MANAGING PROPOSAL PROJECTS IN A CROSS-CULTURAL COMPANY

HAMK
UNIVERSITY OF APPLIED SCIENCES

Master's thesis

Degree Programme in Strategic Leadership of Technology-based Business

23.5.2008

Jani Kekarainen

MASTER'S THESIS

HAMK UNIVERSITY OF APPLIED SCIENCES

Degree Programme in Strategic Leadership of Technology-based Business
Visamäki
13100 Hämeenlinna

Title	Managing Proposal Projects in a Cross-cultural Company
Author	Jani Kekarainen
Supervised by	Jarmo Levonen
Approved on	_____._____.2008
Approved by	

ABSTRACT

HAMK UNIVERSITY OF APPLIED SCIENCES

HÄMEENLINNA
Degree Programme in Strategic Leadership of Technology-based Business

Author	Jani Kekarainen	**Year** 2008
Subject of Master's thesis	Managing Proposal Projects in a Cross-cultural Company	
Archives	HAMK University of Applied Sciences, Visamäki, Hämeenlinna, Finland	

ABSTRACT

The purpose of this Master's thesis was to develop proposal procedure for a cross-cultural organisation. Different national and organisational cultures influence nowadays in global companies, but companies usually do not pay enough attention to cultural effectiveness when developing procedures.

Request for proposal is a common purchasing practice in the high-technology business. Many different types of expertises are typically required when a company is answering to a proposal request. Most often this means that employees from different cultures need to be involved in the proposal projects.

This study utilised a case study as a research method. A global high-technology corporation was selected as a target for this study. The aim was to improve the proposal procedure of a Finnish subsidiary of the corporation. The procedure was studied in situations where the proposals are produced together with the Finnish subsidiary and the headquarters, which is located in Russia.

This Master's thesis was divided into three parts: theory, empiric analysis and development. The theory part acted as an important source for the empiric part of the study. Existing theories provided information for developing proposal procedures and identifying the cultural phenomenon of the studied company. The company and existing proposal procedure of the studied company were introduced in the empiric part of the study. The existing procedure was compared against the proposal procedure models found in the literature. Differences found during the comparison were used as development ideas. Qualitative research methods were used for studying the different cultural aspects of the company. Employees of the company were interviewed, interviews were analysed with the qualitative analysis methods and the results of the analysis were used for improving the proposal procedure of the studied company. An improved proposal procedure was introduced as a contribution of this study.

Proposal work related theories concentrate on creating a winning strategy and focusing on the customer, but they do not pay attention to the complicated and cross-cultural organisation structures typically involved in the proposal projects. Comparing to the theoretical models the situation was contrary in the studied company. The proposal procedure of the company took into account some specialities of its cross-cultural organisation structure, but it did not reveal necessary information about how to create the winning strategies and how to focus on the customer.

The results of the study provided similar findings as described in the culture related theories. Improving cultural awareness of the employees of the studied company and increasing common gatherings and face-to-face meetings were found as the most important solutions for improving the co-operation of employees of the different country-organisations of the studied company.

Keywords Procedure development, proposal procedure, request for proposal, corporate culture, organisational culture, national culture, cross-cultural management

Pages 59 p. + appendices 1 p.

TIIVISTELMÄ

HÄMEENLINNA
Teknologiaosaamisen Johtaminen

Tekijä	Jani Kekarainen	**Vuosi** 2008
Työn nimi	Tarjousprojektien Johtaminen Monikulttuurisessa Yrityksessä	
Työn säilytyspaikka	Hämeen Ammattikorkeakoulu, Visamäki, Hämeenlinna	

TIIVISTELMÄ

Opinnäytetyön tarkoituksena oli kehittää monikulttuurisen organisaation tarjousprosessia. Tämän päivän globaaleissa yrityksissä vaikuttuvat erilaiset kansalliset ja organisaatiokulttuurit, mutta yritykset eivät yleensä kiinnitä huomiota kulttuurien vaikutukseen kehittäessään toimintamenetelmiään.

Tarjouspyyntö on yleinen hankintamenetelmä korkean teknologian bisneksessä. Tarjouspyyntöön vastaamiseen tarvitaan paljon erilaista osaamista. Yleensä tämä tarkoittaa sitä, että tarjousprojekteissa tarvitaan työntekijöitä, joilla on erilainen kulttuuritausta.

Tässä työssä hyödynnettiin tapaustutkimusta tutkimusmenetelmänä. Tutkimuskohteeksi valittiin globaali korkean teknologian yritys. Tarkoitus oli parantaa yrityksen suomalaisen tytäryhtiön tarjousprosessia tilanteessa, jossa tarjoukset tuotetaan yhdessä suomalaisen tytäryhtiön ja Venäjällä sijaitsevan pääkonttorin kanssa.

Opinnäytetyö jakautuu teoriaosaan, empiiriseen analyysiin ja kehittämisosuuteen. Teoriaosuus toimi tärkeänä lähteenä työn empiiriselle osuudelle. Olemassa oleva teoriakenttä tarjosi informaatiota tarjousprosessien kehittämiseen sekä tutkittavan yrityksen kulttuuri-ilmiön tunnistamiseen.

Tutkittavan yrityksen profiili ja nykyinen tarjousprosessi kuvattiin työn empiirisessä osassa. Nykyistä tarjousprosessia verrattiin kirjallisuudesta löytyviin malleihin. Vertailusta löytyneet erot hyödynnettiin kehitysideoina. Laadullisia menetelmiä käytettiin yrityksen erilaisten kulttuurillisten näkökulmien tutkimiseen. Yrityksen työntekijöitä haastateltiin, haastattelut analysoitiin ja analyysituloksia käytettiin tutkittavan yrityksen tarjousprosessien kehittämiseen. Parannettu tarjousprosessi on esitelty työn kontribuutiona.

Tarjoustyöhön liittyvien teorioiden painopiste on voittajastrategian luomisessa ja asiakkaaseen keskittymisessä, mutta niissä ei huomioida monikulttuurisia organisaatiorakenteita, joita tyypillisesti liittyvät tarjousprojekteihin. Tutkittavassa yrityksessä tilanne oli päinvastainen. Yrityksen tarjousprosessi otti joiltain osin huomioon yrityksen monikulttuurisen rakenteen, mutta ei keskittynyt tarpeeksi voittavan strategian luomiseen eikä asiakkaaseen keskittymiseen.

Opinnäytetyön aikana tehdyistä haastatteluista löytyi samankaltaisuuksia kulttuuriteorioiden kanssa. Kulttuuriherkkyyden lisääminen ja yhteisten kokoontumisten sekä tapaamisten määrän kasvattaminen nähtiin parhaina keinoina eri maaorganisaatioista tulevien työntekijöiden välisen yhteistyön kehittämiseksi.

Asiasanat Prosessikehitys, tarjousprosessi, tarjouspyyntö, organisaatiokulttuuri, kansallinen kulttuuri, monikulttuurinen johtaminen

Sivut 59 s. + liitteet 1 s.

CONTENTS

1 INTRODUCTION

Nowadays telecom companies are more and more price- and quality-conscious when they are purchasing. Competitive prices, time-to-market and level of service have become outstanding characteristics expected from every supplier. To survive in business, it is crucial for a telecom company to be able to select the most suitable supplier from a jungle of vendors. It is not enough to purchase only a product from a vendor. Instead, telecom companies are looking for long-term partnerships with carefully selected vendors. Some telecom companies are utilising and developing purchasing procedures based on own experiences for selecting the suppliers, some companies have created a partnership with a global Information Technology and Communication (ITC) service provider who helps in vendor selection, and some companies have outsourced the selection for professional procurement companies. Independently of the selected strategy, the most commonly used purchasing method in today’s telecom business is the request for proposal procedure.

A Request for proposal (referred to as RFP) is an invitation for prospective suppliers, through a bidding process, to submit a proposal on a specific commodity or service. A bidding process is one of the best methods for leveraging a company's negotiating ability and purchasing power with suppliers (Wikipedia 2008, Association of Proposal Management Professionals 2008).

An RFP is typically sent to a selected group of prospect suppliers. Even if a telecom company is purchasing something from an existing supplier, they could utilise an RFP procedure and send the RFP to competitors of the supplier as well.

An RFP is an invitation to suppliers, and at least in telecom business it is always more than just a price and brief description of offered products, solutions or services. In addition to the price requirements, an RFP typically contains requirements, for example, for the corporate information, technical capability of the supplier, customer references, contractual issues such as service level agreements and detailed description of the proposed solution and offered services. Fulfilling all the requirements described in an RFP is a complicated process for a supplier and it could take months to complete the answer.

Most people do not like proposal writing. Proposal cloning is the most commonly used technique in producing proposals. In the vendor point of view a proposal can be identified as a sales document and its purpose is to move sales process towards closure. By creating persuasive and powerful proposals a vendor can create a better impression. With cloned proposals it is difficult to meet the purpose. From the buyer perspective a proposal can be found as a practical tool for comparing vendors, offers or prices. Proposals clarify complex information. (Sant 2004)

To be able to provide comprehensive service offering to end subscribers many telecom companies are operating different network types and network generations at the same time. The network infrastructures of the telecom companies have become technically extremely complex. When a telecom company is intending to purchase something, they are usually facing a business problem that should be solved fast and with a high-quality solution. Because of these facts, today’s RFPs, produced by telecom companies, contain comprehensive requirements and they are complex by their nature. These kinds of requests cannot be answered by a single man working in a vendor company. Instead, a group of people having different experiences and knowledge in different matters are needed to be able to produce a proper answer to an RFP. For example, commercial, technical, judicial and service related expertises are needed to complete an RFP answer. Most likely the expertises needed in producing the offer are spread between different organisations in the company producing the offer. Because the answering time is typically limited and poor offers do not succeed, the RFP projects are challenging to the vendors. The biggest challenges exist in the project management level. People leading the proposal projects should ensure that all the customer requirements will be answered as well as possible, the final offer will be consistent and it will prove the vendor is able to solve customer’s problems. In addition to these, the managers have to ensure that the final RFP answer will be delivered on time.

People generally agree that such a thing as *corporate culture* or *organisation culture* exists and affects companies (Pitkänen 2006, 25). As mentioned above, a typical proposal project involves a lot of different people from often even different organisations. It could be argued that different cultures confront and affect in a proposal project. As described later (see *2.3.1 Approaches to culture* below) on in this research, *culture* is a widely studied, strong and complicated phenomenon and if it is not understood it will become as disturbing factor in business. This research will study management of RFP projects in a cross-cultural company, thus understanding cultural phenomenon as an important factor for the research. One of the main tasks of a manager leading an RFP project is to ensure the smooth communication between all interested parties involved in the project. In general, international managers need to deal with a greater variety of more complex strategies and with more managers and colleagues outside of their primary chain, which increases the pressure and makes their work more difficult (Humes 1993, 84-85). When these parties are coming from different organisations and even from different companies or countries, the cultural awareness is an advantage and lack of cultural knowledge could lead to a disaster.

1.1 Research purpose

This study concentrates on the development of proposal production in a cross-cultural environment. The study utilises a case study of proposal projects in a Russian-Finnish corporation producing products and services for telecom companies. The profile of the studied company is described in detail in section *3.2 Case corporation profile*. Author of this thesis is working in the Sales and Marketing department of the Finnish subsidiary of the corporation.

In the case corporation proposal projects are usually performed together with organisations located in both countries, Russia and Finland. During the past proposal projects the author has identified that people in the Finnish subsidiary keep wondering why the employees are acting so strangely in the Russian company. They are even thinking that the other company is ruining the projects. Similar wondering is very likely happening in the Russian company as well. Among these experiences, the object of the study started to come clear. It seemed that cultural differences in these two countries organisations influenced strongly in the proposal projects as well as in the operations in general. The Finnish subsidiary is constantly developing its sales processes, but cultural differences are not taken into account in the processes. Conflicts and tension exist when different people working in different organisation cultures are co-operating (Pitkänen 2006). People who are leading the projects that involve employees from different organisation cultures are facing the cultural behaviour and it seems they should be aware of the cultural influences.

This study is a cross-cultural research and the selected viewpoint for the research is the management of proposal projects in a company working in the high-technology telecom business. As mentioned above, the proposal projects in the telecom business are dealing with complicated matters and lots of different expertises are needed to enable successful completion of such projects. Proposal projects are challenging, and even more so in the management's point of view. This work is about studying the combination of these three fields.

It is expected that this work will be valuable for developing the working methods and management for producing proposals in a cross-cultural company. The purpose of this work is to increase the cultural awareness in the case company and develop the working methods used in the proposal projects in the case company.

1.2 Research problem and objectives

The research problems of this study are the following:

1. To find out what kinds of problems exist in a cross-cultural company providing high-quality proposals.

2. To find out how the proposal production related operation of the company should be developed to improve the quality of the proposals.

The proposal work is studied in the project management's point of view and the selected viewpoint for the cross-cultural company is the high-technology telecom business and especially the Russian-Finnish context.

The objectives of the research are the following:

1. To identify the high-quality proposal and the procedure for producing it.

2. To identify how the proposals and the corresponding procedures should be developed in the case company paying attention to the company's cross-cultural organisation structure.

The final objective of this study is to increase sales via developing proposal procedures. According to Pugh and Bacon (2005, 23-24) a proposal is a sales document. Proposal procedure is part of the sales procedure. The number of accepted proposals can increase, when the quality of the proposal document is improved. Acceptance of a proposal, of course, increases sales.

2 THEORETICAL FOUNDATION

This study belongs to two different theoretical fields: 1) International high-technology marketing and sales; specifically management of proposal projects 2) Cultural research; specifically organisational and national cultures as people from different organisations and nations are typically involved in the complex proposal projects in the high-technology business.

2.1 Request for proposal

The purpose of this section is to clarify the *request of proposals*, the procedure for creating proposals and describe, what should be taken into account when producing proposals.

Proposal methodologies of one of the most respected experts in the field of RFPs, Dr. Tom Sant (Green 2003), and two experts on the business-to-business area, Terry Bacon and David Pugh (Myerov 2005) are used as a basis for defining a functional proposal procedure in this study.

Sant (2004, 13-17) has defined the following benefits why buyers are utilising RFPs as a purchasing procedure:

- Easier to compare vendors, offers and prices. Request for proposal is typically sent to a group of prospect vendors. The proposals help the vendors to sell and make it possible to sell on value instead of price.
- Proposals clarify complex information which makes it possible to sell technical solutions to nontechnical buyers.
- Proposals make the buying process more objective, because they ensure that personal relationships will not affect the buying decision. On the other hand, the vendor can compete successfully without having personal contact with every member of the decision team.
- Proposals slow down the sales process, which gives the buyer time to think about the buying decision and weight the options.
- Buyer can retrieve free training, free consulting or creative ideas from the proposals. A well written proposal provides fresh viewpoints and probably new information on the subject of the proposal. Vendors are able to demonstrate their competence and professionalism.

It must be highlighted that the proposal process is only a middle step in the sales process. Most likely the proposal itself does not win any business without any prior relationship, effective positioning or branding. (Sant 2004, 82, Pugh & Bacon 2005, 3)

2.1.1 Audience of the proposals

A proposal is a sales document. The purpose of the proposal is to persuade the reader to accept the proposed solution. In a competitive environment, such as the telecommunication field, the further purpose of the proposal is to convince the reader that proposed offer is more beneficial than competitors' offers (Pugh & Bacon 2005, 23-24). As described below, different kinds of people can be found in the audience of a proposal. All of their demands should be taken into account when writing a high-quality proposal.

A person or group wanting to write a persuasive business proposal should focus on the four main steps of a persuasive paradigm (Sant 2004, 31-32): Initial step is to demonstrate that customer's needs are understood. Secondly, the focus should be on the outcomes of what the customer wants to achieve. Thirdly, a solution must be recommended, when the proposed solution sounds believable and lastly, vendor should prove its ability to provide the proposed solution.

According to Sant's studies (Sant 2004, 43-44) one essential aspects in writing a high quality proposal is to write Client-focused proposals. Answering to the following questions help in focusing on the client when writing a proposal (Sant 2004, 43-54):

1. What is the client's problem or need? Sometimes even the client requesting a proposal does not understand their problem or needs. Understanding the business requirements behind an RFP and defining them accurately makes an excellent starting point for writing a proposal.

2. What makes this problem worth solving? What makes this worth addressing? Many such business problems and needs in daily business can be found that will never get solved, due to their low importance. Understanding why the current problems/needs were important enough to request a proposal will help in writing a client-focused proposal.

3. What goals must be served by whatever action is taken? When requesting a proposal a client may be looking for many different outcomes, such as business, technical, social and even personal.

4. Which goal has the highest priority? The ideas should be presented in the same order they matter to the reader of the proposal. The most important goal should be used as basis for developing the value proposition.

5. What products/applications/services can I offer that will solve the problem or meet the need? Usually there are many solutions solving client's problem. Finding the most suitable solution helps in developing a client-focused solution.

6. What results are likely to follow from each of my potential recommendations? If the recommendation leads to the client's most important goal, then the proposal has good winning possibilities.

7. Which recommendation is the best when comparing these results to the customer's desired outcomes or goals? Finding the best recommendation could be a difficult task, but if it is found, it works well as a basis for a client-focused proposal.

Pugh and Bacon have also stated the importance of focusing on the customer. According to them, the recycling material from the earlier proposals should be avoided. (Pugh & Bacon 2005, 10)

Different personality types (detail-oriented, pragmatic, consensus-oriented or visionary), different level of expertise (expert, informed, familiar or unfamiliar) and different roles in the decision process (ultimate authority, user or gatekeeper) should be considered when writing a proposal. (Sant 2004, 55-71, Pugh & Bacon 2005, 24-25).

One essential goal of a proposal is to provide the decision maker information he or she needs for evaluating the proposal and to recommend it to others. That goal could be reached by establishing the credibility of the vendor. As described above, a proposal should contain evidence that customer problems or needs are understood and a recommendation for a solution that solves the problems or fulfils the needs. According to Sant's studies, most of the proposals do not contain any recommendations. The proposal should contain evidences about qualifications and competences proving the vendor can deliver on time and on budget and in addition, a convincing reason why the recommendation should be chosen. (Sant 2004, 72-77, Pugh & Bacon 2005, 10, 17)

2.1.2 Proposal procedure

Sant (2004, 81-82) has described the sample procedure for producing proposals. His model is used as a basis for developing the procedure of the studied company. The model is depicted in the figure below (Figure 1).

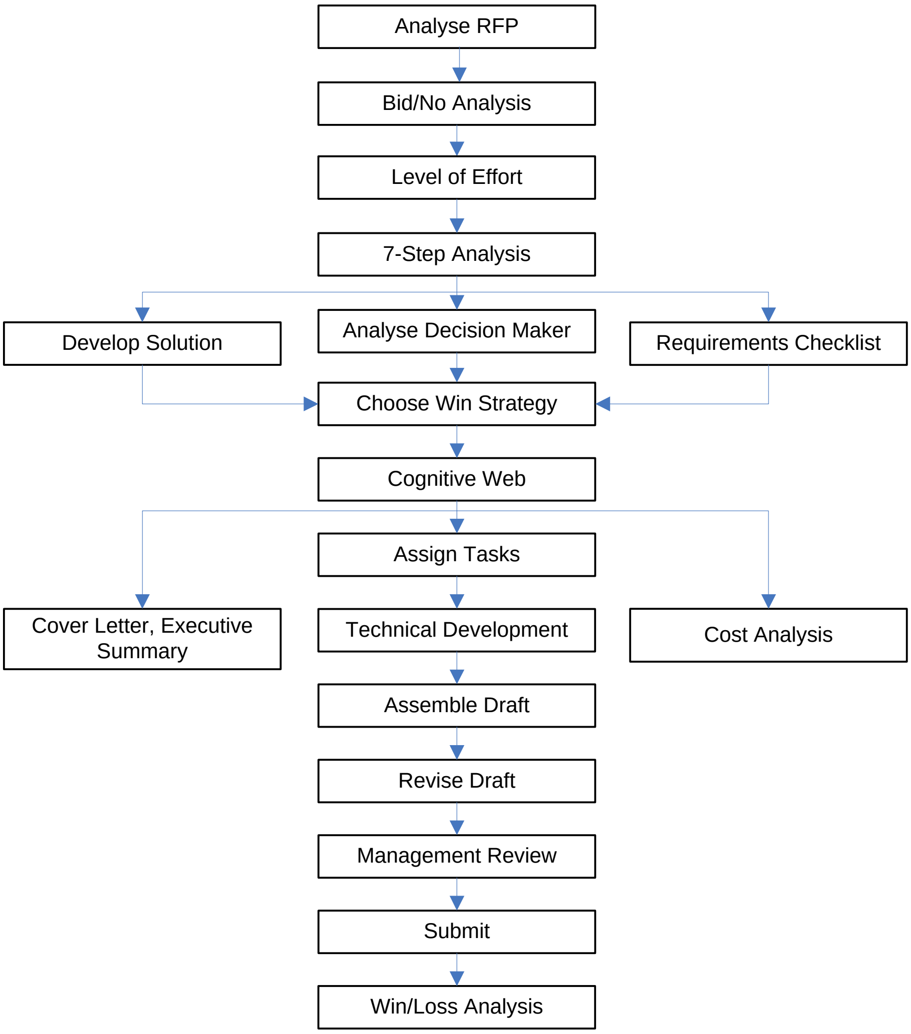

FIGURE 1 *Sant's model for sequence of activities in managing a proposal project (Sant 2004, 82)*

The first step in the proposal process is the obvious review task. Vendor should make a clear picture about the RFP to be able to make the decision whether the RFP should be answered. The Bid / No Bid analysis is an important task as many companies are wasting time and money creating proposals for opportunities they never had a change of winning. Another important decision to make is to decide the effort to be put into the proposal. If a vendor selects not to answer to the RFP, then the information should be carefully explained to the customer. The best way to position a "no" is to suggest that the details don't provide a good business opportunity between the vendor and the customer. Sant (2004, 83-88)

If a vendor decides to answer to the RFP, then the 7-step analysis described in the previous section could be done for getting a better idea about what the customer is looking for. That will help in creating a true client-focused proposal with recommendations customer is looking for. In addition, analysing customer needs provides useful information for selecting the correct strategy and a proper solution regarding to the strategy. (Sant 2004, 43-54)

Sant has defined a method he calls *cognitive webbing*. That can be utilised for organising the ideas to be used in the proposal. It is a combination of brainstorming and mind maps where the end result of what the customer seeks is used as a starting-point. The outcome of a cognitive webbing session should be organised and the most important items should be prioritised. That kind of method, or any similar method, can help technical people to produce proposals focused on customer and also help in producing an executive summary for the proposal. (Sant 2004, 98-106)

In telecommunication business the proposals are usually colossal by their size. It is necessary to identify all the expertise needed for producing the proposal and involve required professionals to be able to write a proper proposal. It is important to provide required information about the customer case for all the employees that will be involved in the proposal procedure. One effective method for informing employees is to hold an effective kick-off meeting for the project. On that sense the proposal project does not differ from any other complex project. (Sant 2004, 92)

Nowadays, with the existing office software creating the proposal drafts has become easier that it used to be (Sant 2004, 95). The writer should plan enough time to do serious editing after the draft is put together (Sant 2004, 97). The writer should remove all the redundant information from the proposal and make sure the content is consistently client-focused (Sant 2004, 232-235).

Management review should be performed after the final draft is put together and before the printing is started. Management review is focusing on whether the proposal is compliant and responsive, and whether the proposal is client-focused and whether it communicates the planned story. (Pugh & Bacon 2005, 191-193)

The most important thing related to the proposal delivery is to make sure that the proposal is delivered to the correct address on-time. If a postal delivery is required (instead, or in addition to the electronic delivery), the proposal writer must plan enough time for printing and delivery. Following up with the prospect customer is also an important task to do (Sant 2004, 187-188).

There are several tasks to be done after a proposal has been delivered to a customer. Most of them are sales process related and not that interesting in this study's point of view. The proposal analysing task is one interesting and important task that should be done after every proposal delivery. The so called lessons learnt analysis can be divided into two main categories (Sant 2004, 191-193).

1. Analysing the proposal documentation: For example, does the proposal look attractive and professional, does it reflect the vendor's wanted image, does the proposal clearly differentiate vendor from its competitors, is the proposal clear to read and understand, etc. (Sant 2004, 192)

2. Analysing the proposal process: possible problems and bottlenecks in the process should be identified as well as possible succeeding, anything new developed produced during the proposal process should be saved for the future used and so on. (Sant 2004, 192)

2.1.3 Proposal content

It has already been described above that paying attention to the audience of the proposals and writing a client-focused proposal are essential tasks when a vendor is aiming to produce a winning proposal. Another essential task is to present the value proposition in an organised and disciplined way in the proposal (Sant 2004, 107). The goal in presenting the value proposition is to direct the reader's focus on return instead of costs, operational impact instead of technical specifications, and productivity instead of products (Sant 2004, 107).

A vendor producing a proposal should concentrate on the differentiator areas depicted in figure 2 below. The vendor should neutralise competitors' strengths and ghost their weaknesses (Competitors should not be despised directly. Instead, ones own positive differentiators should be highlighted.). In addition, ones own weaknesses should be mitigated and ones own strengths should be highlighted. Typically the price is not the primary selection criterion when a customer is choosing providers. For example, the lowest cost ownership is more important selection criterion. A vendor should sell the price when they are writing a proposal. (Pugh & Bacon 2005, 29-33).

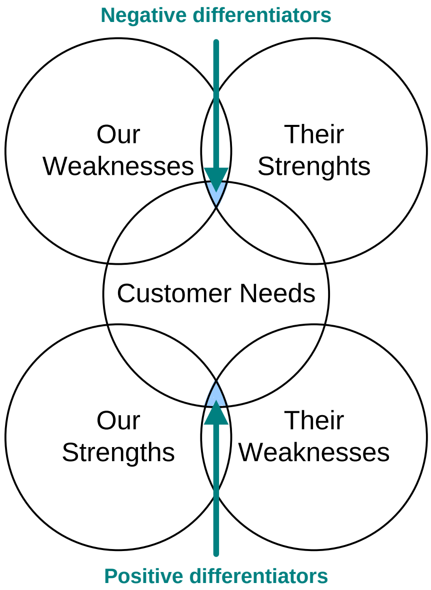

FIGURE 2 *The positive and negative differentiators of a proposing vendor (Pugh & Bacon 2005, 32).*

The differentiation is necessary when a vendor is trying to win a sales case. The baseline is to identify the values a customer is looking for. The financial matters can be important for a customer, but there are other items too, that can be worth emphasising. In addition to the price, customer can be looking for social values (such as increasing employees’ job satisfaction), quality values (such as improving reliability, maintainability, ease of use, etc.), technology or infrastructure related values (such as improving system flexibility), risk minimisation (such as avoiding the risk of failure, selecting the most proven approach), selecting industry trends (such as updating products or entering new markets) or trying to find competitive advantage. If a vendor cannot figure out what a customer is looking for it will not win the sales case. It is essential for a vendor to be able to prove the values it is providing for a customer. The commonly used marketing fluff (such as best-of-breed, state-of-the-art, world-class) should be avoided and real evidence should be presented. Evidence presentation could consists of case studies, company history, references, testimonials, partnerships, patents, publications and white papers, etc. (Sant 2004, 109-117)

The importance of the audience of the proposals and differences between them were already discussed, but when planning proposal content it is important to identify the different types of readers. Based on the background, position and personal characteristics of a reader, he or she is concentrating in different things of the proposal. Pugh and Bacon (2005, 42-54) have classified the readers into the eight different categories. The categories are the following:

Expert and Nonexperts: The difference between these two groups is obvious, but both groups should be taken into consideration when writing a proposal. Detailed information should be provided for *Experts* to convince them that the technology vendor is selling, is the best and worth of buying. This is extremely important when vendor’s price is not low or the lowest. For *Nonexperts* stating the main ideas is enough. Since they are unable to understand technical details the correlation between details and customer-focused benefits should be provided. (Pugh and Bacon 2005, 42-50)

Inductive and Deductive Processors: Inductive persons of an audience have typically a technical background, and for them it is important to first provide the information about the data/details/features and state the main idea or conclusion after that. The deductive audience typically consists of nonexprets who are looking for main ideas and conclusions at the first and they are typically satisfied and stop the reading/listening after those are provided. (Pugh and Bacon 2005, 42-51)

Scanners and Skimmers: Scanners are typically technical experts who like to read every detail and word of a proposal. The vendor should ensure that everything written into the proposal is technically correct. Skimmers are readers who like to browse through the proposal and not concentrate on every detail. For them it is important to emphasise the messages with highlighted text, with images, with a message column and other such methods that can be used for highlighting items in a proposal. (Pugh and Bacon 2005, 47, 51)

Visual and Verbal Conceptualisers: Visual conceptualisers are looking for images, process flows, diagrams, etc. It should be ensured a proposal contains enough visually presented material. For the verbal conceptualisers the text of a proposal should be well written and well edited. (Pugh and Bacon 2005, 47, 51-52)

The main idea is to identify the differences in the audience and to ensure that the main messages in a proposal are presented in different ways to please all of the reader types.

In general the researchers studying the proposal related items have provided their own detailed suggestion for the content of the proposals. However, this theme has been excluded from this study as regarding to the author's experiences, the customers in telecommunication business usually provide strict instructions for the proposal content and proposals which don't follow these instructions are not accepted.

2.2 Project management

The proposals are often produced by utilising project methodologies. Therefore it is essential for this study to understand the relevant project related topics. The purpose of this section is to describe them.

The following five questions have been listed by Harold Kerzner (Kerzner 1995, Taylor 1998) and if the answer is "yes" to any of these questions, some form of project management is most likely needed:

1. Are the projects technically complex?
2. Are there dynamic and stringent environmental or regulatory considerations?
3. Are the budget and schedule constraints tight?
4. Are there several tasks to be integrated?
5. Are there several functional boundaries to be crossed?

Schwalbe has described attributes that can be used for the project definition: A project is temporary and it has a unique purpose, the project is typically developed using progressive elaboration and it requires resources from various areas (as in the RFP related work), a project has a primary customer and it involves uncertainty. (Schwalbe 2006, 4-5)

As described above the RFPs are complicated to answer and typically expertises from different organisations are needed to produce the final proposal. Also the time schedules are always tight and the deadlines cannot be changed by the company writing the proposals. If a vendor exceeds the delivery deadline, the opportunity has been lost. Based on these realities the project management is an interesting subject in studying the RFP related work.

2.2.1 Project phases and project management model

Harvard Business School (Harvard 2006, 29) has described the following simplified project management model (Figure 3).

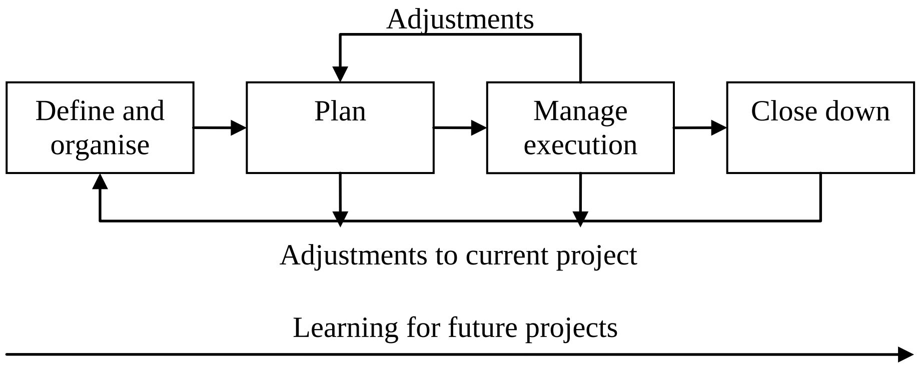

FIGURE 3 *The project management model (Harvard 2006, 29)*

The first phase of the picture above has two objectives (Harvard 2006, 29):

1. To clearly define the project's objectives as thoroughly as possible
2. To organise the right people and all necessary resources around those objectives

Every project should have a clear starting and ending phase (Schwalbe 2006, 4). In RFP projects these phases are easy to define. The reception of the actual RFP can be identified as a starting phase for a proposal process and delivering the final proposal can be identified as the ending milestone for the project. However, as described earlier, an RFP project should not end when the final proposal has been delivered. Each projects should have a clear termination or close down (as in the picture above) phase, which is important phase for understanding the *lessons learnt in order* to be able to implement future improvements.

2.2.2 Key competencies of project managers

Every project will need a manager whose task it is to ensure everything happens on time and things are kept under control. Project manager should usually develop the following key competencies (Schwalbe 2006, 7-9):

1. **Scope management**: defining and managing all the work to complete a project.
2. **Time management**: developing an acceptable project schedule and as described earlier, in proposal projects the final deadline is almost always set by the customer and it can't be changed by vendor. That fact affects strongly to the schedule planning.
3. **Cost management**: managing the project budget. Compared to for example construction projects, managing the budget of proposal projects is much simpler. For proposal projects cost management

means usually; how many employees can be involved, is overtime work allowed, etc.

4. **Quality management**: ensuring the project will satisfy the stated needs for it was undertaken.
5. **Human resource management**: ensuring the project resources are used effectively.
6. **Communication management**: producing, storing and sending the project related information.
7. **Risk management**: analysing and responding to risks related to a project.
8. **Procurement management**: acquiring or procuring goods and services for a project.

In addition to the list above a project manager should understand the project environment and the application area of the projects. He or she should have general management and human relations skills. (Schwalbe 2006, 16)

Time management could be a difficult task in multicultural project environments as people from different cultures regard time differently. For example in Western industrialised nations, time is highly valued as a resource, i.e. time is money attitude, and for example in Latin American and African countries time could have completely different meaning. (Meredith & Mantel 1995, 662-665)

2.3 Understanding the meaning of cultures in organisations

This study is focusing on the proposal projects in an environment consisting of organisation located in different countries. It is evitable that different national and organisational cultures collide in that kind of environment. The purpose of this section is to clarify how the cultures affect in the cross-cultural environments.

2.3.1 Approaches to culture

Culture has been fashionable topic in the management literature since the early 1980s (Hofstede & Hofstede 2005, 35) and it is also an important topic for this study because the study is about management in a cross-cultural company. Many different definitions can be found for the term *culture* and when it is connected to the terms *corporation* or *organisation*, the conceptual confusion is accomplished (Pitkänen 2006, 25).

Anthropological, sociological and management literature offer several alternatives for the definition of culture. For example anthropologists have proposed over 164 different definitions for it (Schneider & Barsoux 2003, 21). Several researchers, such as Nigel Holgen (2002), have published extensive summaries on the various definitions for *culture*. The most common manifestations for a culture are common language and similar way of thinking (Schein 2001, 57), but as described in the following sections, culture is a deep and complex phenomenon and difficult to define and understand.

Geert Hofstede published a famous and comprehensive cultural study, *Culture's Consequences* in 1980. The original research was done between the years 1967 – 1973 when he researched IBM's employees in ca. 50 countries. Hofstede (1980, 2005) is talking about *mental programs* or *software of the mind*, when meaning the patterns of thinking, feeling and potential acting of a person. Hofstede has said that the sources of a person's mental programs lie within the social environments in which he or she grew up and collected his or her life experiences. The *programming of the mind* starts within the family and continues within any community the person belongs to during his or her lifetime. Using the same analogue used in the computer technology, does not mean that adopting a new culture can be done by reprogramming one's mind in similar way as computers are reprogrammed. Changing something does not mean only learning something new, but something existing, which is preventing the learning, should be 'unlearnt' (Hofstede & Hofstede 2005, Schein 2001, 133).

Hofstede & Hofstede (2005, 4) have identified that culture is always a collective phenomenon, because it is, at least partly, shared with people who live or have lived in the same social environment where it was learned. They also define that culture is in particular learnt, not innate.

This study utilises Hofstede's model as it provides a clear approach to cultures and describes simple tools for comparing cultures. However, the simplicity of the model has been criticised and it has even been argued that the model is out of date. However, several researchers have stated the validity of the model (Mead 1998, 44).

2.3.2 Organisational cultures

It is generally agreed that such a thing that *corporate culture* or *organisational culture* exists and it affects to daily business, but when discussing about the meaning of these terms, several opinions can be found (Pitkänen 2006, 25). This research is studying how culture affects in and how it should be understood in the proposal projects to be able to improve their quality. This study utilises models from some well-known researches (for example Hofstede 2005) for describing the cultural phenomenon of the studied case company and for providing a new perspective for developing proposal process, but this study is not trying to provide a definite description of the case company's culture. Such a generalisation would be impossible to make since culture is a phenomenon which is subject to continual change (Mead 1998) or at least too great a subject to try to disentangle in this study.

However, creative generalisation of cultures is necessary for international managers. Stereotyping cultures should be avoided as it provides only static views to cultures and stereotypes are typically based on the history information only. Nowadays, managers working in cross-cultural environments should be able to constantly adjust their views on the cultures, instead of stereotyping them. (Mead 1998, 74-77)

Organisational culture pioneer Edgar H. Schein (2001) has written that the biggest risk in understanding culture is the excessive simplification. That reflects well the complexity of a culture. Why understanding the concept of the organisational culture is important? It is a fundamental question in this study. Schein's (1987, 41) answer to the question is the following:

- Organisation cultures are visible and substantial. It is just so real phenomena it should be understood.
- It is impossible to understand how an organisation qualifies and how the employees feel without taking into account the culture of the corresponding organisation.

Same kinds of answers were discovered within the company ordering this study. Because of that, the cultural issues have been selected as one of the most important topics for this study.

Schein (1987 & 2001) has described that it should be understood that culture is expressed in different levels. In this important discovery, he has identified both the visible and the hidden characteristics of culture. He has described the three levels of culture (Figure 4):

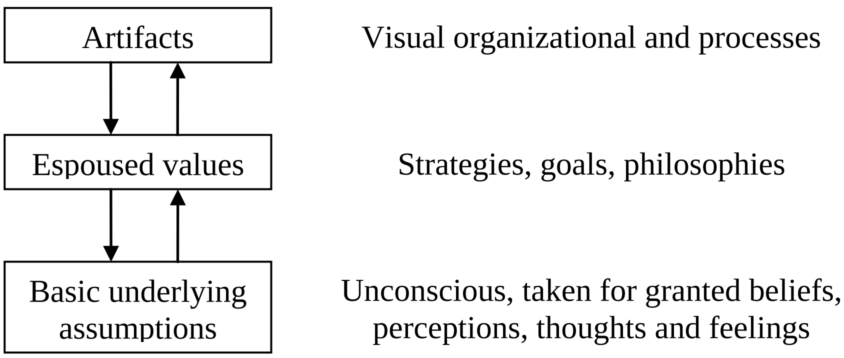

FIGURE 4 *Edgar Schein's model - three levels of culture (Schein 1987 & 2001)*

The first level, *artefacts and creations* is the physical and social environment. When studying an organisation culture, it is easiest to discover the artefacts, such as, what is seen, heard and felt while moving around in the organisation. In this level, a culture is clear and it produces an immediate emotional impression. (Schein 2001, 31)

"The visible part of culture is only a top of the iceberg" is one commonly used phrase when discussing about cultures. That phrase expresses well Schein's first level.

The second level of the organisation culture is the level where the vision and values that an organisation is promoting, are found. Espoused values are conscious strategies, goals and philosophies (Schein 2001). As Schein describes in his book (2001), two organisations could be having different artefacts but similar espoused values, thus a third level is needed for defining an organisation culture.

The third level in the Schein's model (2001) is *basic assumptions and values*. The essence of the culture is represented by the basic assumptions and values. This is a hidden level that is difficult to discern because the basic assumptions and values exist at an unconscious level. Still, they provide the answer to the question, why things happen the way they do.

Schein emphasises (2001) that it is all-important to understand different levels of a culture, understand the connections between them and avoid simplification. He also states (2001, 36) that fashionable topics, such as creation of learning organisations or empowerment of employees cannot be happening, if it is not shown how the basic assumptions behind these new values are adapted with the operational environment of an organisation.

The business units of an organisation can be organised differently, even if the organisation is having common mission and strategy. In that kind of situation *subcultures* are formed within the main culture of an organisation. Subcultures are formed also when organisations are grown or when organisations are specialised to different activities, or when organisations are located in different geographical locations. Subcultures can be functioning well and efficiently when business units are working in different environments. (Schein 1987, 59 & 2001, 51)

The case corporation profile is described in more detail later in the section *3.2 Case corporation profile*, but it can be mentioned here that the studied case corporation has a rather short common history. It is originally based on two different companies that were found in different countries, thus it can be stated that the case corporation is surely having subcultures, most probably even two separate main cultures.

As mentioned above, culture is a complex phenomenon, thus studying a culture is not a straightforward task. Schein has identified (1987, 149) the following risks that exist in cultural research:

- The result of a culture analysis can be incorrect.
- It is possible that an organisation is not ready to receive feedback about organisation's culture.
- The result of the analysis may contain harmful information about the organisation, in other words, it may contain information that can be utilised by a competing company.

The last risk is real and interesting in public studies' point of view. It should be carefully planned what could be written into public studies, such as thesis like this. Results of an organisation culture study may contain information that could be considered equal to business secrets.

Schneider and Barsoux (2003, 71-74) have described the most important reasons why organisations are having different cultures. The *role of founder* has a particularly important influence in culture of a company. That influence is origin from founder's values and believes. *Strong leaders* can also influence the culture of an organisation. Another item influencing the culture is *administrative heritage*, meaning different structures, standard operations, procedures or routines evolved over time. The *stage of development* influences the culture. For example start-up companies could have focus on technologies; older companies could have focus on market concerns and later on companies could become more structured, systematic and managerial. Another and obvious item influencing the culture of an organisation is *nature of the product*, in other words, the nature of the business a company is practicing.

National cultures are interacting with corporate cultures and the interaction could be a source of competitive advantage or disadvantage. A different viewpoint is that corporate culture can act as homogeniser in international company (Schneider & Barsoux 2003, 74-75). On the other hand, as shown in the next section, Geert Hofstede has argued that nationalities have a great impact on organisational cultures.

The following list describes a strategy on how cultural differences can be utilised as business advantage (Schneider & Barsoux 2003, 255):

- Culture should be seen as an opportunity and as a source of competitive advantage. It should not be ignored or identified as a problem or threat.
- The relationship between headquarters and subsidiaries should be *geocentric*, for example a company could have a world-wide product division.
- A company utilising cultural differences should focus on innovation and learning possibilities origin from the cross-cultural organisation structure.
- The Communication between organisations should be transparent and all possible communication channels should be utilised.
- Instead of inflexibility or missed opportunities, the major concern should be how to minimise confusion and friction.

The information listed above should be taken into account when planning procedures for a cross-cultural company. The cross-cultural personnel structure of a company can improve company's competitiveness.

2.3.3 National cultures

Stereotyping nationalities is dangerous and it should be avoided. Instead of stereotyping, understanding cultures as complex phenomenon is a correct approach (Hofstede & Hofstede 2005, Lewis 1996). The purpose of this section is to describe how different national cultures in business context can be compared and what kinds of characteristics exist in Finnish and Russian cultures.

Geert Hofstede's model provides a practical tool for comparing cultures. As mentioned above, the original model was released in 1980 and it has been updated constantly. Nowadays Geert's son Gert continues the same research. Hofstede's model (Hofstede & Hofstede 2005, ITIM 2007) describes five (originally four, one added later) cultural dimensions:

1. Power Distance
2. Individualism
3. Masculinity
4. Uncertainly Avoidance
5. Long-Term Orientation

Power Distance Index (PDI) (Hofstede & Hofstede 2005, ITIM 2007): defines how a less powerful member of an organisation or an institution (like the family) accepts and expects that power is distributed unequally. This dimension represents inequality. It suggests that a society's level of inequality is endorsed by the followers as much as by the leaders. The following survey items were used for composing the PDI:

- How frequently nonmanagerial employees are being afraid to express disagreement with their managers? How often this problem occurs?
- Subordinates' perception for their superior's decision-making style.
- Subordinates' preference for their superior's decision-making style.

In the large power distance situation in workplace, superiors and subordinates consider each other as existentially unequal. The power is centralised in a few hands in the organisation with large power distance and subordinates expect to be told what to do. In small power distance organisations the situation is opposed. Organisations are decentralised. The hierarchical system is just an inequality of roles and the roles may be changed. In small power distance, organisation subordinates expect to be consulted. Salary range between top and bottom positions is relatively small, workers are highly qualified and high-skill manual work has a higher status than a low-skill office work. (Hofstede & Hofstede 2005)

Individualism Index (IDV) (Hofstede & Hofstede 2005, ITIM 2007): on the individualist side, everyone is expected to look after him/herself and his/her immediate family. Collectivism as its opposite pertains to societies where people from birth onwards are integrated into strong, cohesive in-groups, often extended families (with uncles, aunts and grandparents) which continue protecting them in exchange for unquestioning loyalty.

In an individualist working culture employees are expected to act according to their own interest and the work should be organised to support this ideology. In a collectivist culture, an employer more likely hires a person who belongs to in-group rather than an individualist. In a collectivist culture the purpose of education is learning how to do and in an individualist culture the purpose is to learn how to learn. The employer-employee relationship is moral, like a family link in collectivist cultures and management is management of groups. In the individualistic side the management is management of individuals and management training teaches the honest sharing of feelings, in other words, emotional intelligence. In a collectivist organisation a direct appraisal of subordinates could spoil the harmony in a society. (Hofstede & Hofstede 2005)

Masculinity (MAS) (Hofstede & Hofstede 2005, ITIM 2007): versus its opposite, femininity refers to the distribution of roles between the genders. Hofstede defines (Hofstede & Hofstede 2005, 120) that a society is called masculine when emotional gender roles are distinct: men are supposed to be assertive, tough, and focused on material success, whereas women are supposed to be more modest, tender, and concerned on quality of life. A society is called feminine when emotional gender roles overlap: both men and women are supposed to be modest, tender and concerned with the quality of life.

In a feminine organisation culture management is based on intuition and consensus, conflicts are solved by compromising and negotiation, people are working in order to live, careers are optional for both genders and there is a higher share of working women in professional jobs. In a masculine organisation culture the management is typically decisive and aggressive, strongest wins in conflicts, people live in order to work, money is preferred over leisure time, careers are compulsory for men and optional for women and there is a lower share of working women in professional jobs. (Hofstede & Hofstede 2005)

Noticeable is that femininity should not be confused with feminism. Feminism is an ideology that wants to change the role of women in society.

Uncertainly Avoidance Index (UAI) (Hofstede & Hofstede 2005, ITIM 2007): it can be defined as the extent to which the members of a culture feel threatened by ambiguous or unknown and surprising situations. Uncertainty avoiding cultures try to minimize the possibility of such situations by strict laws and rules, safety and security measures, and on the philosophical and religious level by a belief in absolute Truth.

There should be no more rules than strictly necessary and people are working hard only when needed in the organisation culture where uncertainly avoidance is weak. Also the time is considered as framework for orientation and top managers are concerned with strategy in these cultures. In opposite where the *UAI* is strong there are emotional needs for rules and to be busy. In addition to that, *time is money*, is a typical attitude and top managers are concerned with daily operations. Employees are better in implementation and worse in invention in cultures with strong UAI comparing to cultures with weak UAI. (Hofstede & Hofstede 2005)

UAI should not be confused with risk avoidance. Risk is focusing on something specific (it’s having an object) and uncertainly is a diffuse feeling (Hofstede & Hofstede 2005).

Long Term Orientation (LTO) (Hofstede & Hofstede 2005, ITIM 2007): This is a new dimension in Hofstede's model. It stands for the fostering of virtues oriented toward future rewards, in particular, perseverance and thrift. Values associated with the opposite dimension, Short Term Orientation, are respect for tradition, fulfilling social obligations, and protecting one's 'face'.

In short term orientation, main work values include freedom, rights achievement and thinking for oneself. Leisure time is identified as important and managers and workers are psychologically in two camps. Also there has been slow economic growth between 1970 and 2000 in STO cultures. In the opposite (LTO), main work values include learning, honesty, adaptiveness, accountability and self-discipline. Leisure time is not important and owner-managers and workers share the same aspirations. The economic growth has been fast between 1970 and 2000. (Hofstede & Hofstede 2005)

The figure below (ITIM 2007, Figure 5) depicts a comparison between Finnish and Russian cultures based on Hofstede's model. *Long Term Orientation Dimension* information was not available for the selected cultures.

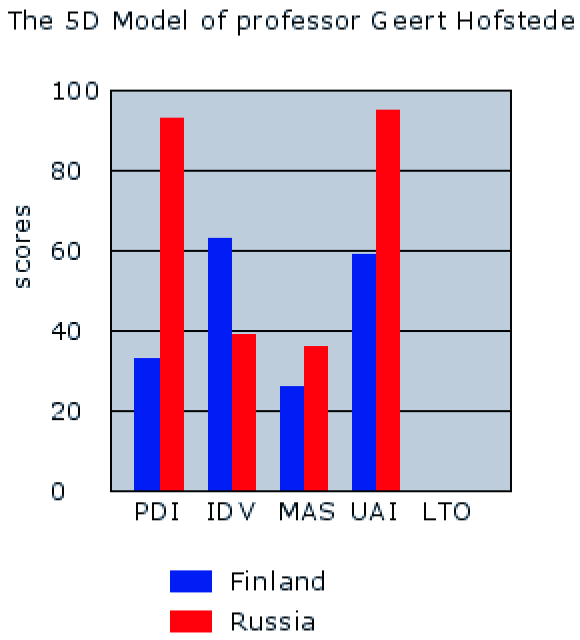

FIGURE 5 *Comparison of Finnish and Russian cultures with Hofstede's 5-dimensions model (ITIM 2007).*

The biggest difference in the comparison can be seen in *Power Distance Index*. That reflects differences in the working cultures. In Russia, a subordinate is used to take care of tasks on subordinate's own way and with utilising his/her closest colleagues. The subordinate will do only the working tasks assigned to him/her in the contract of employment or in the task management system, nothing more and no one is waiting anything else to be done in his/her culture. Regarding to Hofstedes' research (Hofstede & Hofstede 2005), most of the Asian and Eastern European countries are identified as high power distance cultures and

Scandinavian countries are identified as low power distance countries. In Finnish working culture the situation is different. Only guiding type of commands are provided by managers and a subordinate is assumed to be initiative. Empowerment of employees seems to be typical in low power distance countries.

Hofstedes have identified (Hofstede & Hofstede 2005) that many cultures having high power distance values are having low values in individualism and vice versa. These two dimensions tend to be negatively correlated. The same trend can be identified in the figure above. Individualism is already learnt during childhood in family, for example in individualistic cultures everyone grows up to look after themselves or their immediate family and children learn to think in terms “I” (Hofstede & Hofstede 2005). In collectivist cultures people are into extended families and children learn to thing in terms of “we”.

Both Finnish and Russian cultures are identified as feminine cultures. They seem to have almost the same values in that dimension. In Uncertainly Avoidance Index, Russian culture is having high values and Finnish culture is having medium values. Russian culture is having high scores in uncertainly avoidance index and high scores in power distance index. It is typical in this type of working culture that an employee is doing nothing else than is ordered. Otherwise he/she could do something wrong and will be punished because of that. This is one feature that can be found as disadvantage in an organisation having opposite culture in a cross-cultural company, but it certainly is not a disadvantage, it is just a nature of one’s culture that should be appreciated and understood.

Finnish culture has been categorised as *reactive* (Lewis 1996) meaning that Finns are listening most of the time and they are telling their opinion only after hearing opponents’ opinion. They are also concealing their feelings during discussions. Finns still believe that truth, honesty and reliability are the absolute values (Lewis 1996). Their behaviour gives an impression they are slow, quiet and acting clumsily, but this is only how they conceal their feelings.

A Finnish person learns to avoid showing his or her feelings during his/her childhood. An ideal Finnish child doesn’t cry, even if there is a reason, and then Finnish adore child’s briskness. Other emotions that the Finnish are taught to hide are disappointment, anger, sadness, fear and tenderness. The territories are important for a Finnish person. The Finns can be identified as unsocial hard-workers who are able to take care of complex and technically challenging tasks, but the co-operation in a work community does not work as well as in some other cultures. (Isokorpi 2006, 25-26)

In proposal work, as in any international business, not only the cultures within a corporation matter but also the cultural differences of customers and partners are useful to identify. For example the relationship between vendor and customer is relationship-focused in Russia as in Finland it is much more deal-focused. Understanding cultural behaviour of a customer is a great business advantage and helps also in proposal work (Gesteland 2001). This is also one reason these qualities are examined in this study.

3 RESEARCH EXECUTION

The generic research process model defined by many researchers (Glaser & Strauss 1967, Hirsjärvi & Hurme 1982, Hirsjärvi, Remes & Sajavaara 1997, Patton 1980, Räsänen 2006, Seale, Gobo, Gubrium & Silverman 2004) is a model which starts by defining the research area, followed by defining the research problem. After that the related theory is studied, the empirical study is done, and finally the results of the empirical study are analysed and a contribution is written based on the analysis. This study follows the approach of the generic research process.

The purpose of this study is to develop the proposal procedure of the studied company. The development starts by identifying the existing proposal procedure of the company and identifying how the cross-cultural organisation structure of the company affects in the proposal work. That is followed by examining the results in the view of theoretical foundation.

3.1 Research methods

In a scientific research, the selection of the research method is based on the requirements set by the research problem and the purpose of the study. The research method can be qualitative or quantitative. This study studying cross-cultural phenomena and proposal work of a case company utilises qualitative research methods. That approach is selected since the purpose of the study is to understand the research subject, not statistical explaining (Hirsjärvi & Remes & Sajavaara 1997).

The selected approach is case study. Case study is a research strategy, which provides detailed, intensive knowledge of an individual case or a small set of interrelated cases (Hirsjärvi, Remes, & Sajavaara 1997, 130). Since the target of this study is to improve procedures of a pre-defined company, it is natural to utilise case study as a research method.

This case study can be divided logically into the following two different sub-studies:

1. Studying the proposal procedure used in the case company and enriching it with the proposal procedure models explained earlier in the theoretical foundation (see *2.1 Request for proposal*).
2. Studying how the cultural aspects affect the case company and finding out whether it is possible to improve the proposal procedures of the case company with the information retrieved from that study.

The purpose is to combine the results of the two sub-studies, in other words, produce an improved proposal procedure for the case company which will be represented as a contribution of this study. Research methods for the sub-studies are described in the following sections.

3.1.1 Method for studying the case company's proposal procedure

An international company producing high-technology products and related services is examined in this study. The main focus of the study is in a Finnish subsidiary of the company.

The selected case company utilises processes standardised by International Organisation for Standardisation. Identifier for the standard is ISO 9001:2000. These processes are documented and certified. The process documentation, together with the author's own experiences in working in the sales and marketing related projects of the case company are used for describing the proposal procedure of the case company.

Once the proposal procedure is studied, it will be compared with the proposal procedure models described by Pugh & Bacon (2005) and Sant (2004). Case company's procedure is improved based on that comparison. Figure 6 below depicts the procedure improvement process.

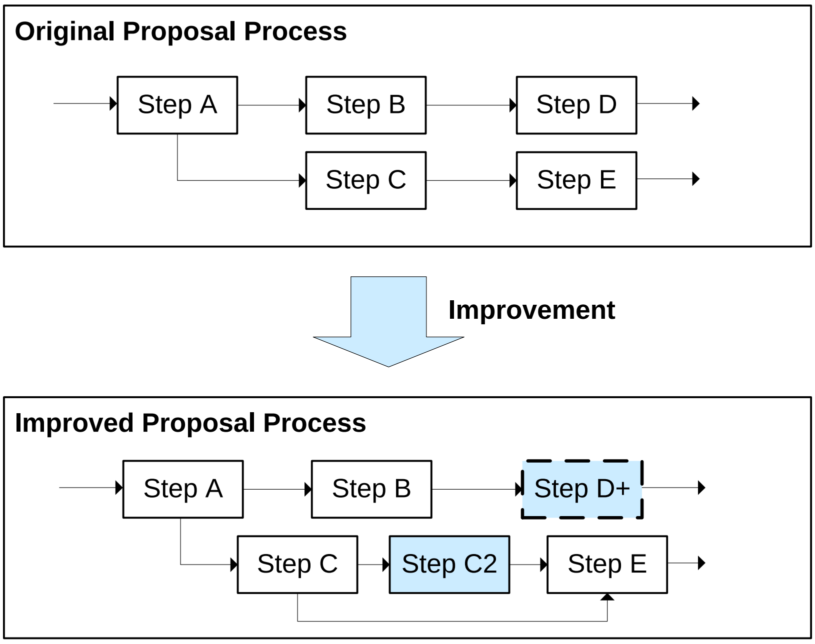

FIGURE 6 *The models and theories found from the existing literature are used for improving proposal procedures of the case company.*

The improved proposal procedure is used as a base for the cross-cultural study. The aim is to develop the improved procedure based on findings of the cross-cultural study. That research step is described in the next section.

3.1.2 Method for studying the cultural influences in the case company

This research studies a proposal work involving employees from different organisation cultures. It is assumed that co-operation and relationships between the employees from different organisations have a great effect to the quality of a proposal project. The purpose of this sub-study is to study the *cross-cultural effect*, to find out, how the co-operation between organisations can be improved, and finally merge the ideas found to the *ideal proposal procedure*.

Focused interview is a suitable research method when studying people's feelings and values. A focused interview is close to open discussion, but the main themes for the interviews are defined by the researcher. That kind of definition serves as a basic checklist during the interviews and helps the researcher to make sure that all the relevant topics are covered. The issues on the checklist need not to be risen in any particular order. (Hirsjärvi & Remes & Sajavaara 1997, 204, Patton 1980, 198)

The focused interview suits also well when studying sensitive and difficult subjects, which also corporate cultural items are for company's employees (Hirsjärvi & Remes & Sajavaara 1997, 204). This method might suffer from the fact that the interviewee can't act quite like an anonym person in the interviews, because the interviewee has a working relationship with the interviewer. That can affect the results. Another thing that needs to be taken into consideration is that the interviewee can produce socially favourable answers (Hirsjärvi & Remes & Sajavaara 1997, 204).

To solve the research problems of this study, it is essential to understand how the cultural matters influence on the case company and if they are taken into account when improving the proposal procedures of the company.

Jaakko Pitkänen (2006) has studied what occurs in a company merger when two different organisation cultures meet. Regarding to Pitkänen's research, many problems causing conflicts and tensions take place during a company merger. As described below (*3.2 Case corporation profile*), major merger event took place in the target company of this study.

Pitkänen's research provides an interesting viewpoint when studying the co-operation of the case company. As many employees of the company are working with colleagues from other organisations on daily basis and some of the employees have experience in working in the company before the company merger, the focused, i.e. thematic, interview is selected as a research method for studying the co-operation related issues. The changes in the atmosphere and in the co-operation are selected as main themes for the interviews. It is assumed the corporation cultural related subjects of the case company can be identified via these themes.

Consequently, the selected main themes for the focused interviews are the following:

1. Interviewee's experiences in the company before it was acquired in 2004
   - How the employee felt working in the company before the company merger?
   - What was important or less important?
   - How was the working atmosphere?

- What did the company concentrate on?

2. Interviewee's experiences when the company was acquired
   - How the employee felt during the company merger?
   - Were there any tensions or confusions noticed by the interviewee?
   - What were the threats and/or possibilities that the employee saw?
3. Interviewee's experiences after the company was acquired
   - How was the trust created in the new company, or did it exist?
   - Was something done by the management to improve the trust?
   - How did the company merger affect to the working methods (were they defined by the new parent company, was everything as earlier, were the old methods adapted to new methods, etc.)?

The themes above will be discussed only with the interviewees having experiences before and during the company merger. The following subjects will be discussed with all the interviewees.

4. Interviewee's feelings at the moment
   - How the employee would describe the current situation of the Finnish subsidiary (i.e. case company), for example, via the current working methods?
   - How the employee would describe the working culture and methods of the parent company, are there any differences?
   - Have there been any difficulties (if any) the employee has experienced in co-operation situation, could a reason for them be caused by the cultural differences?
   - Should the cultural differences be taken into account in the working methods and processes, how?

Once the interviews have been performed, the documented interview data is analysed. As described by Patton (1980, 297) the data generated by qualitative methods are voluminous and the very first thing to do is to organise the data; to make sure everything is there, field notes are complete, and so on. According to that fact, the interview data of this study will be organised at first. The interview notes will be transcribed and a preliminary data division according to the themes selected for the focused interviews will be done as depicted in the figure below (Figure 7). Data division can be described as a deductive analysis as it is based on the interview themes that are based on the theoretical foundation. Deductive analysis means an analysis that is based on a theory, not on the content of the research data (Tuomi & Sarajärvi 2002, 109-115).

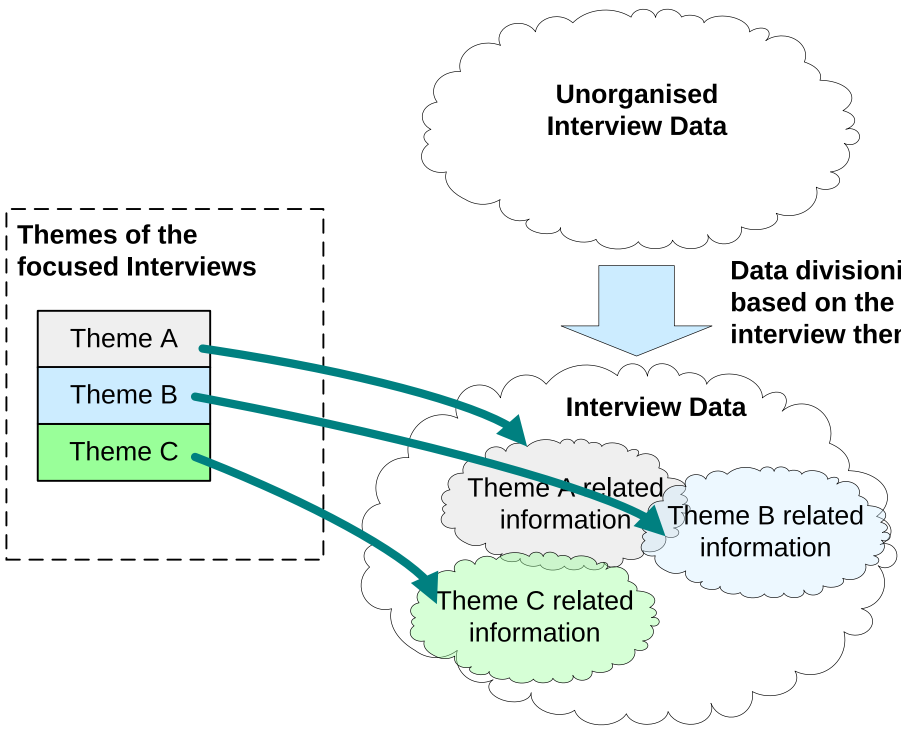

FIGURE 7 *The interview data is organised based on the themes of the focused interviews, i.e. deductive analysis.*

Inductive analysing methods are used for studying the organised data. Glaser and Strauss (1967) introduced an inductive research method called The Grounded Theory (GT) in 1967. The approach in the GT is to formulate a theory from the research data itself (Metsämuuronen 2002, 187-188). A similar approach is utilised in this study. In the pure GT analysis the research data is coded without doing any pre-analysis and categorised after coding (Metsämuuronen 2002, 189-190).

A research utilising pure grounded theory research methodologies does not usually start with the research questions. Usually a researcher finds an interesting research area at first. Then he or she collects some research data and designs the research questions after that. (Syrjäläinen, Eronen & Värri 2007, 94)

This study is based on the research problems defined first, and the research data is categorised (pre-analysed) based on the theoretical foundation. The analysis continues inductively by finding theories from the research data itself. Analysis methods similar to grounded theory are used in that part of the analysis.

The categorising is done by asking questions from the organised research data. According to Alasuutari's researches (1994, 190-191), asking why-question from the research data is useful approach for a researcher when studying a foreign culture. Because of the different cultural backgrounds, why-questions help in understanding the foreign phenomena. When studying ones own culture, the phenomenon might be too trivial for a researcher. One approach for understanding the specialities of ones own culture is to compare the phenomena of the own culture to phenomena of another foreign culture. Both approaches are utilised in analysing the research data in this study.

Once the categories are found from the research data, they are examined from the proposal procedure's point of view. For example, how *a category* found from the data can be taken into account to improve the procedure.

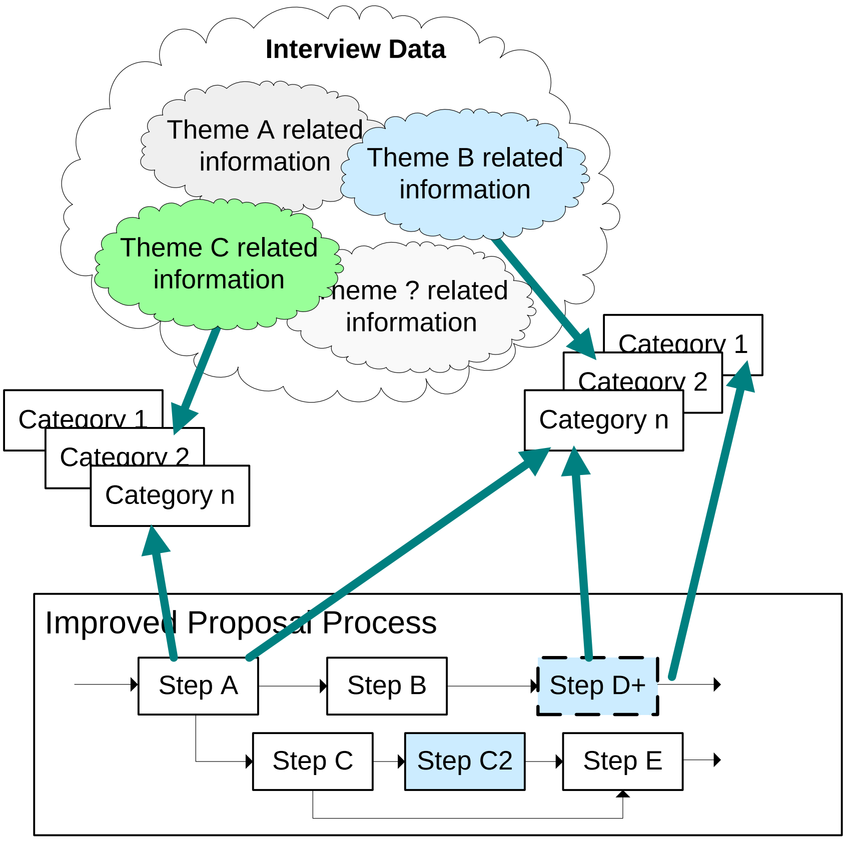

FIGURE 8 *The organised data is analysed inductively and the sub-categories are found from the data. The sub-categories are viewed in relation to the improve procedure.*

Figure 8 above highlights the analysis process. The arrows in the figure indicate the direction of the examination. The organised data is first analysed inductively and the result on that analysis is examined from the proposal procedure point of view.

3.2 Case corporation profile

The necessary background information of the studied case company is provided in this section.

Note: In the following sections the Finnish subsidiary is called a *Case Company* and the corporation is called a *Case Corporation*.

History of a community (Hofstedes 2005, Schein 1985) has a great consequence impact for the culture of it. Based on this fact, it is important to explain the background of the studied company. The history description also clarifies the themes selected for the interviews. The themes are described in the corresponding section describing the interviews.

Case Corporation is a Russian company and it was found in 1996. The main business of the company has been, and still, is to provide business support systems, operational support systems (BSS/OSS) and related services for telecom companies. Customer base of the company consists of about 160 telecom companies and the company employs altogether over 2,200 people globally. The company can be identified as a high-technology or an ICT (Information and Communication Technology) company. The headquarters of the company is located in Moscow.

The most interesting event in this study’s point of view took place in 2004 when the Russian corporation acquired the Finnish high-technology company providing real-time billing solutions for telecom operators. The head office of the Finnish company is located in Helsinki. The main reason for the acquisition was to expand corporation’s product portfolio and to achieve better position to get new customers from the Western Europe. The cross-cultural corporation, used for this study, was found during the company acquisition.

When corporation cultures collide (for example in a fusion or acquisition), there are three different alternative results:

1. Cultures will remain separate and companies and subsidiaries maintain their own identity. It is considered that the advantage of this kind of organisation is coming from the pluralism of the subcultures. In this kind of situation cultures need integration to be able to reach common business targets.
2. Some cultures will dominate others. That happens typically when a company has acquired another. Then there is a risk that acquired organisation will separate from the acquiring company.
3. Third possibility is that cultures will blend or assimilate. In this case the desirable result is that both organisations will utilise the best characteristics of each other. However, it is difficult to reach this kind of situation. Both organisations should be able to adapt and unlearn some characteristics or forget some ways of work that have been utilised earlier.

(Pitkänen 2006, 31-32)

Hofstede & Hofstede (2005, 346-349) have compared the acquisition of a foreign company to the adoption of a child in his/her puberty. Cultural clashes are typically resolved by brute power in a company acquisition, i.e. key people are replaced by corporation’s own men and women or key people have not waited for this to happen and have left their positions (Hofstede & Hofstede 2005, 348). In the worst case this leads to a destruction of human capital and eventually to a destruction of financial capital as well (Hofstede & Hofstede 2005, 348). This clearly shows how important it is to consider cultural aspects during an acquisition.

The state of the case company is clarified during the interviews that are described below.

3.3 Interview process

Before describing the results of the study, the interview process is described in this section. The purpose is to increase the reliability of the study. Describing the interview process in detail improves repeatability of this part of the study.

The first sample interview was done in the spring 2007. The idea was to train the author to perform the interviews and to test the selected themes. The training of interviewers is an important task for ensuring the reliability of the interview data. Interviewers must be able to ensure that all the interviewees will understand the questions and themes of the interviews in a similar way. (Silverman 2006, 286-289). A proper result from the study's point of view was retrieved from the sample interview, thus it was decided to include the results of the sample interview as a part of the research data to be analysed.

The rest of the interviews were performed during February 2008. The purpose was to do the rest of the interviews within a short period of time to be able to keep the interviews as similar as possible; therefore the variations between the interviews could be reduced to minimum.

According to the research methodology the results of a study have to be reliable, not random. The actions described above were selected to ensure the reliability of the study (Uusitalo 1991, 84-85).

Total of 10 employees were interviewed. They represented widely the different positions within the company. Administrative employees, technical specialists and directors of the different organisations representing both nationalities (Finnish & Russian) of the case company were interviewed. Four of the interviewed employees started working for the company before and six of them during or after the company merger.

The original idea was to interview some employees from the parent company as well, but it turned out to be difficult, because the resources (time & money) were limited. It also turned out that after the sample questions were asked from the employees of the parent company, they were not willing to speak freely about the cultural issues. One very common answer was: *"There are no cultural differences between the organisations"*. The reason for that attitude is unknown. It could be because of the politeness of the employees of the parent company, cultural issues or wrong approach from the researcher. It would be very interesting to perform the same study also from the parent company's point of view.

All the interviewees were invited to the interview sessions a couple of weeks beforehand. Only one invited person was not able to participate, because of person's other duties. Hirsjärvi and Hurme (1982, 73) have mentioned that *hustle* is the most common reason for rejecting an interview invitation. A very brief description about the subject was provided in the interview invitation. 1,5-2 hours were booked for all of the interviews. It was emphasised that everything will be confidential. Interviews were performed in a private meeting room in the case company's premises. No voice recording was used, because the researcher wanted to provide as open and safe atmosphere for the interview sessions as possible. Researcher tried to write down all the main issues discussed during the interviews as well as possible. However, because of this, there is a possibility that some important information has been missed from the interview notes. To minimise that risk, several interviews were selected to be done. The researcher had a feeling that the interviewees were able to discuss very freely about the issues.

3.4 Research results

The results of the study are described in this section.

3.4.1 Case company's proposal project involved organisations

This section describes the case company's organisations that are involved during a proposal project. The organisation structure is described in a situation where the proposals are produced together with the Finnish subsidiary and the headquarters, which is located in Russia

As described in section *2.1 Request for proposal* purchasing and sales are nowadays typically carried trough a proposal procedure in ICT business. The proposals produced by today's telecom companies are typically comprehensive and technically related to extremely complex network infrastructures. To be able to solve customer's problem, described in RFPs, and to fulfil customer's requirements, a vendor answering an RFP has to offer convergent solutions instead of a single product. In this context a convergent solution can be described as a complex solution consisting of a group of software and hardware products integrated together and into customer's infrastructure.

A group of different specialists are required when producing a complicated proposal. In bigger companies the knowledge needed to complete a proper answer to an RFP is typically spread between different organisations. The situation is exactly the same in the Case Corporation. There are two types of RFP projects in the Case Corporation; projects managed independently in a country organisations, and projects where both country organisations (Finnish and Russian) are involved. This study concentrates on the latter.

Figure 9 below depicts the main organisation structure and related communication interfaces involved in an RFP project. It shows what kinds of communication interfaces exist between the country organisations. The figure depicts an RFP project where Finnish organisation is responsible for the customer.

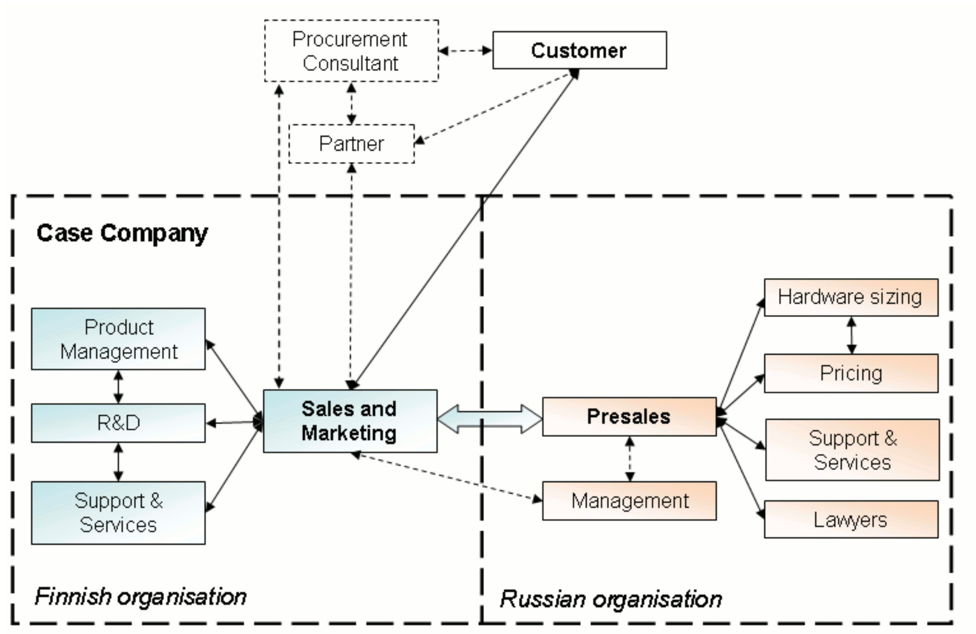

FIGURE 9 *Main organisation structure of Case Corporation involved in an typical RFP project*

The main function of each stakeholder during an RFP project presented in the figure is the following:

1. **Customer**: a telecom company who is intending to purchase a solution from a group of vendors.
2. **Procurement Consultant**: a professional purchasing company sometimes used by a customer.
3. **Partner**: in some projects a partner company is responsible for the customer and acting as an interface between the vendor (*or procurement consultant*) and customer.
4. **Sales and marketing**: is responsible for the customer and for the RFP project. Sales manager, bid manager and project manager are allocated from the sales and marketing department.
5. **Product management**: an organisation responsible for designing the company’s products and planning the content of the future releases. In an RFP process they will provide information about the new products or features of the existing products and related release schedules. That information is needed to fulfil the technical requirements as well as possible and to design a competitive solution.
6. **R&D**: Research and development’s main responsibility is to develop company’s products. Their knowledge is needed for answering technical requirements in the RFP.
7. **Support & services** (both Finnish and Russian organisations): provide information about company’s service offerings, for example about the available trainings and help with writing the service agreement documentation.

8. **Presales**: Russian organisation including a presales organisation, which is the main contact point in RFP projects led by sales managers in Finland. There is always a dedicated person in the presales department, who is taking care of most of the communication.
9. **Hardware sizing**: produces a detailed hardware and system software component list for the offered solution.
10. **Pricing**: is responsible for producing prices for the offered solutions including prices of the system software and hardware components, license prices for the company products and delivery projects related prices, such as implementation and training.
11. **Lawyers**: they consult in contractual issues. It is also possible to use an external consultant.
12. **Management**: company's management team decides the final price for the offered solution in bigger projects.

Communication flow in the case company is the following in an RFP project:

1. Customer (telecom company) sends Request for Proposal (sometimes called as *Invitation to Tender*) to prospect vendors directly or via procurement consultant company, if customer is using one.
2. Salesperson receives the RFP and is responsible for the communication with customer during the whole project cycle.
3. After the RFP is analysed, it is communicated with Russian office via *Presales* department. *Presales* department is the main contact point for the communication between the two country organisations. A solution to be offered to customer will be designed in *Sales and Marketing* in Finland together with *Presales* in Russia.
4. *Product Management*, *R&D* and *Support & Services* in Finland are consulted for producing technical answers concerning products manufactured in Finland and for creating any support or services related documentation.
5. *Hardware sizing* department produces a detailed system software and hardware component list required for the solution.
6. *Pricing* department produces pricing for the system software, hardware components, software licences and services included in the offer.
7. *Support & Services* and *Lawyers* in Russia could be consulted if required.
8. *Management* in Russia is typically needed for producing the final prices (discounts) included in the final offer.

In addition to the communication interfaces described in the figure and in the list above, there could be communication interfaces between any departments depicted in the figure. However, the intention is to utilise *Sales and Marketing* in Finland and *Presales* in Russia as centralised communication points. Sometimes a partner company can act as an interface between a customer and the case company.

3.4.2 Proposal process of the case company

The proposal procedure of the Case Company is described in this section. A detailed improved proposal procedure is described in Chapter 4 *Contribution*.

The case company is utilising processes standardised by International Organisation for Standardisation. Identifier for the standard is ISO 9001:2000. Case company's processes are updated constantly. *RFP process* is part of the *Sales Process* of the Finnish case company's process system. This section provides an overview of the *RFP Process*.

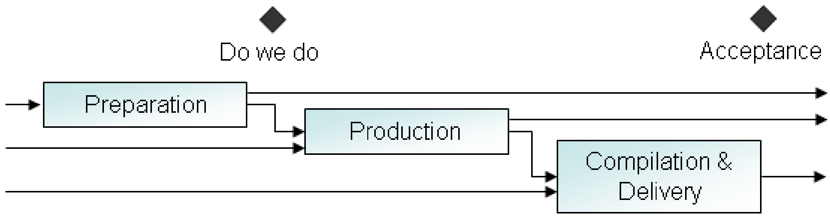

FIGURE 10 *Highest level of the RFP Process*

Figure 10 above depicts the highest level of the case company's RFP process. The process contains three obvious steps; receiving an RFP and evaluating it, writing the actual offer and delivery of the offer. These steps are described below in more detail.

Preparation step: Figure 11 below defines the sub-steps included in the *preparation* step. The corresponding actions of the sub-steps are defined below the picture.

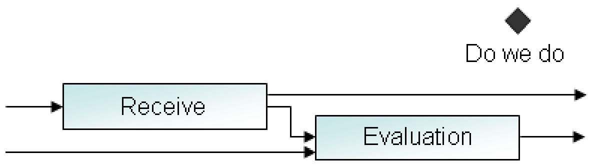

FIGURE 11 *Preparation step of the RFP process*

Receive sub-step: A sales manager receives an RFP and his/her task is to inform the corresponding directors. A project manager is nominated for the RFP process and the RFP evaluators are selected. Typically they are the sales manager, corresponding directors and the selected project manager.

Evaluation sub-step: The main purpose of the evaluation step is to provide information for the decision committee on how feasible the received RFP is for the company, how big an effort would be needed to complete the offer, what are the risks and what is the current resource situation. Decision committee decides based on the information provided by the evaluator(s), if the company will answer to the RFP. The bid / no-bid analysis is an important task because the costs of concentrating on a wrong business opportunity can be very high (Herther 2006, 24-25). If the RFP will be answered, a steering group is assigned for the project, a bid manager is selected, a preliminary project plan is produced and an acknowledgement is sent to the customer.

Production step: The actual production part of the proposal process is depicted in figure 12 below. The sub-steps and related action are defined below the figure.

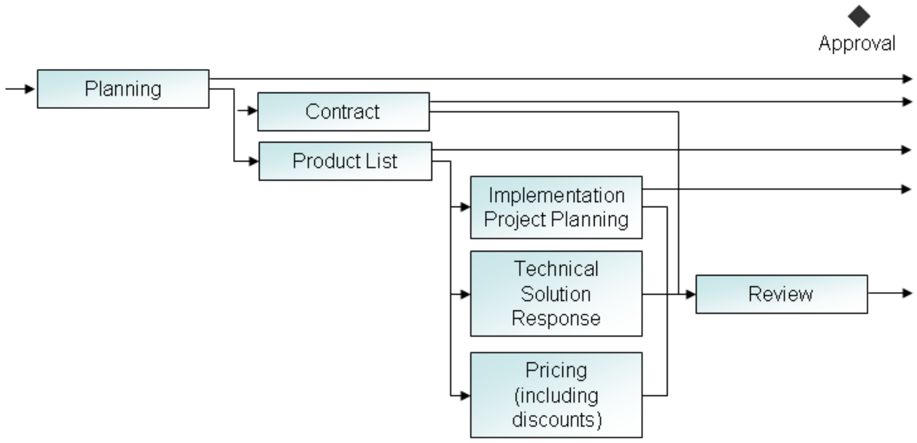

FIGURE 12 *Production step of the RFP process*

Planning sub-step: The production step starts with a planning action, where project team is assigned and they are informed of the RFP content and the most important deadlines such as delivery deadline. The work is divided into logical parts and parts are assigned to the individual employees.

Contract sub-step: The bid manager is responsible for the contracts included in the RFP. If required, the layers in Russian organisation are consulted.

Product List sub-step: In this action, the most suitable products are selected from the case company's product offering. It is a crucial action for the RFP. The product list correlates directly with the price and with the technical compliance of the final offer.

Implementation Product Planning sub-step: This action contains the planning and documentation of the delivery project. It is always requested in an RFP to describe, how the delivery would be done and what the costs are.

Technical Solution Response sub-step: This action consists of creation of the statement of compliance document (answers to customer's technical requirements) and a solution description document providing detailed information on the offered solution.

Pricing sub-step: The pricing documentation to be produced in this action contains detailed information on all costs related to the offer.

Review sub-step: All documentation produced during the production step should be reviewed and fixed correspondingly before entering the next step. The case company has a separate review method, which is utilised in this action.

Compilation and Delivery step: The step depicted in figure 13 below describes the last step of the case company's RFP process. The corresponding sub-steps are described below the figure.

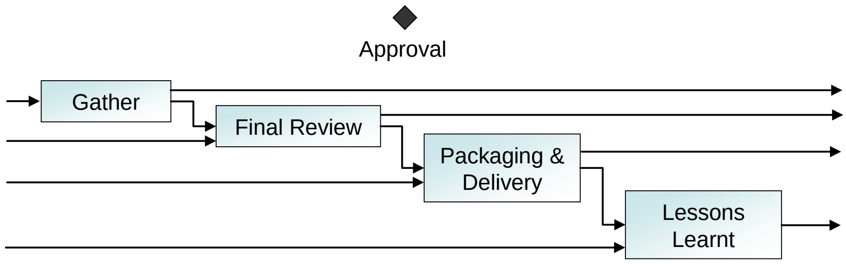

FIGURE 13 *Compilation & Delivery step of the RFP Process*

Gather sub-step: All documentations produced in the production step that will be included in the final offer are gathered in this action.

Final Review sub-step: The consistency of the documents included in the offer is checked and the management review is performed in this action.

Packaging & Delivery sub-step: The final offer is delivered in this action. The RFP defines whether an electric delivery is enough (via email) or are hardcopies of the offer required. If hardcopies are required, this action includes some manual work, such as printing of documentation, putting documents into binders and burning the offer on CDs. Depending on the geographical location of the customer, the hardcopy delivery can take from one to three days and this should be taken into account when planning the schedule for the RFP project.

Lessons Learnt sub-step: This step is included for the auditing purposes. The step includes the creation of an audit report based on the project overview, team feedback and project related variables, such as, how much time was spent to certain actions. Audit report is presented for the management team and the required actions are taken to improve the procedure.

The actual sales process will continue after the offer has been delivered, but since this action is out of the interest area of this study, it is not examined further here.

3.4.3 Results of the interviews

The interview answers can be divided in three categories.

1. **Employees described working in the company before it was acquired by the Russian company.**

40% of the interviewed employees had a working relationship long enough to be able to describe working in the company before it was acquired.

The interviewed employees emphasised the great working atmosphere, hard working mentality and great working spirit. They stated that goals were common and known to everyone. It was also described that the organisation they were working for was some kind of stranger within the corporation it used to belong to.

2. **Employees described working in the company when it merged with the Russian company.**

60% of interviewed employees had a working relationship long enough to be able to describe working in the company during the company merger.

Employees were afraid of losing their jobs. Some of the interviewed persons thought the new Russian owners would get their job, but on the other hand some of them thought there would be new resources for the projects from the Russian organisation. Some of the employees thought that it was a great move to transfer from the service business to software business.

Employees thought the technical work, such as programming, might transfer to Russia, but the sales organisation could be stronger in Finland, as the Finnish organisation was thought to be used as a sales window to the Western Europe.

According to the interviews, the actual change was done really fast, but the uncertainty period that followed after the change continued a few months. One comment was: *"Openness and transparency were promised, but it didn't really occur in practice."*

Employees thought that confidence was improved when the new owner showed the new premises they had bought for the Finnish organisation. Also, cross-cultural training was organised to improve confidence. However, the quality of the training was criticised during the interviews. In addition, people who were able to speak both languages were hired to the Finnish organisation to help in co-operation between the companies.

The following types of commends were mentioned regarding to the co-operation during the interviews: "*no big changes in the working methods*" and "*no process-integration happened*".

3. Employees described their current feelings and thoughts in the company.

All the interviewed persons described their current views and feelings.

Interviewed persons analysed the characteristic of the organisation culture of the Finnish organisation and Finnish national culture. These items were compared to the cultures in the Russian organisation. The main items of this part of the interviews are described in the appendix (APPENDIX 1).

Other topic for this part of the interviews was the discussion about the problems in the co-operation and what can be improved in order to develop the co-operation. Interviewed employees thought there were a lot of communication and language problems. One detailed comment was: "*When talking about the business related items, we speak totally different languages.*" One commonly agreed topic was that face-to-face meetings and personal relationships improves strongly the co-operation.

3.5 Analysis

This part of the study contains the analysis of the research results.

3.5.1 Analysis of the case company's proposal procedure

More than ten different stakeholders are involved in a typical proposal project in the studied case company. That obviously means a lot of communication between different organisations. The studied company has been trying to minimise the communication related problems for nominating centralised communication points for the proposal projects.

The existing proposal procedure of the studied company can be divided into three high level steps as described in section *3.4.2 Proposal process of the case company*. These steps were (Figure 14): *Preparation*, *Production* and *Compilation & Delivery*. These steps were compared to the proposal procedure related ideas defined by Sant (2004) and Pugh & Bacon (2005). The purpose of the comparison was to find improvement ideas for the existing proposal procedure of the case company. Analysis is described below and the final idea for the improved proposal procedure is presented as the contribution of this study (*5.1 The improved proposal procedure*).

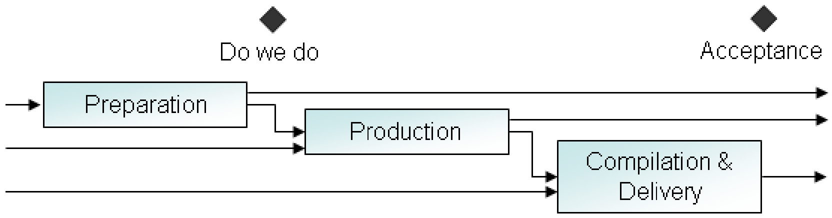

FIGURE 14 *The mains steps of the case company's procedure model*

Analysis for the Preparation step: The *Receive* step is simple and obvious. However, Sant has said (2004, 82) that the proposal itself most likely does not win any business, and therefore it should be carefully analysed in the Bid/No-Bid analyse-step if a proper relationship does not already exists when an RFP is received.

According to the *Evaluation* step, it seems that in the evaluation phase the case company relies on the expertise of the sales personnel. In the Sant's (2004) and Pugh & Bacon's (2005) models the evaluation step has been seen as the most important step in producing a proposal. Both models introduce different analysis methods for several purposes, such as for understanding customer's goals, selecting a winning strategy for the proposal, identifying the competition situation, and so on. According to the process descriptions of the case company and author's expertise on the subject, the evaluation step of the process should be emphasised and introduced in more detail in the procedure description.

Analysis for the Production step: A general main difference between the models in the literature and the proposal procedure of the case company is that the literature emphasises the creation of client-focused strategy, also keeping the focus on the customer when the proposal procedure of the case company is more like a list of actions needed to be taken during a proposal production.

Case company's proposal procedure does not really provide tools for creating a customer focused proposal. However, regarding to the author's experience, a lot of discussion about the winning strategy exists; what is the customer really looking for during the proposal project etc., but related steps are not added to the procedure itself.

From the project's point of view, the case company's procedure contains the main tasks and identifiers defined in Section *2.2 Project management in* the theoretical foundation part of this study. Schwalbe (2006) described the required key competencies of the project manager for managing projects, such as scope and risk management skills. It can be stated that all of these key competencies are required when looking at the steps and required actions needed to be taken in the case company's procedure description.

Interesting detail in the case company's procedure description is that it clearly takes into account the organisation structure involved in a proposal project. For example, it emphasises the criticality of the creation of the product list, as it is a key milestone for planning the technical solution and pricing it. Moreover, according to the organisation structure, it is really difficult to change the product list after a project has moved on to the following steps. In addition, the procedure description highlights the different communication points between the country organisations. The existing proposal related literature does not take into consideration the complex organisational structures that could be involved during proposal projects.

Another important finding is that the case company’s procedure description contains similar two-level review steps (review and final review steps) as defined by Sant (2004, 81-82). However, the procedure description contains review steps and methods description for doing the reviews, but it does not contain information on what a reviewer should concentrate on while reviewing. For example, are different reader types taken into consideration in the proposal documentation, is the proposal consistent with the selected strategy, and so on.

Analysis for the Compilation and Delivery step: *Packaging and Delivery* sub-step is a clear ending phase for the project and the *Receiving an RFP* is a starting phase. Both phases are required to be able to manage projects and learn from them for the future projects (Schwalbe 2006, 4).

Final Review sub-step is an important step where it should be checked that the proposal tells the story it was planned to tell. Final review shouldn’t be a detailed review. It should be more like an overview check for approving the proposal. Pugh and Bacon (2005, 191-193) define that in the final review the focus should be on whether the proposal is compliant and responsive and client-focused, and whether it communicates the planned story. Naturally the final proposal cannot be all that if the selected strategy has not followed the whole project cycle.

There is clearly an inconsistency in the case company’s proposal procedure. Selecting a proper strategy and following it should be emphasised already in the very first steps of the procedure.

The *Lessons Learnt* sub-step is very lightly defined in the case company’s proposal procedure. Regarding to Sant (2004, 191-193), there are too main items to be studied during the lessons learnt step: 1) analysing proposal documentation itself and 2) analysing the proposal project. These analyses are crucial to the future development.

3.5.2 Analysis of the interview data

The data division was done based on the interview themes. The following figure, figure 15 highlights the data division process.

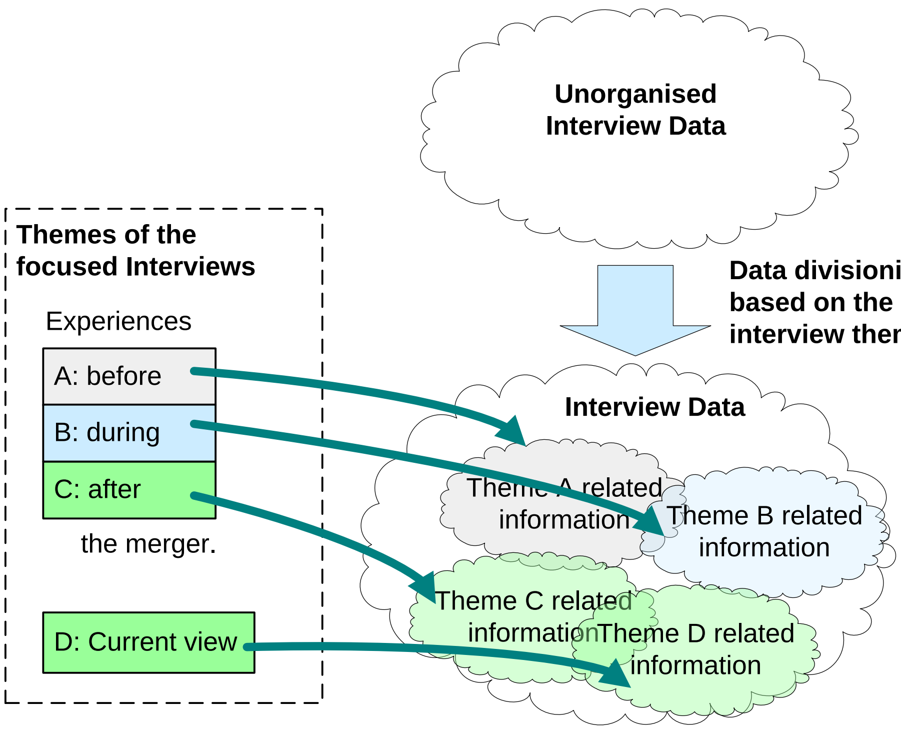

FIGURE 15 *Unorganised interview data was organised according to the interview themes.*

The following interesting items were found during the data division activity:

1. The work atmosphere has remained good within the case company during the examined period. However, it seems that the level of frustration and uncertainty has increased after the company merger.
2. The managing director changed during the examined period and regarding to the interviewed employees, the origin of the director seemed to cause a major effect on working methods the company is utilising and to the culture of the company. The former director was coming from the Finnish company and his follower comes from the head quarter of the case corporation. The interviewees felt that a Russian model was adapted along with the change of the managing director and they were not so sure about the business targets (strategies) of the company anymore.
3. In addition to the change of the managing director, the head quarters' behaviour towards the subsidiary had changed, based on the two other events: 1) a new office building was bought for the case company and employees moved to the premises owned by the headquarters and 2) case corporations organisation structure was changed to support the world-wide business unit structure.

Interviewed employees have felt that after these three changes in the case company's history, people visiting from the headquarters have started to act more like owners than partners.

After the data division, the analysis continued with asking question from the research data. The following questions were asked from the organised research data:

- What are the problems or benefits related to the co-operation between the head quarter and the subsidiary?
- How can the co-operation between the companies be improved?
- What are the culture related opinions found from the research data?

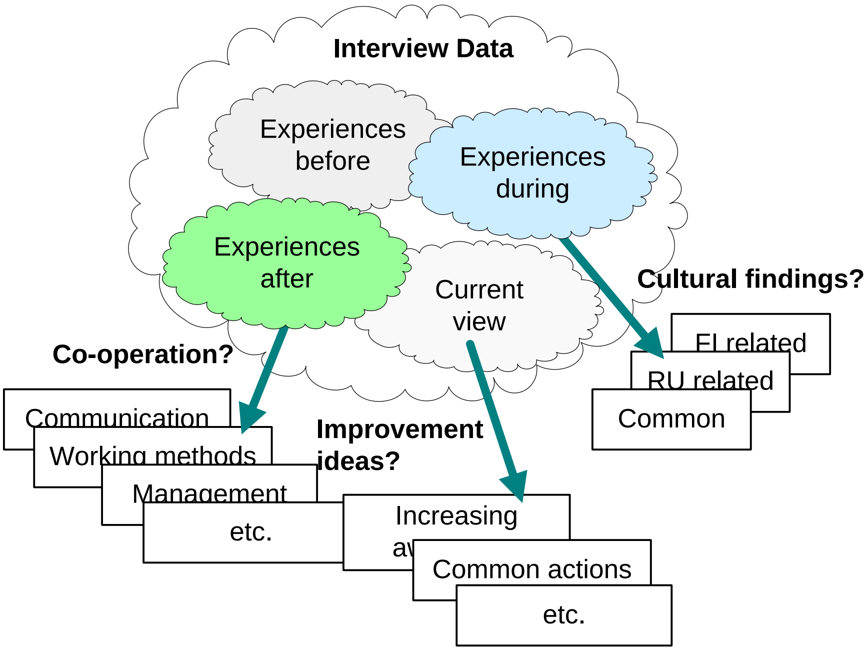

FIGURE 16 *Sub-categories found during the analysis*

Figure 16 above depicts the analysis process used for finding the sub-categories from the organised interview data. The following lists contain the sub-categories found during the analysis. In addition, some of the related interview comments are added to the lists.

Co-operation related findings can be divided in the following sub-categories:

1. **Communication**, such as language problems or lack of information flow. Comment: "*A strange decision without any explanation can come to Finland*", "*Lack of English skills*".

2. **Working methods**, such as different understanding about office hours or lack of process integration. Comment: "*Finnish employees should be shaken a little bit before anything happens.*"

3. **Management**, such as totally different management models and parallel management models bring confusions. Comment: "*There are no discussions about the new operation models. Finnish organisation is only informed about them.*"

4. **The relationship between the parent company and the subsidiary**, such as headquarters does not listen the thoughts of the subsidiary. Comment: “*HQ uses Finnish organisation as a subcontractor, but that has not been communicated.*”

5. **Different ways of thinking**, such as companies do not understand each others. Comment: “*The ‘big picture’ is important in Finland. Russians like to concentrate on details.*”

6. **Other**, such as personnel turnover.

The improvement ideas can be divided in the following sub-categories:

1. **Increasing the cultural awareness**
2. **Common actions**
3. **Other**

For example the following comments were mentioned during the interviews: “*more face-to-face meetings*”, “*more information about the cultures needs to be provided*” and “*language skills need to be improvement*”.

The cultural related findings were divided into three sub-categories:

1. **Finnish/subsidiary related**
2. **Russian/parent company related**
3. **Common findings**

The list of the main items related to the cultural findings is presented in the appendix (APPENDIX 1).

Categorising the research data makes it possible to understand the corporation culture and co-operation related subjects and how these subjects can be utilised for improving the proposal process. As described in the research methods section, the sub-categories found were examined from the studies proposal point of view. The concatenation of the co-operation related sub-categories and the studies proposal procedure were done and the *matrix* described in the table below was found.

Sub-categories (right) Process phases (below)	Communic.	Practices	Leadership / Management	Relationship between companies	The way of thinking	Other co-operation related
Receive	-	-	-	-	-	-
Evaluation	-	-	X	X	XX	-
Planning	-	-	-	-	-	-
Contract	XX	XX	X	X	XX	-
Product list	XX	XX	X	X	XX	X
Impl project planning	XX	XX	X	X	XX	X
Tech. solution response	XX	XX	X	X	XX	X
Pricing & discounts	XX	XX	X	X	XX	X
Reviews	-	-	-	-	-	-
Gather	-	-	-	-	-	-
Final Review	-	-	-	-	-	-
Packaging and delivery	-	-	-	-	-	-
Lessons Learnt	-	-	-	-	-	-
Overall functioning	XX	XX	XX	X	XX	X

"XX" = there were many interview findings related to the process phase
"X" = one or a few interview findins related to the process phase
"-" = no findings

TABLE 1 *The relations between the co-operations related sub-categories and the phases of the case company's proposal procedure.*

As can be seen in the table 1 above, the middle phases of the proposal procedure are the phases were co-operation related problems are experienced. Co-operation related to the overall functioning is separated in a row in the bottom of the table. The double Xs in the table highlight the project phases where many interview findings relate to the phase, and single Xs show where one or a few interview findings relate to the phase.

According to the results described in the table above, it seems that *communication*, *practices* and *the way of thinking* are the main problems during proposal projects. It must be stated that some of the problems most likely exist because of the long geographical distance between the companies, not only because of the national cultural or organisational cultural differences.

Almost all of the interviewees highlighted the language problems. That is an issue that cannot be taken into account in the proposal procedure. Instead, it should be handled outside the procedure. Another language related problem found was that the companies understand business itself, as well as marketing differently and they are speaking different “business languages”. The Finnish have learnt to do business more in so called western way and the Russians are more used to doing business via personal relationships. One of the interview findings was the idea to apply common activities more frequently. That could be one key solution to improve the common understanding.

Mead has defined (1990, 38-39) that a group reaches common understanding when it shares perceptions, beliefs, attitudes and knowledge about someone or something. This feels like an impossible goal when there are major language problems, different organisations, management between organisation is done vie email due to the long distances between the offices, and so on. However, any common activity could reduce this problem.

The proposal procedure defines contact persons from both country organisations for the proposal projects. That clearly improves the communication and makes the practices applied in country organisations more transparent for the proposal project itself. However, for local project managers it would be useful to have even a limited access to the resource information of the other country's organisation and tasks. This would help the managers to be on top of things and to follow up assigned tasks. For this reason it is of course usually more efficient that the actual leadership and management are performed by an employee working in the same organisation as the sub-ordinates as they know the local practices better and also know how the sub-ordinates are motivated (Meat, 1998, 190-206). Employees can be rewarded in different ways, for example with money, improving job satisfaction, providing personal ”growth”, improving security, providing power, status and career potential (Watson 2006, 115-118 & 315-316). These rewards are valued differently in different cultures (Watson 2006, 115-118 & 315-316) and a local manager knows best how to reward.

In addition, the proposal procedure doesn't clearly describe how business targets and winning strategies set for the project are communicated from one country organisation to the other. There were already problems within the country organisation itself. That is clearly one thing that needs improvement and it would improve the common business understanding in general.

Another communication improvement idea is related to the project close down. If a proper "lessons learnt" step is applied in the end of the project, the result of it should somehow be communicated from one country organisation to another. It would improve the common understanding and would serve the improvement of the common practices.

Still one improvement idea commonly mentioned during the interviews was the idea to increase cultural awareness. Appendix 1 gathers the main findings from the interviews that are related to the cultural (both national and organisational) differences. The list contains a lot of similar items that are described in the Hofstede's models (1980, 2005). For example, Hofstede has defined Finnish culture more individualistic when Russians are more collectivistic. Also the power distance in the Russian organisations is much larger than in the Finnish organisations. The very same result was found in this study. Hofstedes have stated (2005, 58) that there is no research evidence of a systematic difference in effectiveness between organisations with large and small power distances. They may be good in different tasks. The important thing for management is to utilise strengths of a local culture (Hofstede & Hofstede 2005, 58). The list described in Appendix 1 can be utilised when planning a cultures related training for the employees.

3.5.3 Validity and reliability of this study

Validity and reliability of the study are evaluated in this section.

The validity of the results means the ability to measure exactly what was meant to be measured (Uusitalo 1991, 84-85). In a qualitative research the validity of the research is based on the detailed description of the research process (Grönfors 1982, 174). The reliability of the study means how well the research results can be repeated and how reliable the results are (Hirsjärvi & Hurme 1982, 128-129).

The reliability of this study has been improved by evaluating the whole research process used in this study. The research methods used in this process were described in section *3.1 Research methods*. The interview process was described in section *3.3 Interview process*. The theoretical foundation related to this study has been tried to describe as well as possible and the results of this study have been compared to the existing theories.

The procedure description of the studied company was based on the international ISO standard. The standard ensures the procedure descriptions are described in commonly accepted format. That improves the reliability of the results. Similarities will most probably be found when comparing procedures of the studied company to the procedures of other company using ISO standardised procedure descriptions.

During the survey of proposal work related literature it turned out that only a limited amount of scientific publications are available and most of them are written by consultants. Consultant background with a long experience of a real customer related work provides a good viewpoint in the field of proposals. However, procedure models done by researchers, not by consultants, would provide different viewpoints for examining the proposal procedure of the studied company. The proposal procedure related literature did not take into account the complicated organisation structures that are typically involved in the proposal projects. On that sense, literature provided only a light model.

The cultural influencing in the company was studied by interviewing employees. The reliability of the interviews may suffer due to the fact that interviewed persons are likely to provide favourable answers (Hirsjärvi, Remes, & Sajavaara 1997, 202). That was tried to be avoided by making the interview sessions as informal and relaxing as possible. This was also the reason why the interviews were not recorded. On the other hand, the recording would have improved the validity of the results. Interviewer could have forgotten or been unable to pay attention to a particular important result when using hand notes. Interview results were organised within a short period of time (except the interview used for training the interviewee) and the results were analysed shortly after the interviews were accomplished. The idea behind that was to ensure the similarity of the interview sessions and to prevent the possibility of forgetting of the answers.

Only the employees of the Finnish organisation were interviewed, which weakened the validity of the results. The original plan was to also interview also the employees from the parent company, but there were some difficulties in organising that (see *3.3 Interview process*). Interviewing both parties might have improved the results.

4 DISCUSSION

The purpose of this study was to develop improved proposal procedure for the studied cross-cultural company. The study started by identifying the profile of the case company and by describing the organisation structure of the company that is typically involved in the proposal projects. If was found out that organisations located in different countries need to co-operate in proposal projects. It means that different national and organisation cultures often collide during the projects, which brings many kinds of challenges, i.e. communicational and managerial.

To be able to develop a procedure, a natural first step is to study the current state of it. That was done by studying the case company’s ISO standard based procedure descriptions. It helped this research and also improved the reliability of the results as the procedures of the company were well documented.

Company’s procedure was studied from two different viewpoints: 1) from the proposal procedure & project management perspective and 2) paying attention to the cross-cultural organisation structure of the company.

The first viewpoint was studied by comparing the company’s proposal procedure to the theoretical models. During the survey of proposal work related literature, it turned out that only a limited amount of scientific publications were available and most of them were written by consultants. However, a consultant background with a long experience in real customer related work provides a good viewpoint in the field of proposals.

Two models were finally selected as a basis for the proposal development work of this study; a model developed by Tom Sant (2004) and another model developed by David Pugh and Terry Bacon (2005). These two models were compared against the case company’s proposal procedure. A lot of similarities between the models and the existing procedure were found. Maybe the biggest input retrieved from the models was the ideas about how to create strategies for the proposal projects and how to concentrate on the customers. According to the researcher’s experience in working at the studied company, these items are subject for discussions during proposal projects, but they are not clearly considered as part of the procedure itself. Another important finding was that the literature models do not notice the fact that, most likely, a huge organisation with lots of different competencies is required to be able to produce a proper answer to a request for proposal. In today’s business a huge organisation means a group of people from different organisation cultures or even from different national cultures

The validity of this study suffers from the lack of theoretical proposal procedure models. Having models described by researchers and not by consultants can provide new viewpoints for process improvement part of the study.

Case company's proposal procedure was described also from the cross-cultural viewpoint. The reason for that approach was that the behaviour of the colleagues coming from another national and organisational culture has been a daily subject for amazement in the studied company. A very common question has been: *"Why are they acting like this?"* That fact, together with the cultural related studies of the *strategic leadership of technology-based business* degree programme were the main reasons behind the idea of trying to connect cultural matters to the company's procedures. Developing procedures, in order to get them to take the cultural matters into consideration, seemed to be an interesting, as well as, a challenging topic. In general, a cultural versatility should be seen as an advantage and not as a problem. Moreover, in certain situations lack of cultural knowledge could lead to disaster.

Comparing cultures against each other is a dangerous task. As described by many researchers, cultures are complicated and multidimensional topics. A direct comparison could make the person doing the comparison unable to see the "big picture". Instead, he or she could concentrate on some specific detail or even stereotypes. Nevertheless, the cultures related part of this study concentrates on the Finnish – Russian context. It was an essential approach for this study, as the studied company consists of Finnish and Russian organisations. One part of improving cultural awareness is to emphasise the importance of understanding cultures as a phenomenon, not only as a list of different stereotypes. Another important viewpoint is to consider ones own behaviour, i.e. what might my colleague think of me? In addition, it is really important to remember that no culture is better than another. They are just different.

Consolidating cultural study and procedure development is not a straight forward task. The existing theories do not provide direct tools for doing that kind of development work. The research problems of this study were:

1. To find out what kinds of problems exist in a cross-cultural company providing high-quality proposals.

2. To find out how the proposal production related operation of the company should be developed to improve the quality of the proposals.

To be able to answer to these problems, it was necessary to combine cultural research and procedure development. The cultural influencing was studied by interviewing the personnel of the studied company and the interview results were analysed from the procedure point of view. Some very clear correlations between these two topics were found as described in the next section (*5 Contribution*). How well the cross-cultural organisation should be taken into consideration in procedure development is an interesting question.

5 CONTRIBUTION

This chapter describes the improved proposal procedure as contribution of this study. The proposal procedure of the case company is described and the related improvement suggestions are indicated. Ideas for further studies are described in the end of this chapter.

As general high level findings, the following items can be mentioned:

- Different cultures clearly appear in the studied company, and the cultural differences explain reasons for some of the problems occurring in the company's operations.
- Interviews done during the study provided results similar to the models in literature describing cultural differences.
- Case company's proposal procedure was already well defined; it takes into account some of the co-operation activities between the organisations.
- Existing proposal related literature provides useful ideas for procedure development for the studied company, but it does not pay attention to the problems that occure due to the cross-organisational work required to be done during the proposal projects.

5.1 The improved proposal procedure

Figure 17 below describes the proposal procedure of the case company, as well as the development areas (numbered items in the figure) found during the study. The development areas are described in detail below the figure.

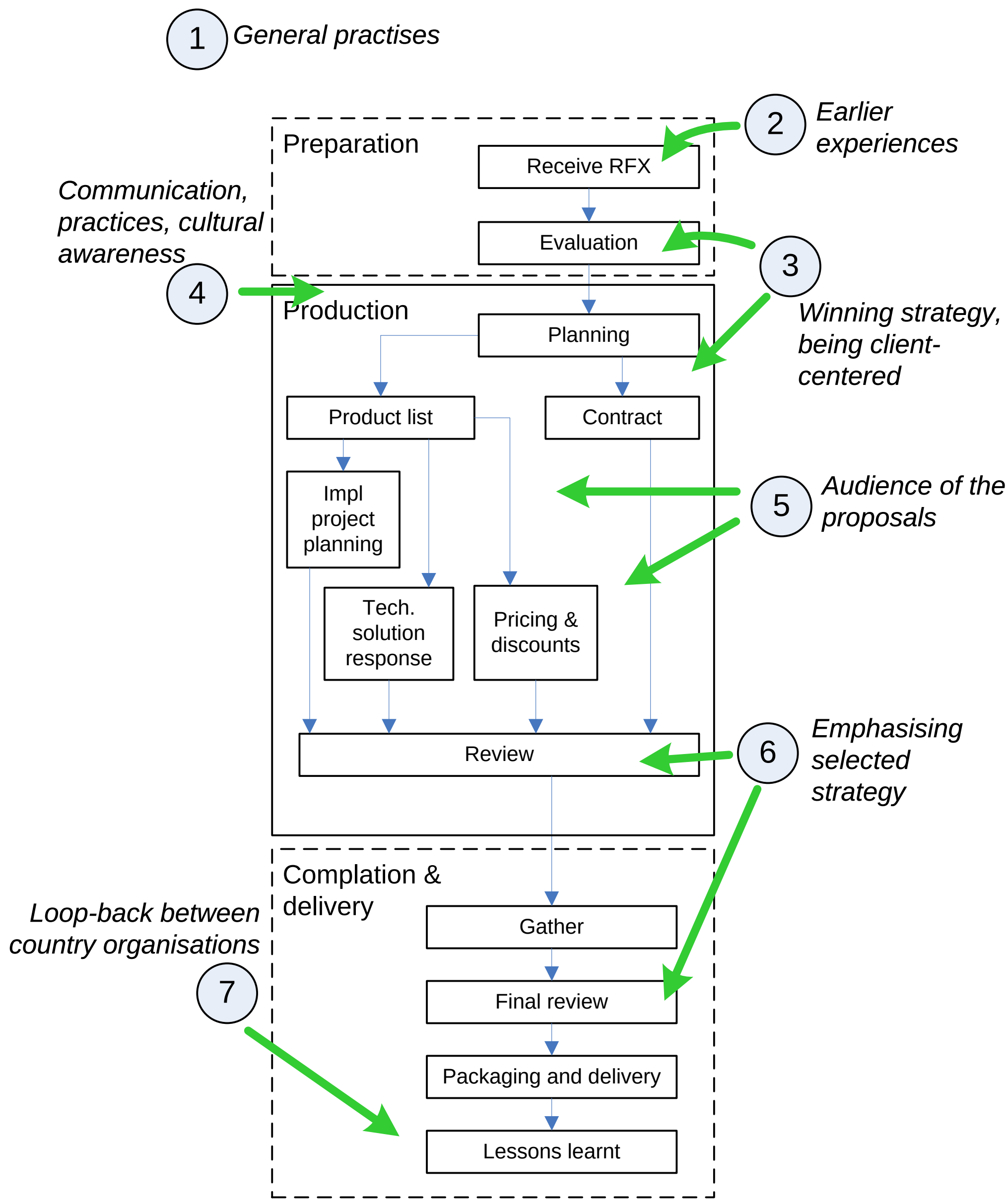

FIGURE 17 *Proposal procedure of the case company and the found development areas*

1. Development related to the operations of the company in general

Different national and organisation cultures affect strongly to the company. Some of the problems or matters that are surprising for the employees of the company occur because of the long geographical distance between the offices, but some of them are caused by cultural differences.

The cultural awareness of the employees of the studied company is already in a good level. The employees have learnt some “specialities” of their own and colleagues’ cultures. The interviews done during this study resulted similar findings that exist in the literature describing cultural matters. For example, comparing findings to the Hofstede’s cultural dimensions (ITIM 2007), the following can be stated:

- *Power Distance*: Power is distributed much more unequally in Russia than in Finland. Russian organisation is completely task oriented organisation. In the Finnish organisation, subordinates commonly challenge their superiors and disagree about their task assignments.
- *Individualism*: In the Finnish organisation the employees are expected to look only after themselves. This occurs in the form of initiativeness. The Russian organisation is more collectivist, and societies and ones status within a society are important matters.
- *Uncertainty Avoidance*: Employees in the Russian organisation are showing their emotions and are trying to avoid mistakes. When problems are faced, it is important for them to find the guilty party. Employees of the Finnish organisation do not show their emotions and it is acceptable to make mistakes. Once mistakes happen they are openly discussed, and it is more important to learn from the mistake than to find someone to blame.

These were the main cultural differences found during the study and they exist in the literature as well. However, it must be emphasised that comparing cultures is dangerous. As described, cultures are complicated phenomena and concentrating only on details can be injudicious.

Almost all of the interviewed employees mentioned that the co-operation has improved a lot after they have met the colleagues of the other organisations personally, therefore it is strongly recommended for the case company to organise unofficial gatherings for the people from different country organisations working together. During the interviews, the improvement of cultural awareness was also found as a useful and important item. Thus company dedicated cultural trainings that pay attention to the specialities of the corporation are highly recommended. One idea retrieved from the interviews was to have a cultural training where audience consists of employees from both country organisations.

2. Earlier experiences about the customer

All the earlier experiences of the customer should be utilised for RFP evaluation purposes. If a proper relationship with the customer doesn’t exist when receiving an RFP, then the winning possibilities are probably insignificant (Sant 2004, 84). All available information about customer, competitors and markets where customer is doing business should be gathered and used as a basis for further evaluation of the RFP. The gathered information is useful for the Bid / No Bid analysis but also crucial for creating a winning strategy for the proposal projects.

3. Creating strategy and focusing on the customer

Regarding to the literature (Sant 2004, Pugh and Bacon 2005) the evaluation phase is really important phase in the proposal procedure. It seems that the step described in the proposal procedure of the studied company does not emphasise enough the strategy creation. One suggestion could be to divide the evaluation step into sub-steps and design detailed actions accordingly.

Discussions about the winning strategies and what customer is looking for during a proposal project in the studied company exist, but most likely the selected strategy is not clear for all of the project members. As described in the theoretical foundation part of this study, the correct strategy improves the winning possibilities a lot.

There are several methods that can be used for creating a strategy. One possibility is to use similar analysis that Sant (2004, 43-54) has described in his proposal procedure model. It is also important to communicate the strategy to all of the members of the project. Naturally the ideas of the strategy can be shared in the kick of meeting beginning of the project, but in the companies whose organisations are located far away from each other, the knowledge sharing could be difficult. However, it must be ensured that all the interested parties will understand the selected strategy and work regardingly. One solution is to document the strategy and spread it to the managers of each organisation, teams, etc. that are involved in the project. Then it becomes their responsibility to clarify the strategies to their subordinates.

A winning strategy should be designed separately for each project. It helps in focusing on the customer and providing true client-focused proposals.

4. Developing communication and practices & improving cultural awareness

As described in the section describing the interview analysis, cross-cultural variables affect to the production part of the proposal procedure in the studied company. That is because the main communications and co-operation take place during that part of the procedure. In many situations misunderstandings during communication exist. There are basically three reasons for this: 1) Long distance between parties, thus communication is done mainly via email and phone, 2) lack of language skills and 3) colleagues are coming from different cultures, which clearly makes the communication more difficult.

The problems caused by the third reason are something that can be reduced with cultural training and meeting the colleagues more often. Cultural training is one solution for improving the level of cultural awareness. On the other hand, the earlier cultural trainings organised by the company were criticised at the interviews, thus the possible future trainings should be well defined to suit the company’s purposes. In one interview an interesting idea appeared: “*It would be interesting to organise training where participants are coming from both cultures and to have discussions where a member of one culture tells what they are really thinking of the other culture.*”

Another solution to improve the cultural awareness is to discuss about the related items more objectively and to produce and spread reports similar to this study. To be objective means that also the behavioural models coming via ones own culture should be considered, i.e. what might my colleague think of me and my behaviour and why.

The practices and communication can be developed by clarifying the responsibilities between the country-organisations, developing the processes and establishing or integrating more common procedures. This kind of development should be coming from the headquarters of the company, otherwise it does not work. That could be problematic if the HQ is not willing to spend resources for doing the development work.

5. Paying attention to the audience of the proposals

There are discussions about the audience of the proposal, customer's employees receiving and reading the proposals during the proposal projects. There are also experienced employees involved in the project who know the best practices and how to please the audience. However, as described, a typical project team consists of employees with different backgrounds and expertises. It could be easily argued that all of them do not have experience in facing customers. In that sense the proposal content can be easily improved by producing proper instructions about the items to be remembered when writing material for a proposal. These kinds of instructions can consist of information about different reader types defined by Pugh and Bacon (2005, 42-52) and of how to take them into account. It should also be ensured that the selected winning strategy is well-communicated to all members of the project team. Methods for creating a client-focused winning strategy and the different reader types are described in this study.

6. Emphasising selected winning strategy during the review phases

All the reviews happening during a proposal project should be done against the selected strategy. Naturally all the details, such as pricing and technical information, should be checked during the reviews, but the key thing is to focus on the customer. During the reviews, it should be checked that every part of the proposal tells the story that follows the selected strategy. When researching the case company's proposal procedure it became clear that the winning strategy was not emphasised enough at the beginning of the procedure. There seems to be a place for development.

7. Sharing the "lessons learnt" information within all employees involved in the project

The very important *lessons learnt step* is defined in the company's procedure, but according to the researcher's experiences, this step is usually not followed correctly. As in any process, a daily development is required and it cannot be happening without a proper re-examination. Moreover, it must be ensured that all the employees who were involved in a project can participate to the re-examination, or at least receive the information resulted from it. Otherwise any real improvement will not exist.

5.2 Further development and research ideas

A natural continuation for this study is to test the improved proposal procedure described in this chapter. A suggested continuation for the development work is first to inform the interested parties about the result of this work and then to interview them. The model can be fine-tuned and clarified based on the opinions of the interviewed people. After the corresponding modifications to the procedure, it can be launched and tested. It should be remembered that every procedure must be constantly revised and updated. In a proposal procedure there are no exceptions.

Another suggested topic for future development is to design measurement models for procedure follow-up and development. One method is auditing, i.e. select a project and audit it after the completion and study how the procedure was utilised, what were the problems and how the procedure should be developed. Measuring the proposal projects can be challenging because measurement results should reflect human behaviour and work. One method for communicating procedures to employees and measuring processes could be the *Strategy Map* model defined by Kaplan and Norton (2004). Trompenaars and Hampden-Turner (2004, 101) have also stated the difficulty of putting human behaviour and cultural related matters into the strategies of a company. They have also stated the usability of Kaplan's and Norton's methods.

From the scientific research point of view it would be an interesting topic to study further the relations between cross-cultural organisations and procedure development. Regarding to the literature survey done during this study, a proposal work related literature does not take into account the problems occurring because of the complicated project environments consisting of employees from different cultures. Project management related science pays some attention to the cross-cultural environments and that information was utilised partly in this study.

6 REFERENCES

Alasuutari, P. 1994. Laadullinen tutkimus. Jyväskylä, Finland: Gummerus Kirjapaino Oy.

APMP. 2008. Association of Proposal Management Professionals. Available: http://www.apmp.org/. [referred 14.03.2008]

Bryman, A. 1988. Quantity and quality in social research. London, U.K.: Unwin Hyman.

Gesteland, R. 2001. Cross-cultural business behaviour – marketing, negotiating and managing across cultures. 2nd edition. Copenhagen, Denmark: Copenhagen Business School Press.

Glaser, B. & Strauss, A. (1967). The discovery on grounded theory: Strategies for qualitative research. Chicago, USA: Aldine de Gruyter.

Green, D. 2003. Profile: Professor of persuasion – Dr. Tom Sant, APMP, Fall/Winter 2003, 8-14.

Grönfors, M. 1982. Kvalitatiiviset kenttätyömenetelmät. Juva, Finland: Werner Söderström Osakeyhtiö.

Harvard Business School Press. 2006. The Essentials of Project Management. Boston, USA: Harvard Business School Publishing.

Herther, J. 2006. To bid or not to bid – That is the question! APMP, Spring/Summer 2006, 24-31.

Hirsjärvi, S. & Hurme, H. 1982. Teemahaastattelu. Helsinki, Finland: Gaudeamus.

Hirsjärvi, S., Remes, P. & Sajavaara, P. 1997. Tutki ja kirjoita. Tampere, Finland.

Hofstede, G. 1980. Culture’s consequences. International Differences in Work-Related Values. Newbury Park, USA: SAGE Publications, Inc.

Hofstede, G. & Hofstede, G. J. 2005. Cultures and organisations – Software of the mind. New York, USA.

Humes, S. 1993. Managing the Multinational. Confronting the Global-Local Dilemma. Hempstead, U.K.: Prentice Hall International.

ITIM (An international consulting organization utilising Prof. Hofstede's concepts). Geert Hofstede Cultural Dimensions. [online]. ITIM. Available: http://www.geert-hofstede.com/. [referred 25.02.2007]

Isokorpi, T. 2006. Napit vastakkain – Ristiriidat, rajat ja ratkaisut. Jyväskylä, Finland: PS-kustannus.

Kaplan, R. S. & Norton, D. P. 2004. Strategy Maps. USA: Harvard Business School Publishing Corporation.

Kerzner, H. 1995. Project Management: A system approach to planning scheduling and controlling. 5th ed. New York, USA: Van Nostrand Reinhold.

Lewis, R. 1996. Kulttuurikolareita (When cultures collide). Keuruu, Finland.

Mead, R. 1990. Cross-cultural management communication. West Sussex, U.K: John Wiley Sons Ltd.

Mead, R. 1998. International management – Cross-cultural dimensions. 2nd Edition. Oxford, U.K.: Blackwell Publishers Ltd.

Meredith, J. R. & Mantel, S. J. 1995. Project Management. A managerial approach. 3rd edition. USA: John Wiley & Sons, Inc.

Metsämuuronen, J. (2002). Tutkimuksen tekemisen perusteet ihmistieteissä. Helsinki, Finland: Methelp Ky.

Myerov, J. 2005. Books: Powerful Proposals: How to gibe your business the winning edge, Spring/Summer 2005, 46-48.

Patton, M. Q. 1980. Qualitative Evaluation Methods. Beverly Hills, London: SAGE Publications.

Pitkänen, J. 2006. Jännitteet kulttuurien törmätessä, yrityskulttuurien vaikutus muutosprosessissa. Tampere.

Pugh, D. G. & Bacon, T. R. 2005. Powerful proposals – How to give your business to winning edge. New York, USA: AMACOM

Räsänen, H. 2006. Luentosarja: Tieteellisen tiedonmuodostamisen prosessi.

Sant, T. 2004. Persuasive Business Proposals. New York, USA: AMACOM.

Schein, E. 1987. Organisaatiokulttuuri ja johtaminen (Organizational culture and leadership). Jyväskylä, Finland.

Schein, E. 2001. Yrityskulttuuri -selviytymisopas. Tampere.

Schneider, S. & Barsoux, J. L. 2003. Managing Across Cultures. Second Edition. Harlow, England: Prentice Hall, Pearson Education.

Schwalbe, K. 2006. Introduction to project management. Boston, USA: Thomsom Learning Inc.

Seale, C., Gobo, G., Gubrium, J. F. & Silverman, D. 2004. Qualitative Research Practice. London, U.K.: SAGE Publications Ltd.

Silverman, D. 2006. Interpreting Qualitative Data. Third Edition. London, U.K.: SAGE Publications Ltd.

Syrjäläinen, E., Eronen, A. & Värri, V-M. 2007. Avauksia laadullisen tutkimuksen analyysiin. Tampere, Finland: Tampereen Yliopistopaino Oy.

Taylor, J. 1998. Survival guide for project managers. New York, USA: AMACOM.

Tuomi, J. & Sarajärvi, A. 2002. Laadullinen tutkimus ja sisällönanalyysi. Jyväskylä, Finland: Gummerus Kirjapaino Oy

Trompenaars, F. & Hampden-Turner, C. 2004. Managing people across cultures. Chichester, U.K.: Capstone Publishing Ltd.

Uusitalo, H. 1991. Tiede, tutkimus ja tutkielma. Johdatus tutkielman maailmaan. Finland: WSOY

Watson, T. 2006. Organising and managing work. Second edition. Harlow, England: Pearson Education Limited.

Wikipedia. 2008. Wikipedia. Available: http://en.wikipedia.org/wiki/Request_for_Proposal. [referred 14.03.2008]

APPENDIX 1

The following table contains cultural related finding of the interview data.

#	**Findings related to the Finnish Culture**	**Findings related to the Russian Culture**
1.	It is easy to challenge superior	Performing assigned task has the highest priority in Russia. Often the result is more important than the quality of it. Task performance affects to the salary.
2.	Finnish concentrate on entirety of matters	Much larger bureaucracy in Russia. The chasm between a subordinate and a superior is huge.
3.	Finns do not show emotions	Russians concentrate on details. Understanding “big picture” is not that important.
4.	Finns are more individualistic	Russians are just learning outsourcing.
5.	Outsourcing has been a common utility for a while in Finland	English skills are generally not good in Russia.
6.	The work “marketing” has a comprehensive meaning in Finland	Proper information flow from Russian organisation towards Finnish organisation does not exist.
7.	Finns has better English skills	When facing problems, it is important to find a guilty one in Russia.
8.	Finns adapts easier to changes	Russians show their emotions.
9.	Everything happens due to the planned timetables in Finland	Russians are learning marketing. Marketing equals to advertising in Russia.
10.	Finns are too critical and sometimes too blind	Knowledge about international business is poor in Russia. Main reasons: - communism background - huge and great country - proud nation
11.	Finns ask “Why?” after a task assignment.	The role of the general director is really strong in Russia.
12.	Finns are more process than task oriented	The status of a basic employee is low in Russia.
13.	Mistakes are openly admitted and discussed about in Finland	Company related: new functional model are just informed towards Finnish organisation. No discussions exist.
14.	Finnish school model: students specialise something and select studied items accordingly	Threshold to ask a big Russia.
15.	The knowledge is understood as a common “capital” in Finland	Russian school model is different: Students studies bits and pieces and “big pictures” are maybe understood later.
16.	Common: Russians and Finns are using different languages when talking about business	Common: Russians and Finns are using different languages when talking about business