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# Developing the Sales Process of a Small ICT Services Company

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<p>The objective of this thesis was to develop a sales process for the case company. Since the company provides solutions to other businesses, it was deemed necessary to also integrate Customer Relationship Management as part of the sales process. Before making the proposal for a sales process model, the current state of sales practices was analysed.</p> <p>The Current State Analysis was based on interviews of the company staff that work either as part of the marketing and sales team, or are consultants who work with customers. These interviews were semi-structured to allow the interviewer to explore topics that came up during the interview. Additional information was mostly observational that was obtained while working as part of the company's DevOps team.</p> <p>Literature regarding customer relationship management, sales processes and sales metrics was explored to understand the best options for building a process that would best suit the needs of the company.</p> <p>Based on the interviews and literature, a proposal was constructed for the sales process to replace the current system where there was no unified sales process or customer relationship management actions. This was made in two portions as a sales process, directed for the sales project itself, and an account management process, which is directed at ensuring customer retention and increasing the lifetime value of a customer relationship. Additionally, metrics are proposed to measure the sales projects and customer relationships so that development areas can be identified.</p> <p>The proposal gives the case company an implementation ready sales process that can be used to guide its sales actions and better focus the resources of its sales team to pursue deals that are more attractive. Some unseen matters that arose with the development of the process were related to the CRM system, but the work done as part of this thesis also gives the company a better understanding of the needs the organisation will have for their CRM system.</p>	
Key words	Sales Process, Customer Relationship Management

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<p>Tämän insinööriyön tavoitteena oli kehittää myyntiprosessi kohdeyritykselle, joka toimittaa ICT ratkaisuja muille yrityksille. Yrityksen toimintaympäristöstä johtuen katsottiin tarpeelliseksi ottaa asiakkuudenhallinta osaksi myyntiprosessia. Ennen myyntiprosessin kehittämistä kohdeyrityksen myyntitoimintojen nykytila kartoitettiin.</p> <p>Nykytilan kartoitus suoritettiin haastattelemalla kohdeyrityksen henkilöstöä niiltä osin, kuin he työskentelivät osana yrityksen markkinointi- ja myyntiryhmää tai työskentelivät konsultteina asiakkaiden kanssa. Haastatteluiden kysymykset oli ennalta määritetty, mutta haastatteluissa varattiin aikaa tarkentaville kysymyksille tarkemman kuvan saamiseksi. Lisäksi tietoa saatiin havainnoimalla yrityksen päivittäistä toimintaa osana työskentelyä yrityksen DevOps-ryhmässä. Kirjallisuuden osalta tutustuttiin asiakkuudenhallintaan, myyntiprosesseihin ja myynnin mittareihin. Tämä mahdollisti myyntiprosessin rakentamisen, mikä soveltuu kohdeyrityksen liiketoiminnan tarpeisiin parhaiten.</p> <p>Kirjallisuuden ja nykytilan kartoituksen pohjalta rakennettiin myyntiprosessi, jolla voidaan korvata nykyisten myyntikäytäntöjen järjestelmät, jolla ei ollut yhtenäistä rakennetta. Lisäksi asiakkuudenhallinta yhtenäistetään prosessiksi, kun aikaisemmat käytännöt ovat olleet henkilöriippuvaisia. Prosessi rakennettiin kaksiosaiseksi siten, että myyntiprojekteille on oma osionsa, ja asiakkuudenhallinnalle, jonka päämäärä on asiakkuuden elinkaaren tuottaman arvon kehittäminen, on oma prosessinsa. Näiden lisäksi prosessille on suunniteltu mittarit, joilla niiden toimintaa ja kehityksen kohteita voidaan seurata ja tunnistaa.</p> <p>Ehdotettu myyntiprosessi on valmis otettavaksi käyttöön, se ohjaa yrityksen myynnin toimintaa päämääränään keskittää yrityksen myyntiryhmän resurssit metsästäämään kauppvoja, jotka ovat yrityksen kannalta kiinnostavia. Eräs ennalta arvaamaton asia, joka nousi esille tämän insinööriyön tekemisen aikana, oli sidoksissa nykyisen CRM-järjestelmän rajoitteisiin. Tämän työn tulokset antavat kuitenkin osviittaa siitä, millaisia vaatimuksia yrityksen tarpeet asettavat CRM-järjestelmälle.</p>	
Key words	Myyntiprosessi, Asiakkuudenhallinta

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## **Abbreviations**

CAC	Customer Acquisition Cost
COO	Chief Operation Officer
CRM	Customer Relationship Management
B2B	Business to Business
QMS	Quality Management System
KPI	Key Performance Indicator
KAM	Key Account Manager
DevOps	Development Operation

# 1 Introduction

## 1.1 Business Context

The study deals with an organization that specializes in knowledge and service management. It operates in four Nordic countries: Finland, Sweden, Norway and Denmark although these operations are largely independent from each other. The company has provided ICT services to other businesses during its 20 years of operation. As a new area, the company offers Business Intelligence solutions and consulting along with the older customized systems that have been created over the years. The company caters to a B2B market offering solutions to medium and large businesses.

The concept of Business Intelligence is defined as incorporating various tools, methods, and processes an organization needs in order to forge data into knowledge by which actions can be taken (Loshin, D. 2003).

## 1.2 Business Challenge

The growing importance of Business Intelligence solutions has resulted in the development a new BI product. In addition, the company has provided a number of large customers with analytical tools and continues to offer these to new and old customers. As the importance of analytics and BI tools continues to grow, the company has identified new opportunities to expand its operations. For these new opportunities to become reality, a decision has been made to develop and improve many processes. One of the processes that was identified as needing improvement was the sales process.

Since the process will also guide actions with current customers, the concept of Customer Relationship Management (CRM) becomes relevant. According to Hand (2012), the goal of CRM is to locate and win over new clients while retaining old ones as well as reducing the cost of marketing and sales activities. These goals are achieved by utilizing technology to organise, automate and synchronize business processes related to these



goals. It is a business strategy that encompasses the entire company from the departments that interact with the customer directly to those departments that are seldom seen by the customer.

### 1.3 Objective and Scope of the Project

As the company tries to attract new clients and serve old ones better, a decision has been made to develop a documented sales process to serve this purpose. The old process was undocumented and lacked meaningful metrics.

The objective of the new process is to enhance the company's ability to recognize new possibilities with existing customers and keep them updated regarding the company's ability to offer new services that may be of use to the client. The process will also help the sales team to identify the most promising prospects and focus their efforts on those while following up on the progress made with potential clients.

### 1.4 Outcome

Like other processes that are employed by the company, the proposed sales process will have to be suitable for a small business with only a limited number of employees as well as other resources. As such, the process has to be lightweight and should consume as little time as possible without compromising the advantages that can be gained from a well-defined process.

In addition to the process itself, the goal is to develop metrics for the process that can be used to analyse sales performance and identify parts that need to be improved upon in the future. Badly designed metrics will not offer data that holds meaning and might even steer the efforts of the sales personnel into the wrong direction. Therefore it is important to consider the metrics carefully so that they will not have an adverse effect on sales performance or be overly taxing on the sales staff.

Finally, all changes have risks and the objective is to take a look at risks involved with establishing a new sales process and how those risks can be managed.

## 1.5 Structure of the Report

For this thesis, the research design is explained in section 2. Additionally, section 2 explains the data collection and analysis methods. These methods guide the beginning of this study and are important in order to ensure that the results will benefit the company. The reliability and validity concerns are noted in this section as well.

Since no documentation on sales practices exist, one of the few sources of information on current sales practices are marketing and sales team members, and consultants who are working with existing customers. The results of these interviews will be presented in the Current State Analysis in section 3. Additionally, since the author is able to work at the company, information on current sales practices and related areas may become available through observations.

Theoretical literature in section 4 will be focusing on the topics of CRM, sales processes and glancing at the interface with quality management. The findings from literature will be added to the theory section when they are deemed to be relevant a small company operating in ICT service business environment. The object is to focus on areas that are in most dire need of development and do this in a manner that could realistically be implemented in a small business environment.

The proposal in section 5 will outline the process and its documents as well as all related information regarding the implementation of the process. Additionally, it outlines the actions that are taken at each stage of the process. Since measuring a process is key to ensuring that it works as intended, and can be further improved upon, the proposal also makes suggestions for the metrics that should be used when the process is implemented.

In section 6, conclusions based on the previous sections are presented. This covers the evaluation of the success of this thesis when measured in terms of whether it accomplished the goals that were established. Furthermore, the section also includes feedback from the sales team management. Section 6 also looks upon the reliability and validity of this study once more as a more complete picture can now be seen. Essentially, final

consideration and evaluation is done to note the limitations and strengths of the study method. Furthermore, reflection on the thesis work and a final summary is also a part of the last section.

## 2 Method & Material

The study is conducted as a case study as the author is also working at the company in question. This provides easy access to any sources of information and tools required to perform this study. Figure 1 below shows the Research Design for this study.

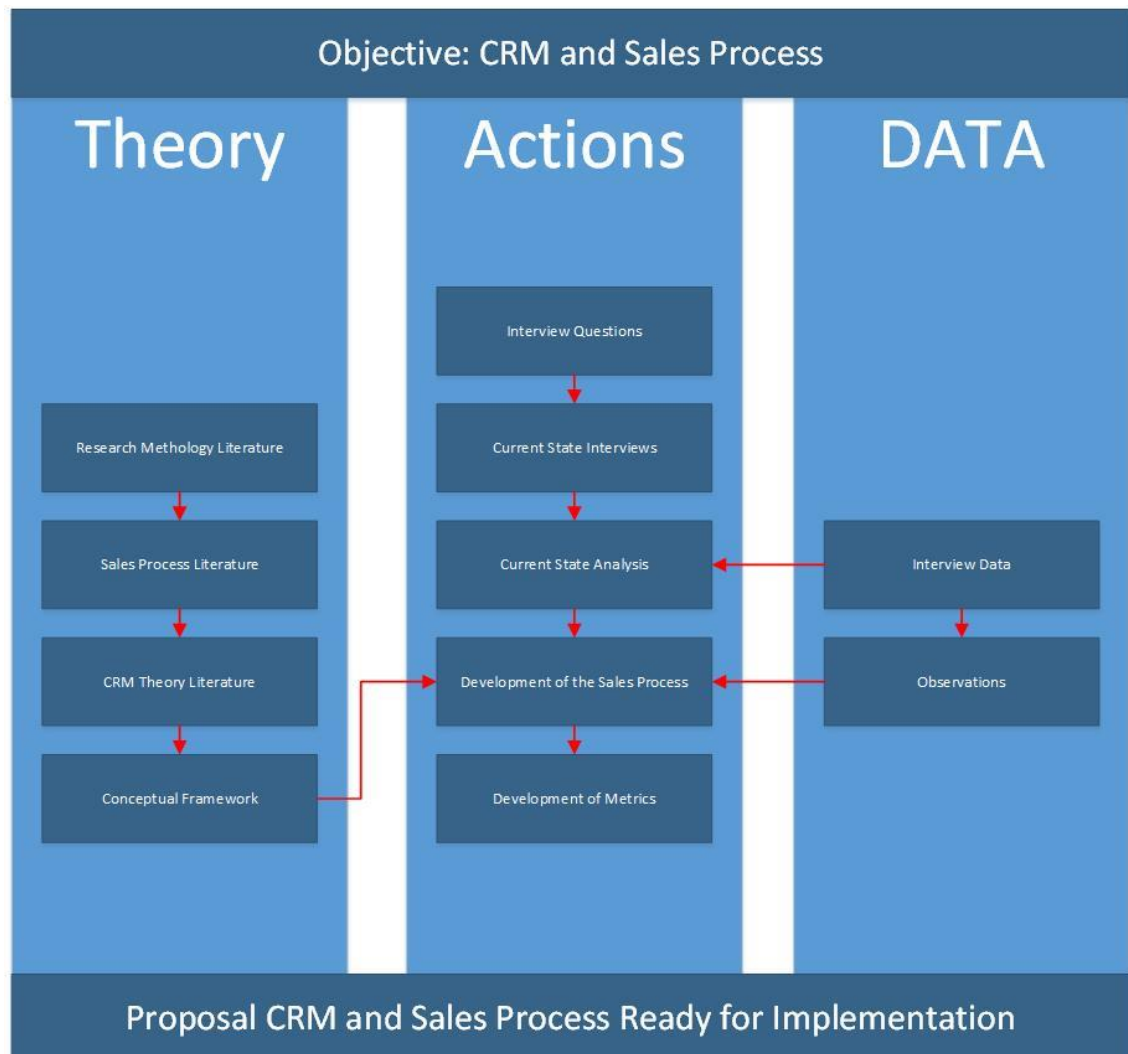


Figure 1. The Research Design figure illustrates the areas of the study.

In Figure 1, the research design is made from three pillars: the theory pillar outlines the different types of literature that is used to create the conceptual framework. The second pillar outlines the actions that are taken to gather information for the Current State Analysis, conduct it and further develop the sales process. The action pillar along with theory pillar are most easily identifiable in the following sections of this thesis. Finally, the third one is the data pillar. This one identifies the sources of information used in the Current

State Analysis and later in developing of the sales process. The relations of these can be followed through the red arrows which highlight the paths of the work that was done.

A Sales process does not have an established standard in the same sense as a quality management process does. Since there was no widely recognized standard to lean on, the literature regarding the subject suggests a range of different approaches. These approaches tend to be similar in a general sense, but may contain seemingly minor differences in key areas. Furthermore, the type of the business can affect whether something is helpful or harmful within the process. The most obvious type difference is strictly product selling business and a purely service selling business.

Ultimately, the question of what kind of literature should be used boiled down to relevance to the type and size of business as well as how recent the information provided was. Due to this, the literature focus was on solution sales and small sized companies.

## 2.1 Data Collection

Data for the Current State Analysis will be gathered through interviewing relevant staff members. Since the number of staff involved with sales is small, a significant number of them can be interviewed in order to build a comprehensive picture of current sales practices. The number of interviewees was four.

Interviews were selected as the preferred tool of data gathering because of the flexibility it offers. The interviewer has the option of making clarifications and follow-up questions in order to get a better understanding of the subject at hand. All in all, four staff members were interviewed out of ten who work at the company.

One of the people that were interviewed works primarily in marketing and she was included in order to understand the situation where a potential client enters the sales process. The second is the Chief Operations Officer who leads the sales team and holds responsibility over many internal processes. The third and fourth staff member handle mainly relations with some of the existing clients and continue to maintain and develop the systems that have been provided to those clients. The interviewees and the main subject of their interviews are listed in Table 1 below.

Interviewees (title)	Time	Main subject
Marketing Coordinator	November 2015	What happens before and at the start of the sales process?
Chief Operations Officer	November 2015	What is the current sales process like?
ITSM Consultant	November 2015	What is the current sales process like?
IT Consultant	November 2015	How are existing customers serviced?

Table 1. Staff Members Interviewed

## 2.2 Analysis Approach

A semi-structured interview requires the use of questions that have been prepared in advance, but allow for informal discussion to occur as well (Metsämuuronen, 2009). The interviews will be conducted in a semi-structured manner in order to give the interviewer freedom to ask additional follow-up questions on subjects that require clarification. In addition, it is likely that some answers will broach on subjects unforeseen during preparations for the interview and it is likely that if such answers are not further clarified, important information could be missed. In essence, this means that we have access to a deeper level of knowledge. It also requires a large amount of effort on the part of the interviewer (Metsämuuronen, 2009). The questions for the interviews can be found in Appendix 1.

After the interviews, the answers will be analysed for common themes. Due to the lack of documentation at the beginning of this study, predictions on what these themes might be were not made.

## 2.3 Reliability and Validity Considerations

Assessment of validity aims to answer the following questions (Quinton, S. and Smallbone, T., 2006):

- Did the data answer the questions originally asked?
- Could the results be applied to other situations?

The second question also has to be evaluated regarding whether it is actually relevant. Since the findings concern only one small company, it does not account for the variety of organisation cultures or other such factors that depend on individual organisations.

Therefore, the findings presented in this thesis are not necessarily valid for other organisations.

The reliability of the study can be improved through the use of multiple sources for the data and also different data collection tools (Quinton, S. & Smallbone, T., 2006). While the number of interviewees is small, it covers four out of five people involved with sales. Thus, the sources represent a significant portion of the potentially available data. In addition, the interview questions were clear enough so that their point was understood by the interviewees without a need for further clarification. If this had not been the case, it would suggest that the questions probed for wrong information.

Even though only limited data existed in documented form, some additional data could be observed by working on other process development projects within the company.

The author has not worked in management or leadership position in the company. Additionally, the structure of the company is such that almost all interviewees have originally taken part in making the decision to move forward with the development of a sales process. As such, it is unlikely that the interviewees would have been dishonest while giving their answers.

## 2.4 Summary

This section introduced the methods that are used to conduct the research. The selection of research method is a crucial step in ensuring that the research done will be useful to the company. It also determines the nature of the most significant reliability and validity concerns of the research. In the next section, the information gathered with the methods introduced in this section will be analysed to gain a better understanding of the current state of the sales efforts within the company. The various roles of currently employed personnel will also be explored to understand how the division of responsibility has been distributed.

### **3 Current State Analysis**

This chapter describes the current state of the company's sales process at the end of 2015. A significant difficulty regarding the analysis of the current state is the fact that no established process exists and thus no documentation exists that would explain and illustrate the guidelines that staff members are following. The current sales practices have not been planned, but rather have developed over time in response to the needs of existing customers. These practices are not official or even endorsed by the company which has also resulted in slight variances between different customers. These variances are mostly dependent on the staff member acting as a liaison between the company and the customer.

#### **3.1 Role of Consultants**

There are several consultants whose job description includes maintaining and updating the systems that customers are using. These systems are highly specialized and due to this the consultants have divided responsibilities so that each consultant only works on a couple of systems. Due to this structure, the consultant also is the main point of contact for the customer. Existing customers are mostly larger institutions and companies that have other suppliers in addition to the company for which this study is carried out.

#### **3.2 Role of Marketing and Sales Team**

Unlike the consultants, the sales team does not currently handle relations with existing customers, but rather they are mostly working on marketing and selling the new BI solution. Additionally, the company is raising its presence on social media for which the sales and marketing team is responsible for. The current goal is to form strategic partnerships since the acquisition of new customers is resource intensive and the target market for this product is small and medium sized companies. Aside from partnerships, the marketing and sales team is also seeking prospects for building demo cases that could be used as references.



### 3.3 Role of DevOps Team

The team is responsible for maintaining and developing those systems that are not handled by the consultants. Additionally, internal systems and processes are the responsibility of the DevOps team.

### 3.4 Good Practices

While an established process does not exist, there are some good practices that came to light during the interviews. These practices have risen out of years of associating with the customers and their fields of business.

#### 3.4.1 Familiarity

During the interviews, both consultants made a point of highlighting the importance of understanding the customers' environment. This familiarity and understanding is, according to the consultants, very important for efficient maintenance and further development of the systems that have been provided for the clients. In addition, this knowledge can be taken advantage of in the future when new business opportunities are explored with existing customers.

#### 3.4.2 Flexibility

Another advantage of the current practices was considered to be its flexibility. As the consultants are the only points of contact for the customer, the consultants can also quickly make adjustments to the system according to requests made by the customer. In addition, the consultants have been able to work on larger projects without constraining themselves with schedules that often are limiting to larger companies. The prompt delivery on requests was a source of pride for the consultants.

#### 3.4.3 References

The company has delivered services to notable companies that can and are used as references. While these companies are larger, the longstanding relations were identified as something that can be used to indicate commitment to producing additional value for

customers. This also applies to potential customers that are smaller and may have a need for different solutions.

### 3.5 Problem areas

Several problematic practices were revealed during the interviews. These practices were either counterproductive to customer relations or less than optimal states that hinder the company's ability to identify and answer the needs of its customers.

#### 3.5.1 Customer Relations

Currently, the consultants are responsible for tracking customer satisfaction. The manner in which this is done is not up to modern standards. Mostly the consultants rely on a scale of "At least nobody is complaining" / "Customer is complaining" to get an idea how the customer feels about the company and the services provided. This has proved to be problematic as one consultant mentioned that the views of the customers' technical staff may differ quite much from the views of the management personnel. In this case, it is due to the consultants spending significant amounts of time working alongside with the technical staff while having less time to deal with the management staff and building a relationship with them.

On the other hand, the COO mentioned in his interview that communication with existing customers is mostly initiated by the customers. This has led to the sales team receiving very limited information on customer relations and opportunities that may be interesting to pursue.

#### 3.5.2 Identification of Customer Needs

As the consultants feel that they constantly have a lot of work on their hands, they have been unable to find the time to try and explore new business opportunities with these customers. Most new business project opportunities that have been acquired, have not been spotted before the customer approached the company regarding the matter. It was also mentioned that this requires the customer to have a very clear picture of what kind of solutions the company can offer and it cannot be expected to always be the case.

The sales team is unable to aid the consultants as the sales team does not have a clear enough picture of the customers or the solutions that have been provided to them. Much of the knowledge of the consultants is silent and therefore not documented in any manner that would be accessible for the sales team.

### 3.5.3 Documentation

Documentation on potential customers is stored in CRM system. However, the CRM system has only recently been taken into use. As such, the system needs adjustments to serve the company in an optimal way. Many existing customers have limited amounts of documentation stored in the CRM system. As consultants are busy with ongoing projects with the existing customers, knowledge transfer from the consultants to the CRM and sales team has not occurred in any significant capacity.

### 3.6 Summary

The way things have been done previously indicates an environment where the company operate less as a unified organisation and more like an alliance of individual consultants who cooperate for mutual benefit. While there certainly are some common pursuits within the company, in terms of customers this has been limited as mostly individual consultants have had multiple customers and handled their needs by themselves. Documentation regarding these systems is almost non-existent and most of the information is in the minds and email inboxes of these consultants. The obvious end result is that as a consultant becomes busier with new clients, his ability to tend to the relationship between himself and customers decreases.

Additionally, there is no culture of CRM within the company. Since nothing has guided the efforts to nurture the relationships with customers, the consultants have not been able to track new needs of the customers nor have the customers had an idea how the company could aid them in solving their new needs.

On the other hand, the consultants are valued by the customers for their excellent understanding of customer needs that relate to the provided system. Furthermore, the flexibility by which the consultants work serves the interests of all parties.

## 4 Sales Process Literature

Unlike many other important processes that are utilized in companies across the world, the sales process has not been subject to standardization such as the ISO standard. However, a sales process should, as all key processes, be subject to a Quality Management System.

This chapter covers concepts and theory that will be used as the basis for creating a sales process for the case company.

### 4.1 Managing the Relationship with the Customer

Once the customer delivery has been made, the work does not stop there. It is in the interest of the supplier to ensure that the relationship continues and any future opportunities are taken advantage of. When future opportunities arise, the supplier has already proved that they can be trusted and thus may possess advantage over competitors in those projects. Additionally, similar solutions may possibly be sold to other departments of the customers company.

The long term goal moves from the sale to managing the relationship. Rouné and Jokipela (2008) assert that this rests heavily on the support staff and this staff may be more likely to spot additional sales opportunities than the sales team. This however will depend on how much the support staff spends time with the customer.

*“Know your customer and you know what they buy”* (Raad, G., Ajami, R., Gargeya, V. and Goddard, G., 2010, p.6)

CRM has risen out of ever-increasing competition that has affected all businesses. Creating and maintaining competitive advantages has become increasingly difficult and it requires a good understanding of customers and the role they will play in the organisations future. This understanding will help a company to identify long-term profitable opportunities. (Raad, G. et al, 2010).

Customers are very much aware of new potential suppliers and are not shy of changing suppliers in the event that better efficiency could be achieved by different solutions. Their needs are constantly changing and their standards are higher and these continue to rise

to higher levels. To keep a lead in relation to competitors, customer expectations are more than ever the focal point of activities within an organisation. Regular clientele offers a possible window into needs of potential customers within the same segment. This is just one of the reasons why failing to handle customer relationships can be very costly both in the short and the long run.

Raad, G. et al (2010) posit that customer relationship management is built from three pillars: organisation, personnel and technology. Firstly, the organisation must be structured in such a way that its culture encourages focus on customer relationships. Secondly, the personnel must be interested in the developing needs of their customers. Finally, technology provides tools for the personnel to achieve the goals of customer relationship management. And the goal of customer relationship management is to create and manage durable and profitable customer relationships. Essentially, this goal can be broken up into the following areas:

- “Durable” is the building of trust between the customer and the supplier, increasing regularity and to build long-lasting relationships.
- “Profitable” is maximizing of each contribution the customer makes to the company’s profit during the relationship.

Additionally, Rounne and Joki-Korpela (2008) argue that when the relationship is good and the customer initiates a new purchase project, the supplier has a chance to affect the specifications of the new project which may favour that supplier. At the very least, the information that the supplier has regarding the customer offers a competitive advantage over suppliers who do not have an established relationship with the customer.

## 4.2 What is a Sales Process?

A sales process is a series of steps that are guiding the actions of sales personnel and their support staff as they pursue a potential client or deal. While it is by no means an ironclad set of rules, most solution sales processes will follow those steps.

Often different areas of business are formed into processes which serve to make managing those areas an easier task. However, sales is still often not formed into a process.

This may be because sales is still seen more as an art form than a science. Additionally, documenting the steps of the process is regarded as something that is hard to do. The benefit from having a documented sales process is to aid sales personnel to anticipate situation while they are developing and enable them to take well-timed actions to increase the likelihood of reaching the goal line. On the other hand, sales team management can easily track the progress of all sales personnel in a commensurate manner (Roune T. and Joki-Korpela, E., 2008).

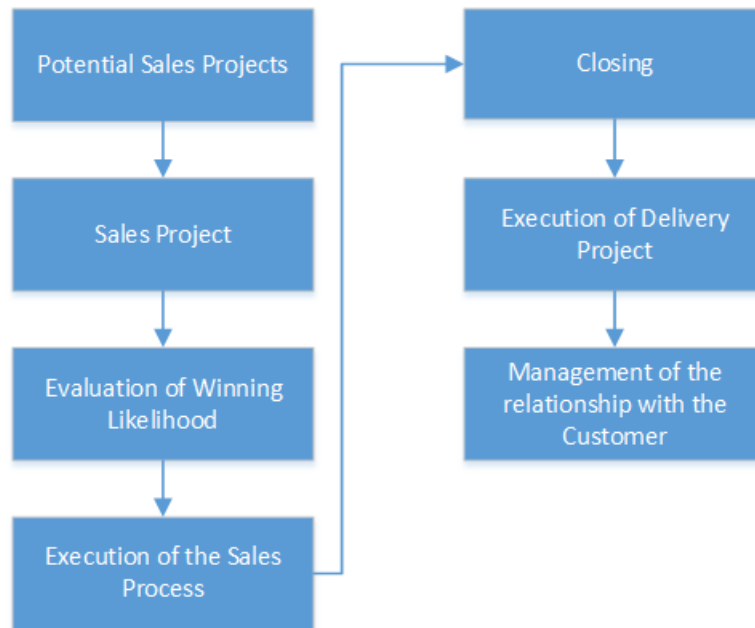


Figure 2. The figure is based on identified steps in a Sales Process (Roune, J. and Joki-Korpela, E., 2008).

#### 4.2.1 Potential Sales Projects

The first step, Potential Sales Projects, can be divided into three subcategories by the maturity of the potential customer in this phase. These subcategories are suspects, leads and prospects. Suspects are potential customers who are in the chosen market segment, but their interest in the solution that is being offered is not yet known. A lead is a potential client that has shown initial interest in the solution either by their own accord or as a result of the company contacting them. Finally, a prospect is a customer who has reacted positively to the offering of the solution and they are ready to continue the sales process (Roune, T. and Joki-Korpela, E., 2008).

#### 4.2.2 Sales Project

Roune and Joki-Korpela (2008) identify the next stage as the Sales Project stage. At this stage the customer has decided to go forth with the sales process. The customer will establish their own project organisation and hierarchy to cope with the needs of the project. Often at this stage the customer requests inconclusive offers from a larger number of suppliers. These requests may differ in specifications and are often used for budgeting purposes. From the suppliers that provided offers, the customer then selects a smaller number of called a short list.

There are different types of projects and the type of the project may affect the acquisition process of the customer. Additionally, this may alter the approaches that are taken as part of the Sales Process. The following are examples of the type of projects that commonly exist (Roune, T. and Joki-Korpela, E., 2008):

- New investment project
- Expansion or modernisation project
- Production or business optimisation project
- Replacement project

Categorically, these can be divided into two different categories: New investments and the remaining three. The first category, new investment, does not require considerations to be made for the customer's older solutions or systems. This opens the competition up to all suppliers that the customer thinks are capable of delivering the solution. The second category, which covers the three remaining types of projects, the pool of suppliers is more limited as the solution has to have attachment points to the solutions that the customer already has and this generates a costs related to the change in the affected solutions. Finally, there is a third category: In this situation the supplier has managed to reveal a need that the customer has, but which remained hidden to the customer. The customer may have been aware of a problem, but had not yet comprehended the solution to it. It is also possible that the customer was not even aware of the problem (Roune, T. and Joki-Korpela, E. 2008).

#### 4.2.3 Evaluation of Winning Likelihood

Roune and Joki-Korpela (2008) postulate that for now the costs for the supplier have been relatively low, even if the potential sales project has been known about for years. Only now as it activates, it starts draining resources. Once the supplier has made it to the short list, it must consider its chances of winning the sale since the costs associated with the sales project are going to be much higher than what they were to get to this point. In this phase the following questions must be pondered:

- Is it possible to win this project and is the win worth it when compared to the risks in it and other active sales projects that demand our resources?
- Can we compete with other suppliers and why is our solution the best one available?
- Are we familiar with the needs of the customer and have we conducted ourselves so far in a manner that has given us the necessary contacts and level of trust to win the project?

The answers to these questions should determine whether or not the sales project should be pursued further. Saying no on this stage can be hard for the sales team as it requires the sales people to admit that while it may seem winnable, the win is not worth the resources that has to be put into the sales effort and subsequent delivery. Essentially a sales person needs to say 'I can win this, but I won't.' This is especially true in cases where the potential sale is very valuable. Since every project is bound to have their opponents and supporters, judging every potential project with the same criteria increases the likelihood that projects with a low chance of winning are avoided. (Roune, T. and Joki-Korpela, E., 2008)

On the other hand, if analysing these questions yield answers that the project is winnable and it is worth the effort to pursue it, the sales project starts. Essentially this decision is a "GO – NO GO" decision. Go decision launches a series of actions, including drafting the offer, selecting a winning strategy and formulating a sales plan.



#### 4.2.4 Executing the Sales Project

Executing the sales project starts with making an offer. This requires the sales team to go over the offer request. Risks that are related to delivering the solution should be identified and analysed to ensure that adequate measures can be taken to minimise the impact of those risks. How these risks will be managed depends on the nature of the project, but mitigation measures should be designed at this stage. Additionally, consideration must be given to whether the offer request delivers all the relevant information regarding the project. If it doesn't deliver all the necessary information that is needed to make a good offer, the sales team can request clarifications to the request from the customer.

On the other hand, a preliminary review of the resources needed to complete the delivery of the project should be assessed at this stage to avoid problems with delivery stage. It is quite likely that the project will require other departments to work on the project and achieving a basic idea on how much of those resources are needed will allow the affected departments to budget them.

As part of making the offer, a winning strategy should be decided upon by the sales team. The winning strategy outlines the strategic framework where the sales team should be operating in. The winning strategy largely depends on the type of project and the type of customer in question. As part of this strategy, tactical tools should be used to minimise the effectiveness of competitor's strategy while promoting the company's own.

Roune and Joki-Korpela (2008) mention five different strategies which are divided into two categories: Offense and defence. The offensive strategies are Frontal Assault, Flanking, and Division while the defence strategies are Defend and Fortify. In table 2 below, these strategies are listed, as is both when and how they should be used. Table 2 was modified from the original "Picking a Winning Strategy table" (Roune, T. and Joki-Korpela, E., 2008, p.157) to make it more relevant to the type of business this thesis is directed towards.

<b>Strategy Type</b>	<b>When should it be used?</b>	<b>How should it be used?</b>
<i>Frontal Assault</i>	We possess an overwhelming competitive advantage	Strength
	We possess an overwhelming application advantage	Speed
	We possess an overwhelming resource advantage	Surprise advantage
<i>Flanking</i>	Competitor is stronger	Pick your own battleground
	Competitor has specification advantage	Keep up the advantage of surprise
	There is a chance to affect choosing criteria	Bring new criteria to the table
	There's changes in customer organisation	
<i>Division</i>	Supplying whole project is risky	Choose the part which should be won
	Our application is weak as a whole	Focus the choice on your own advantage
	Part of our application has a significant advantage	Change the rules
	We are looking for a beachhead	Raise a supporter for our advantage
		Forge an alliance
<i>Defence</i>	We get access to the competition later than competitors	Stall the decision
	New product cannot be completed on schedule	Create uncertainty and doubt towards the competitors old solution
	Defend our existing solutions	Make new features to be the most important decision making criteria
<i>Fortify</i>	Strong existing solutions	Keep the customer satisfied
	Deal for upkeep	Use the information advantage
	Strong supporters within the customers organisation	Keep the supporters as heroes
		Nurture new supporters
		Keep an eye out for niche competitors

Table 2. The modified table "Picking a Winning Strategy" from Tuloksia Ratkaisujen Myyntiin (Roune, T. and Joki-Korpela, E., 2008, p.167).

Naturally, competitors will have their own strategies and they may try to counter the strategy a company is using. Table 3 below illustrates counter strategies that may be used by competitors. If the competitor remains unaware of which strategy a company is employing or deems that the counter would not be an effective one, they will adopt another approach. This is significant since a competitor's strategy cannot be known just by considering which strategy a company is using for their own approach.

<b>Our Strategy</b>	<b>Competitors likely counter</b>	<b>Actions likely to be taken by competitor</b>
<i>Frontal Assault</i>	Flanking	Competitor does not have a base, may alter the rules and bring in new criteria for choice.
	Division	Competitor has a weak base, may try to divide the project so they can get a part of the business.
<i>Flanking</i>	Frontal Assault	Competitor is certain of the superiority of his solution. May try to attempt a quick resolution by using strength.
<i>Division</i>	Frontal Assault	May try to sell the advantages of one supplier and package the deal in such a way as to make the weaker parts appear considerably cheaper.
<i>Defence</i>	Division	May try to enter through departments and stall the final decision. Competitor is very active when technology or personnel changes happen.
<i>Fortify</i>	Division	Tries to find weak links and buy its way in through a strong niche-solution. Competitor is very active when technology or personnel changes happen.

Table 3. Strategy and Counter Strategy table from "Tuloksia Ratkaisujen Myyntiin" (Roune, T. and Joki-Korpela, E., 2008, p.171)

According to Roune and Joki-Korpela (2008), identifying a competitor's strategy is best done by listening and observing signals as the process moves forward. It is possible that certain competitor's strategies can be assessed through having a history of similar pro-

jects where the competitor was encountered. The competitor may employ similar strategies to similar projects. However, the more obvious signals often come from the customer instead of the competitor. Roune and Joki-Korpela (2008) list the following signals as identifiers for the types of strategies competitors are using:

- Insiders start asking new, loaded questions.
- Customer's representatives start emphasising certain criteria for choice.
- An entirely new criteria for choice appears.
- A meeting gets pushed back or forward, or cancelled entirely.
- New influencers start to participate in meetings or key influencers are not participating anymore without an explanation
- Company sales representative starts encountering strong arguments against the benefits of the solution being offered.
- The supporter within the customer's organisation gives a warning signal.

Finally, if there does not seem to be a way to find out competitor strategies, supporters within the customer's organisation may be able to shine a light on their approach (Roune, T. and Joki-Korpela, E., 2008).

After the offer is ready, a final risk review is done to judge whether everything has been accounted for. It's easy to skip the risk review, if a deadline is approaching, but the risk review should then be turned in for management to be evaluated and a judgement call can be made whether something is in need of editing or is missing from the review. The review should assess financial, contractual, and execution related risks. Furthermore, the risk mitigation measures as well as the possible areas where profit margins can be improved and costs lowered. The final review of the offer should be documented and the risk assessment approved (Roune, T. and Joki-Korpela, E., 2008).

Roune and Joki-Korpela (2008) argue that once the offer has been sent, time should be spent on preparing for the final negotiations. There are several things to be done still,

before the deal is made. These negotiations play an important role in both risk management and influencing the customer through highlighting the advantages of the solution being offered. These advantages should be tailored for each customer individually based on the benefits each group represented in the customer's decision making hierarchy. A decision maker is unlikely to be interested in features or advantages that do not seem relevant to them or another group within the company. Conducting an analysis of the customer's decision making hierarchy can reveal relevant information regarding aspects of the process that are not suitable to represent in a clear, numerical manner. These matters might be the level of the hierarchy that the sales team is dealing with or perhaps internal politics and feelings regarding the supplier.

The hierarchy depends on how formal the acquisition process is in the organisation. Especially in case there are large investments being made or the buyer is public sector institution, the purchasing process is a formal one and requires a clearly defined project team to make decisions.

In Figure 3 (Roune, T. and Joki-Korpela, E., 2008, p.136), the formal roles are explained. Any person in the four formal roles (Approver, Decision maker, Evaluator and user) can additionally be a supporter or opponent. Why someone is one or the other can depend on a variety of factors, but those factors should be evaluated. Through the evaluation, it may be possible to identify advantages that can be used to change opponents into neutrals or supporters, and supporters can be kept as such which blocks them from becoming neutral or opponents as a result of a competitor's actions.

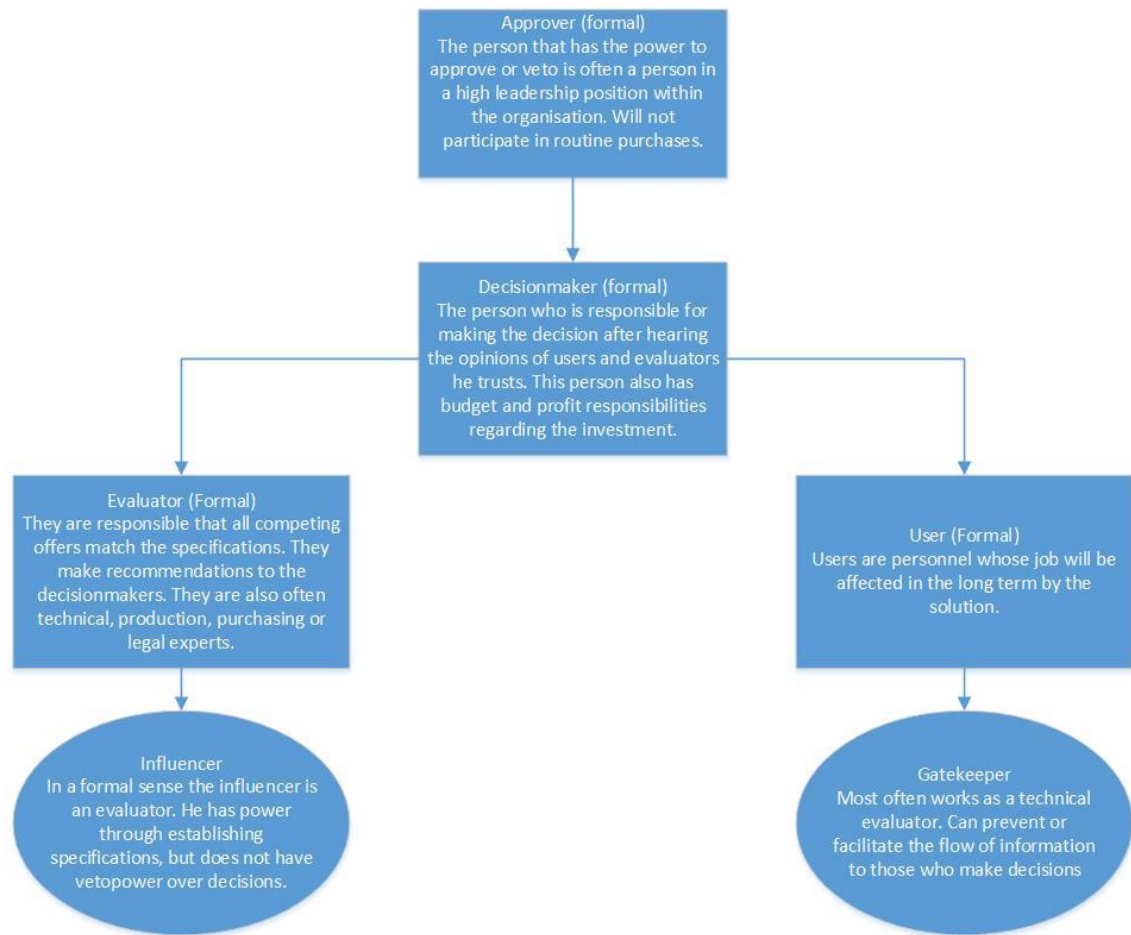


Figure 3. Personnel that are part of the investment decision and their roles (Roune, T. and Joki-Korpela, E., 2008, p.136).

While the tactical moves to counter the competitor's advantages and highlight our own is an important task, it is also important to negotiate with the customer regarding the measures that can be taken to mitigate the risks that exist in such projects.

#### 4.2.5 Closing

At this stage there should be very few significant open questions remaining. The sales team has been building the relationship with the customer and should be aware of their position in relation to competitors. Any questions that do remain, should be dealt with by offering concessions and asking for counter-concessions. Attempts to force an issue without concessions may end disastrously (Roune, T. and Joki-Korpela, E., 2008).

When these questions have finally been resolved, it's important to take a look at the contract that has been negotiated and make a summary of the most important points and

clearly establish what is and is not part of the contract. After this has been done, the contract can be signed.

#### 4.2.6 Executing the Delivery Project

How involved the sales team or person is after closing and during delivery depends on a large number of factors. However, according to Rouné and Joki-Korpela (2008), some of the matters that should be considered when deciding upon the role a sales person will play during the delivery project are:

- The continuity of the order-delivery process and ensuring its integrity
- Potential to develop and maintain the relationship with the customer
- Acquiring further sales by taking advantage of follow-up sales potential
- The project experience may be beneficial in defining future solutions, and offering activities
- Participating in the delivery project can be an important step in the upkeep and development of personal expertise

While much of the delivery burden rests outside the sales team, there are instances where the sales person can keep up with the project without it taking too much time away from sales efforts. In addition, it helps with to keep the contacts made within the customer organisation from going cold (Rouné, T. and Joki-Korpela, E., 2008):

- Project kick-off
- Transferring tacit knowledge from the sales team to delivery project organisation
- Going over the project plan with the customer
- Regular progress reviews with the head of the project

- Participating in important meetings with the customer
- Summary meetings of the testing phases
- Deployment review meeting
- Project end review with the customer
- Participating in the internal project feedback meeting and using the lessons learned in preparing future offers

In addition to ensuring that the spirit of the contract is honoured, another reason to include the sales person in the delivery project is to ensure that promises pertaining to solution quality are upheld. In a manner of speaking, the role of the sales person is to communicate the customer's point of view to the delivery project team and demand that a competitive level of quality is upheld.

Finally, there are instances where the sales person has to participate in the delivery project. According to Roune, T. and Joki-Korpela, E. (2008), these instances are:

- Project schedule has not been upheld
- There's a disagreement over the scope and limits of the delivery
- There's a disagreement over the interpretation of the contract

In these cases, the sales person can provide a valuable contribution to the project and prevent disagreements from escalating.

The optimal way to achieve these goals is for the project manager from the customer's side and the sales person to keep in touch over the course of the project. This may also provide insight into additional needs of the customer and make way for additional sales in the future (Roune, T. and Joki-Korpela, E., 2008).

The sales team should conduct a post mortem analysis of why the sales project was won. This should list the most important factors affecting the outcome. In addition, it



should reveal what could have been done better and what areas of the sales process should perhaps be developed.

### 4.3 Risks and Costs of Selling Services

Ryals and Rackham (*Sales Implications of Servitization*, 2012) point out that while the revenues associated with selling services instead of products are higher, there are also additional risks and costs involved with selling services. First of all, the costs will be higher as preparing a service often requires more resources from the supplier. This might include more meetings with the customer or having to utilize technical consultants long before the sale is made. Secondly, the cycle of selling is often prolonged. As the time between initial contact and winning the sale increases, the time before revenue is generated increases as well. This increase in time may be because the supplier may have to build or modify the solution partly during the sales process.

Losing a sale at the later stages of the sales process is often costly. While it may be possible to recuperate some of the investments made towards building a new service in future projects, the time and effort spent on the lost sale cannot be so easily replaced. In some cases, there might have been other opportunities that were missed, because of committing to the lost sales opportunity.

#### 4.3.1 Areas of Risk Evaluation

Risk evaluation should be conducted over the duration of the entire sales process. Different types of risk become significant at different point during the sales process. In table 4 (Roune, T. and Joki-Korpela, E., 2008, p.99), risk evaluation areas are presented in the phase where they are most relevant. Other areas cannot be considered entirely irrelevant, but rather somewhat less relevant during those points in the process.

	Identifying and choosing potential projects	Offer Review	Preparing for closing negotiation
Strategic Risks			
Competition and business environment related risks			
Financial Risks			
Contractual Risks (Offer/Contract)			
Solution Delivery related risks			

Table 4. Risk evaluation timing at different points during the sales process (Roune, T. and Joki-Korpela, E., 2008, p.99). Highlighted areas are most significant to the phase listed in the top most row. White areas should be taken into consideration in each phase, but do not present the most significant area.

Assessing strategic risks becomes very significant when the potential sales project is outside the pre-approved market or customer segment. In such a case, the question becomes whether or not the potential project is worth pursuing from a strategic perspective and if the risks are acceptable or if they can be mitigated to such degree that they become acceptable. In addition to strategic risks, when identifying and choosing potential projects, the sales team should evaluate potential projects for competition and business environment related risks.

During the offer review phase, the risk evaluation divides into two stages. These stages form perhaps the most important part of the risk evaluation for any given project. The first stage starts when the request for offers is reviewed. The review gives the chance to assess, if the specifications of the request can be fulfilled with the resources that are currently available. The second stage comes when the offer has been drafted. All areas of the project should be subjected to risk evaluation and the results should be documented. The documentation is then subjected to approval by people responsible for the sales team.

The final phase of the risk evaluation is done when preparing for the closing negotiations. From a risk management point of view, the closing negotiations are a chance to agree with the customer regarding risk mitigation measures. The evaluation that has been made so far, should be amended to include the results of these negotiations. Finally, the

risk evaluations should be considered together with the customers and ensure that measures that require both parties are taken care of.

#### 4.4 Sales Process and Quality Management

According to Boudreaux (2010), implementing a good quality management system (QMS) quickly brings benefits to the company regarding a wide variety of areas. However, sales are often left outside QMS. A Quality Management System can be used to identify problem areas or areas in need of development regarding the sales process. This can lead to significantly increased sales as the sales process is brought under same system as other key processes.

Under QMS the sales process will have to meet objectives and it has metrics to identify the areas in need of development, as would any other process under QMS. These objectives may relate to speeding up certain parts of the sales process or ensuring that there are minimal errors made during critical phases of the sales process. An incomplete offer may even be a disqualifying factor in some cases which results in all the resources spent until that point to be wasted. Measuring these will reveal where development efforts should be focused on.

Regarding the sales team, the QMS may reveal areas of expertise where the personnel need additional training and where they excel at. This can be of benefit to the company as it provides a way to increase sales and have personal development opportunities for the sales team. As an added bonus, well planned training for employees are a source of increased job satisfaction (Schmidt, S. 2007).

#### 4.5 Metrics

Measuring is key to understanding what is being done correctly and what areas should be improved upon. When deciding upon Key Performance Indicators (KPI) to be tracked, care must be taken that they are relevant and reflect the company's strategy. Besides these, the KPIs should be drawing the staffs focus to areas delivering the most value to the overall objective. Furthermore, the KPIs must be chosen so that the staff can make a difference by putting in effort (Hand, J. 2012).

#### 4.5.1 Customer Satisfaction

Customer satisfaction is an indicator of how well the company is doing its job in the minds of its customers. As a rather abstract concept, measuring it may seem difficult. According to Hand (2012), satisfaction can vary between customers depending on several factors such as comparisons to competing services.

Achieving good customer satisfaction is the key to retaining customers. One of the most important aspects is the perceived value that the customers receives from the service. A number of things affect the perceived value. Generally, problems in delivery and difficulties in implementation affect customer satisfaction negatively and lower the customer value. These usually have an impact during the purchase phases of the relationship, but their impact diminishes over time effectively giving the supplier a chance to salvage the relationship.

While the troubles mentioned above will diminish over time, it is conditional: In order for this to happen, the customer must be satisfied to the current state of the service. Therefore, customer service becomes an important part of managing customer satisfaction. Naturally, the service should be working as agreed for the customer to receive value. Additionally, when the customer runs into a problem, whether this is due to an error made by the customer or a problem with the service itself, the customer can't be left without support as this will impact their view of the service in a negative manner (Hand, J. 2012).

Customer satisfaction is primarily measured through customer feedback and evaluating, if the terms of the contract have been met. Customer feedback will measure whether customer expectations have been met and possibly reveal areas where customer expectation could be or has been exceeded.

#### 4.5.2 Sales Team Metrics

Often used metrics are usually ones that measure financial outcomes of sales team effort. If the company has a performance reward system, it is usually based on these metrics. Some popular metrics are (Schnerrer, J., 2014):

- Quota Achieved
- Number of New Customers

- Number of Closings
- Average Gross Profit Per Customer
- Sales Expense to Total Sales
- Cost Per Sales

While popular, these may not offer all the information that would be desirable. Schnerrer (2014) argues that this is partly, because these lack information regarding the relationship with the customer or other stakeholders. It is known that financial indicators are not good at giving the whole picture when it comes to profit maximization. For these purposes a different set of metrics can be used:

- Proportion of new, lost and recovered customers
- Proportion of unsatisfied, neutral, satisfied customers
- Proportion of customers would recommend the service to others
- Proportion of customers who know the brand
- Average perception of service quality compared to strongest competitor

In addition to the metrics already presented above, J. Schnerrer (2014) proposes joint marketing and sales metrics. This is due to research that shows the need for marketing and sales departments to work closer together, if they wish to achieve better results. The following are some of the metrics that better reflect cooperation:

- Number of Complaints – Level of Dissatisfaction
- Customer Satisfaction
- Customer profitability

- On-time Delivery – Customer Defined
- Total Number of Customers
- Perceived Quality/Esteem/Image/Uniqueness
- Loyalty/Retention
- Frequency/Recency/Amount and Type of Customer Purchases
- New Business
- Relative Perceived Quality
- Sales Backlog
- Employee Satisfaction
- Correlation Between Customer and Employee Satisfaction
- Project Profitability

The sales personnel are critical to the management of customer relationships. The sales personnel has a more consultative role with the customer than previously when it was more likely that the sales staff was delivering offers from their company to the potential customer. Service centric business puts the emphasis on more specialized skills and knowledge than is required for the more traditional product centric business. Since customers are often more deeply involved in value creation, relationships are increasingly important and organisation must focus on them (Schnerrer, J., 2014).

#### 4.6 Conceptual Framework

In the current environment, it is important to track the efficiency of sales personnel so that informed decisions on subsequent development can be made. The sales process itself outlines the manner in which the company pursues a new client and ensures that

communication between the customer and the company are on a level that facilitates the successful delivery of service.

Management of the customer relationships is integrated into the sales process. Integration will improve the chance of identifying arising customer needs while also providing the sales personnel regular opportunities to assess how satisfied the customer is with the service being provided. Information regarding the satisfaction of the client should be relayed to DevOps team so improvements can be made, if necessary and in case the customer is satisfied, to identify matters that increase customer satisfaction with that service. If a new need of a customer has been identified, the sales personnel should evaluate, if this need can be met by the services being offered or if providing a solution to the need is an objective deemed to be of interest to the company. If that is the case, the sales process starts again and necessary consultation is done by the DevOps team.

It should also be noted that all processes should constantly be improved upon. The QMS that is in place within the company will be used to further improve the sales process in the future and based on the quality assessment, may make modifications to sales process. The QM process evaluates each part of the sales process to identify points where the sales opportunity was lost and how that area should be developed to overcome the problem in future sales projects. It also investigates how these changes affect other areas of the sales process.

Based on existing knowledge explored in this section in order to address the weaknesses revealed by the Current State Analysis, Figure 4 shows the Conceptual Framework for this thesis.

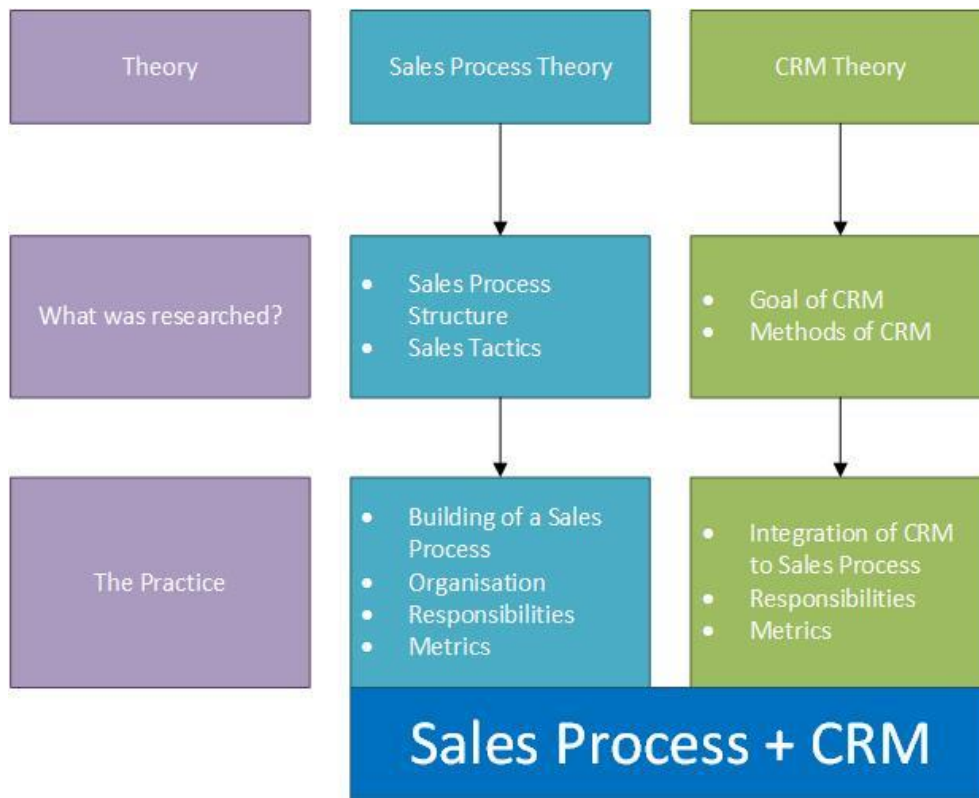


Figure 4. Conceptual Framework

Figure 4 above provides a visual representation of the way theory will be put into practice. The theory has provided plenty of insight into the practice of new customer acquisition and the importance of maintaining regular customers as the costs associated with losing a customer are actually quite high. The strengths of the old way are important to keep and in order to ensure that familiarity is not lost, CRM will be integrated to the sales process.

CRM will include a CRM system in the future, but there are still a few possibilities to be evaluated by the company. Therefore, direct proposals regarding this will not be made. However, the CRM system should complement related practices and processes. This shifts the focus more towards the structure the process and tracking its efficiency by using metrics.

#### 4.7 Summary

Section 3, the Current State Analysis, identified both good and problematic practices as well as the current division of responsibility. This information combined with the information gathered from literature, and outlined in the conceptual framework, are utilized to



create a sales process as well as an account management process for the company. The next section will detail a proposal for a sales process that includes both new customer acquisition and account management. This ensures that sales practices are unified and measurable as well as that customer relationship management principles are taken advantage of when dealing with existing customers.

## 5 Proposal for Sales Process

This chapter outlines the proposal for the sales process for the organisation based on the findings of the Current State Analysis and the Conceptual Framework. Since no established sales process nor CRM practices existed in the organisation prior to this thesis, the proposal focuses heavily on these areas. As the interviews revealed some practices that were judged to be beneficial for maintaining the relationships with the customers, the interviews significantly influenced the CRM portion of the proposal.

The structure of the sales process is also proposed on the following pages. This is largely based on information introduced in the theory section. It also takes into account the current structure of the organisation, especially the sales team and the roles of the members of the sales team.

### 5.1 Roles of Sales and DevOps Teams

As the company organisation has expanded toward having dedicated sales personnel, it would be useful to utilize this resource to handle most of the sales process stages and much of the nurturing of the relationship with customers after an initial sale has been made. By utilizing sales team resources in this manner would save DevOps resources which can be directed to maintain and further develop the systems as is the DevOps team's responsibility.

Each customer should be handled by a member of the sales team, such as a Key Account Manager (KAM), whose responsibility is to maintain the relationship while receiving feedback and exploring new opportunities with the customer. If the need for technical consultancy arises, a dedicated member of the DevOps team can participate in the interaction.

Essentially, each key customer account will be the responsibility of a single KAM. This person may hold responsibilities over multiple key accounts. Additionally, DevOps personnel have divided responsibilities regarding system administration and act as technical consultants for a KAM when necessary. Since technical issues may be sent directly to DevOps personnel, a KAM must be made aware of them so they do not come as a surprise to the KAM in the middle of a meeting with the customer. Before meetings with

the customer, the KAM and the DevOps member responsible should exchange information regarding developments with the customer so that they have an up to date picture of the latest situation.

## 5.2 CRM

As previously mentioned, one of the aims of this thesis is to create a light-weight sales process that brings the benefits of having an established process without creating unnecessarily complicated bureaucracy to ensure that the process is followed. In an effort to accomplish this, the sales process will also incorporate the actions taken with existing customers.

### 5.2.1 Account types

Plans for managing relationships should be drafted for the company's customer accounts. Since there are several different types of accounts, the work should begin with the key accounts. These accounts are likely to require the most effort as the nature of the relationship is already one where constant exchange is done between the customer and consultants or DevOps personnel. By making an account management plan, these relationships are subjected to measurement and actions to nurture the relationship. In the future, these actions would lead to a better and more comprehensive understanding of the customer's operational environment and what kind of needs it generates within the customers' organisation. This also requires the company to move some of the tasks that are currently handled by the consultants over to key account managers.

The next group of customers are the ones that are outside the key account category, but still important and quite likely have been the company's customers for years. Since exchange with these customers is less frequent, the relationship management plans can be done slightly later. Because the communication between the company and the customer is infrequent, the relationship differs significantly from the ones where consultants have been engaged with the customer continuously.

Finally, there are some customers who only pay licensing fees and very infrequently need some consultative work done. Communication with these customers is almost always initiated by the customer. Additionally, while the systems may have been built by the company, the customer maintains the systems by themselves. While account management plans should be made for these customers as well, they can be made later on

a lower priority. Building a more active relationship with these customers may not be possible nor profitable, but this assessment should be done individually for each customer.

### 5.2.2 Account Management

Account management is an essential part of ensuring retention of customers. It offers tools for nurturing relationships with customers and increases the lifetime value of the relationship. In Figure 5 below, the account management process is outlined.

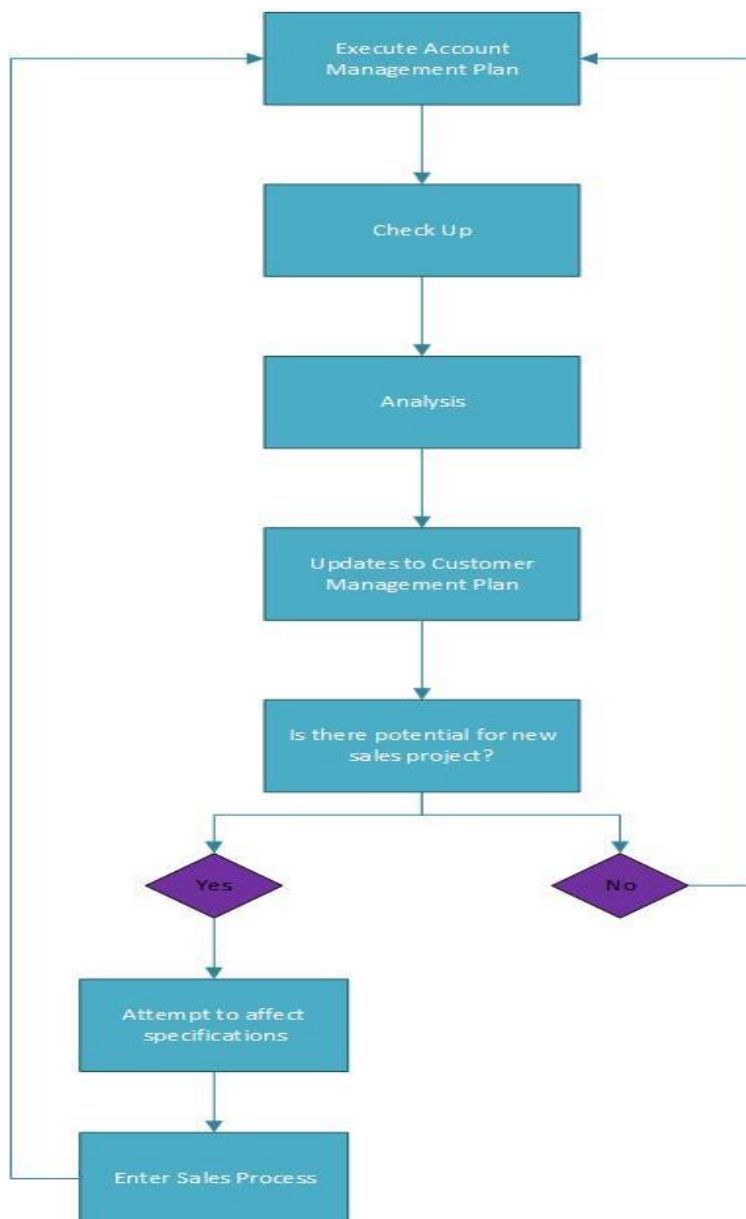


Figure 5. Account management process.

As seen in Figure 5, the account management process is either a continuation to the sales process outlined in the following subchapter, or implemented with existing customers. It requires the sales team to formulate an account management plan and execute it. The purpose of this plan is to ensure that customer satisfaction is increased and, in the long term, new opportunities for making sales can be acquired.

### 5.3 Sales Process

The sales process gives structure for the company's sales efforts, thus ensuring that different sales projects follow the established guidelines and are equally measurable. Additionally, it ensures that information is not lost when tasks are transferred between the sales and DevOps teams.

In Figure 6, the sales process is illustrated along with the considerations and decision items associated with each phase of the process. Items on the left side are actions that require decisions to be made. The center column shows the steps of the sales process from start. Since the same team is responsible for both sales and marketing, the existing marketing process directly feeds into the beginning of the sales process. Finally, on the right side column, there are tasks that must be done, but which do not require a decision to be made.

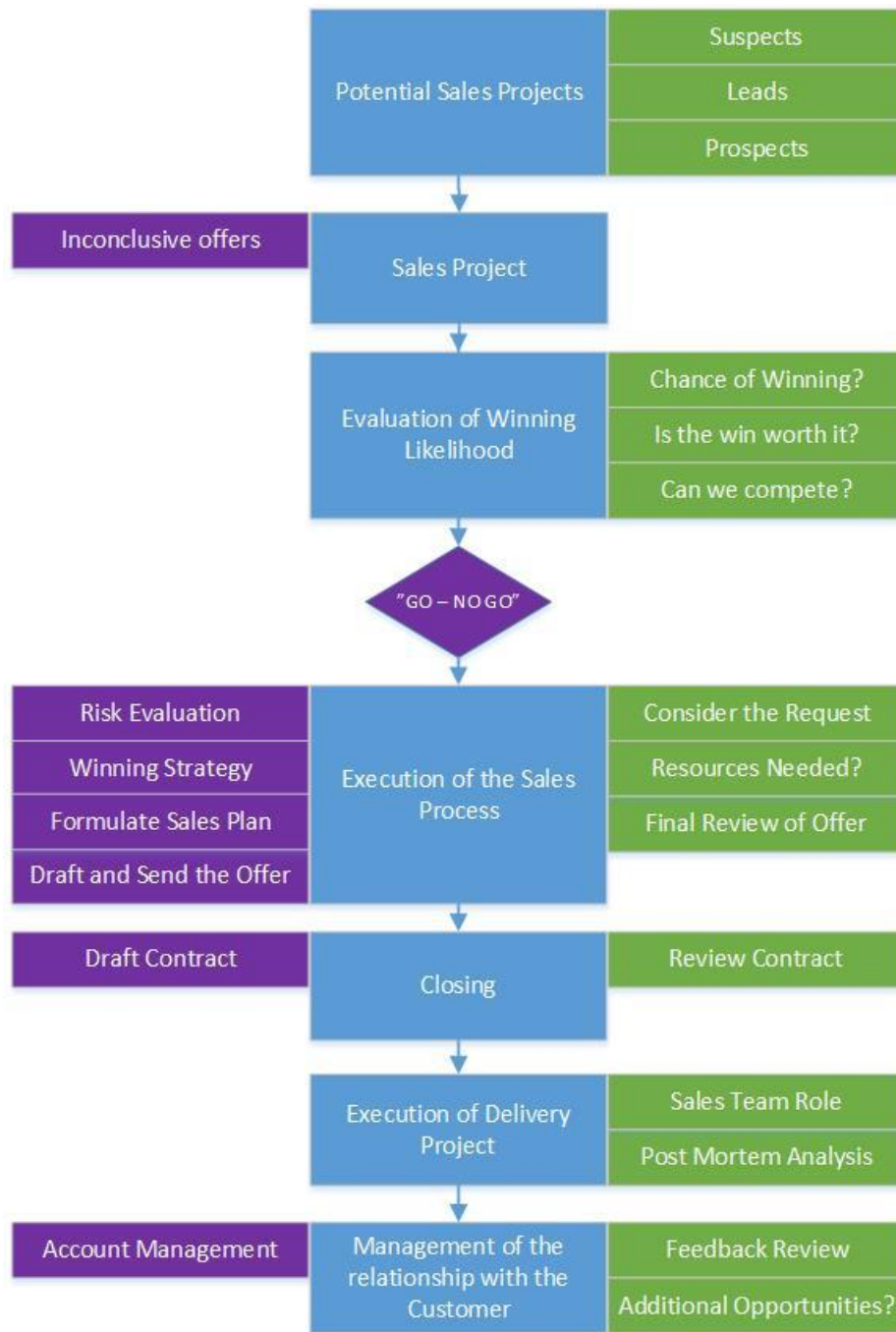


Figure 6. Sales Process depicted with the actions associated with each phase.

### 5.3.1 Potential Sales Phase

There are methods in place to ensure that there are plenty of suspects in need of contacting and marketing operations are responsible for cultivating these into leads and then further into prospects. Once a potential customer agrees to a meeting, the lead translates over to sales. Depending on the result of this meeting, the lead may graduate to prospect

status. It is entirely possible that the customer is not immediately ready to proceed and requires either time or further cultivation. In this case the potential customer remains at lead status until such a time that they are ready to proceed with the sales project.

Another way for a potential customer to approach the company via a call for offers. This call can either be a public one or issued directly to the company by the customer. Naturally, this moves the customer straight to prospect status, if the call for offers could be something that the company is capable of delivering. Potential customers that may issue a call for offers are not always new customers, but rather they might as well be existing customers.

### 5.3.2 Sales Project Phase

If the customer has put out a call for inconclusive offers, the company prepares such an offer at this stage. The goal in this case is to make it to the short list of suppliers that the customer is preparing. If the inconclusive offer requires clarification, it should be asked for as soon as possible so that the company possesses the necessary information to make it to the short list.

How an existing customer's new project translates over to this phase depends somewhat on the how much impact the company has had on the specifications and how the customer approaches the project. If these specifications have been affected, the customer may not wish to ask for inconclusive offers and move straight to setting up its own project organisation. This would move the sales process to the next phase instead.

### 5.3.3 Evaluation of Winning Likelihood Phase

As previously mentioned in sales process theory, there are three important considerations when evaluating the winning likelihood. The goal of this phase is to identify those projects that are attractive to the company in terms of being the most efficient use of resources.

First of all, consideration must be given to whether the project can be won or not. Assessing this is a relatively straightforward matter. It requires a solution to the problem that the potential customer has. Depending on the project, the solution can either be an existing one, one that exists, but needs some alteration, or an entirely new one that has to be developed. However, the more pressing question is whether the project is actually

worth winning. The sales staff should make an estimate of the amount of time and resources required by both the sales and DevOps teams to make the sale and deliver the solution. While financial indicators, such as how profitable the project is, are an important factor, other factors must be considered as well. These factors may be related to acquiring references for a new solution or they could relate to acquiring customers in a new segment. When these factors and project risks are compared to those of other active sales projects and potential risks in them, the sales team can focus on the most desirable sales projects.

Another important consideration is the competitive environment. It is highly likely that competitors will have applicable solutions to offer and these solutions may hold key differences to the one that the company can offer. Due to these differences, the company must ask whether it is capable of competing with those offers. If the competitor's solutions are familiar from previous sales projects, information from those projects becomes very useful when assessing what sets the offered solution apart. Keeping accurate documentation regarding sales projects is important, because it helps with recognizing competitor solutions and the sales strategies they employ.

Finally, as the project aims at delivering a solution to a need, the question is whether the sales team is familiar enough with the needs of the customer to be able to do that? During the initial meetings and subsequent exchange, the needs of the customer should have become apparent. Without understanding those needs, there is a significant risk that all effort put into this sales project from this point onwards is lost when customer need remains unanswered. Besides being familiar with a customer's needs, trust and contacts must have been established within the customer's organisation. If there is no previous history with the customer, this is done during the initial meetings.

After the evaluation has been completed, it is time to make the final decision on whether or not to pursue the project. Considering the small size of the company, this decision should be made by the leader of the sales team.

#### 5.3.4 Execution of Sales Project Phase

Once the decision to continue with the sales project has been done, the company is committed to the sales effort. Depending on the nature of the project, the request for



offers should be assessed by a sales person who may consult the DevOps team in technical matters. The assessment should yield answers to what the customer is requesting and if all relevant information regarding the solution is specified in the request. The assessment is reviewed by the sales team after it is completed. If the assessment is found to lack some information, the potential customer should be contacted for clarifications.

Conducting a thorough risk evaluation regarding the sales project is important since these identifying risks is the first step to mitigating their impact. The evaluation should be documented and a list should be made of the measures that will be taken to mitigate the impact of identified risks. The risk evaluation will also be important when negotiating with the potential customer as some risks are contractual and others may relate to both execution and delivery of the sales project. Updates to the risk evaluation should be made throughout the sales project since the impact of risks can have long lasting consequences for a small company.

The formulation of a sales plan requires the sales team to choose a winning strategy. Once the strategy has been chosen, the sales plan outlines the tactical framework of the execution. It gives the tools and guidelines for further negotiations thus ensuring that the sales person responsible for the negotiations is aware of where his negotiation limits are. If it becomes apparent that these limits are too restrictive, the limits can be reviewed and changed, if the manager of the sales team finds it necessary. The sales plan should also contain an estimate of the resources needed for the sales project. Besides the resources of the sales team, this also includes any required participation of the DevOps team members as technical consultants, time needed to build demos etc. Since some sales projects may last for an extended period of time, the sales plan should leave some room for alterations. The plan should never be so rigid, that it does not allow for adaption. Furthermore, while changing the winning strategy midway through the sales project is dangerous, it may sometimes be necessary. The decision to do so must always rest on the manager of the sales team. Since the sales plan documentation method has not been decided yet, Appendix 2 gives an idea on the subjects that the sales plan should cover. The subjects have been arranged in blocks and these blocks have the information related to that block.

All sales projects come to a point when it is time to complete the offer. Everything that the customer has requested and everything that has been promised to the customer have to be transferred into the offer. When the draft is done, it is time to review it once

more and compare it to the specifications given by the customer. Additionally, during this final review, comparisons to competing offers should be made at least based on what is known of them. The offer can then be altered to make it more appealing for the potential customer. Once the review has been made, and it has been approved, it can be sent to the customer.

### 5.3.5 Closing Phase

As previously discussed in the theory section, the closing phase should have only very few open details remaining. When preparing for closing negotiations however, there is still plenty to do and decisions to be made. These actions and decisions are:

- Participants and the primary negotiator
- Limits for pricing and unusual supply conditions
- Variation and combination pricing
- Accruals of costs and payments
- Last ace in sleeve / Surprise benefit
- Possibility of contacting managers for unseen “what-if” situation
- Position of last negotiator
- Customer’s decision making team, their attitudes toward us, and decision criteria for each key decision maker

After the negotiations are done, the contract can be drafted and presented to the customer. If the customer desires to change the contract, the amendments in the contract are reviewed before signing.

If the sale is lost, the sales team conducts a post mortem analysis. In this analysis, the reasons why the sale was lost are analysed.

### 5.3.6 Execution of Delivery Project Phase

Considering the structure of the organisation, the sales team is bound to have a role in delivering the project. While the DevOps team can manage strictly technical correspondence regarding the project, the sales person responsible for the project should attend all meetings where the customer's business personnel join in. Additionally, it may be needed for the manager of the sales team to join in on some of the meetings. However, this should be kept to a minimum as the sales person responsible for making the sale has already begun building a relationship with the customer and it should be encouraged for the sales person to continue developing this relationship.

Relevant details of the correspondence between the customer and the sales person should be forwarded to relevant parties, such as the DevOps team. In addition, the sales person is responsible for documenting these details. If there are issues with the deliverance or customer satisfaction, the sales person will call together an in-house meeting to solve the issue and repair the damage to the relationship.

Finally, the sales team should conduct a post mortem analysis once the solution has been delivered. This analysis is done to reveal why the sale was won and what could have been done better. Furthermore, the post mortem analysis gives guidelines as to which areas were controlled by competition.

### 5.3.7 Management of the Relationship with the Customer Phase

Once the delivery has been made, it is time to move on to maintaining and developing the relationship with the customer. An account management plan should be made to ensure that necessary action are taken to improve the relationship. In cases of large projects, it may be necessary to move the customer over to a KAM, but if it is possible to keep the sales person who has built the relationship with the customer, that person should be kept as account manager. Appendix 2 outlines the Account Management Plan and its subjects. These subjects have been arranged in blocks where the relevant information regarding the subject is presented as part of the block.

The responsibility of the account manager is to acquire feedback from the customer and analyse it. Additionally, the account manager is responsible for ensuring that the letter and spirit of the contract is followed. If there are issues with the solution, the account manager must be kept informed whether the message comes directly to DevOps or not.

Support issues will be directed to DevOps, but they may have additional sales opportunities and as such fall under the responsibility of the account manager.

Finally, the account manager is responsible for gathering feedback from the customer as outlined in the account management. The account manager is also responsible for analysing the feedback and presenting the review to the sales team.

### 5.3.8 Risk Management

Risk evaluation can be expedited during the sales process, if the company keeps an up to date risk map. This map features common risks for each type of solution for different types of customers, which is based on experience with previous sales projects. A check list can then be prepared for each individual project which saves time and gives a chance to focus on potentially new risks that pertain to that individual sales project.

### 5.3.9 Metrics

Metrics should serve the needs of the organisation by giving relevant information regarding the sales process and customer relationships. In the theory section, several metrics were introduced, but an organisation such as is the case now only has use for a select few key indicators. This is partly a size issue and partly to enable a smooth implementation of the sales process. The following indicators should be used:

- Suspect -> Lead -> Prospect Ratio
  - Essentially the ratio of how many suspects have been turned into leads, and how many leads have been turned into prospects.
  
- Cost per Sales
  - How much resources are spent on advertisement work such as visibility, expositions etc. by which leads are nurtured.
  
- Customer Satisfaction
  - How satisfied customers have been over the measurement period.

- Compared to previous periods.
- Customer Profitability
  - Difference between revenues and costs of a customer to the organisation.
- Proportion of new, lost and recovered customers
  - How many new, lost and recovered customers over the period of time.
  - May be compared to previous periods.
- Proportion of unsatisfied, neutral, satisfied customers
  - Depends on the customer satisfaction indicator as it gathers the individual satisfaction levels of all customers and forms proportions of them.
  - May be compared to previous periods.
- Sales Backlog
  - Amount of customer orders or unfinished work.
  - Compared to previous periods.
- Number of Complaints – Level of Dissatisfaction
  - Number of complaints the customer has made and their severity.

These indicators were selected, because they were deemed to be the most beneficial ones during and right after the implementation phase of the sales process. Furthermore, they were judged to serve best in the business environment. This environment requires retention of existing customers and development of the relationship between those customers and the company. Besides the existing clientele, the company needs indicators to track the performance of the sales team in acquiring new customers as the new solutions that have been developed better serve a different type of customer than the existing

ones. As these new customers are acquired, their satisfaction is important, not just for retaining these customers, but also for the possibility of using them as references for future prospective customers.

As these indicators are followed, the information will reveal opportunities for improvement for the organisation. However, measuring is only useful, if it delivers useful information. As the process matures, these indicators will change. Partly this is because of the changes in process details, but they will also change because the business position of the organisation will change over time.

#### 5.4 Discussion

While the sales process is directly followed by the account management process, the point of separating them stems from different sources. First of all, the latter is outside the scope of this thesis and can be further developed in the future. Secondly, this gives space for organisation restructures regarding the existing customers and their account managers and key account managers.

Furthermore, there are technical considerations regarding the CRM system currently underway in the organisation. Due to the changing CRM system landscape and the resources of the organisation, following a large number of indicators would not be beneficial to the achievement of current goals.

The current proposal is a relatively light-weight process for the purposes of a small organisation with fewer DevOps resources and a new solution for a new customer segment. As previously mentioned, the existing customers have been somewhat neglected in terms of correspondence, but they are mostly content with the work of the consultants. These relationships need to be developed further and by doing so, they may reveal further opportunities either within the customer's organisation or with outside stakeholders.

In the following section the success of this thesis will be evaluated to understand whether the goals established were met. Additionally, the sales team management will offer feedback and their view on how well this thesis met the objectives that were laid out in the beginning and whether the developed process meets the needs of the company.

Furthermore, an additional look at the reliability and validity of the study will also be featured in the next section. Finally, the author also reflects on the work done for this thesis and its subject.

## 6 Conclusion

The purpose of this thesis was to develop a sales process for a small company that did not previously have a sales process. As the company is working towards acquiring a broader customer base, which includes small and medium sized companies, there is a clear need for an established sales process. This section evaluates whether this thesis meets the objectives set for it and the needs of the company. It also considers the reliability and the validity of this thesis for the purposes of the company and regarding the information that was available. Finally, reflection on the thesis is done to look back upon the work and remark on some subjects that were left out.

### 6.1 Evaluating Success

Evaluation depends on how well the process presented in this thesis fulfils the needs of the organisation and matches the goals that were introduced in the first section. Additionally, the documentation templates, which are the appendices of this thesis, have to conform to the needs of the organisation. This means that they must be in line with the proposal and clearly establish what must be documented as the sales team goes through the process.

#### 6.1.1 Sales Team Feedback

The results of this thesis, along with the appendices, were presented to the COO who also is the manager of the Sales Team. After this thesis had been reviewed by the COO, a meeting was held to receive feedback on the proposal.

Feedback was generally positive. The proposed process was deemed to be good and useful to the company's current needs. The sales process lays down a strong foundation for the acquisition of new customers which also is where the sales team is currently focusing on. It also establishes the broad guidelines to how customer relationships will be developed from the beginning once new customers have been acquired.

The metrics were deemed to be generally good as well, although a need to review them in the future as part of developing the sales process further was brought up. A specific point was made for including completed sales to the Suspect -> Lead -> Prospect Ratio.



Furthermore, length of sales cycles was identified as something that may be an interesting metric in the near future. This feedback is in line with the previously mentioned need to adapt the process to the changing circumstances that await in the future.

### 6.1.2 Achievement of Objectives

The objectives were to develop a sales process that helps guide the organisations actions with both old and new customers. In terms of existing customers, the process aids in ensuring that the organisation moves from reactive or customer-initiated contact to a proactive approach that aims to reveal new, developing needs the customer has as well as existing hidden needs. On the other hand, the process also gives structure when the organisation is pursuing entirely new customers. On top of these, the process also has metrics that track the performance of sales efforts and thereby gives valuable information on which areas are in need of improvement.

### 6.1.3 Reliability and Validity

The reliability of this thesis is dependent on whether adequate data was available. As it stands, the reliability does suffer from the limited number of interviewees as well as there being little documentation regarding the previous methods employed by the company. However, as pointed out previously, the data gathered represented a sizable portion of the data that could potentially be regarded to be available.

The results of this thesis can be regarded as valid for the organisation for which it was conducted. Since there are many factors that contribute to the unique makeup of the company, the results cannot be regarded as applying to a large number of similar sized companies.

## 6.2 Reflection on thesis work

The subject was interesting and quite challenging when compared to previous process development work. The lack of clear standards created a need to be somewhat familiar with different approaches to sales. However, having worked within the company during the making of this thesis made it easier as it offered a more complete view of the company culture and gave a chance to discuss matters with the people involved in sales.

Overall, having to significantly lean on literature to create the theory section, and ultimately the proposal, taught the importance of thorough background work when trying to create a solution to a problem.

If there is something that perhaps was left unfinished or incomplete, it would have to be the CRM solution that almost made it to the scope of this thesis. While the boundaries of thesis work are necessary, the technological solution to the CRM system seems like something lacking from this thesis.

### 6.3 Summary

The beginning of this thesis covered the introduction of the company for which this thesis was carried out. Additionally, the business challenge, developing a sales process, was introduced as well as the scope, objective and desired outcome.

This thesis looked at the current state of the sales practices at the company by interviewing staff members who are associated with marketing and sales actions and consultation for existing customers. In addition, observations were made during the making of this thesis as the author worked as part of the company's DevOps team. Information that was acquired from these sources was analysed to receive an idea of currently good and bad practices.

The theory and proposal focused on building a sales process that would be lightweight and beneficial for a company of this size and area of business. They outline a sales process that is ready for implementation except for some details, such as the exact documentation templates and CRM system recommendations. An effective sales process is paramount to the case company, or any company at that, to guide its sales actions and better focus the resources of its sales team to pursue attractive deals.

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### Current State Questionnaire

1. When does a potential client move from marketing to sales?
2. How are sales personnel informed of new prospects?
3. How is a potential client identified?
4. Does marketing do a background check on the potential customer?
5. Does marketing track the ratio of contacts to meetings and what is this ratio?
6. What traits does a company have when it becomes an object of interest? Have promising markets been identified?
7. How long does it take to make the sale from the first meeting? How many meetings with the customer take place during that period?
8. Does the company offer training services?
9. How is communication upheld between existing customers and the organisation?
10. Have the needs of existing customers been evaluated/identified?
11. How is information regarding existing customers documented?
12. What actions are taken to develop and improve the relationship with existing customers?
13. Is information of existing customers utilized in marketing efforts?

### Future State Questionnaire

1. What things should be considered in the sales process?
2. What are some of the things you think would be beneficial to keep in the future?
3. What are some of the things you think would not be beneficial to keep in the future?
4. What sort of Metrics should, in your opinion, be used in the future?
5. Is there anything you would like to add?

## Sales Plan

General Information				
Project ID	Customer	Sales Person Responsible	Sales Plan Version	Date

Competition Information (Us vs. Them)		
Known Competitors	Strengths of Competitors	Weaknesses of Competitors
	Strengths of Our Solution	Weaknesses of Our Solutions

Winning Strategy		
Selection of Winning Strategy	Tactical Measures	Negotiation Limits

Risk Evaluation & Risk Mitigation		
Identifying and Choosing Potential Project	Offer Review	Preparing for Closing Negotiation
Strategic Risks	Competition and Business Environment Related Risks	
	Financial Risks	
	Contractual Risks	
	Solution Delivery Related Risks	

Offer Request			
Specifications	Resources Required for the Sales Project	Resources Required for the Delivery	Solution Components

## Account Management Plan

Relationship Management	
Contacting Schedule	Gathering Feedback
Email	Customer Satisfaction
Phone	Contractual Obligations
Face-to-Face	Promises Made

Customer Satisfaction Analysis	
Result Documentation	Points for Improvement
	Dissatisfaction / Broken Promises
	Improving Satisfaction

New Opportunities	
Additional Solutions	Additional Departments
Identify Customer Needs	Organisation Structure
Consultation / Systems	Solution modifications