitive in their area. This company was also approached with Worthington Creyssensac brand, and during the first meeting was found out that this was not the first time. Worthington Creyssensac sales engineer had visited dealer couple of years ago when the Worthington Creyssensac sales office was in France.

Turnover of the company was not available from Fonecta Finder. Therefore, financial information was bought and it is not published here.

Before the meeting a Power Point presentation was prepared about products and business model. Also Google Maps StreetView was used to see company's facade in beforehand to gain some beforehand feeling about the company. Target for initial meeting was same as in first case: to get opponent the interested in your offer.

- how to prepare for a meeting
 - Power point show was used
- how to dress
 - meeting took place in a meeting room in customer premises
 - both parties were dressed in business casual

Also the source of private brand piston was found out, and track leads back to Atlas Copco in Italy. So it was agreed inside Atlas Copco that we do not offer them piston products in order to not compete within the group. Atlas Copco uses this company as a source to spare parts infrequently.

From the words of company's CEO was sensed the need for exclusivity and he also gave clear that they do demand good back up business solutions. The Worthington Creyssensac dealer was also brought up to conversation, which lead to area restriction question.

This case company is not willing to cut its umbilical cord to our competitor but to improve their own position to start as a shop whit two compressor brands in their sales catalogue. This is not the way to accept dealer in our multi-brand strategy.

With this company the relationship between companies is on first level from figure seven but the relationship between individuals are on higher second level.

6.3 Case 3

Third case company is large chain of companies working in garage business. This company have a business deal with Atlas Copco, but decision was done to try to change the compressor brand to Chicago Pneumatic which is more suitable brand for the customer category and strengthening Atlas Copco position toward competition.

Company's turnover was at 2009; 6,5 million € and in 2010; 7,7 million €
www.finder.fi. This company is also largest prospect from case companies, and therefore the important one.

The negotiations were conducted with Sales Manager. This means that decision making is more time consuming than with first case company. Change also include much more factors like combination of management and sales persons capability triangles (figure 5)

The most threatening demand is that they want exclusivity for the brand in Finland which cannot be promised.

Big part of this negotiations are that this company is just sales company and they do not have maintenance organization of their own, which does not go together with Atlas Copco's Multi-brand strategy. Although case company have business partner which is also competitor's customer, suggested for doing maintenance by case company.

Case company might be in superior position to their partner. Therefore, both companies need to be negotiated but it is not ethically sound to make stipulations. Especially, when Atlas Copco's goal is to establish good business relationship with both of them and get the business.

The customer had a meeting where this was handled. The meeting was arranged to be held on Wednesday and phone-connection was settled up for the next day. When the time to make the connection was to come, the Sales Manager was busy and promised to call back. Though he didn't, so I called again on Friday and Monday and no answer was granted. This always rises the concern, has something changed or is there something going on that not positive to us? On the other hand, he might be on sick leave or just busy. At Tuesday the call was answered and I was told that he has been busy, the information make me feel good and relieving. The meeting was held, and everything seems to be well so we could proceed to signing the contract, except the maintenance or warranty issues are still open with the business partner. The only news I got from the meeting is that price-level is too high, but on the other hand it always is.

This relation with business partner and their previous relation with suppliers service department is the most limiting aspect. Service Manager of supplier sees the business partner as competitor and therefore does not grant sufficient enough terms so the attractive business model could be presented to the business partner.

Purpose of the initial meeting was different compared to the other cases, it was to get the contract written, to keep brand awareness education for the personnel

- how to prepare for a meeting
 - Power point show was used to make the brand awareness presentations
 - Contract was prepared for signing
- how to dress
 - meeting took place in a meeting room in customer premises
 - In advance the right dress code caused troubles not to overdress because the Sales Manager said to me that at the dawn he will go hunting black grouse and comes to pick me up from the hotel.

In a final meeting that took place in case company meeting room were three representatives from case company. First part of the meeting price lists, products, back-up services and business plan was to go through. Second part included only Sales Manager and me and the contract proposal was given closer look.

There was only one problematic part and that was the relation of the business partner. It was found out that the business partner would like to let the case company to do the business also to industrial customers they do have. Since nobody does give any business away, the tip reward would be provided, from the case company to the business partner.

Though our vision is that there is quite much business in there and this is not in case company's target market. Previous business lay-out was seen as problematic because there would be too much intermediaries and the price would get too high.

7 ANALYSIS

Processes with different companies have proceeded well, though at the moment can not be said that success has taken place since the contract signing event has not been kept. There has been only one company where interest was not raised and entry was not seen possible.

Reconnaissance was made in advance to get figure from the dealer candidate. Source to get the information was of course gained knowledge from the network, but also companies' websites, www.finder.fi and www.kauppalehti.fi to get financial information, google.fi/maps street view to see the company façade.

For each case company was created own strategy matching the suspected need of the company.

7.1 Analysis, Case 1

Winning strategy for first case company was simple. Offer products for dealer at a reasonable price ensuring the livelihood, without him to be afraid at Atlas Copco to go direct over him to the customer.

Problematic was the speed that things happened. Decision making process can be fast because of the structure of management of these one man companies. If compared to the figure 8 the task, which was getting the deal, was already done and our processes and systems were far behind causing troubles.

The troubles our procedures caused was minimised by extra information. Dealer was kept informed from the beginning of relationship about every single action supplier had to make to get the process flow.

In this case the theory of networks is seen clearly. If the existing partner would have been bigger in terms of importance toward supplier, it would have restricted supplier's action capability toward case company.

The process was smooth, fast and straightforward going. Since the relationship was established early, considering suppliers capability to make such infrastructure ready, it

gave many headaches to manager when every quotation, transaction, etc was to done “manually”. But as said it is how things are when establishing new business, money does not come in and you need customers soonest.

7.2 Analysis, Case 2

Winning strategy toward second case company is still evolving in the tripod. It has not evolved as much in first rounds as it was seen in case three.

Case company was the one giving the most discouraging feeling. Though the feeling was not strong enough the stop the process, but at the moment it is pushed forward. The tripod is not tuned yet, in other words door is kept open and since the entry has gained the common goal is to be built in order to together walk toward the decision. This process is more described in chapter 5.1.

Are there any obstacles on the road, described in a chapter 5.2? As looking from supplier side of this process, there is only one possible obstacle and that is the most hardest to beat: Client does not actually need any help. The case company is happy with our competitor and there has not been such conflict that was with the first case company.

Would it be ethically sound to tell about the conflict? Would it improve, or would it decrease supplier's changes, if the dealer is looking also ontological side of supplier as they tend to do.

The problem with the CEO wanting to have two competing brand is something we cannot accept because our multi-brand strategy. My personal feeling is that this would also lead to fierce price competition, and there are no winners in that game. Though, it would be tempting to try and maybe offer some harassment for the competition at least and there is always possibility to gain the dealer for good.

This case will continue as this study is put into the print. The process has been what I expected, the most demanding to get from the beginning.

7.3 Analysis, Case 3

Winning strategy for third case company was to move brand from Atlas Copco to Chicago pneumatics with best possible business tools make their work as easy as possible. Also to win the business partner by ensuring better entirety than Atlas Copco competitors are able. There have been plenty of turns into the tripod, but it is tuning toward the goal steadily. At the start of the process turns were slower but changes in strategy bigger. Toward the end, the turns accelerated and the changes did get smaller.

Main “demand” from case company was the exclusivity which was not granted. The maintenance company is more problematic because they would be doing the maintenance, and they are also competitors of Atlas Copco Service department where are sourced the spare parts and service training. This problem needs more circles in tripod in order to get supplier business model in a condition where the agreements are done both with case company and with the maintenance company.

When the calls were not answered, and caller knows that opponent do see on the cell that who is calling, practical advice is call via switchboard so your number does not show on the phone. If the call is answered in this case, caller may make reasonable clear-cut conclusion if proper explanation is expressed.

The pressure they gave me in prices was easy to defend, because I know where we are and what the price level is. As a supplier manager is hearing this a lot, like sales persons, but the ground must be stand otherwise the margins are lowered.

The problem with business partner was most demanding to solve and I was able to invent a way around this by making a suggestion where case company can buy and sell forward these products suitable for their target market, and business partner can interact directly with me regarding those industrial customers. With this solution all parties seems to be happy to live with.

This case is closed, first compressors are sold, and the contract is done but not written in paper yet. There are just some adjustments to be done in written contract but they are already talked through.

8 CONCLUSIONS

The answer to the main study question is not easy to form and it is true that there is no single method that gives result guarantee. Winning the dealer depends on manager's ability to sell ideas and transform the offering to better match the criteria developed by the dealer company.

Networks really exist and effect on manager by restricting manager's action capability. On the other the networks enables manager, especially good value of Atlas Copco opened doors. It is important to know your network actors to know how the decisions made could influence on network. And what factors may limit your capabilities in order to get the deal.

Results of this process of gaining dealers were good so far, and when writing this, two case companies are accepted the terms though the papers are not signed yet. The most disturbing matter was the fact that our process to build new business area in Finland is so slow that it was causing negative comments and feelings from the dealer candidates. It would have been better to postpone this process of writing this thesis, and see more cases and the real outcome and especially include the Baltic countries in, but it was not possible in terms of graduating.

Manager has to be able to get the time needed from the customer, get the interest waken and keep it up, meanwhile the tripod is spinning and managers proposal get tuned and hopefully it transform to common proposal and therefore the customer can be walked together to the goal.

There was no big difference between the categories made for this study. Demands for the supplier were mostly the same amongst the categories. Also no organized supply methods were used, which would lead to different kind of setup in negotiations.

8.1 Managerial implications

Though Corporate Social Responsibility has been growing theme in business lately, it was not mentioned when dealers were asked that what they do appreciate or demand in their supplier. On the other hand the dealers appreciate ethicality but it is hard to demand because it is quite abstract concept. These criteria that companies set to Atlas

Copco were not standard, but rather reflection from wishes and hopes. It was common that the criteria changed when the process continued.

Manager must be aware of power sources in relation to networks. What is his/hers way to build trust between companies and people. Information flow toward the dealer is highest on the point where agreement is just done. So there will the real winning of the dealer start, because though the names are on the paper but the dealer feels that they are not getting the proper support from the supplier the sales force might turn to earlier source or somewhere else.

Chrematistic behaviour caused our competitor to loose their dealer. Therefore, it is important to keep up your promises not to “go direct” and establish commitment to your cooperatives. Also there are plenty of factors that cannot be influenced and therefore some companies suitable for dealer candidate were left outside and not approached.

The most common demand or pressure is on the price, but they do appreciate also ontological values of supplier. Though, they usually not express those demands in words nor in paper, like larger companies do.

Price level demands are much easier to handle when you know the markets, than compared to making marketing entry where the price level is not so easy to find out. As I’m already afraid that when we enter the Baltic countries how to react such a question.

As strong culture exist in Atlas Copco. Sometimes culture can be a barrier, and it need to be changed, like it is here with the Multi-branding. If change is wanted to happen it has to start with the culture and proceeded toward the continuous improvement.

8.2 Suggestions for Suppliers

To achieve best possible dealer cooperation supplier need to have solid management procedures and suitable strategy which are to be followed and revised regularly in order to keep the existing dealers and gaining new relationships. This all is to be done in a small network, where actors are known and people do know each other even they do

live and work in opposite side of Finland, therefore the reputation of the suppliers do change and affect on decisions.

In order to maintain demands of financial and environmental legislation, supplier should be obligated to add proper texts in dealer agreement and make sure that dealers working procedures are compatible.

Studying Supply Chain Management (SCM) procedures from dealer's point of view can be very suitable strategy when interacting with the distributors. Marketing strategies that are directed toward the dealer could also include SCM and Corporate Social Responsibility aspects though they are not asked or discussed by dealer, they are valuable equity that can give more competitive advantage.

8.3 Suggestion for dealers

Though the companies are small and suppliers do not change frequently, benefits of Supply Chain Management (SCM) theories and demanding Corporate Social Responsibility (CSR) would give more professional appearance. Here is not meant that companies should take the whole SCM procedures in everyday action, because the benefits of the SCM for small- and medium-sized companies are not proved (Arend and Wisner, 2002).

Gaining knowledge from relationship is pragmatic way to improve efficiency of supply chain, especially in a network layout. When relationship is informal and is based on common interest the understanding and processing knowledge will gain ontological SCM-system appropriate for small companies.

These demands or wishes came up during the negotiations:

- Suitable strategy for dealership
- Pricing
- Exclusivity
- No area restrictions

From this list can be concluded that distributive companies are pragmatic and also ontological in their supplier arrangements. The model is basic figure what they need, and also reflection what the end users are demanding.

8.4 Methodological reflection and suggestion for further research

It was very hard to do such a research, when you knew at the start that it might be possible that there is no exact answer at the end, especially as engineer I have used to ground my decisions on numbers. In every aspect the process was educative and eye opening.

Case study was proper method for such a business environment research where ontological aspect was quite large. Multiple case-study offered the possibility to widen the range of companies involved, and the validity of the study was increased.

Compressed air business in Finland is quite small and actors limited in number. Therefore, it would be the next step to research this process in a bigger scale business environment. Such as a car industry where is eight car dealer companies in Kouvola area alone, plus heavy vehicle industry causing the network go wider.

8.5 Reflection on own professional development

The whole process of establishing AIM division in Finland has been most educative and very interesting. I started from the very beginning, without idea how big and time consuming thing this would be. Process started with building connections to the factories and offices in Belgium and Italy in order to get our infrastructure ready as soon as possible. Our infrastructure set up demanded much, including IT-related problems and issues with organizing transportations and services.

The process of getting new dealers will swelter to south until border of Poland is reached. The new challenges will be more intense that they were in here Finland. Finnish markets were known to me and I was known to actors in some cases. New challenges will be of course different culture, language problems already experienced, different competitive business environment e.g. competitors not known here in Finland.

Main challenge so far has been building the infrastructure ready and simultaneously interacting with the dealers. Though as a new manager the process has been most educative because I have intervened all the possible processes which have taken place in market entry and also the managerial side of processes inside the corporation.

Development is hard to notice as you are reflecting your own behaviour. Certain matter is that I'm much more experienced at the moment and the process is continuing strongly. From different experiences manager gain more personal power and therefore the manager's ability to gain winning capacity expands and results do get better. Also understanding of the implications of networks is improved.

As starting Multi-Brand department in Finland was a change for the personnel of company. As earlier only main-brand was represented, and everybody else is competitor. Also Multi-Brands are now seen as competitor though the goal is to not to cannibalize but to attack competitors. Plenty of work is to be done in order to gain such a chain in our organization that multi-branding is a good thing and support needed comes without friction.

Reflecting my own development as change agent development, following figure can be used:

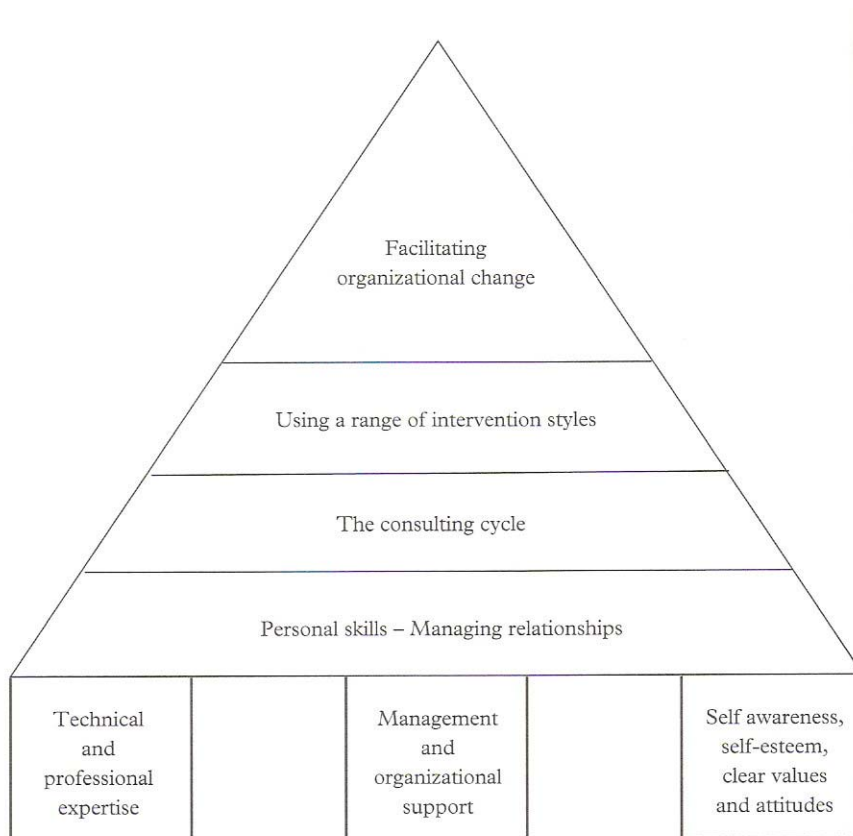


Figure 13. A Holistic model of change agent development

(Cockman, Evans, Reynolds 1999, 276)

Change is needed and it is happening at Atlas Copco at the moment. The change has not been easy and there is a long way until multi-brand division is accepted within the personnel. Though the change has started and I believe it will be a success. It is hard to tell that how much my intervention has made the difference.

My Technical and professional expertise has grown in great lengths, and it has been easy to note. It is not so easy to note that is your own self-esteem and awareness grown. But looking back almost six years when I started working in Atlas Copco, I recognise the feeling of getting a fresh start and being empowered from within.

8.6 Challenges and solutions

There are plenty of challenges in process of winning the dealer. In this table some of the challenges are presented, and proposed solutions. The challenges and solutions are universal and depending from the situation.

Challenge	Proposed solution
Entry phase is difficult	Dealer strategy and business model has to be attractive and it need be presented well from the first call.
Moulding your strategy to fit the dealers need is difficult	Increase the commitment in your back up people.
Your organizational support is not on solid ground	Develop your personal power to facilitate the change for better. Use intervention styles.
Lack of speed in the tripod roundabout	Fulfil your dealers wishes and hopes if possible
Network is limiting your actions	Calculate pros and cons. Remember it might also enables your actions.
Trust is not increasing, or the case is not closing	Develop management or strategy
Competitors are taking over, or defensive actions are considered	Develop competitive advantage by innovative management.

Table 2, challenges and solutions

As the table shows, the process of winning dealer includes plenty of phases as written in chapter 5.1. Every phase can be challenging and manager has to be equipped with proper tools to handle the situations. These tools do include personal properties and company support.

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