THE TRAINING NEEDS OF SERVICE ENTREPRENEURS IN PIRKANMAA

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ABSTRACT

The purpose of this thesis was to get further information on the training needs of the service entrepreneurs in Pirkanmaa in the areas of marketing, sales and service development to be used to develop services of the commissioner (Pirkanmaan Yrittäjät Ry).

The thesis consists interviews of random sample of service entrepreneurs in Pirkanmaa. The research themes were the current situation of marketing and sales, challenges in those areas, service development in the enterprises, the level of customer orientation and service formation in the process with usage of theories Service Design and Productization and the training needs of the entrepreneurs. These topics were chosen to find more detailed information on problem areas and the development needs of the entrepreneurs.

The commissioner was then served with service development suggestions based on comparison of the material they provided about example training and on the information arisen from the interviews.

Key Words: Marketing & Sales, Service development, Service Design, Productization
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1 INTRODUCTION

The purpose of this thesis is to get further information on the training needs of the service enterprises in Pirkanmaa in the areas of marketing, sales and service development to be used to develop the educational services of Pirkanmaan Yrittäjät Ry.

1.1 The Background of the thesis

Prkanmaan Yrittäjät Ry had implemented a research to find out the ways to improve customer orientation and service development in service companies or companies that offered side services in addition to selling products in Pirkanmaa. Based on these results a training “Testaa ja Tuotteista” (TeTu, “Test and Prodotizise”) was formed and implemented once. The training was about developing entrepreneurs own service development idea further in a customer oriented way by using the theories Productization and Service Design. The amount of participants was low so further and deeper information about the training wants and needs of service entrepreneurs in Pirkanmaa was needed.

The first research was an online questionnaire sent to a large sample of entrepreneurs in Pirkanmaa and offered statistical information on the opinions of the respondents. This thesis includes a research done by interviewing a random sample of nine service entrepreneurs to get more detailed information on the relevant matters.

1.2 Goals and objectives

The goal of this thesis was to find out the problem areas in the educational services of Pirkanmaan Yrittäjät Ry and find possible development suggestions based on the interviews of a random sample of service entrepreneurs in Pirkanmaa compared to the implementation of the TeTu- training of Pirkanmaan Yrittäjät Ry.
The interviews sought to find information on:

- The current situation of marketing and sales of service enterprises in Pirkanmaa and possible challenges in these areas
- The level of service development in the service enterprises in Pirkanmaa.
- The knowledge and level of usage of theories Service Design and Productization in the service development processes
- The training needs of service entrepreneurs in Pirkanmaa in their own opinion

These topics were chosen to find out the possible training needs of the companies in more detail than just asking the entrepreneurs directly for their opinion. The important factors and challenges in them often reveal problems that the entrepreneurs would not have otherwise thought of or are not even aware to be problems.

This development plan is also useful to any service entrepreneur, because the themes handled, such as marketing, sales and product development, are relevant in any enterprise. It also offers knowledge and tools of theories Service Design and Productization. These are newish theories designed to help to create a successful service in a customer oriented way and form it to easily sellable form. This development plan also offers information to any other educational service providers to use to develop their own educational services because it points out the important factors and challenges in the entrepreneurs businesses and also the sort of training topics and structure that the entrepreneurs find appealing in training in general.
2 STRUCTURE AND THEMES OF THE RESEARCH

2.1 Methodology

The development plan is based on a theme research, which is a type of a qualitative research. It includes interviewing a small sample of 9 (nine) service entrepreneurs from Pirkanmaa region about themes marketing and sales in the company and challenges in those areas, service development and challenges in that area, knowledge and usage of theories Productization and Service Design and possible training needs. All the interviews were done in Finnish language and all the quotes are translated from Finnish language.

Interviewing enables the interviewee to represent his/her opinions and other related factors as freely as possible. This might bring out new aspects to the topic and clear and deepen the already collected information. Interviewing is an effective information collecting method specially when connected to another research method for example an online questionnaire. (Ojansalo, Moilanen, Ritalahti 2009, 95.)

There are several types of interviewing methods that differ basically only on their structure which depends on what kind of information is needed. The structure can differ from specific questions controlled by the interviewer to just topics that the interviewee can discuss freely about. (Ojansalo ym. 2009, 97.) The interviews in this research were half structured, meaning that instructional questions guide and frame direction of the interviews. The interviewer may change the wording and order of the questions according to the direction of the interview. The interviewer can also add questions if they seem fit in the situation. (Ojansalo ym. 2009, 97.)

After carefully planning the questions they should be collected in an interview planning form that can be taken in the interview. The form is just for support, and the interviewer should adopt it as well as possible. (McConnell, 2003, 143)
In the structure of the interviews was constructed so that it would reveal the training wants and needs from as many directions as possible, by finding out the important and challenging factors of the themes mentioned above. To ease the challenge identification, critical incident technique was used.

Critical Incident technique (CIT) is an interviewing method suitable especially well for developing service companies. The technique is to ask the interviewee to explain a situation that was extremely problematic or successful, so called critical incident. This detailed story helps then analyzing the operations by telling what should be kept as it is and what factors should be developed. (Ojasalo 2009, 98; Marrelli 2005.)

It is recommended to record the interviews so that the interviewer has a better chance to also observe the interviewee in the situation. Also the possibility to listen to the interview later makes it possible to notice new factors that may have escaped in the actual situation and document the interview in detail. (Ojasalo 2009, 95-98.) All the interviews were recorded, documented and analyzed.

The results were analyzed by different themes. The information was collected from data on the basis, what was said about each theme. The point is to chop and group the data by different topics arising from the data. In the case of a theme interviewing, the themes from the interviews form the themes for analyzing (Tuomi&Sarajärvi 2009. 93).

The results were compared to the theoretical frame and information about one example of an educational service “Testaa ja Tuotteista” provided by Pirkanmaan Yrittäjät Ry. Based on the comparison, Pirkanmaan Yrittäjät Ry is then provided with instructional development suggestions.
2.2 Chosen themes

The themes asked in the interviews were chosen to deepen the information collected earlier with an online questionnaire and on other aspects that were known to be challenging for entrepreneurs. Marketing and sales is a known challenge for many entrepreneurs in general. These topics have arisen from several other researches and the commissioner of this thesis mentioned that this theme is important to know more about.

The product/service development in the companies was one of the interview topics. This topic was chosen based on a previous research which was implemented with an online questionnaire and was about the level of service development in service companies in Pirkanmaa region. This topic also reveals whether the entrepreneurs are familiar with the theories Productization and Service Design, because these theories are about developing services.

The entrepreneurs were also asked directly about how they feel about their possible training needs especially in the administrative area. The entrepreneurs also explained in this context, that what kind of training do they already have, was the training good or bad and why. This brought up opinions in general about the structure of the trainings.

2.3 Information of the companies interviewed

All the companies interviewed were located in Pirkanmaa region, in Tampere and were either service enterprises or offered supporting services next to product sales. The size of the companies interviewed was in a large range; from one to clearly over 20 employees. The areas of business of the companies interviewed were consulting, marketing, software, media production, architecture, design, cars and washing services. Most of the companies offer b-to-b services or both b-to-b and b-to-c services. Five of the companies have been in business less than 10 years, and the rest have been operative from 20-30 years.
In a case of older enterprises, the entrepreneurs had changed over the years. Table 1 shows the basic information about the enterprises that is relevant for the results of the research.

<table>
<thead>
<tr>
<th>Interview</th>
<th>Area of business</th>
<th>Age of the company (years in business of the entrepreneur)</th>
<th>The size of the company,</th>
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<td>4.</td>
<td>Architecture/engineering</td>
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<td>Design/decoration</td>
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<td>Consulting/coaching</td>
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<td>9.</td>
<td>Event planning</td>
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Table 1. Information of the enterprises interviewed
3 ANALYSIS OF THE RESULTS

3.1 The current situation and challenges of Marketing and Sales in the enterprises

The entrepreneurs were asked to explain the current situation of their marketing and sales and to mention challenging factors in these areas. From these themes the entrepreneurs mentioned tools and ways of working that are listed in the figure 4 and challenges in these areas are listed in the Figure 5. The topics are connected to the interview that they were mentioned in and explained later in the chapter.

![Diagram: The topics from theme “marketing and sales”]

Figure 4: The topics from theme “marketing and sales”
Many entrepreneurs mentioned in the interview that they do not have a clear marketing plan. There is a marketing plan included in the business plan, written when the enterprise was found but not up to date. Most of the marketing in the smaller enterprises is done by the feeling or based on the situation.

“We do not have an official marketing plan, but we do marketing more on the feeling bases”

“In a enterprise sized like this, we do not have an actual marketing plan. We put money in marketing when we have it.”

The biggest and most mentioned problem was the lack of time and recourses in planning and implementing marketing and sales, which also partly explains the lack of a clear written marketing plan. Many work alone or are the only administrative employee in the company. When it comes to going to a training or updating social media or taking the time to make cold calls, the entrepreneurs have to consider very closely doing because of the limited time in their hands. Many wished to outsource sales, hire someone to handle social media or even for a miracle.

“I am able to contact only a certain amount of customers per week and that also only there where I am.”

“I have these direct marketing periods, but nothing systematic. I don’t have time or recourses to that. And well to mention I do not even like marketing and sales.”
3.1.1 References and Word-of-mouth in marketing

In B-to-b and service marketing, references and word-of-mouth (WOM), as a good word from the customer, are important ways of promotion. Satisfied customers tell good tales of a successful service with pleasure. That is free marketing for the company and extremely useful in cases where the offered product or service is complex or diverse. References can be recommendations given by customers or media or they can be a tool how a possible customer can familiarize with the service by checking how it works in another customers use. References and WOM often affect more to the final purchase decision than sales speeches or paid advertisements. (Ojasalo & Ojasalo 2010, 128.) The influence of WOM and references to the purchase decision is shown in the appendix 2: example of service journey picturing tool.

Advertising gives a promise of a quality service, the service itself proves the promise right and the employees are the ones implementing a good quality service (Ojasalo & Ojasalo 2010, 31-32). Good quality leaves a possibility to additional sales, gains good references and creates positive WOM.

All the entrepreneurs said that they use references and WOM in their marketing and sales. Most said that those are their primary marketing tools. They want to produce high quality services, because satisfied customers often return and good quality also works as a good marketing and improves the image of the enterprise.

“We do some support marketing like ads in local prints, but mostly we invest in our own web pages and the references that can be found there. We have a saying here that the work comes to you only by working and good work speaks for itself.”

“I think of my marketing in a modern way which means power from networking, meaning references and word of mouth. These are very important tools”
3.1.2 Networking

To boost the reference marketing and take a full advantage of WOM, the micro enterprises rely highly on networking. Connecting either with the enterprises in the same area of business, to create credibility in the eyes of customers or on the different areas of business, to create more comprehensive services. Networking also is a two way channel where the entrepreneur can send their marketing message or get tips of potential customers and be told about to the potential customers.

“We get visibility in other ways for example through advertisement agencies. They make the visual appearance but they use our software. Both can concentrate on only the specialties of their area of business.”

“There are almost 10 coaches in Tampere already. We all have the same problem; how to get inside, and if someone does we could manage even big projects together. We work in the same area of business and have the same state of mind so we understand that competition is not a solution but cooperation.”

Many entrepreneurs had taken social media as a new tool in their marketing tool box. They know that it is an important marketing channel and very effective way to reach the customers with the network it creates. Some of the entrepreneurs use social media to its full power and some had only made a facebook page for the company, but did not really know what to do with it. The knowledge of the usage of social media was often linked to the area of business the enterprise works in. Media, communication and marketing entrepreneurs had the most knowledge over effective social media usage.

“The corporation has some sort of pages in facebook. We will invest more in social media in future.”

“I have used social media, for example facebook and other channels, very actively all the way from establishing the company. I have separated my personal profile from the company profile, both of which have many likes (own 800 and enterprise 400). Linked in is another very important marketing channel.”
Many entrepreneurs mentioned as a challenge that they have page or a group in social media but do not know how to get the marketing advantage from there. Other social media channels such as blogging were found useful, but the lack of capable employees or time prevents the usage of these channels.

“We could have more reference objects visible for example blogging from the projects under construction, but we do not have a person who would have the time from real work or even know how to do it.”

“We have pages or group (or whatever it is) on facebook, I have lost track of what that stuff is.”

### 3.1.3 Choosing the target segment

Markets are formed of different groups of possible prospects, who all have different wants and needs. To identify these groups and choose to which group or groups to target the marketing is important and major task in planning the marketing. Understanding the behavior, buying methods and trends of the chosen target groups requires loads of groundwork and careful analysis. (De Pelsmacker ym. 2004, 108.) Chosen market segment should include several subgroups that the marketer chooses which ones to focus on. This is called targeting. Company then targets their marketing communication to these groups in the way they accept information through channels they use (Pelsmacker ym. 2004, 108-109). Then the company chooses in which position they want to be in the target groups mind. Positioning is building image in consumers’ heads and what do they think of the company compared to the competitors aka building brand image (Pelsmacker ym. 2004, 108-109).
Choosing the target segment seemed to depend on the age of the company. Older companies had precise target segment and groups chosen, so they know exactly to direct their marketing and sales to these certain type of people. The younger enterprises have not described their target groups clearly enough, the chosen target group is not interested in their services or the whole world is their target group. The reason to this might be that the enterprises that have operated longer have had much longer time to build their customer bases and to define who their target customer is.

“*Our target customer is about 50-55 years old man who has paid the house loan already*”

*(an enterprise that has operated long)*

“I was thinking that now that I have tried to sell to the companies and did not get a positive reply, that maybe I try to sell to the public organizations next”

*(a younger enterprise)*

Choosing a clear target segment/market and sticking in to it, was also mentioned as challenge. As mentioned earlier especially young enterprises are not sure to whom to target their services. Choosing the group might be more like try and error than based on an actual research.

“*Target market is practically Finland and foreign countries. That’s why my marketing is kind of small compared to what it could be. For some reason I have found customers from really conservative directions and not from high tech companies.*”

“*Our target markets for this service are companies, households and household service companies.*”
3.1.4 Brand image

A strong brand creates value to both the customer and the service provider (Ojasalo& Ojasalo 2010, 197). In the case of service enterprises the image of the company is very close concept to the brand image. For customer, brand is the sum of values and images related to the company and to the product/ service it offers. In addition to the actual service, consumers buy also the value and the images the brand creates. Meaning that if the consumer wants to save nature and the brand of the company states ecological values; the consumer can feel good about themselves by buying something that is in the line with their own values. (Ojasalo& Ojasalo 2010, 197-198.)

In the case of marketing services that are intangible, a strong brand also helps the customer to visualize what is offered by picturing the values and images of the brand. This reduces the feeling of the risk of false purchase. For company a good brand brings visibility. They are noticed better among the competition and their advertising stays in consumers mind better. In addition to the trust in the brand, it also adds demand which then allows asking for higher prices. A strong brand also adds value to the company and so in a situation where the company is sold, it increases the price. (Ojasalo& Ojasalo 2010, 198.)

Good brand image was also found very important especially among the larger enterprises. The micro enterprises do not mention brand image, but talk more about removing the risk from the customers mind, gaining trust and having a good image.

"And here in Pirkanmaa they have researched this, and found out that our brand is number one/ most known brand. This whole business is totally branded. It is so that when you have a good brand, it is worth of gold."

"Because this is unknown area of business, it is always better that more people offer it to gain trust and good image"
3.1.5 Promotion

Promotion is needed in every case when something is sold. Promotion attends to bring the offered service or a product into target customer’s attention in an interesting and appealing way. Whether or not the promotion is successful, is determined by how interesting and appealing the marketing message was and through which channels it was sent, meaning did it reach its target group. The message and the channels may vary a lot depending on the target group. (De Pelsmackeer, P., Geuens, M. & Van den Bergh, J. 2004.)

Many entrepreneurs mentioned the company web pages to be the primary marketing channel. All the other ways of visibility focus on getting the potential customer to visit the web pages to read about the services and see the references. The web pages are also often constructed to include as many adwords as possible to improve the Google visibility of the web pages.

“We use print media to direct people to our web pages, because 60% of people check the internet before going to the car stores”

“When you write “decor Tampere” in Google, our shop comes up first. The one who made these web pages, succeeded very well in search engine optimizing.”

Entrepreneurs use traditional paid media, such as TV, radio, print, sponsoring etc. a lot or not at all depending on the size of the company. The small and young enterprises do not have the recourses to crate or pay the advertisements in these marketing channels.

“We market widely on various channels like radio, printed media and have advertisements in ice hockey hall.”

“We do not use paid media. Only maybe once or twice a year some visibility in customers’ printed media.”

How to get visibility and get noticed by the target segment is also a common challenge in small enterprises where the budget and recourses are relatively slim.
“How do we transmit a message to the people of Tampere that we are here? When print advertising is so expensive and people pass it by just turning the page, there is no guarantee to be noticed.”

3.1.6 Pricing

Just like a product, a service should have a fixed price. The price is the one that cover the costs of producing the service and pays the salaries of the entrepreneur and the employees. This is why it is extremely necessary to count in the price all the costs of producing the service and enough profit margin to make offering the service even profitable. Still when setting the calculating the price, it is necessary to evaluate the value the service creates to the customer and is it worth the price. (Parantainen 2007, 62.)

If the service includes several operations, like it usually does or changing factors it is recommendable to set up a standard service, that has a fixed price and that can be modified by adding or letting out special features that also have a fixed price (Parantainen 2007, 53). Parantainen (2007,61) also recommends that the price should not be totally based on the hours spent on producing the service, but rather the average of hours that this job usually takes, which then gives a fixed price to the service. For example hair dressers have a fixed price for every single operation they provide. Color, cut, styling for short, middle, long hair, highlights, extensions etc. Or has anyone ever gone to a hair dresser to ask how much cutting your hair cost and gotten an answer, I do not know before I am finished? Giving the service a fixed price does not mean that it has to be the same for every customer; it just means that the service provider is able to give a price for every customer (Parantainen 2007, 62).

Since the price can differ, it is not recommendable to give discounts. Discounts just let the customers think that the service is overpriced, makes them wonder the risk of the mistake purchase since they are not sure if they got the best possible price. Also once they have gotten discount they will demand it the next time too. This way, discount pricing will slowly eat the profit alive.
If the customer claims that the price is too high, it can be lowered but with the consequence of something being left out from the service. (Parantainen 2007,61-63.) The price also does not have to be the same or lower as the competitors in the markets have. Especially when the service has a special feature that differentiates it from the competitors’ services. Customers often have the image that expensive means quality. If the service offered already aims on quality, why the price cannot be high? (Parantainen 2007, 85-91.)

Most of the entrepreneurs have priced their services so that the price includes contribution margin and costs of producing the service and no discounts are given. Many entrepreneurs have made the pricing very clear to the customer, possible retailers and themselves. Customer does not see a price list; it is only a tool of the entrepreneur, but a price that shows the costs of different parts of the service.

“Pricing is formed by a long experience. We have a clear pricelist for the customer, retailer and the ones that place an order directly. Every module and product package has its own price”

“We have a readymade price list that I do not give to the customers but I use as basis to everything. Customers want same sort of things so I have price level for those.”

Effective pricing was mentioned to be a challenge for some entrepreneurs that also reflects from a problem of not having effective success measures. Without a proper way of showing to the customer the value (s)he gets when buying the service, it is highly difficult to reason the price. Also since the services are intangible the customer does not really get anything concrete in hand and hence does not see the value of the service and how the price is concluded. Finding effective measures was mentioned to be a problem also because there were no accurate ones or the area of business was so new that it is not yet clear what to measure.
“The lack of measures reflects also to the pricing. If you do not have measures of success, it is hard to reason the price”

“Measuring the success is really difficult. There are no clear measures if a company invests X amount of money in for example building facebook pages, is it profitable or not if there is 1000 likes or what is the effect of the page in the online store sales.”

3.1.7 Usage value

Ojansalo& Ojasalo (2010,16) suggests that, in any case, the main focus in marketing is in adding usage value to the service. This means that customers do not buy a thing because of the thing itself or because of its technical features, but because of its features that solve problems or otherwise ease life. For example people do not buy mobile phones, they buy connections. Usage value is defined by customers and should not be based on only the production costs. In the case of service, the value is formed of the interaction between the customer and the provider in the service moment exactly how the customer experiences it (Ojasalo& Ojasalo 2010, 17).

A one used sales and marketing tool was to promise to the customer what (s)he gets when buying the service. In other words what is sold is usage value instead of technical features. It is very important also to keep that promise, or better yet to top it. This way the service is considered to be good quality. Because almost all the entrepreneurs interviewed trusted in reference and WOM marketing in which case it is very important that what is said about them is positive.

“In first meeting with the customer, where (s)he tells his/hers wants and needs, we bring in the promise; there is help to your problem.”

“You cannot sell with over promising, because that causes disappointment, but rather top the expectations of the customer positively and then you fulfill the default value of the customer”
3.1.8 Differenting from the competition

A good service always has some special feature that makes the decision making easier. Parantainen (2007, 41) explains that if the sales person is unable to differentiate his/hers service from the competitors services, the decision making is harder to the customer and gives the feeling of risky investment which leads to the fear of a mistake that often keeps the customer from purchasing.

Competitor analysis is important to do when differencing the service. Customers often compare many options before purchasing and it gives a professional feeling when a sales person is able to tell exactly what the offered service includes, what the competitors are offering and why the customer should choose this service among the others. This saves time for the customer, in other words makes purchasing easier and it gives the feeling of best choice since it has been shown why this exact service suites the customer the best. (Parantainen 2007, 39-41.)

One part of differentiating from the competitors is clearly stating the profession on a certain area instead of claiming to be a professional on everything (Parantainen 2007, 66). For example in the area of health care, if you have problems with your heart, would you rather go to a special heart doctor or to a regular family doctor?

Some entrepreneurs had also considered competition and the possible competitors. Most of them had thought how to differentiate themselves from the competition and what is their special feature that makes the customer choose them over the competition. This walks hand in hand with the clear knowledge of the target segment, to know how to differentiate as “best choice” in their eyes.

“I have a strong experience from work and company life, working in teams and overall business life rules and customs. Many competitors in this area of business are musicians or restaurant owners. They manage to organize good events, but they do not have the business world experience, how to take in the consideration the strategy of the company and how they should how in the actual event.”
Even though most of the entrepreneurs know that they should differentiate from the customers, but they do not necessarily do that effectively. Many mentioned that they differentiate with either quality or price, and these are things that everyone everywhere offers.

“The challenging part is to assure the customer, why (s)he should buy five times more of something that looks exactly the same as in markets. The new word instead of “Design” is “Industrial art product”, to differentiate from market products. So we want to differentiate with having products here that the markets do not offer.”

“Our brand here is that we make good quality.”

3.1.9 Personal sales

Personal sales is important part of b-to-b marketing regardless if the what is sold is product or a service. The sales process usually has certain steps, which are finding the prospects and evaluating them, preparation of sales presentation, contacting, sales presentation, handling the refusal, closing the deal and after marketing. (Ojasalo& Ojasalo 2010, 53.)

Prospects are the potential customers. To find prospects several channels are often used; seminars and events, address lists, networking, other customers etc. (Ojasalo& Ojasalo 2010, 54-55). When preparing the sales it is important to find background information on the prospects. The prospect is evaluated based on the information, weather it is worth seeing the big trouble of starting the sales process. When first contacting the prospect, the first minutes are critical; weather the sales person is capable to wake the interest of the prospect. It is a one chance opportunity to create a good first impression. (Ojasalo& Ojasalo, 2010, 56.)

In the interviews, background research of the prospects was mentioned in some cases as either a competitive edge to or stabling block when not done effectively.
“To a successful implementation of a service belongs that think like a customer, feel his/her world and be there for real. You are there to improve their operations so you have to see their goals.”

“One customer I remember that was extremely interested and asked all sort of things about his area of business and then I noticed that I could have done the background search better. That time I clearly failed.”

A direct marketing technique that the entrepreneurs used the most to the new customer gaining is cold call or e-mail. Most of the companies said that they send an e-mail to a potential customer and then call them after a certain amount of time.

“When we need to do sales, we find couple of interesting companies and send them an e-mail, and then I call after some time. The goal is to get a meeting with them”

Some mentioned in the interviews that they take part in different kind of seminars, trainings and happenings to meet potential new customers and get first contact with them. Even though the actual seminar or happening has nothing to offer the entrepreneur him/her self, they take part in them to get new contacts.

“My marketing works mostly so that in the beginning I decided to go to happenings and seminars and come out with the customer”

Sales presentation is the core of the whole sales process. Here the sales person represents the value, benefits and features of the offered product/service and seeks to awake the purchase interest of the customer. Especially important is to highlight the value the customer gets from the service, because the customer will buy the service only because of the value it creates not because of its technical features. Counter arguments from the customer are a sign of interest. To block the refusal, it is often useful to highlight and repeat the value and benefits the product/service creates. Closing the deal is committing the customer to purchase the product/service, which is the goal of the whole selling process. (Ojasalo& Ojasalo 2010, 57)
One of the most important factors in selling is to remove the fear of making a false purchase. When being sold something, customers try constantly to find bad signs in the offer and often rely on the first impression. The decision not to purchase can depend on the teeny tiniest detail for example grammar mistake in the procedure. Provide enough information and keep it simple is a good advice when making a procedure. For customer it is important to get all the necessary information at once, what is the price, what does the service include, how to get it, how to pay it, how are the possible problems solved. (Parantainen 2007, 49-58)

Since most of the companies interviewed, offered b-to-b or both b-to-b and b-to-c services, the sales technique is mostly personal sales. Also because the services offered are often custom made and based on the customer needs. So it is important to get a meeting with the customer and discover their needs, to offer them right solutions. Also the right sales speech is an important tool to gain create a need and gain trust.

“The sales speech has been successful since the customer has changes his/hers opinion from doing themselves to outsourcing the service. That they trust that we can manage the event.”

Constructing an effective sales speech or letter that would wake the interest of a potential customer, is found the most difficult task in sales and marketing. When the effective marketing message/ sales speech is missing, it is found difficult to contact the customer, because getting the customer interested in the offered services is more difficult.

“The first contact. That when we send something from here, how do we get the potential customer to react to that and view our web pages. To get them interested is challenging. You have to think real carefully that how does the receiver understand the message”

“In the beginning of the year I cold calls some of the CEOs’ of big companies, and tried to get a meeting with them to map their needs. But it was time consuming and arduous and was not really profitable.”

“Formatting the brand or the product to a short form to be sold on the phone (aka elevator speech) is challenging.”
It is important to monitor the customer satisfaction. This means keeping the promise of serving the quality what was offered, delivering on time, handling the payment as agreed and answering on questions and reclamations. The point is to keep the customer satisfied and so keep the window for additional sales open. (Ojasalo & Ojasalo 2010, 59)

3.2 Understanding and usage of the theories Service Design and Productization

Service Design and Productization are theories developed to help to create a service in a customer oriented way and form the service in a form that is easy to sell and purchase. The entrepreneurs were asked whether they recognize the theories and do they use them in their own service development projects.

The entrepreneurs had various amounts of knowledge about the theories Productization and Service design. In some cases they had not heard about the theory but still applied it in their own service development. The Knowledge and implementation of these theories is shown below in the figure 7.

Figure 7: Understanding and usage of theories Productization and Service Design in enterprises
A few entrepreneurs mentioned that they would love to implement the knowhow of productization better or in larger scale, but even though they know the theory, they did not understand it fully or find it difficult to implement. So mostly they have done only some parts or to the direction.

“I have been in Parantaisen’s productization course and done some productization myself, but I guess I could do better. I have tried to create a clear message to the customer and to come up with success measures, but I do not perceive the theory so well that I would have done it well or to the detail.”

“Well we should productize all of our services, because the old way is in people’s heads in different way than it is now. That productization of the services has to do with marketing a lot. So we have knowhow, I guess.”

3.2.1 What is Service Design

Service design is creating value to the service together with the customer also known as customer-oriented innovation (Miettinen et. 2011, 31). The main point is in interacting with the customer and bringing their opinion in the centre of the service developing process. Not only by using the regular ways of marketing researches and customer happiness questionnaires but to completely change the role of the customer from receiving end to an active user. This means that the service provider takes the user as an active member of the developing process. (Miettinen et. 2011, 63-67.)

The prototype of the service should be tested in a real interaction with the customer and evaluated based on the feedback that the customers give. Even the ready service has to be continuously evaluated and improved according to the feedback. (Miettinen et. 2011, 107.)
3.2.2 What is Productization

Productization aims to turn the service to a successful, sales and marketing ready, service product which has a clear format that it is repeatable and possible to multiply as such (Parantainen 2008,11). A good example of well productized service is franchising chains like McDonalds where the business model and the service format are given and repeated to detail, no matter in which country the restaurant is opened. The whole business concept is in one manual down to the last detail like the color of the cashier’s nametag and to the exact 1.95€ price of the cheese burger. The one buying the license just has to follow the manual and yet another McDonalds opens exactly the same as we know it.

Productization aims to turn the intangible to as tangible form as possible and give the service a form that is repeatable but still possible to customize.
As in service design also in productization, it is important to keep the interaction with the customer alive. It does not matter how well the service is named, prized or advertized if the customer feels that there is no need for it. This is also the reason why Service Design and Productization walk hand in hand.

The productizing process proceeds step by step. When the characters of the service are defined to a working format, it should be named and priced. When the service becomes a stable format it makes stabilizing the price and teaching it to colleagues possible. To successfully teach the service product to the others, it should be clearly documented to the detail to enable others to repeat it without the original creator. Parantainen 2007, 12)

3.3 Service development in the enterprises

Every entrepreneur interviewed had done some service development, launched a new product or are currently developing a new service. Some of them had only one to develop, some had several they were working on and some had just thought to start developing but had an idea already. The service development in the companies is represented in figure 6 below and the topics are connected to the interviews they were said in.

Figure 6: The service development in enterprises
3.3.1 The wants and needs of the customer

It is absolutely necessary to interact with the customers to find out their wants, needs and problems. This does not mean that their requests or complaints should be implemented literally, because when asked what customers want, everything should be better, faster and cheaper. It is also possible that the customers do not know the downsides of their requests. (Parantainen 2007, 28-29)

For example people wanted ever smaller mobile phones but after a while they started complaining about too small buttons and screen.

Trying to solve customers’ problems is not always profitable either because when there is a problem people will find ways to solve it or go around it and after a while forget that there was a problem in the first place. For example Henry Ford has said that if he would have asked for the customers’ opinion they would have asked for better horses. People also tend to answer to questions as they think would be wise thing to say for example because they do not want to take the blame for anything afterwards or they want to otherwise look good in other people’s eyes. For example women often lie their body weight or how much candy they eat. Therefore the service developer should also go past the customers words to see the actual problem. (Parantainen 2007, 28-33)

When interacting with the customer it is a good start to ask what they want and what kind of problems they have, but the most important question is why. Why they want something? Why something is a problem? Why question leads to the core reason of their behavior and so reveals the actual need. (Parantainen 2007, 151-155)

The ideas to develop a new product or to develop old one came in most cases from the customer. Either there was a clear request or a hint that something was problematic, or a new tool or software in the markets that improves the service and that the customers started to demand.
“Well, that online side has grown largely in past 5 years. So the tools for that have generalized and that is what we are learning here. Every AD here has soon completed a course on that. That is kind of our product development to stay competitive in the online tool world.”

“Customers have walked in and asked that do you do this kind of service and I have said yes, because I knew designers do that kind of stuff.”

On the other hand, in some cases the idea was just purely based on the opinion of the entrepreneur and did not necessarily have been researched whether it answered a real need or solved a real problem.

“Last spring I launched a service that is my own innovation. I am not sure where the idea came from originally. It is an entrepreneur feeling collected from small pieces of information.”

"Idea is to ease mothers, because no father washes laundry. I guess someone asked me once that do I have a good idea to reduce the amount of laundry in the households"

“The service development idea came from my own needs as a human being”

In some cases the entrepreneurs had actually developed their service development ideas further in cooperation with the customer. In these cases the entrepreneurs had realized that the best results when creating a good service were formed when they understood who their customer was and what (s)he wanted and that the customer was participating in the development process by constantly giving feedback. This is the optimal usage of the theory Service Design explained in the previous chapter.

“Our customers make most of our service development when we try things together. Thanks for the customers we get loads of feedback on the way. So we have kind of outsourced out service development to our customers”
“It was a project that did not go through with the package I offered, but in the end it was totally developed in cooperation with the customer. First I offered a pilot that we then developed further with the HR manager who knew what they wanted and what not. It became a good model that I gladly offer to other customers too.”

As a result of creating the service together with the customers, some entrepreneurs had managed to create a service that clearly gives usage value to the customer. The purpose is that the service solves a problem of the customer or easies his/ her life somehow. Often customer is shown references or a possibility to try the service or see how it functions, to assure the customer of the value the service creates and to remove the risk of a false purchase.

“Sales happens so that the customer is represented an example product that (s)he can try and so understand the features and the usage potential, without learning the technical side. So we do not sell technique we sell usage value. What the customer gets from us that makes his/hers life a little easier”

3.3.2 Evaluation and feedback

Possible mistakes should not be avoided but discovered, handled and learned from as early as possible, because the cost of a mistake in the planning phase is marginal compared to a mistake after the service is launched (Stichdorn & Schneider, 2011, 130). This is why evaluating the service is absolutely necessary to spot and fix all the mistakes that may have occurred before creating and implementing the service. It is not enough to make sure that the service operations work and the customer gets served, but that the user experience has to be what the customer wanted. Evaluating the service experience from customer’s point of view can be extremely challenging because the professionals often lack the subjective point of view. (Miettinen et. 2011, 137-138.) When evaluating the service it is important to take the whole design team, employees and customers together to get feedback to get as many angles and to point as many mistakes as possible. (Stichdorn & Schneider 2011, 132-133.)
The service should be examined in as holistic way as possible, meaning that there are several ways that the customer might feel the service experience or even a certain highlight and the service provider should be prepared to answer in to most of them. The focus should be in alternative customer journeys (Stichdorn & Schneider, 2011, 44-45). For example when being at hairdresser, some customers may be busy and value fast service and others may come to hairdresser to relax and get a luxury treatment. In these different cases the customers values the highlights of the service in different ways. Customer journey is also represented in the appendix 2: example of service journey picturing tool.

The entrepreneurs collect feedback on their services in various amounts with very different ways. Some have highly effective system and collect feedback from the employees and customers all the time and then develop their services and operations based on that. Some in the other hand admitted that they do not collect feedback because they do not need it.

“We have audited feedback collection system. We have every other year external and every other year internal auditing. On top of that we have internal feedback meeting every month where all the feedback is brought together and wrote down. The operations are then developed based on that”

“We have not asked for feedback, because no one in this business makes as good quality as we do”

“Best experiences we have are when we have been in all sorts of events with and let the customers tell their opinions about the represented product/service or let them participate somehow.”
3.4 Service Format

The service should have a clear format. Often services are planned and customized depending on the customer's needs and the service providers find it difficult to define what the core service is. No clear structure leads to difficulties with pricing and marketing and gives the customer a feeling of a risky investment.

A good format has three abilities: it is repeatable, structurized but flexible and stays the same regardless, who repeats it. Structurized but flexible, means that against all the objections, it is possible to have a format in the service and still customize it. The service should have a core format, something that the customers always get at the certain price. In addition there can be several different single priced special features that can be added or deleted to/from the service that make the service more suitable to the customer. Format should be repeatable by others too and not just the creator. Otherwise it would be impossible to teach it for example to the employees. (Parantainen 2007, 124-125)

Building a clear format gives profit both to the service provider and the customer. Pricing, marketing and selling something exact is more efficient and it makes it easier to count the profit margin in the prices. On the other hand the customer knows what (s)he gets with a certain price and knows what to demand. With a clear format the projects schedules can also be defined accurately, because employees can estimate how long it takes them to finish a certain part of the job. It also makes controlling the resources more efficient, which is always profitable to the company. This way, also customers know and understand how long it takes to deliver the service. With enough rock hard facts it is easier for the customer to make a purchase decision. (Parantainen 2007, 128-129)
Most of the developed services have a clear format that is repeatable and possible to multiply. The services usually come together with smaller pieces or additional parts that all have clear prices and that are removable or possible to add in the service. Many have been able to do create a format even though mostly services are custom made to fit the customers’ needs. Still the customer’s needs are alike and make it possible to create a format to the services in certain limits. Even though the services are formatted that does not necessarily show to the customer. The needs of the customer are asked and based on that a custom made solution is collected from the different modules and then offered to the customer as a custom made solution.

“For example we have a training package for an industrial company. Then a furniture retailer or public health care center wants the same package. So we are able to form the same service to all of them.”

“We created a service in cooperation with another enterprise and we think that it would be repeatable and possible to multiply and there would be markets for it.”

Some of the entrepreneurs found it difficult to format the service. The reasons were either because the area of business makes it too difficult or that the requests of the customers were only far alike. The service is then formed from experience or from roughly shaped ideas.

“Of course product development is that there are ready made packages for the customer. But this is difficult service because it cannot be in storage, ready to be sold, but there are rough ideas that I custom for every customer.”

“Because the area of business is like this, that own products is Difficult to protect or change in to a service product so productizing is extremely difficult.”

The entrepreneurs have developed side services to help the customer, bring luxury or remove the risk of false purchase. The side services are either offered for free or for little price on the side of the actual service.
“They want to avoid the false purchases, so we also have a service that they can take the products home and sort of try it on. This brings the feeling of safety to the purchase”

“We have a tire hotel here. Because many customers do not have enough space to store their tires properly. They can store them here in the same time they come in to change the tires.”

To a clear format belongs also a name. Every successful product has a name so every successful service product has to have too. Name is part of the image of the company brand, because names create images and images create expectations and expectations effect on the purchase decision. (Parantainen 2007, 173-174) In the cases of clear formatting, the entrepreneurs had also given the service a clear name, price and some sort of brochure or something to represent it.

“This product has a clear name and maybe we make logo also and then we have a professional making a brochure for this. The actual product is divided into modules, so that customer can take part in the ones (s)he likes or all. One module costs 39 and the rest is cheaper on basis how many you take.”
4.1  Wishes for topics of trainings

When asked directly what does the entrepreneur consider to be his/hers training needs, all of them mentioned some aspects they needed training in. The most mentioned training needs are shown in the figure 8 where the most mentioned training needs are listed and connected to the interviews they were mentioned in.

As found in the results of the previous research the most mentioned training need topics were marketing and sales. The challenges in these areas in many cases walk hand in hand with the mentioned training needs. For example in sales, help in personal sales like the construction of the sales speech or contacting the customers were mentioned.

“Personal sales is always the improvement matter for young entrepreneurs”

This entrepreneur mentioned construction of proper sales speech and cold contacting the customers as challenge.
One highly mentioned training need was leadership or project management training. Most of the entrepreneurs wanted more of leadership training, project management training for the employees or were currently in leadership training.

“More knowhow to the administrative level, because often it is just “sisters, godfathers doppelganger” - type of working.”

“We have a situation that we have the project leaders and the designers and the project leaders are over booked because the designers do not have the guts to take a responsibility on the projects. And in this case some kind of leadership training would be in place.”

Own field of business is the most important trainings for the entrepreneurs, but also side or supporting trainings for example software trainings from basic software to new innovative tools.

“An example of useful training is the excel training from Nuorkauppakamari.”

“All these new software and their usage that we have to handle because they are our tools and without them we cannot manage. For example just now we have to go to a flash-software course, because we just have to handle it.”

The effective usage of Social Media was mentioned and the lack of Social Media knowhow was noticed in many other interviews, as shown in the chapter about the current situation of the marketing and sales in the enterprises. The wish was to have training on the proper usage of social media channels to get the full advantage of its marketing power.

“In the case of Social Media, pick a point of view and no overall chit chat about it. It should be for example successful and un successful cases, because especially from the unsuccessful cases people learn the most”
One entrepreneur brought up an everyday life training need of stress control and life management as the supporting training to the business life.

“As a suggestion, stress control and life management. How to survive the everyday life, running your own life and clarifying that am I going to the right direction”

Many interviewed entrepreneurs said that they do not need any particular training at the moment either because they feel that they graduated so little time ago that they do not need extra training yet, they educate themselves constantly or they feel that their experience is enough to succeed.

“Well we both have graduated just now, I graduated from Pirkanmaa University of applied sciences in 2001 and its not long ago when I was in entrepreneur course, so our information and knowledge is pretty up to date at the moment”

“I am completing a JET and my husband, who is another owner of the company, is in a leader training and also we have tried to update and develop the knowhow on our own field of business”

4.2 Wishes for the structure of the trainings

When the entrepreneurs were asked about their training needs they mentioned on the side, structural pros and cons about trainings they had been in and what they would find appealing or unappealing in training situations. They are mentioned in figure 9 and connected to the interviews they were mentioned in.
Figure 9: The structural wishes of the trainings

The far most mentioned thing was the speaker or the training provider. To trust the speaker (s)he has to have experience on the matter or/and otherwise be a trusted professional on the area (s)he is teaching. Pirkanmaan Yrittäjät Ry was mentioned in many interviews as a trusted trainings provider, but especially the larger enterprises felt that there are not useful trainings for them.

“In time I have been in much training and I know what is worth the money and time spent and thus become critical with choosing them. For example if there is a good speaker. If there is I definitely join.”

“I don’t like at all of this kind of courses where they make all sort of SWOT-analysis or whatever. One has to have damn good lecturers!”

The speaker should also use more guiding or coaching type of training method instead of just teaching. The entrepreneurs mentioned that they wish to have someone who mentors them directly in their businesses and resented a trainer who just gives a theory lecture.
“The enterprise has been from the start a member of Pirkanmaan yrityskummit, an organization where experienced entrepreneurs help starting entrepreneurs with their knowledge on the entrepreneurship. This is the place to get medicine to the problem, how to get forward.”

“I would find the most useful to have a “enterprise godparent” or a mentor. Who would be there just for me, to be my mirror and guide me with his/hers experience.”

Theory lectures where accepted if the trainees had a chance to participate or/and the lecture followed a personal guidance and help how to bring the theory in practice in their own businesses. Everyone feels that their problems are unique and need personalized advice to be corrected.

“I was in a good training about a year ago that first had group lecturing and then 2-3 times of personal guidance. I think that was good because that gave focus to the own personal matters. Everybody’s needs are personal so I feel that the training should be personal too. And you can have many kind of group trainings, maybe more possibilities to participate to the lectures.”

Another aspect to bringing the theory in practice was the kind of training where entrepreneur goes with his own idea, that then gets developed further with the training and advice the trainer gives.

“Lindevall (trainer) pointed me to this other course with my idea and there we then started developing my idea forward”

The training should not be time consuming, because most of the entrepreneurs, especially in small enterprises mentioned that they do not have time to go to trainings, because there is no one to cover their work. Also the cost of the training was closely related to the time aspect. If the entrepreneur or an employee is in training, on top of the training fees it takes resources out of the enterprise and the hours in the training have also to be pain in salary. This rises yet another aspect of distance. To save time and recourses the trainings are wished to be close by.
“We have to think carefully who we can send to training, because then 10% of the workforce is away. It does not really matter what the actual training costs but the most valuable thing is the time away from work.”

“From the financial point of view I prefer inexpensive trainings. Trainings tend to take a lot of time and I would need time at one point to make money also to pay for the trainings”

On the other hand a continuous training was mentioned to be far more useful than just one time training. The trainees have time after the training to think about the new things and develop them further. Only after more training you are able to tell the improvement.

“Me as coach can give a half day lecture, but not get anything out of it, because I know that I am not going to meet these people ever again. But when we meet with the group or personally several times they can process things and get something done.”

The interesting topics were said to be either a whole new theory or better yet a new point of view or an update to an old one. All the things to know are already existing but interesting are the new ways to use them more efficiently. The topic should bring new ideas or boost the old ones, leave thoughts in the head and be possible to bring to practice. In any case the topic has to fulfill a recognized need.

“Trainings that stop you and take make you to see the world from a different angle or for example simplify the behavioral models of people, and that you get at least one thought out of it that why don’t I use that in my own service.”

“They had a totally different point of view to the whole business. It was a damn good course. Loads of spirit to the ideas”

Also examples of successful and better yet unsuccessful cases from real life were mentioned to be useful in training. For example in a case of Social Media, not only the theory, how to build a facebook page, is needed, but also what to do with it to be successful or better yet what not to do to avoid the biggest failures.
“In the case of Social Media, pick a point of view and no overall chit chat about it. It should be for example successful and un successful cases, because especially from the unsuccessful cases people learn the most”

Valuable information from trainings was also to find out what you do not know yet but what you need to learn. In these cases extremely valuable help and information is to get information on, where to find help and the knowledge on these matters.

“I completed a course for board members, which was a good training of how to lead an enterprise. There I learned what I do not know yet and better yet who to ask for help and advice.”

Depending on the size of the enterprise the training was wished to be pointed either on small businesses and their common problems or for larger companies and their challenges for example with going international. The entrepreneurs felt that if these were not separate they do not get anything useful from the training.

“Maybe something that is pointed to a small businesses. Personally I would not take part in training of for example Jari Sarasvuo, who flies in his own spheres. In his theories there is a big gap between the theory and practice and he has no clue on everyday life in a small enterprise.”

“The trainings that we would need have to do with internationalization etc. but for training about basic operations of a company we have no need and no time, because we have already clear products.”

Many mentioned that they find that a good way is to first investigate the needs for the training and after that offer possibilities for funding. This way the training would be specified to fulfill a need.

“The training has to somehow transpire that it is in some way useful for us, so that we do not just go there, dink coffee and yawn.”

“They search trainings to particular needs and funding for them. It is an excellent channel for us.”
The training supply is so enormous that the entrepreneurs find it difficult to choose in to which ones they should take part in and which ones are just waste of time. Most have their trusted training centers or channels that they find their trainings from. The mentioned channels and centers in the interviews were Buusti, Pirkanmaan Yrittäjät Ry, Pirkanmaan yrityskummit, Tampereen kauppakamari, Tampere University of applied sciences, Markkinointi liitto, TPC (Tampereen Business Campus), ELY, TE-keskus amd Tampereen yrittäjänaiset.

“We are a TPC member. TPC is a organization of enterprises in Pirkanmaa which finds trainings and funding for the trainings to the enterprises located in Pirkanmaa. Meaning that they investigate the needs and then find matching trainings and funding for them. This is an excellent channel for us because we do not have a HR person.”

“Everybody offers now days all sorts of trainings so you get the feeling that has someone just come up with a good idea for a easy profession to offer services. You never know.”
5 THE IMPLEMENTATION OF ONE OF A TRAINING PROVIDED BY PIRKANMAAN YRITTÄJÄT RY

The training is service development training “Testaa ja Tuotteista” (TeTu) that has been implemented once. It is targeted to entrepreneurs that need help with service development and marketing and selling.

5.1 Topics

The goal of the training, according to the marketing material, was to improve the preparedness to customer based product development, product testing and marketing. All of the participants had to have an idea of product/service development of their own.

The informative meeting included the introduction of the trainers and their professions, the topic and theory used in the training and the benefits of it and the structure that was involving, personal idea development and mentoring.

The first part of the training handled product/service testing; how to find out the target markets wants and needs and opinions towards the offered service and possible needs for improvement, how to use the collected information in developing services and in overall business.

The second part handled building a strategic marketing plan that is based on the information from the market research implemented in the first part and the business plan of the participants’ enterprise. The plan included the success possibilities, target market evaluation and analysis and a marketing strategy for the service; productizing the service, creating usage value, marketing message/promise and how to build a good one, handling the resistance pricing and communication strategy.
5.2 Structure

The Training offered had two parts. The first one included constructing quantitative market research; building a questionnaire, planning the information gathering, implementing the research with advice of the trainer either as interviews or an online questionnaire, the analysis of the research data and writing the test report.

The second part was constructing a strategic marketing plan for the service that would fit the enterprises business plan with the help and advice of the trainer. The services were also productized according to the theory and with mentoring from the trainer.

The first part lasted 4 (four) days and the second part lasted 3 (three) days. All of the training sessions lasted from 2-3 hours and were timed to afternoons usually from three a clock forward. This was a good format also because the entrepreneurs wished for time efficient training so that the training would not slow the actual operations of the company. Since the trainings were not many hours at the time and were timed in the afternoon, makes the training quite time efficient and suitable to a work day. Also that the training was several times instead of one long one is a good feature because it was also mentioned in the interviews that it is good to have time to process the information and see the process after more training times.

The entrepreneurs wished for involving training that would include mentoring them with their own problems. The training was also accepted as long as it was connected to the practical part. According to these results the structure of the training is appealing to the target markets. Because the training was mostly involving meaning that it brought the theory in practice in personal levels, the short theory lectures are still interesting and do not make the training unappealing.
The training has a clear format, name and price. It includes two modules that are connected with each other, meaning that the later one is partly based on the first one. The contents of the parts are also clear and the customers can see right away what they are getting.

The entrepreneurs had a chance to improve and test their own ideas to boost the launching of the service. This was mentioned as a good feature in training, because small entrepreneurs often need second opinion and boosting to take their ideas forward.

The participants got a market research and marketing plan left in their hands from the training. That is something tangible to prove that they got their money worth and it also works as a reference and a reminder of a (hopefully) successful training service.

5.3 Marketing

Based on the interviews Pirkanmaan Yrittäjät Ry has clear and good brand image in the minds of the entrepreneurs in Pirkanmaa. They were found trustworthy, safe to buy services and professional trainer. Some of the bigger enterprises found that the educational services that Pirkanmaan Yrittäjät Ry offer, are more useful to the smaller enterprises.

“Pirkanmaan Yrittäjät or other alike service providers do not offer trainings that we could benefit from, because their selection is more for small entrepreneurs who work alone or in cooperation. We have already clear products that we develop our selves so it is hard to think that we would need structural development help.”

“The training provider has to be trust worthy for example ELY or Pirkanmaan Yrittäjät”
The target group was from medium size to big service enterprises in Pirkanmaa and enterprises that mainly offer products but who might need help with developing their side services. Still this did not come out clearly in marketing the training since the invitation letter advertised only that the training was useful also to small enterprises and did not really specify to which size enterprise it is mainly pointed.

The service was promoted and sold with an invitation letter to an informative meeting about the upcoming training. The letter was supposed to awake the interest of the target group towards the training so that they would participate in informative meeting, where the actual training could have been sold personally. The informative letter tried to awake the interest of the target market by pointing out the possible problems they might have with formatting their services, competitiveness or market need research and feedback collection and the usage of this information in their development projects and marketing and sales operations. The used marketing channels to market the training service were direct marketing via e-mail and calling the possible prospects and visibility in entrepreneur magazine from Pirkanmaan Yrittäjät Ry.

The special feature to differentiate from competitors was the involving and personalizing structure of the training. Since the supply of different sort of trainings is so wide, it is important to have a competitive edge to make the customer choose this particular service.

The training was priced to be cost efficient to the entrepreneurs. The own cost of the whole training was 700-800 Euros and rest was financed. The financed part was at least half of the price for entrepreneurs. Cost efficiency and financing were mentioned to be important factors in entrepreneur’s minds when choosing a training, in which case this training would have been suitable to this requirement.

Feedback was asked in the end of the training in contact with reporting who participated. It was the basic kind of evaluation form and no real report or development suggestions were done based on this feedback.
6 DEVELOPMENT SUGGESTIONS FOR IMPROVING THE TRAINING “TESTAA JA TUOTTEISTA”

6.1 Promotion

The marketing message offered solutions for entrepreneurs that have problems with competition, differencing from competitors, clearly formatting and representing their services or with feedback collection. Most of the entrepreneurs trusted that their products/services are very good quality, they either have an effective feedback collecting method or so many returning customers. When asked about their competitiveness in the markets and differentiation from the competitors, almost all had something that they think they differentiate effectively with or that they offer something so unique there is no completion or that their quality is so good that they are first in the competition. Almost all of the entrepreneurs interviewed had a clear repeatable service format in the services they were developing or the current services. When asked how they sell the products/services to customers, almost in all cases the answer was that they investigate the problems of the customer and then built a custom made solution from different modules or service parts and give the price based on that.

This suggests that the marketing message used to advertise the training was not effective because it was pointed to solve a problem that the target group does not consider as a problem. Even though the training itself would consist information that is necessary to the entrepreneurs and the structure of the training is appealing, if the target group does not feel they need it, it will not sell. The marketing message should there for be formed so that it answers a clearly noticed problem or point out that there is a problem in the first place, even though the entrepreneurs have not noticed it.

Also the message highlighted that the participants will get information how to collect feedback and improve products. This suggests that the training is more or less theory based, lecture type training which was not, according to the interviews, appealing to the entrepreneurs.
It was mentioned in the end of the invitation letter that the participants would get information of a training that would consist developing their own ideas. This would have been structurally appealing to the entrepreneurs. Therefore it should have been represented in the beginning of the letter instead of in the end. This because if the appealing and interesting feature is in the beginning it wakes the interest of the customers, but if it is in the end, is it even noticed? The competitive edge should be clearly stated in the beginning of the marketing message to awake the attention of the customer to read forward.

6.2 Marketing in general

Target group choose was partly not successful since the medium size and bigger enterprises were not in need of help in developing their services or other operational functions of the company but wanted more training in other matters like internationalization. The micro and small size enterprises in the other hand were the ones who needed guidance in these matters. The opinion of industrial companies that offer side services to support the product sales is not in this research and can therefore be different from the service enterprises.

As shown earlier in the results analysis the entrepreneurs wished training to specific need and that the training would be pointed clearly to either small businesses or big ones. The small enterprises feel that they do not get any use of the ones meant for bigger companies and the big companies felt that they know the things thought in trainings for small enterprises. In which cases if the training was not specifically pointed to either of these groups, they would not participate.

Since the pricing was cost efficient to the entrepreneurs and they would have gotten half of the training financed, this should be clearly highlighted in marketing the training because it was one of the main requirements for training in the entrepreneurs minds.
The training supply is now days so wide that the entrepreneurs told that they get offers to trainings everyday and that it is hard and time consuming to find the ones that would be worth going to. Maybe also because of that most of them had chosen a specific channel that they bought trainings from. Because of this it is highly important to have an effective marketing message to be even noticed and a clear competitive edge that is clearly stated, to show to be chosen instead of the competitor. Also the channel that the marketing message is sent through is important to be the right one to even reach the target group.

6.3 Topics

The information collected about the important factors and challenges in marketing and sales should be used to develop the topics of the trainings. The main points should be in the areas that the entrepreneurs find most important and more even the challenges in them.

Many of the interviewed entrepreneurs had an idea of developing a new service or they were in the middle of development process but did not have a clear plan how to proceed or they did the developing with the left hand when they had time or they had not even investigated is there demand for their service. The entrepreneurs said in most cases that they do not have a clear marketing plan that their marketing is not effective; either because they did not have clear target market or sales speech or they were not succeeding in cold contacting. Due to these results the topics handled in the training should be appealing and interesting to the entrepreneurs.

Most of the entrepreneurs knew what productization is as a theory and implemented it in their own development projects. So the theory should be in addition to develop the idea further also in concentrating in the parts of productization the entrepreneur is not familiar yet or otherwise finds difficult. It might be one of the reasons for the lack of participants that the entrepreneurs feel that they do not need training in productization in general but in only parts of it.
This point is proven also in the previous chapter about the service development in the enterprises that the entrepreneurs do develop their services but have difficulties in certain parts of it.

In addition to the training about Service Design and Productization, a useful training would be about personal selling. Many handle the sales presentation of personal selling quite well but as mentioned in one of the interviews personal selling is always a development target to young entrepreneurs and that good seller is experienced one. Problematic seemed to be choosing good prospects, contacting them and handling the refusals also systematic post-marketing was challenging at least due to the recourse and time problems. This could be a third module in addition to the test and marketing plan modules.

Other challenging factors in developing, marketing and selling the services were effective success measures to self and to prove the customer the value the service brings. In some cases effective pricing was also mentioned to be a problem. Also Social Media usage and leadership/management training were often repeated topic in the interviews. These challenges should be taken in consideration if developing other educational services of Pirkanmaan Yrittäjät Ry.

6.4 Structural

Even though the service has a clear structure or price, the parts of the service are closely connected to each other. Is it possible to a customer who has just implemented a market research to take part in only the second module? Or wish only to implement a successful market research but feel that they do not need help with constructing their marketing plan. Would (s)he still have to pay the full price? This matter may limit the amount of the participants, if they feel they need only one part of the training.

The training could also include examples from real life; success stories and failures. This was mentioned in the interviews to be a good learning tool and a measure of the benefits of the theory and training.
One entrepreneur mentioned that she had taken a part in a training that was otherwise good but the trainer stacked in his planned program and was not willing to change it even though he got feedback and development ideas in the situation. This would have been service design to the core. Pirkanmaan Yrittäjät Ry trainers could learn from that example to collect feedback in the actual service situation where the customers are currently experiencing the service and improve the service according to the feedback. Since the training mentioned in this research has been implemented only once, it is reasonable to call it a pilot. To become a successful service, a pilot needs to be developed and the possible mistakes discovered and corrected as explained before in the chapter Service Design.
7 SUMMARY AND CONCLUSIONS

The purpose of this thesis is to get further information on the training needs of the service enterprises in Pirkanmaa in the areas of marketing, sales and service development to be used to develop the educational services of Pirkanmaan Yrittäjät Ry.

The goal of the thesis was to search the problem areas in the educational services of Pirkanman Yrittäjät Ry, in particular a service development training “Testaa ja Tuotteista” (TeTu). The information was gathered with nine half structured interviews of a random sample of service entrepreneurs in Pirkanmaa. The results were compared to the implementation of the TeTu- training and development suggestions were based on this comparison.

The information gathered in the interviews was the current situation of marketing and sales and challenges in these areas, the level of product development in the enterprises and the knowledge and usage of theories Service Design and Productization in the process. The entrepreneurs were also asked directly about their training needs. This also reviled information about their opinions on what kind of structure in the trainings they find appealing.

The interviews resulted information that the most important factors in marketing and sales are references and word- of- mouth (WOM), as marketing channels WebPages, Social Media, networking, personal sales and choosing the right target segment. In all of the topics occurred challenges, such as constructing an effective sales speech, choosing the right target group or pricing their products.

Everyone had done some service development some in more customer oriented way than the others. Some of the entrepreneurs were familiar with the theories Productization and Service Design and these entrepreneurs had also used the theories to develop their services in customer oriented way and formed the service in easily sellable form. These entrepreneurs mainly wished help with only some parts of the development process.
The other entrepreneurs that were not familiar with the theories, used some parts of them in their development projects, but considered factors as challenge that were clear to the entrepreneurs familiar with the theories, such as forming the service properly, pricing the service and developing it according to the customers opinions rather than their own.

The entrepreneurs wanted involving and personalized trainings where they could say what they need information about and get concrete help with their own businesses and development ideas. The trainers also had to be professionals from trusted training provider, otherwise the trainings were almost considered as a fraud.

The topics of trainings were mostly from the areas of marketing and sales and also matched to the mentioned challenges. Other topics that arose from the interviews were leadership/ manager training, effective social media usage or software skills. The training needs for certain topics varied depending on the size and age of the company and thus the entrepreneurs wished for more targeted trainings.

The information gathered from the interviews and compared to the information provided of training “TeTu” suggests that, the topics of the training were good and relevant but should be more marketing and sales oriented. The structure of the training is exactly what the entrepreneurs’ want, personalized and involving. The main problem the training has was mainly in the marketing of the service. The marketing message offered solution to wrong problems, did not clearly state the competitive edge even though the training clearly had one and was not clearly directed to its target group. Also the target group was partly false.

Since the training was implemented just once it would be also important to improve the service according to the given feedback and improve the training in cooperation with the customers.
REFERENCES


Stickdorn, M. & Schneider, J. 2011. This is service design thinking. United Kingdom: Book Industry Services (BIS)

APPENDICES

APPENDIX 1: RESEARCH FRAME AND QUESTIONS

1. Company
   a. Area of business
   b. Age of the company
   c. Offered service

2. How is marketing of the company planned at the moment? (Whole marketing not just advertisement)
   a. Have you noticed any challenges or difficulties in the current marketing system?
   b. If yes, how were the problems solved?
   c. Did the difficulties or problems bring up any training needs for you or the employees? (Not on the area of profession but on the area of business)

3. How are sales of the company planned at the moment? (Whole marketing not just advertisement)
   a. Have you noticed any challenges or difficulties in the current sales system?
   b. If yes, how were the problems solved?
   c. Did the difficulties or problems bring up any training needs for you or the employees? (Not on the area of profession but on the area of business)
4. Have you done product/service development? (If not, why?)
   a. If yes, how was it done?
   b. If you think of your latest service development project:
      i. Did you launch a new service or did you improve an old one?
      ii. Did some challenges or problems occur? If yes, what kind?
      iii. Were there other enterprises involved in the development process?
      iv. What role did the customers have in the development process?
      v. Was the development project successful? (happier customers, more customers, improvement of the business etc.)

5. New theories have been introduced on the area of business that you have possibly heard of. Do you recognize the theories:
   a. Productization
   b. Product design

6. What kind of training needs would you see in the company now or in the near future?
APPENDIX 2: EXAMPLE OF SERVICE JOURNEY PICTURING TOOL

(Stichdorn & Schneider, This is service design thinking, 2011)