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Lahti University of Applied Sciences

Inside sales

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Inside sales on myyntityötä, jota suoritetaan ilman asiakaskäyntejä. Tämän opinnäytetyön tavoitteena on löytää tekijöitä, jotka edesauttavat inside sales-toiminnon menestyksekästä suorittamista. Näiden tekijöiden perusteella asiakkaat voidaan parhaiten jakaa sekä asiakastarpeita että yrityksen asiakasstrategiaa vastaaviin myyntitiimeihin. Työn tarkoituksena on tunnistaa, mitkä tiedot asiakkuudenhallinta-järjestelmistä ovat olennaisia asiakasjakoa varten. Päätelmät perustuvat useaan eri laadulliseen tiedonhankintamenetelmään sekä teoriaosuudessa esiin nousseisiin, huomiota vaativiin seikkoihin. Työn toimeksiantajan keskuudessa suoritettiin haastatteluja asiakkuudenhallintajärjestelmiin liittyen. Lisäksi tutkimuksen yhteydessä suoritettiin benchmarkkausta kahdessa eri yrityksessä, joissa inside sales on jo käytössä. Työn toimeksiantaja toivoi mallia asiakasjakoa varten. Toimeksiantajalle esitetty malli asiakasjaosta perustuu määrällisiin ja laadullisiin tietoihin, jonka painotukset ohjaavat asiakasta inside- tai kenttämyyntiin. Asiakas-, tilaus- ja tuotetietojen analysoinnin lisäksi myyntiorganisaation mahdollinen uudelleenjärjestely edellyttää toimenpiteitä myynnin johdolta, myös muutosjohtamista. Varsinaisen mallin lisäksi jokaisen osa-alueen osalta on esitetty yhteenveto toimenpiteistä, jotka ovat tutkimuksen mukaan olennaisia uudelleenjärjestelyn onnistumisen kannalta. Tutkimuksen tuloksia voidaan hyödyntää yrityksissä, joissa tuotteet tai palvelut edellyttävät erilaisia lähestymistapoja asiakkuudenhallinnan osalta.

Avainsanat: Asiakkuuden hallinta, inside sales, muutosjohtaminen, myynnin johtaminen

ABSTRACT

Inside sales is sales work conducted without customer visits. The object of this Master's thesis is to discover factors that contribute to operating inside sales successfully. Based on the findings customer division between inside and field sales teams can be made, corresponding to the needs of customer expectations and company's customer strategy. The purpose of this research is to recognize which information from the customer relationship management tools is essential in respect to the customer division. Research findings are based on several different qualitative research methods and issues rising from the theory part that need attention. Interviews were carried out at the case company regarding their current customer relationship management tools. In addition, benchmarking was conducted in two companies that already have inside sales function. The case company wanted to discover a mechanism by which customers should be divided between inside and field sales. The mechanism presented to the case company on customer division consists of quantitative and qualitative data, with different emphasis directing customers to inside or field sales. In addition to analyzing customer, product and order data, possible rearranging of the sales organization calls for sales managements actions, including change management. There are also summarized action points at the end of each section. These action points are significant to the success of the reorganizing according to the conducted research. The findings of this research can be utilized in companies which have products or services requiring different approaches on customer relationship management.

Key words: Change management, customer relationship management, inside sales, sales management

CONTENTS

1 INTRODUCTION

1.1 Research background

Reorganizing the organisation is a common way to find efficiency and new drive for the business. Allocating resources differently can offer solutions to prevailing problems. Changes should also create added value for the company. Digitalization has brought along growing use of technology in every part of doing business. It has also led to using more electronic tools in procurement. As buying habits have changed, it can be questioned how to respond to these changes from the sellers' point of view. Some customers, depending on the product or service they are buying, may not want to do business personally, but have everything taken care of by emails or other electronic channels. Here the traditional sales work may not the most effective way of operating.

Inside sales is a method of contacting customers solely from the office, without any travelling. There is a company involved in this research, which is interested in launching an inside sales function. They expressed their desire to find a mechanism on how to divide customers between inside and field sales.

Theory part is divided according to different aspects. First theory part will present customer relationship management issues relevant for this research. Second theory part will concentrate on current knowledge on inside sales functions and other relevant sales management issues. Then organizational approach will be covered by examining what are the management actions needed in this sort of change situation.

1.2 Research objectives

This research aims at detecting special characteristics of inside sales work. The main research question is ***what factors contribute to operating inside sales successfully***. There are four supporting research questions. This research also aims at finding out *what are the*

prerequisites for CRM tools for indicating correct customer division between inside and field sales. It is equally important to recognize *how customers should be divided between inside and field sales functions.* Third research question concerns the issue of *how inside sales people should be trained in order for them to perform inside sales work successfully.* The fourth research question is *what management actions have to be considered when re-organizing sales.*

1.3   Research methods

Research methods used for this Master's thesis consist of qualitative research methods. Interviews within the case company were organized in order to establish a perception of the state of the used customer relationship management tools. Benchmarking as a research method provides insight to how similar sales functions have been organized in other companies. Customer, order and product data was analyzed on applicable parts to find aspects for customer division for inside and field sales. All applied research methods are described in more detail later on in this Master's thesis.

1.4   Demarcations

The purpose of this research is to detect success factors for an inside sales function using several research methods. It is not in the research scope to perform analysis on current sales functions or customer amounts, but to provide a mechanism for management on how inside sales should be organized. Therefore, sales people are not interviewed as a part of this research. It is a task of the management to align customer division in the most profitable manner and monitor the performance of sales accordingly.

1.5   Structure

This Master's thesis begins with a review on relevant theories for this research. The theory part consists of three sections. First the focus is on

CRM theories, especially on the relevance of CRM to the overall success of the company. Next the concentration is on theories relating to inside sales, common ways for customer division within sales teams and sales management in general. The last theory part consists of different aspects of change management. The issue of organizational learning is included. Research methods are presented in Chapter 3. For this Master's thesis, three different research methods are utilized: interviews, benchmarking and data analysis. The case company is presented in Chapter 4. The following Chapter 5 presents research results of all three research methods. Recommendations based on research findings are presented in Chapter 6. Recommendations include action points to be realized by the case company. Conclusions in Chapter 7 include answers to research questions and evaluation on research reliability, validity, limitations and possibilities for further research. References and appendices are the final listings at the end of this Master's thesis.

2 MANAGING CUSTOMER RELATIONSHIPS, SALES AND CHANGE

This chapter presents findings on relevant literature for this research topic. The first part concentrates on issues regarding Customer Relationship Management (later in the Master's thesis as CRM). The second part focuses on sales work and introduces the special characteristics of inside sales work. The third part of the literature review presents topics on change management.

2.1 Customer Relationship Management (CRM)

Every business operation requires a strategy. Observations from several viewpoints are valuable in building up a sustainable strategy. As no company operates in a vacuum, the business environment and customers have to be included into the building process of the strategy. Hence CRM is a crucial part of any viable business strategy. CRM will lead the management to recognize who are desirable customers, what are their needs and how to achieve them. According to Francis Buttle

> *"CRM is the core business strategy that integrates internal processes and functions, and external networks, to create and deliver value to targeted customers at a profit. It is grounded on high quality customer-related data and enabled by information technology" (Buttle 2009, 15).*

Contemporary CRM theories highlight the importance of utilizing CRM as a holistic view on customer relationships. As can be seen from the following literature review, CRM processes should be an integrated part of the company's strategy. CRM at its best provides the company material on which it can learn and develop (Peppers & Rogers 2011).

2.1.1 Five cross-functional CRM processes

Payne (2008) describes the five key cross-functional CRM processes to be as presented in Figure 1.

The strategy framework for CRM

| STRATEGY DEVELOPMENT PROCESS: | VALUE CREATION PROCESS: | MULTI-CHANNEL INTEGRATION PROCESS: | PERFORMANCE ASSESSMENT PROCESS: |

Value customer receives
- Value proposition
- Value assessment

Business strategy
- Business vision
- Industry and competitive characteristics

Value organisation receives
- Acquisition economics
- Retention economics

Customers segment lifetime value analysis

Physical
- Sales force
- Outlets
- Telephony
- Direct marketing

Virtual
- Electronical commerce
- Mobile commerce

Integrated channel management

Shareholder results
- Employee value
- Customer value
- Shareholder value
- Cost reduction

Performance monitoring
- Standards
- Satisfaction measurement
- Results and KPIs

Customer strategy
- Customer choice and customer characteristics
- Segment granularity

Data repository

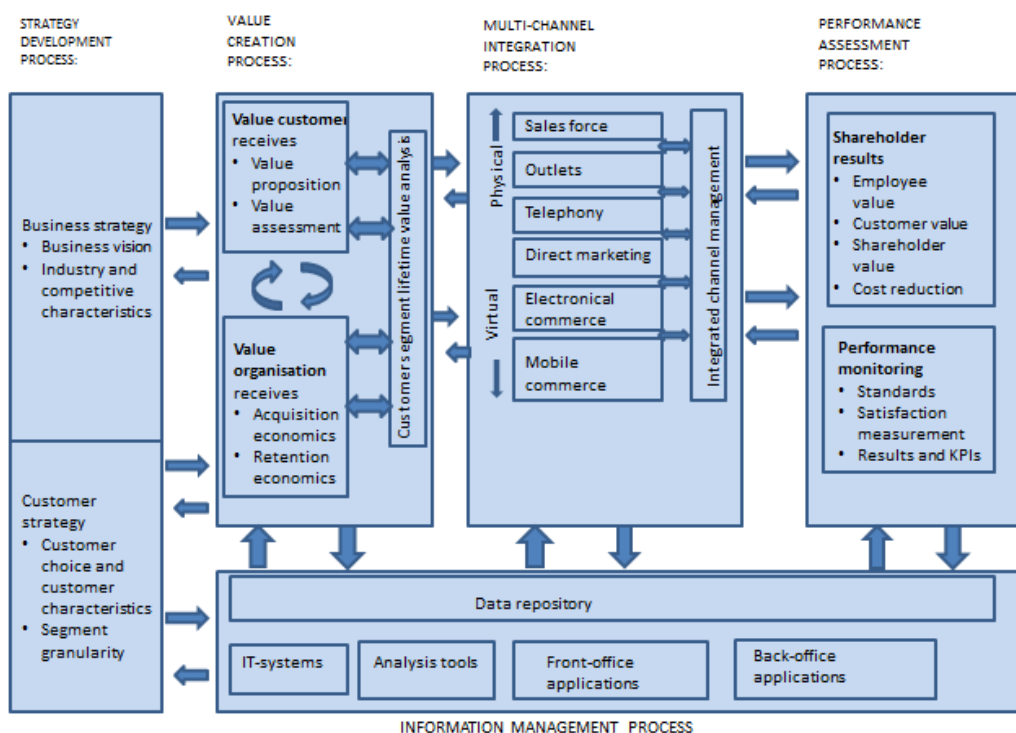| IT-systems | Analysis tools | Front-office applications | Back-office applications |

INFORMATION MANAGEMENT PROCESS

FIGURE 1 The strategy framework for CRM (Payne 2008, 39)

As can be seen from Figure 1, in the first phase, **the strategy development process**, issues relating to business strategy and customer strategy are being addressed. The top management will set the overall objectives in the form of the business strategy. A business strategy needs consideration of both external and internal factors for it to be sustainable. To see the company rather outside in than inside out will provide the appropriate perspective. Payne (2008) includes articulating the business vision in the process of strategy development. The business vision should be simple yet capturing the basic values of the company.

By examining the business strategy, it can be discovered which customers to pursue and what is needed from the company to achieve them. Having a clear focus on which customers the company wants to attract, targeting efforts on those customers will provide efficiency and lower cost of sales. It is an important success factor that business and customer strategy are aligned (Payne 2008).

The value creation process deals with the value customers receive and the value organization receives from doing business together. Analyzing these in detail will give valuable insight to the managers on the company's profile in the markets. As Payne (2008) points out, customers do not buy merely products or services, but the whole experience with tangible and intangible value-adding elements. Therefore it is crucial to examine the whole business process.

The value the organization receives is closely related to the term of customer value. It is important to recognize all the attributes of having certain customers. Payne (2008) divides recognizing the value the organization receives into two elements. First there is the consideration on the level of how present and prospective customers' profitability varies between customers and customer segments. The second element is related to calculating the effects of customer acquisition and retention, including possibilities on cross-selling, building customer advocacy and upselling. Peppers and Rogers (2011) have discussed customer valuation in the context of identifying methods of customer analysis according to their value to the company.

Payne (2008) mentions the importance of analyzing customer profitability rather than product profitability. Products create costs and customers create profits. To maximize profit generation, the study on where each customer or customer segment stands on the customer profitability analysis provides valuable knowledge. The actions taken on each customer should be based on this analysis as there can be significant variation within relatively similar customer or segment profiles. Cespedes (2014) has stated that there is inequality between orders. This inequality rises from the fact that some customers cost the company more than others by the lengths the company must go to in order to get the sales.

The part of calculating effects of customer acquisition and retention are closely tied to organizing sales efforts accordingly. Payne (2008) emphasizes the importance of having a balance on marketing activities for new and current customers. Value created for the customer is not the only

value to be measured in B2B-environment, as it is pointed out also by Mattson and Parvinen (2011). At times there may be issues that make some customers valuable in other ways. Some forms of co-operation can exist that provide the company economic benefits. Reference value can be crucial in order to attract new business opportunities (Storbacka, Sivula & Kaario 2000). "Strategic value can be obtained by opening up new markets, enforcing current position in the market or creating barriers of entry in case of new competition" (Storbacka, Sivula & Kaario 2000, 15).

The multi-channel integration process (Payne 2008) is in between of the strategies formulated earlier, targeting to employ all necessary parties to contribute to the overall objective of improved customer experience. The objectives of the business and customer strategy will at this stage be formulated into customer service functions.

Channels to integrate to this process form from options such as sales force, outlets, telephony, electronic commerce (Payne 2008). Once the strategy on desired customer base has been formed, it needs to be figured out what are the best channels of interaction. Industries differ on what are possible channels to involve in the process. In some cases it is sensible to include intermediaries to the selling process.

Depending on the depth of the customer relationship, the best communication methods can change over time. In the same way, the amount of channel options can vary over time. To regularly survey customer behavior on which channels of doing business they prefer, more appropriate services can be provided (Payne 2008).

The information management process has two key elements. One is to gather customer data from all customer contact points. The other is to use the gathered information to build a picture of current customers, in order to analyze customer experience (Payne 2008). These are two separate elements, both contributing to the same goal of creating a realistic picture of customer experience. Without correct information of the customer experience there is no realistic base for any strategy and development

plans. It needs to be acknowledged that data concerning customers is partially stable, partially adaptive. Stable data, for example customer's birthday, requires only one entry. Adaptive data is data that varies over time, for example buying preferences, which needs regular updating (Peppers & Rogers 2011).

The amount and the quality of information should not be confused with one another (Payne 2008). A company may have significant amounts of information, but it can be indifferent to achieving improved customer relationships. The value of information lies within the company's ability to process the information and detect elements that enable building elements that provide competitive advantage. The quality of information includes how accurate and up to date the information is. Correct data has to be gathered, constantly, to avoid wrong conclusions drawn on obsolete information.

The final process of the strategic framework for CRM is **the performance assesment process**. By Payne (2008), this process is divided into Shareholder Results and Performance Monitoring. Shareholder Results include evaluation on employee and customer value, shareholder value and cost reduction. Performance monitoring is quality management of the created CRM. It is of absolute importance to develop measurements for evaluating progress and areas of improvement.

All the processes described earlier hopefully lead to the situation where the company has been able to harness all its abilities to respond to the market needs and opportunities. There is a saying that "Leadership is how you implement strategy". This is absolutely true as the key drivers of shareholder results initiate from the leadership and management behavior. Payne (2008) has introduced the linkage model as seen in Figure 2, describing how leadership affects employee attitudes, customer satisfaction and ultimately financial performance.
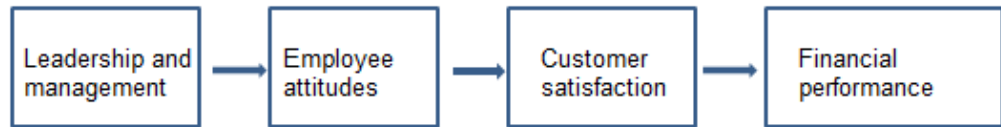
The linkage model

FIGURE 2 The linkage model (Payne 2008, 286)

2.1.2 Social CRM

Social CRM is a definition that builds on customer engagement, not the traditional customer management. Greenberg (2010) introduces a definition of Social CRM shaped by a wiki community of approximately 300 participants:

> "Social CRM is a philosophy and a business strategy, supported by a technology platform, business rules, processes, and social characteristics, designed to engage the customer in a collaborative conversation in order to provide mutually beneficial value in a trusted and transparent business environment. It's the company's response to the customer's ownership of the conversation." (Greenberg 2010, 34)

Traditionally CRM has taken an internal view on how the company could manage its customers. Social CRM is a broader perspective where both customer needs and strategic business objectives are being addressed. Greenberg (2010) states that he finds the contemporary customer wanting to actively take part in creating value with business partners. CRM technologies should therefore take the direction of interacting with customers in social networking, user communities etc. Several points of integration are described when comparing Social CRM to traditional CRM ("CRM 1.0") as shown in Table 1.

TABLE 1. CRM 1.0 and Social CRM

CRM 1.0	Social CRM
Models customer processes from the company point of view.	Models company processes from the customer point of view.
Business produces products and creates services for the customer.	Business is an aggregator of experiences, products, services, tools, and knowledge for the customer.
Business focus on products and services that satisfy customer.	Business focus on environments and experiences that engage customer.
Customer strategy is part of corporate strategy.	Customer strategy is corporate strategy.
	(Greenberg 2010, 36-37)

2.1.3 CRM tools

Even though it is misleading to equate CRM and IT together, the importance of IT tools cannot be overlooked (Payne 2008). The software used for CRM data has to be appropriate to the company's needs. It has to be easy to use, so it is not overwhelming for the people possessing customer information to share it. Business value by CRM tools is gained from operational and analytical CRM applications (Laudon & Laudon 2009). Operational CRM consists of customer facing applications, such as customer service support and tools for sales force automation. Analytical CRM is constructed of elements that analyze customer information in order to produce data for evaluating business performance.

Typically CRM systems are in line with functions such as sales and marketing. Analytics of CRM data have become increasingly important as companies have realized the value of utilizing the gathered data. The ability of the CRM system to store and leverage customer data is one of the strategic aspects to consider, as they provide tools for improving competitiveness (Payne 2008). Management reports, on-line analytical processing (OLAP) and data mining are valuable outputs of CRM tools. Especially in regard of sales activities, the architecture of the CRM system is relevant. CRM systems should be accessible even though the user is

not in the office. In addition, CRM systems should bind several channels of communication together including the web, telephone and e-mail. Most typically CRM systems are linked to the company's other operative systems (Buttle 2009). The operative functionality of the CRM system is important in the aspect that it would encourage people to use CRM system as a tool to improve their daily performance.

2.1.4 Customer value by CRM

Customer value will be built up by making sure that no matter whom from the company the customer contacts or vice versa, everyone has the latest customer data available. There can be several touch points for customer contact, e.g. within different business units. None the less, the customer righteously assumes that the latest business interactions are at the knowledge of the person they are dealing with (Peppers & Rogers 2011). Technological advancements have made possible for companies to treat different customers differently, yet in a cost-effective manner. The method for building value in the customer base is by Peppers and Rogers (2011) as follows: "Establish relationships with customers on an individual basis, then use the information gathered to treat different customers differently and increase the value of each one to the firm." (Peppers & Rogers 2011, 17) Instead of using technology to target only increased sales amounts, companies using technology to add more value to the customers are the ones with most success. This derives from the fact that through increased value, customers are more committed to the company and less likely to seek other business partners.

One aspect of creating value to the customer through CRM is to build *a learning relationship* with the customer. The company learns more about the customer from every recorded transaction they have together. By studying these transactions, the company is able to provide the best products or services for this particular customer. The customer learns about the company through successful purchases, carefully selected for them. The relationship built on mutual interest is more likely to continue

than in case the company would only target increased sales (Peppers & Rogers, 2011). Information on specific customer needs and aspirations are detected only by open dialogue with the customer. As stated by Alahuhta, the former CEO of Kone: "*The more we spend time with our customer, the better we know their needs.*" (Alahuhta, Häikiä & Seppänen 2015, 63). Alahuhta (2015) has also described how improving CRM tools at Kone increased their competitiveness as pricing abilities became more accurate. Better CRM tools also empowered sales people to be more active and customer-focused when visiting customers.

Analyzing value in a CRM point of view, Buttle (2009) has made the following summary:

> "*Value is the customer's perception of the balance between benefits received from a product or service and the sacrifices made to experience those benefits.*" (Buttle 2009, 187)

Sacrifices include monetary costs in the form of product or service price. Searching costs comprise of the whole purchasing process, including comparison of different supplier alternatives which can be costly and time-consuming. Also psychic costs can appear from the stress of the whole purchasing process and all the uncertainty and risk involved in it. These aspects are part of switching costs (Peppers & Rogers 2011).

Sources of value for a customer arise from operational excellence, product leadership and customer intimacy. Operational excellence aims at performing efficiently in an economic, reliable manner. Product leadership entails providing customers with the best value, by products or services, without excluding innovativeness. Customer intimacy requires a company to detect the all individual needs of customers. (Payne 2008.)

The sales organization is the most common contact point to the customer. In addition to the products and/or services they are selling, one of the most important aspects of their job is the tools they are working with. CRM tools should provide support and valuable information, quickly acquirable, to customer interaction. According to Peppers and Rogers (2011), CRM is a

strategy enabling the company to Get, Keep and Grow with its customers as presented in Table 2.

TABLE 2. Get, Keep, Grow

GET: Acquire profitable customers

KEEP: Retain profitable customer longer, Win back profitable customers, Eliminate unprofitable customers

GROW: Upsell additional products in a solution, Cross-sell other products to customers, Referral and word-of-mouth benefits, Reduce service and operational costs.

(Peppers & Rogers 2011, 5)

Therefore, CRM cannot be treated only as a customer database but as a valuable tool that will give guidelines to management how to increase profitability. The gathered information should be used accordingly to achieve the targets described above.

Sales organization should have a clear view on which customers to pursue and what are the means to do so. When evaluating a customer's potential value, issues to be considered include:

Is there additional value provided by the customer?

What is the minimum service cost, still keeping the customer satisfied?

What percent of the customer's business is currently at your competitor but could be allured to your company? At what cost?

Peppers and Rogers (2011) highlight the fact that in perspective of the company, most possibilities of growth derive from unrealized business opportunities, with present and future customers. On the customer's point of view, customer needs are the potential value to be considered.

With the usage of technology in CRM, companies are collecting increasingly more information about their customers. The gathered information is analyzed and then utilized in the form of targeted advertisement and other customer contacts. Competitive advantage is being achieved by the level of knowledge a company has on the customer, not by branding as it was mostly in the past (Peppers & Rogers, 2011).

Sales Force Automation (SFA) is nowadays a common tool providing sales people technological support, since the beginning of 1990's. It comprises of technological elements of hardware and software. Regardless of the exact sales function, SFA is widely used to gather and analyze sales data (Buttle 2009). SFA is also a tool for sales management to standardize and develop the selling process. SFA technology includes software used for e.g. lead generation and needs recognition (Buttle 2009). It has a significant role in the management of the customers' sales cycle. *"Sales Force Automation is the automatic interaction of front and back office activity to facilitate and information-empowered sales force that can improve the sales process and enhance the relationship"* states Donaldson (2007, 111). SFA hence enables improved customer service with up-to-date customer data, as all parties in contact with the customer have the latest information available.

One of the most valuable aspects of CRM is how it helps to recognize customers that are worth retention efforts. The value of each customer can be evaluated by customer lifetime value or other aspects such as strategically valuable customers. This value will then be compared to needed retention efforts (Buttle & Maklan 2015). Strategy on customer retention effects directly how sales force efforts will be aligned. Payne (2008) emphasizes the importance of balancing efforts on customer retention and customer acquisition. Both functions are equally important in building sustainable business.

It is evident that people who are actively in interaction with the customers (usually sales and customer service) receive a lot of direct and indirect information on customer needs. There should be the right type of CRM

technology to which the received information can be gathered to. Also, by being familiar with the company strategy and the particular customer in question, the person in contact with the customer can lead the conversation to the direction that will benefit both parties. For a learning relationship to be created, the company must have in its knowledge the specific needs of a specific customer. By this information they can offer most insightful solutions to their customers, building even more close of a relationship with them. Customer knowledge management is therefore a crucial part of profitable business opportunities (Peppers & Rogers 2011).

There is a need for task relevant communication throughout the organization. It means the ability to be responsive to task-relevant information. Also, being open with sharing of the information is important. It is an important aspect of a learning organization to be able to communicate effectively, relevant information across information channels commonly agreed upon (Schein 2004).

In the light of the presented theories, it can be concluded that CRM strategy has to be embedded to all company functions. The level of commitment to the CRM strategy is straight in line with how well the management has succeeded in capturing and communicating the essential tasks to be carried out in order to meet the objectives. By the CRM strategy, a company should be able to detect the value of each customer in relation to other customers. This will lead to efficient allocation of work within the company.

2.2   Sales management and inside sales

There is acommon saying that "*If you can't measure it, you can't manage it*". This applies to managing sales as well. The ability to develop any function in an organization entails that targets have been clearly communicated and progress is monitored regularly. Characteristics of well-established targets are SMART as illustrated in Figure 3.

Specific

Measurable
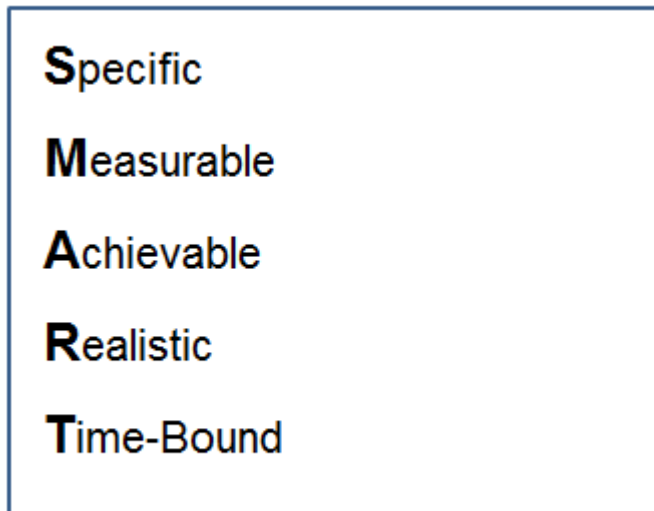
Achievable

Realistic

Time-Bound

FIGURE 3 SMART-targets (Nieminen & Tomperi 2008)

Sales work efforts have to reflect on present and future needs of the customers. By analyzing customer data, sales management can form a strategy on how to organize sales force most efficiently. When making decisions on sales force allocation, efficiency and effectiveness should both be considered (Zoltner et al. 2004). After customer base has been analyzed in the terms of buying habits and future potential, division of customers per types of sales functions can commence. Customers with rather simple product range and little need of tailor-made solutions can be served with less personal contact. Customers with high potential and/or with need of personal service due to complex product range should receive more personal service to build value and mutual learning (Donaldson 2007).

2.2.1 Organizing sales force

There are several options on how to organize sales force. Traditionally the division has been based on geography, product, market or a combination of the above mentioned options (Donaldson 2007).

Geographical division of customers gives each sales person a clear area in which he is responsible for all clients, regardless of their size or buying

habits. Advantages of this division are good knowledge of the sales area and less travel time and expenses. Disadvantages include the likely inability to focus on certain customer or product, as is often required in the modern business environment. (Donaldson 2007.)

Product specialization is sensible in a company where there are highly technical and specialized products, which need expertize in the clientele. Aligning sales force by products offers competitive advantage as customer are being served with expertize. Disadvantage of this division can arise from possible double-effort as it may be difficult to distinguish which customer belongs to which sales person. (Donaldson 2007.)

Market segmentation divides customers by specific market segments. This is a customer-centric segmentation, with the advantage of specialized sales force serving the designated market area. Especially in dynamic markets this will provide the company with competitive edge. The downside of this division is that it is possible that the cost of sales will rise significantly. (Donaldson 2007.)

The most fundamental aspect of organizing sales force is to truly recognize what is it that needs to be done by them. Sales management should first and foremost be able to link daily efforts of sales people to strategic objectives (Rubanovitsch & Aalto 2007). Cespedes (2014) describes how strategy and sales objectives should be linked throughout the organization in Cascading choices as presented in Figure 4.

FIGURE 4: Cascading choices (Cespedes 2014, 64)

Typically inside sales uses mainly telephone and online tools for customer interaction. Online tools consist of the web, emails and other Internet based technologies (Martin 2013). Inside sales entails sales development work in the form of generating sales leads. Other names for inside sales are e.g lead qualification and direct sales. There can be different types of inside sales functions. One type is that they act as sales manager, closing deals for example, but without face-to-face customer contact. The other type is involved in the early stages of customer relationship; scanning the possibilities and forwarding the information on to some other sales function who will make quotations and other selling activities (Seley & Holloway 2009).

Seley and Holloway (2009) suggest that companies considering reorganizing sales force think about the situation in sport terms. A football team has a mixture of different players in their own positions, not all players are defenders or forwarders. Just as the sports team is balancing on sufficient defense and efficient attack, the sales organization should allocate its forces to respond to the changing business environment.

2.2.2   The relevance of inside sales

Many Business to Business (B2B) people are increasingly comfortable in operating remotely. As many purchasing actions are being done remotely, selling remotely has also become a viable option. Customers are equally

concerned with efficient buying procedures, as the counterpart is concerned with efficient selling procedures. Inside sales offers solutions to both parties that are closely tied with technological advancements (Seley & Holloway 2009). It was found out by Martin (2013) that a significant amount of leading high technology and business service companies were changing their operating model from field sales to inside sales. Of course it needs to be carefully analyzed, which types of customer segments are suitable for this type of sales work.

According to Moorman (Zoltners, Sinha & Lorimer 2013) there are several specific factors that contribute to the raise of inside sales function. Inside sales is more efficient and cost-saving than field sales, as the time and expenses of travelling are excluded. The buying habits of both private consumers and professional purchasers have shifted towards preferring for example email and social media. This all has become possible by the development of appropriate technology. Martin (2013) added to the above mentioned factors increased pressure of improving business performance and company profitability.

Digitalization is a megatrend that has an impact on business transactions. It is evident that companies have to reshape their service models to respond to the challenges and opportunities provided by the digital era. However, the basic logic behind the business remains the same. Digitization transforms the ways of customer and business interactions. In respect of sales process, digitalization offers new channels of customer interaction (Gulati and Soni 2015). Alahuhta (2015) has stated that the possibilities of digitalization require ever growing attentiveness from companies in evaluation of strategies. The usage of technology in sales work is increasing, regardless of the specific type of sales work. The usage of video conferencing, for instance, is a tool for effective use of time and resources. Hence field sales people can employ the same tools as inside sales managers to reach their goals. As in any other task, people need to keep up with development in order to succeed in the changing world (Zoltners, Sinha & Lorimer 2013). As inside sales is quite independent work (Martin 2013), inside sales manager has to have up-to-

date tools and technology to provide the customers with quick responses and timely information. The operating system must be able to enable quick pricing and quotation possibilities.

The portion of inside sales jobs has increased significantly in relation to traditional field sales jobs in recent years (Zoltners, Sinha & Lorimer 2013). Creating a new position of inside sales (team) requires investigating and analyzing to build these positions productive, aligning sales properly within inside and field sales teams hence optimizing market coverage. Inside sales teams need different selling tools than field sales. In general there is a different focus between inside sales and field sales (Zoltners, Sinha & Lorimer 2013).

2.2.3 Benefits of inside sales

When inside sales function is carried out successfully, the company can gain many benefits. More contacts can be reached per day with lower cost per sales, compared to traditional field sales (Zoltners, Sinha & Lorimer 2013). Inside sales people are basically available during all business hours as they do not travel. Hence customers can reach them quickly which is one aspect of receiving good service. As inside sales creates fewer costs for the company than field sales, sizing up inside sales teams can be done with a smaller risk. Specialization within inside sales team by industry or products used gives these teams a change to evolve to an even more cost-effective and on the spot with the needs of their customer base. Combining the right customers with skilled inside sales, reduced cost of sales of 40-90% can be expected relative to field sales (Zoltners, Sinha & Lorimer 2013). At its best inside sales offers improved level of service to a larger customer base (Seley & Holloway 2009).

In spite of the stage and organizational structure of the business at present, the following benefits can be achieved according to Seley and Holloway (2009):

High Volume: Increase and Maximize Revenue. The team of inside sales can handle significantly larger amount of calls and e-mails per day in relation to field sales. Through high volume in prospects handling it becomes more likely that customers are being reached early stages. (Seley & Holloway 2009.)

High Velocity: Accelerate the Sales Cycle. Identifying and qualifying leads for field sales will fasten the sales cycle. Inside and field sales work at their best as a team, with increased level of service to customers. (Seley & Holloway 2009.)

High Value: Increase Sales at Lower Cost by Aligning Resources with Opportunity Types and Activities. Average cost of sale will lower as field sales will have more accurate agenda. Inside sales professional earns on average less than field sales professional as there are no additional costs involved, e.g. travel expenses. (Seley & Holloway 2009.)

Predictability: Establish a Predictable, Measurable, Repeatable, Scalable Business. Inside sales typically handles large amounts of leads and customers. By analyzing the whole volume, predicting sales will become more accurate. By having a consistent sales process with agreed upon measurement procedures, the company will gain transparency and better forecasting abilities regarding sales. With a repeatable sales process new sales people can be trained more quickly. Overall consistency also provides sales management material to evaluate the performance level of individual sales persons. (Seley & Holloway 2009.)

Stronger customer relationships: Communicate and Engage More Easily by Phone and Web. Having a team of inside sales will provide the customers improved level of service in the form of reachability, supported by on-line tools. If inside sales is working as a team with field sales, they are stronger together than individually. The combined teams can offer the customer more attention and better service level compared to the teams working separately. (Seley & Holloway 2009.)

Sustainability: Reduce Travel and Carbon Footprint. There are positive environmental impacts on having people in positions that require no travelling, both environmental and economic. Carbon emissions of travel can be promoted as a part the company's environmental program. It can have a positive impact when customers are considering most sustainable business partners. (Seley & Holloway 2009.)

Inside sales is closely related to cost efficiency. Field sales people are expected, almost literally, to bring something new to the table when visiting their customers. The job of field sales manager is more consultative, dealing with new products and/or services and product development. *Both sales tasks have to provide value in order to remain valuable for the company.* (Zoltners, Sinha & Lorimer 2013.)

It is possible and therefore needs to be analyzed, that within a customer relationship there are several different communication channels that the customer will prefer. An important, current customer can handle their routine orders through e.g. electronic orders or email, but development issues are handled with field sales. It is important to detect variable needs from the same customer, not just to segment them by for example size or location (Peppers & Rogers 2011).

To fully profit the division of customers to inside and field sales, it needs to be decided on what basis the customers are being divided. According to Zoltners, Sinha and Lorimer (2013), common options for this situation are:

By market segment: for small and medium size customers, with fairly straightforward needs and buying habits. These customers typically have quite low growth potential. Field sales handle more complex customers that require development work. (Zoltners, Sinha & Lorimer 2013.)

By stages of the customer engagement process: inside sales complements field sales e.g. with handling repeat purchases or giving lead information to field sales. (Zoltners, Sinha & Lorimer 2013.)

By products or services: inside sales covers those products or services that can be sold without more extensive negotiations. Typically these are low risk products or services. Field sales will cover that part that needs more consultation. (Zoltners, Sinha & Lorimer 2013.)

By geography: Field sales cover those areas that are easily available. Inside sales covers all the other areas. (Zoltners, Sinha & Lorimer 2013.)

Usually a small proportion of customers account for most proportion of income. This customer differentiation principle is in straight relation to the Pareto principle by Philip Kotler (Juran & De Feo 2010). It proposes that 80 percent of a company's income is produced by only 20 percent of its customers. Inside sales customers typically belong to the other 80 percent with large customer base but relatively small individual customers. However, it has been stated that fairly often the mid-sized customers are the most profitable customers. The largest accounts demand a lot of effort and resources. The smallest customers cannot create enough revenue due to process costs exceeding gained profits (Buttle & Maklan 2015).

2.2.4   Different roles of inside and field sales people

When considering the job description of a sales person, personal traits cannot be overlooked. As selling entails tasks that require empathy, negotiation skills and perseverance, it is obvious that a person succeeding in sales utilizes more than mere product knowledge in order to close the sale. The order in which personal skills and product knowledge come in importance is dependent on the business environment (Cespedes 2014). Although a lot of research has been done on the subject, there are no obvious personal attributes that will guarantee success in sales. However, Cespedes (2014) describes a method called *adaptive selling* which means that as a sales person gains experience of different sales situations, he begins to arrange the experiences into different "scripts". He is then able to detect which script is useful with which customer.

Once the strategy is created on which customers to pursue, it is important to start building a sales team that has premises to get those customers (Zoltners, Sinha & Lorimer 2013). Focus is important to bear in mind when contemplating on the different personal traits and professional needs of inside and field sales people. Training of these sales people has to be done in a systematic and customized way, with follow-up. Significant proportion of sales success has to do with choosing strengths and limitations of organizing sales force consciously, and managing them accordingly. Keeping in mind that customer buying habits are in a key role in modern business environment, multichannel management is a crucial success factor (Cespedes 2014). Still, business opportunities have to be followed through as they present themselves. When training people with different sales expertize within the company, it has to be emphasized that customers should always receive excellent service regardless of their position in the eyes of the company.

As important it is to divide the customers correctly between inside and field sales, it is equally important to recognize who are the best persons for these quite different sales jobs. Moorman stated in Harvard Business Review (Zoltners, Sinha & Lorimer, 2013) that the role of a field sales manager is closing in on the role of a key account manager. The focus should be more on the problem solving and creating new business, than on repetitive buying of same products. There is to some extent more pressure on field sales to cover the costs of travelling in the form of new business, than on inside sales that covers sales without extra personnel costs. The study on inside sales conducted by Martin (2013) revealed that 98% of the participated sales leaders consider that personal characteristics of inside and field sales people differ from significant to somewhat different. Cespedes (2014) emphasizes that customization is required also for the training of sales people, according to their focus areas.

2.3   Change management

When it comes to challenges of change management, statement made known by Peter Drucker (Cave 2017) that "*Culture eats strategy for breakfast"* describes the situation well. Engaging the people to the change is one of the cornerstones of any development project. From managers' point of view, employees should be considered as customers and sell them the new objectives. No matter how important the development issue or how clever the strategy, unless people believe in it, the work done can become useless. Kotter (2014) makes a clear distinction between management and leadership. Leadership entails inspiring and motivating people alongside establishing direction. Management in his view consists of planning, organizing and problem solving, amongst other duties.

Clear objectives and metrics are crucial success factors to both employees in trying to achieve the targets set, as to management when communicating the objectives and evaluating the results (Godson 2009). Clarity in the beginning of the change process gives management better chances to implement changes successfully. Nieminen and Tomperi (2008) find that the role of management is crucial in achieving an organizational culture of success. By their own example and behavior they can either build or destruct a culture that encourages success. Naturally management cannot achieve good results alone, without the support of the surrounding organization.

Besides challenges, changes offer an excellent opportunity for organizations to evolve. Managing change is undoubtedly demanding, increasing exponentially depending on the level of change resistance. Times of change, even crisis, can be developed into a success story afterwards in the context of creating the organization its own ideology on how difficult situations are managed in "our company" (Schein 2004). During Nordic Business Forum 2016 Catmull (Raeste 2016), President of Pixar and Walt Disney Animation Studios, shared his philosophy that when it comes to failures, the managers task is not to prevent them from happening but to react when they do happen. To provide an emotionally

safe working environment and help with solving dilemmas is important. It will lead to an organization which will strive to find solutions together as a team.

To interpret correctly change requirements is only one part of a successful change program. The ability to recognize the gap between personnel's current state and the state they need to be when changes are carried out, and then realizing the required procedures to achieve that state, is one of the most important parts of change management (Solis 2012).

2.3.1 Phases of change efforts

One approach to conducting changes is by Pasmore (2015). He has detected four phases of change efforts. By his conclusions, they are as shown in Figure 5.

1. Understanding the need for change
2. Framing the change
3. Undertaking the change
4. Sustaining the change

FIGURE 5 Phases of change efforts (Pasmore 2015, 25)

In the first phase it is noticed that changes are required. The sooner the need for change is detected, the easier it usually is to make adjustments. The reasons leading to this realization have to be looked upon, piece by piece, to find out what has led the company to the situation it currently is. The second phase deals with carefully examining the situation to decide, what kind of actions should be taken. The evaluation process begins to determine where the company stands, for example regarding its

competitors and market situation. After internal and external factors have been analyzed, planning of actual measures can begin. (Pasmore 2015.)

Without spending enough time on the first two phases, the third phase of undertaking the change will run into difficulties. As the change moves on to the implementation phase, the focus has to be on keeping a close eye on the progress. This is where timetabling the change process first becomes valuable, as there is something to compare the progress in to. Any sign of mismatch in the strategy set and what happens after realization of the process steps requires quick response. Once the change is carried out, there lies the danger of gradually returning to the old ways of operating. It is obvious that as important as it is to set the goal, it is important to evaluate the situation regularly. (Pasmore 2015.)

2.3.2 Management by objectives

Management by objectives (MBO) is a leadership style emphasizing "*goals that are tangible, verifiable and measurable*" (Robbins & Judge 2008, p.77). MBO programs typically have attributes described in Figure 6.

❖ specific goals
❖ participation in decision making (including participation in the setting of goals or objectives)
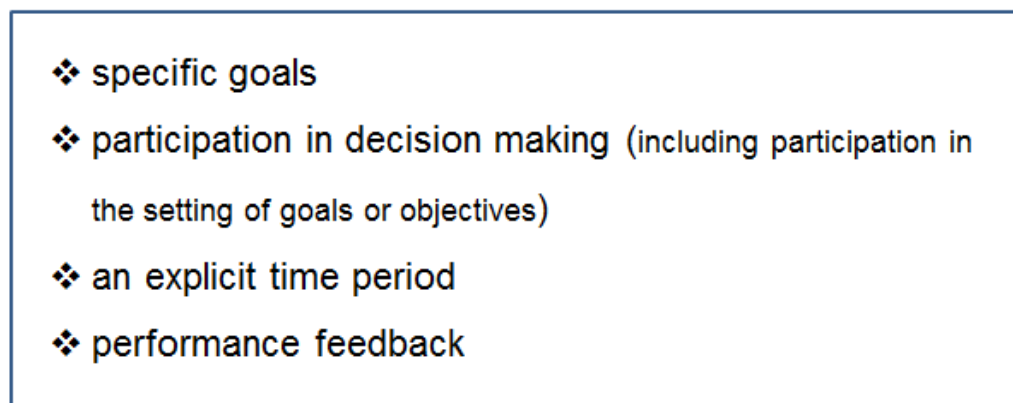❖ an explicit time period
❖ performance feedback

FIGURE 6 Typical characteristics of MBO programs (Robbins & Judge 2008, 77)

The need for a change is often the beginning of a huge challenge. Setting **specific goals** is the time to be alert. It is important to stay long enough in the planning phase and truly recognize the aims of a change. First on the

agenda is to determine, what is really known about the current situation. It has to be recognized where the company is at the moment to establish a beginning point for any changing actions. Contemporary theories of motivation include Goal-setting theory. It has been stated that "*Specific goals produce a higher level of output than does the generalized goal of "do your best*" "(Robbins & Judge 2008, 76). Management has to understand the specific tasks of each team to provide realistic but inspirational goals. It is easier to manage daily routines towards certain objectives. Sense of control is uniform in importance from the bottom to the top of the organization. Having specific objectives gives every party involved an opportunity to prove success but also valid information to prove a need for change. Personnel satisfaction is not something that would be nice but not necessary. The extra mile people are willing to go for their employer usually depends on their level of commitment. Good projects can fail if they are managed poorly, also for personnel reasons, not only for economic reasons. (Robbins & Judge 2008.)

The second phase, **participation in decision-making**, is where the material for managing change is built up. It is important to have a good representation throughout the company to make sure that true events and consequences are revealed and analyzed. May it be a change in the markets, quality management issue or personnel problems, a wide range of expertize is required to enable a true perception of the current situation. In some cases it may be necessary that an outsider enters the process, if there is doubt that the problem is too difficult or the situation too intense to handle internally. Enough people have to be brought in to secure sustainable decision making. However, involving too many people can danger the decision-making process. (Robbins & Judge 2008.)

Once the present state of things is clear, planning of change can begin. Setting a realistic but inspirational goal can be difficult and time-consuming, but it needs to be done properly. This stage of the process determines all the future actions taken. As said, the team making this decision has to be extensive enough to be able to provide sufficient amount of knowledge, what is needed to achieve the results the company

is aspiring to accomplish. A realistic evaluation of resources is important. Furthermore, it needs to be recognized, are the decisions needed in line with the company's strategy. Even though the need for change can start from one department, its solution rarely effects only that one department. Any change management leading to a decision differing from the common mission will run into difficulties sooner or later. (Robbins & Judge 2008.)

Besides setting the mark on where the company is at the moment, the steps have to be set on how the goal will be reached by **explicit time period**. The stages have to be in a rational order, recognizing possibly overlapping events. A timetable has to be set for future measurement of progress. Still it is crucial to have sufficient participation of each department. At this stage, it is possible to bring more people in to the evaluation of required time and investment. (Robbins & Judge 2008.)

In the phase of **performance feedback**, expectations have to be clearly communicated. The need for feedback is equal to managers and subordinates. Also, the importance of measuring results is equal to management and economic issues. It is relatively hard to cheat on the numerical data gathered on the company's economic situation. Regarding leadership, how objectively research questions are set is more difficult to evaluate. It may certainly be painful to see poor results from personnel surveys. However, if true problems are not dealt with, a leader faces all the more challenges with untrusting personnel. It is important to take in the collected feedback. The steps described above can form a continuous cycle of positive, communicative leadership. (Robbins & Judge 2008.)

2.3.3 Organizational change

"*Relevance must be the major driving force behind all the actions of the organization.*" (Beerel 2009, 2). Being relevant equals having the power to make a difference. To have power makes one relevant in the space their operating in. Therefore, it is a cycle of both relevance and power that build up on each other. Organizations face new realities constantly. Responding to them requires the organizations to be "adaptive, creative and

innovative" (Beerel 2009, 2). In case the organization is relevant, e.g. on the pulse of the surrounding environment, it has the power to make its mark on it. Beerel (2009) has stated that organizations have to stay relevant in the eyes of their stakeholders and the societies they operate in. Companies should constantly reflect upon the surrounding world, are their products and services up to date. Changing the focus and tasks within the organization will be needed from time to time.

Mills, Dye and Mills (2009) have discussed a "sensemaking" approach in their work on organizational change. They have studied an approach that concentrates on making sense of the reasons behind organizational changes. Usually research focuses only on the adoption, carrying out and analyzing the results of changes. Communicating reasons behind the change will diminish resistance to change. The outcome of any change within the organization is undoubtedly to increase competitive advantage. According to Lynch (2009), methods of improving sustainable competitive advantage include benchmarking, exploiting existing resources and upgrading resources. After an analysis, the end-result may be that upgrading resources by adding a new resource or improving service will provide competitive edge (Lynch 2009). Making sure that there are enough resources to carry out the new strategy is essential to achieving success.

2.3.4   Organizational learning

Organizational learning appears when several individual workers learn the same thing. Before that, there may exist vast amount of knowhow never making it through to customer satisfaction or business profitability. Personal learning is the beginning to organizational learning, but it has to be distributed in order to make a difference. (Tuominen, Tuominen & Malmberg 2002)

A part of strategic analysis during organizational development is to identify the company's competitive profile. This includes research of the

company's intangible and material resources to evaluate how they correspond to the strategy. An outcome of this research is preferably to discover unique resources that can provide competitive advantage in the long-term. An equally important aspect is to detect barriers for development that could endanger learning and development (Skalik 2016).

Mills, Dye and Mills (2009) emphasize the importance of handling change more as a people rather than a process approach. Techniques used to create a learning organization involve continuous improvement and development of employee's professional skills. The focus should be on well-functioning methods from the past in addition to present knowledge (Mills, Dye & Mills 2009). Drucker (2006) points out that the greatest benefit arises from improving to be better at something one is already good at, not training for something new. It has also been discovered that knowledge workers learn best by teaching (Drucker 2006). Sharing experiences on best practices in appropriate forums can accelerate organizational learning. It has been stated that in the future, the most successful results of adult development will be performed by groups of real-life work-teams. As they strive to overcome a common difficulty as a group, the level of organizational learning is higher than it would be out of context to their daily missions (Kegan & Lahey 2009).

3   RESEARCH METHODS

At the beginning of a research process the best research method needs to be defined for approaching the area of research. Methodology as a term *"refers to the way in which we approach problems and seek answers"* (Taylor & Bogdan 1998). Methodology means sets of theories on how the research will proceed. It consists of methods, procedures and techniques used to collect and analyze empirical data (Eriksson & Kovalainen 2008). Choosing the best research methods depends solely on the research problem. Silverman (2010) reminds that no research method itself, qualitative or quantitative, is intrinsically superior. Hence outlining the research problem is crucial as it defines the most appropriate research methods and will contribute significantly to the success of the study.

Despite of the chosen research method there are certain common features for a good research. One point of evaluation is that a good research is objective. Objectivity in research is often conceived in two different manners. One aspect is that the research process itself is objective and consensus can be achieved through certain sets of procedures. The other aspect is that the researcher is not biased in any way (Eriksson & Kovalainen 2008). Credibility is also an evaluation point regarding the quality of a research. Credibility is evaluated through *"The extent to which any research claim has been shown to be based on evidence"* (Silverman 2010, 433). Birks (2014) states that the ability to display rigour in the research process and outcomes is important. It means the ability to clearly state the factors that have impact and/or may erode the research outcomes.

Qualitative research strives to create a holistic view of the research topic. Qualitative research is widely used in social sciences, which includes business research (Eriksson & Kovalainen 2008). Qualitative research discovers answers to research questions with verbal explanations, whereas quantitative research uses figures. The main purpose of qualitative research is to describe and create deep understanding of the

phenomenon in question (Kananen 2009). Qualitative methodology has been described to produce descriptive data (Taylor & Bogdan 1998).

Qualitative business research methods include several different approaches. These include for example case study research, ethnographic research, grounded theory research and action research. It is important to recognize the type of qualitative research in question as it will outline the whole research process (Eriksson & Kovalainen 2008).

Case study has been defined as follows: "*An empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context, especially when the boundaries between the phenomenon and context are not clearly evident* (Yin 2009, 18). Myers (2009) defines that *"The purpose of case study research in business and management is to use empirical evidence from real people in real organizations to make an original contribution to knowledge."* (Myers 2009, 73). According to Stoecker (1991), case studies can be divided into two categories:

> **Intensive case study research:** Aims at understanding a unique case from the inside by providing a thick, holistic and contextualized description.

> **Extensive case study research:** Aims at elaboration, testing or generation of generalizable theoretical constructs by comparing (replicating) a number of cases.

Case studies can be conducted as a single or multiple case studies. A single case study typically focuses on a certain object, for example a company. Multiple case studies occur when several cases are being studied, the aim being at detecting similarities and differences across cases (Maylor & Blackmon 2005). The purpose of a case study is to gain profound understanding of the case with different empirical methods (Kananen 2009). As a business research, a case study can never be analyzed without connection to the surrounding world. According to Yin (2009), a case study is a linear but iterative process as illustrated in Figure 7.

Doing Case Study Research:
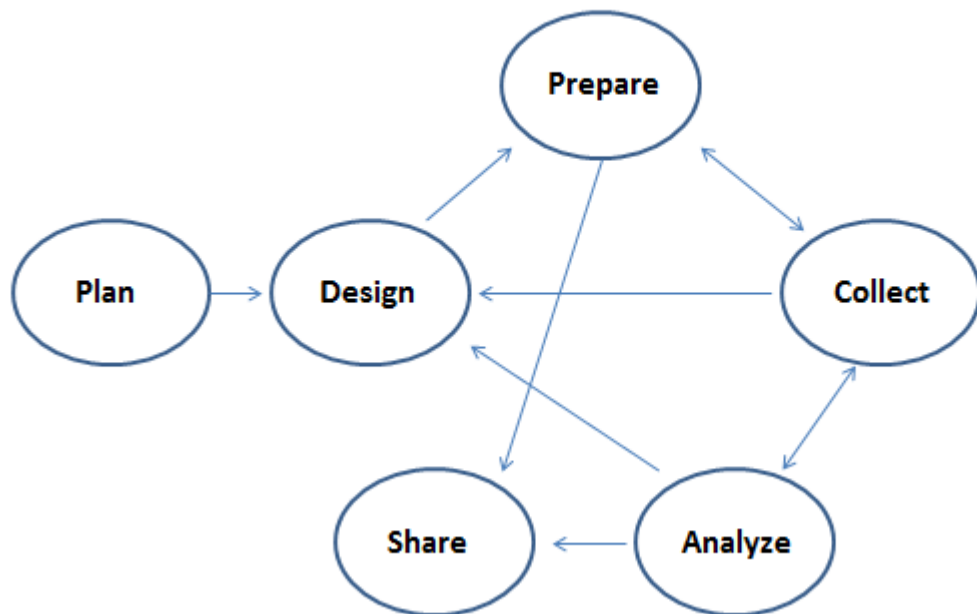**A linear but iterative process**

FIGURE 7 Doing Case Study Research: A linear but iterative process (Yin 2009, 1)

Yin (2009) states that case study is an appropriate research method when

a) Research questions include "how" or "why"
b) The researcher has little control on the events
c) A real-life context is included to a contemporary phenomenon.

According to Myers (2009), advantages of case study include "face validity", meaning that the case study in constructed on real life premises, including empirical research on certain organization. Advantages include having the opportunity to explore or test theories in reality, with all the possible variables which may occur. However, having little control on events that may change the research setting, organizational changes within the case company for example can form a major disadvantage (Myers 2009). Disadvantages also form from possible difficulties to gain access to company specific information one wishes to study.

Based on the above theories on research methods, this Master's thesis is a qualitative research with the research approach of an intensive case study. The researcher was assigned to detect what are the premises for a

succesful factors of an inside sales function. Empirical part of the case study is constructed from several data collection techniques: interviews, benchmarking and case company's customer, order and product data analysis.

3.1   Interviews

Interviews as a data collection technique are among the most important data collection methods in business research (Myers 2009). Interviews can be structured, semi-structured or unstructured. Structured interviews follow a certain trail strictly with pre-formulated questions, sometimes including a time limit. Semi-structured interviews have at least some pre-formulated questions, but they can be re-modelled during the interview. Unstructured interviews typically have only few, if none, pre-formulated questions. They are basically an occasion to discuss the topic at hand freely (Myers 2009). All interviews, concerning benchmarking and within the case company X, were semi-structured interviews. It was chosen in order to have similar questions to begin the interviews with, but allowing new questions in case it seemed important to elaborate certain issues.

Ethical issues have to be considered in relation to interviews. The interviewees have to be informed of the objectives of the study they are about to take part in. Only after being aware of the research scope and purposes they can give their consent to participate into the data collection process. Confidentiality in regard of research means that private information on the interviewees will not be revealed. When considering confidentiality, it is important to contemplate who will have availability to which information. Consequences of taking part in a qualitative study should be thought of from the perspective that what are the possible, to both the individual and the group the individual interviewee represents, should she/he take part in this research. The role of the researcher is last but not the least of ethical issues concerning interviews. It is of atmost importance that the researcher remains morally responsible when gathering data during the interview and afterwards when using the data for

the research in question (Kvale & Brinkmann 2009). Fontana and Frey (2008) stress that it is important to report also the unforeseen incidents that usually happen during interviews, no matter how well prepared the interview situation is. To report the interview situation as it truly took place will give validity to the interpretation of data, as it may be affected through these unforeseen incidents.

Interviews regarding the case Company X's present CRM tools and practices formulate one part of the used research methods. Questions for these interviews can be found in Appendix 1. Both interviewees are experts with Company X's CRM tools and were therefore chosen to the interviews. Interviews within Company X were conducted by interviewing the respondents separately in their offices. The spaces were limited from distraction.

The first interview was conducted 9th October 2017, lasting for one hour. The questions were sent to the respondent at the morning of the interview. The respondent is the supervisor of this Master's thesis from the case company, so the premises for this research were clear before the interview. The respondent works as product manager in Company X.

The second interview was conducted 10th October 2017, lasting for half an hour. The questions were sent to the respondent one day before the interview. The respondent was informed on the purpose of this research briefly two weeks before the interview, and then in more detail at the beginning of the interview. The respondent works as sales controller in Company X.

The interviews were conducted in Finnish and not recorded. It was agreed upon that the interviewer will translate the answers to English and the respondents will proofread the text before it will be used in this Master's thesis. The nature of these questions, found in Appendix 1, is to enlighten the present CRM tools and practices. Therefore a group interview would have fit the purposes just as well, but due to schedule challenges the interviews were held separately. First the respondents were asked to

describe what sort of CRM tools there are at Company X and who has access to them. These were important facts in establishing the starting point regarding CRM at Company X. Question 3 regarding entering information to the CRM tools is relevant in the information management process (Payne 2008). One aspect of this is also covered through question 5 discussing the accuracy of the entered information. Questions on utilizing the CRM data, including customer profitability, satisfaction, value indicators and the amount of work per customer were asked to figure out the premises for a comprehensive customer analysis for inside sales. The respondents were also asked is there something missing from the present CRM tools in their opinion.

3.2   Benchmarking

Juran and De Feo (2010) define benchmarking as "*A recent label for the concept of setting goals based on knowing what has been achieved by others. It identifies the best in class and the methods behind it that make it best*" (Juran & De Feo 2010, 1048). According to Tuominen (2011), benchmarking can be divided into four categories: Strategic benchmarking, Product benchmarking, Process benchmarking and Competence benchmarking. Strategic benchmarking focuses on detecting strategic choices that have proven to be successful within or outside own industry. Product benchmarking deals with comparing the product to other similar products and constantly monitoring quality. Process benchmarking often begins with studying one specific part of the process. However, in order to achieve more profound results, the whole process should be reviewed. Competence benchmarking seeks differences between individuals performing the same tasks but having different outcomes. Differences may arise from working methods or technology used.

Benchmarking was executed with two companies that utilize the same business function as the topic of this case study; inside sales. Benchmarking was selected as one research method to gain insight on inside sales in other companies. Information gathered through

benchmarking can provide valuable information on what are the special challenges in this type of customer division within sales department. The interviews for benchmarking were conducted by phone and email. The first interview was conducted 28th June 2017 by telephone. The conversation lasted for 40 minutes. Questions were sent to the respondent three days before the interview by email. Before the interview both parties agreed that all given information will remain confidential. This was also secured by the interviewer having a conference room to her own use and the interviewee being in her car by herself. The conversation was not recorded. The interviewee works as a key account manager in a company which is specialized in telemarketing. They offer various concepts on how to contact customers and conduct sales via telephone. The reason for this company to be benchmarked was that they conduct basically all sales through inside sales methods.

The second interview was conducted by e-mail. Questions were first sent to the respondent 22nd of August 2017. The respondent sent back answers 18th of September 2017. Some questions were asked for more detailed information and answers received on 24th of September by e-mail. The interviewee had been verbally informed on the research subject at Lahti University of Applied Sciences during year 2016. It was preliminarily agreed that interview for benchmarking purposes would occur at some point. The interviewee worked in several sales positions for five years (2012-2016) in a company which offers services for B2C and B2B customers in the field of tele-communications. The interviewee started as inside sales manager and then moved on to sales manager and from that to key account manager / customer lead.

Regarding both benchmarking interviews, it was agreed upon that the respondents will reply in Finnish and the researcher will translate the answers to English. The material was sent to the respondents for proof-reading before it was used in the Master's thesis. Before the interviews both parties agreed that all given information will remain confidential. It was agreed upon that the interviewees' names or employers will not be mentioned by name in this Master's thesis.

The questions for benchmarking were formulated to correspond to areas discussed in the literature review. All the questions can be found in Appendix 2. It was important to ask how long the benchmarked companies have had inside sales function in order to evaluate how established practices the respondents are describing. In order to compare the answers to theories on organizing sales force, topics of other sales functions, customer division and service levels were being asked. As the case company X is possibly launching inside sales as a new sales function, questions on setting targets and measurements are valuable information. These aspects are also studied in the literature review. Questions on the usage of tools and operational methods, for example sharing of information between sales teams, are important in both setting up the new sales function and partly to guide required change management actions. CRM requirements are being studied through questions on sharing customer information and analyzing customer relationships.

The questions were open-ended questions. In spite of the efforts, interviews could not be arranged face to face. However, the conversational nature of open-ended questions and different levels of questions were possible to some extent. It was possible to ask for a more detailed answer during the interview or afterwards by email.

3.3   Customer, order and product data

Data collection techniques are to be determined after the research method is decided on (Myers 2009). The chosen methods for data collection should make possible answering to the research questions (Royer & Zarlowski 1999). Besides interviews, an important aspect for this research is to analyze customer, order and product data to achieve a proposition for customer division. Data generation and collection for a case study require an access to the case study site (Eds. Mills & Birks 2014). Permission for the research has to be obtained before the data collection can proceed. Research validity is increased by the level of accuracy of the performed research methods (Maylor & Blackmon 2005). Therefore analysis on the

acquired data has to be performed systematically (Eds. Mills & Birks 2014).

Company X provided their customer, order and product data for analyzing purposes (Appendix 3). The aim of the research was to detect which customers would be suitable for inside sales. Customer and order data was retrieved from the ERP-system and CRM tool with the help of the sales controller 10th of November 2017. The quality and accuracy of the retrieved data was secured by having the sales controller double checking the data from different views. Product data was retrieved from CRM tool by the researcher 11th of November 2017. For anonymity reasons, most data in this Master's thesis is presented in percentages, not in actual figures. Based on previously explained theoretical aspects on CRM and sales work, the information presented in Table 3 was under investigation.

TABLE 3. Customer, order and product data (Company X)

- ❖ Customer and prospect amounts
- ❖ Customer classification
- ❖ Customer activity
- ❖ Industry segments
- ❖ Item groups per industry segment
- ❖ Product development projects
- ❖ Origin of sales
- ❖ Customer visits
- ❖ Claims

The amount of customers and prospects was included to find out how many prospects would be handled by inside sales, which is part of their typical job description (Seley & Holloway 2009). Customer classification usually entails information on customer priority and service expectations. As customers who require more attendance are typically handled through

field sales (Donaldson 2007), this information was included. Customer activity can provide information on how much there are inactive customers who could be contacted in the hope of re-activation through inside sales (Seley & Holloway 2009). Part of customer information is industry segments, to which a certain customer belongs to. This alongside with item groups can help detect industry segments or item groups which are especially suitable for inside sales regarding the type of work they cause within the company (Donaldson 2007). The amount of product development projects will reveal for its part the complexity level of certain customers' product range, hence indicating if they need more specialized services provided by field sales (Donaldson 2007). Origin of sales, as to whether orders are received from electronical channels or by other purchasing channels, will indicate customers' buying prefernces (Seley & Holloway 2009). The amount of customer visits is an essential indicator in determining if a certain customer is suitable for inside sales (Seley & Holloway 2009). The amount of claims can be an indicator of whether a customer receives enough specifed service. Customers in demand of more attention are typically customers for field sales (Donaldson 2007).

4   CASE: COMPANY X

Company X is part of a large multi-national company in the area of renewable materials. The vision is to offer products with the aim of replacing fossile-based materials with more sustainable solutions. The company is divided into five divisions according to product category. (Company X website 2017)

The division Company X belongs to is a division with production plants in ten different countries in Europe and Asia. Company X is located in southern Finland. Company X is striving for being the leading developer of innovative packaging solutions. It employs currently approximately 320 people in Finland (Company X website 2017). Company X was chosen for this research as they expressed the interest to have more information on how an inside sales function should be organized. They offered to provide the necessary data and opportunities for interviews to be used as a basis for the analysis. Due to anonymity reasons the company presentation is rather short and the company is called "Company X" throughout the Master's thesis.

Currently Company X is organized to six departments: sales, production, product management, business controlling, sourcing and supply chain. The research is focused on re-organizing customers within the sales department. At the moment the sales department is led by sales director, with subordinates of two regional sales managers, sales development manager and packaging automation manager. The two teams led by regional sales managers consist of 14 sales managers. Customers are divided geographically. However, some sales managers are industry experts. All customers have appointed sales managers. For most important customers there are appointed key account managers. Company X has an online purchasing option. This tool is accessible to customers with granted access rights. Basically all customers who wish to use this purchasing tool are granted access rights. Access rights are individual. The purchasing tool offers possibility to purchase products they have ordered before or new products from a certain simple product

category. They can also view prices, product information and purchasing history. (Product manager, 2017.)

5   RESEARCH RESULTS

5.1   Interviews

Interviews at Company X concerning present CRM tools described how CRM data is divided between different CRM tools at the moment. The ERP-system holds mainly customer information regarding addresses, contact persons and customer visits' follow-up. Certain sales management opportunities are managed through separate Excel-tools. Customer segment planning is also handled with separate Excel-tools. The most complete set of information regarding customers' sales volumes, profitability and other data is found from the CRM tool. All personnel related to sales (sales management, sales managers, sales assistants and sales controller) have access to CRM-tools. Information concerning profitability is limited to these departments. Other customer data is widely accessible but without editing rights. Customer information is mainly input by sales managers, with some additions from sales assistants and sales controllers.

Customer data is used for several purposes. It is utilized when planning sales at customer, group or even product level. Product manager from Company X stated that "*in some cases sales can help evening out production lines with low order book and try to sell products from certain product category, identified with the help of CRM tools.*" (Product manager 2017). Another clear line utilizing customer data is marketing purposes, for example mailing customer magazines or other targeted marketing material. Customer information is also used for reporting purposes.

The accuracy of information is checked partially. Sales managers should update information concerning contact persons regularly. Most importantly they should update information when a contact person changes job or company, retires or even passes away. One aspect of updating contact persons is who is added as a contact person; every person who you exchange business cards with or someone who is more in contact with sales department. Sales controller checks that customer data always

includes contact person and customer segment. However there may be outdated information regarding who is the sales manager responsible for certain customer.

Profitability figures gathered through CRM tools are monitored constantly and examined in more detail in case something odd appears. A separate Excel-tool for sales management is looked through every Monday at sales teams' meetings and phases of sales efforts are commented by the sales managers. Information on customer satisfaction can be found from different databases. The customer satisfaction survey is accessible for sales people but it is a separate system. The surveys are carried out by an external company. Customers for this survey are selected by Company X, from customers with annual purchases over 100 000 euros. The bigger the customer, the more different contact persons are pursued per customer. Sales managers receive a link in their e-mail once their customer has participated in the survey. Sales managers and heads of departments receive a quarterly summary as well. One aspect of customer satisfaction is the amount of reclamations. This information can be found from the ERP system and CRM tool. Information on value indicators for doing business together exist in several viewpoints. There are hard data indicators, for example the amount of sold design planning services per customer. These services are offered only to certain customers under certain premises. The question in the customer satisfaction survey, "Would you recommend Company X as a supplier and if so, why?" could be considered as one value indicator.

Value indicators are also included in customer classification. The basic classification is based on euros. Some customers have been categorized to belong to "Gold", for example. This classification means that something qualitative is included; warehousing or other services. Sales controller from Company X explained that regarding customer classification "*Sales managers were given the preliminary (customer) data and they evaluated potential growth and other development opportunities. Sales managers have evaluated and defined these (classifications) based on future*

expectations." (Sales controller 2017) .Customer classifications are checked by the sales controller regularly.

The amount of work caused by each customer can be traced to some extent. Customer visits are reported. Visits include Company X's sales managers' visits to the customer and customers visiting Company X. Other contacts with customers are not regularly reported unless the sales manager chooses to do so. The amounts of projects and quotations per sales manager are monitored as well. Projects amounts and the utilization of designer resources used are updated monthly. The amount of handled orders is also found from the ERP system. In sales teams' weekly meetings last week's most important events and the forthcoming week's plans are communicated.

Both respondents stated that the biggest challenge regarding CRM tools is that there are many separate tools. Within these tools exists information that has to be updated manually, some in a certain timeframe, so there is a lot to remember. Information updates are required for example concerning sales planning, budgets and in forecasting tools. One time dataentry alongside one view for all the information would be appreciated.

On the basis of these interviews can be concluded that there is information available on several CRM aspects. The variety of information is sufficient to establishing a comprehensive picture of each customer. The accuracy of information is partly checked, but needs more attention before final decisions on customer division can be made. For Company X, the complexity of CRM tools appears to be a challenge. Management has to keep the issue of customer data quality in control. This can be executed through regular data base control and effective flow of information between sales teams.

5.2   Benchmarking

Neither of the two companies that were chosen for benchmarking operates in the same business areas amongst themselves or with the case

company X. However, the results gained from the benchmarking interviews can be utilized as process benchmarking (Tuominen 2011). Despite the different premises, some similarities were found from the two benchmarking interviews. Both respondents stated that one aspect of measuring inside sales' performance is the amount of calls, contacts and sales. Another common comment was that the sharing of information is insufficient, either between sales teams or the management team.

Regarding **benchmarking interview no 1**, the following concepts should be made clear:

Company Y: The company the interviewee works at

Clients: Customers who are in a business relationship with Company Y

Customers: The customer base Company Y is calling to offer products or services

Cold calls: Calls to possible prospects, previously unfamiliar customers

From benchmarking interview no. 1 can be gathered that one of the biggest challenges is to make sure that both new clients are found but also to keep the old clients. Having the right people to perform these tasks is a significant factor. Being able to sell as profitably as possible is their most important target. This measure is closely followed by the top management as well. As basically all sales are conducted through telephone, there is no field sales function within this company. This has been their operating model for decades. They have altogether 17 offices in Finland, with some specialization between different offices.

There is also some division on how the sales force is divided. The respondent stated: "*Some sales people are concentrated on re-activating the clients' old customers and cold calls. Another segment is booking visits for the clients' sales people… Once the client has specified the service they are buying, Company Y will decide on the best suited people for this type of sales. Some are especially good at cold calls, some booking visits.*" (Key account manager 2017). Client division is conducted through dividing

clients between persons in charge. Clients buy for example services of customer acquisition or re-activating old customers. There are clients who buy some services or others who buy all outbound calls. Usually clients initially buy some service to figure out how many hours of selling are required to achieve satisfying results. The same small testing is used as a basis for pricing the service as well.

Most important targets are selling as profitably as possible, with providing working hours to as many sales people as possible. All personnel in this company are working on commission. The respondent stated phone and their customized calling system to being the most valuable tools for their sales. The calling system is updated continuously according to requirements and used as a provider of real time information and reports. It was stated that management gathers together few times a year to discuss variable issues, but these meetings would be useful more often. Having more occasions to learn from colleagues and share knowledge would be valuable. It was also stated that customer relationships could be more carefully analysed than they are at the present.

Benchmarking interview no. 2 revealed that they have had inside sales function for six years. In their case, customers are being divided between field and inside sales by the size of the customer. Size is defined by the amount of staff and invoicing. Customers are also divided into different service levels, according to their status of current customer or prospect. Service levels include customer service, sales and technical customer service. The respondent highlighted the fact that in some cases, the lack of technological equipment from the customers' side made demonstrating services on-line challenging.

Communication with field sales and the department in charge of the delivery process was found important in performing the overall service well. The respondent stated as a specific challenge the *"lack of communication on what has been discussed with inside sales, once field sales goes to meet the customer."* (Key account manager 2017). Providing follow-up visits and new customers was found most important target for

inside sales. It was stated that even though some customers belong to a certain category by size, some exceptions are made if the operating model with the customer requires it. Most valuable tools for inside sales were considered to be on-line negotiation services and the proper use of CRM.

According to benchmarking results, clear metrics for inside sales are important. There are several options on how to measure the performance, for example amount of calls or sales per hour. The importance of communication was highlighted by both respondents, both within the sales department and with other departments in the organization. It can also be concluded that both companies have taken into consideration service aspects. In Company Y were sales people specialized in different sales tasks. In the other benchmarked company customers were divided between inside and field sales according to the defined service levels.

5.3   Customer, order and product data

In order to find the most suitable customer division for inside and field sales, the following aspects of Company X's customer data were taken into consideration. These findings are the basis for recommendations presented in Chapter 6. All customer, order and product data is based on figures 1st January 2017-11th November 2017.

Customer and prospect division of the total customer amount are visible in Figure 8.
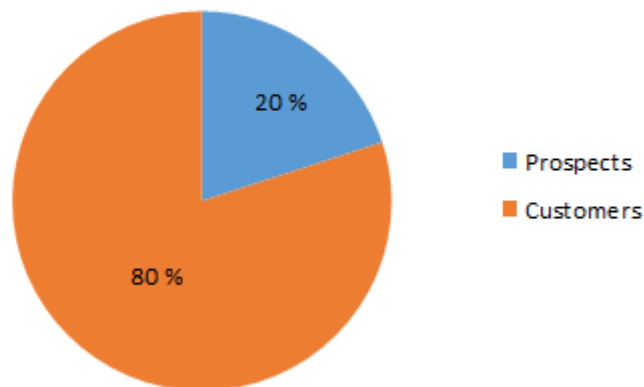
Customer and prospect amounts

FIGURE 8 Customer and prospect amounts

Company X's customers are divided into customer classification groups according to future absolute gross margin expectations. Customers in Platinum-group represent customers with the largest expectations. They are followed by Gold, Silver and Bronze, with Bronze representing the smallest customers in this respect. Customer classification Gold indicates that there are some added services or value indicators regarding this customer, for example warehousing services or innovation factors (Sales controller 2017). Current customers are divided in different customer classification groups as presented in Figure 9.

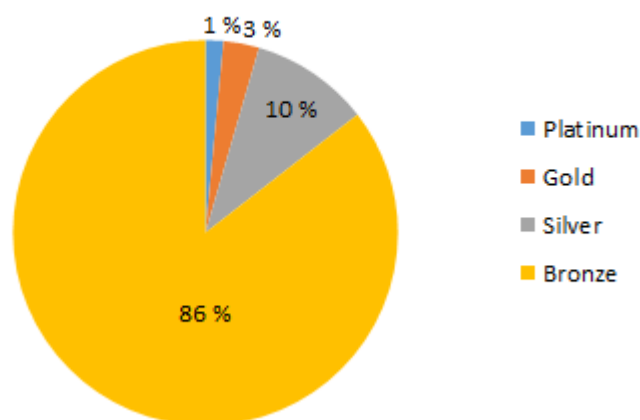**Customers per customer classification group**

FIGURE 9 Customers per customer classification group

Customer data includes active and in-active customers. From the 20 percent of prospective customers, most prospects are in-active as shown in Figure 10.

Customer activity : Prospects
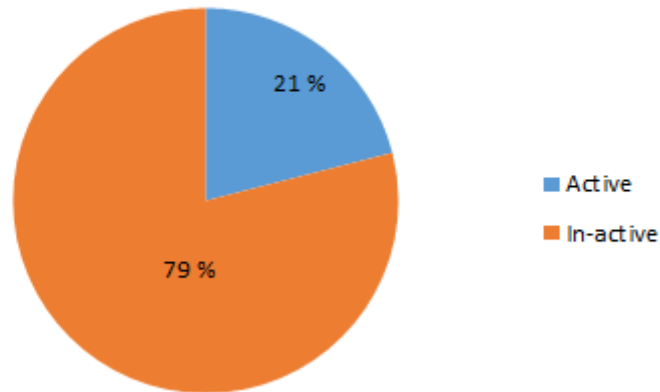
FIGURE 10 Customer activity: Prospects

The same trend is visible amongst customers in Figure 11.

Customer activity: Customers

FIGURE 11 Customer activity: Customers

Industry segments are one means of classifying customers. Industry segments are formatted on the basis of the customers' business, for example Food. All industry segments have appointed sales managers (Product manager 2017). Within industry segments there are sub-segments with more precise division. An example of this is that within the

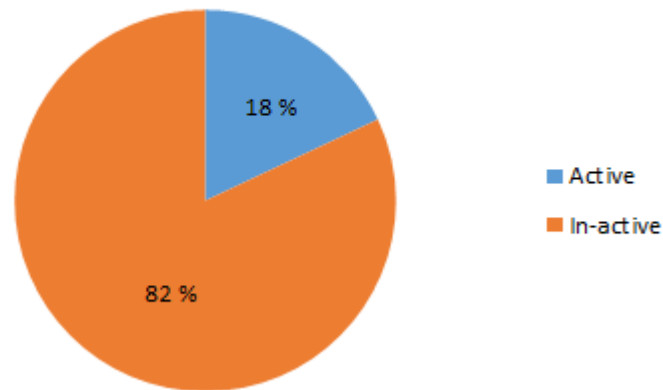Food industry segment, there is a sub-segment called Dry food. Industry segments at Company X have been defined as stated in Table 4.

TABLE 4. Industry segments

❖ Alcohol & tobacco
❖ Consumer & Industrial chemicals
❖ Consumer electronics and EMS
❖ Dairy
❖ Food, confectionery & pet food
❖ Low & non-alcoholic drinks
❖ Merchants & sheet plants
❖ Other
❖ Paper
❖ Retail
❖ Wood & furniture

Products per item groups are divided by industry segments as presented in Table 5. Products per item groups within industry segments represent the amounts from January 2017 until 11[Th] of November 2017. Company X manufactures products with different levels of complexity. For this analysis, products were categorized as easy in case they can be produced without special tools regarding product structure. These item groups can be identified with number coding (10 – 100) on each product as illustrated in Table 5. The item group codes have been renamed for anonymity reasons.

TABLE 5. Products per item groups, divided by industry segments

Industry segment	Products per item groups within industry segment								
	10	20	40	50	60	70	80	90	100
Alcohol & tobacco			3	9			28		
Consumer & Industrial chemicals	1		53	226	24	25	351		1
Consumer electronics & EMS	1		37	235	13	28	410		
Dairy			14	30	10	4	453		
Food, confectionery & pet food	4		59	394	52	23	1610		
Low & non-alcoholic drinks			16	19			191		
Merchants & sheet plants	54	14	4999	497	40	29	257		2
Other	16		111	699	38	22	580		3
Paper	2		40	211	7	6	213	140	72
Retail	7		25	139	20	11	118		
Wood & furniture	17		37	77	6	1	59		
Easy total	8046	62 %			Complex total:		4847	38 %	
Total	12893								

Product developments projects tell the extent of design services utilized by customers. By November 10th 2017, customers of different customer classification groups have used design services as follows in Figure 12.
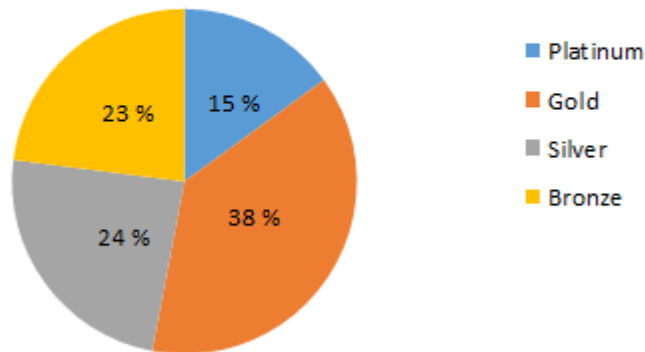

FIGURE 12 Products development projects per customer classification group

Customer visits were divided by customer classification groups and prospects in the following manner described in Figure 13:

Customer visits per customer classification group
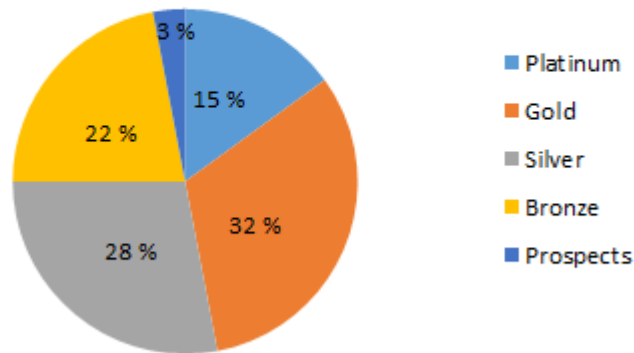
FIGURE 13 Customer visits per customer classification group

Naturally, there have been prospects during year 2017 which have turned into customers by November 2017, when this information was received.

Customer claims during year 2017 have divided by customer classification groups as illustrated in Figure 14.

Claims per customer classification group

FIGURE 14 Claims per customer classification group

From all the sales orders for January – November 2017, 26 % were received electronically. These electronic orders were divided per customer classification group as presented in Figure 15.

FIGURE 15 Electronic origin of sales per customer classification group

6   RECOMMENDATIONS
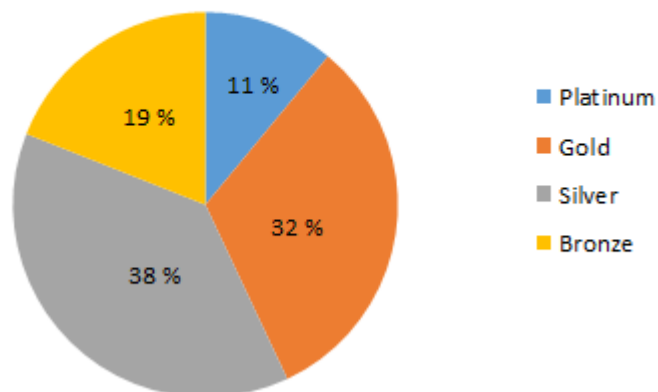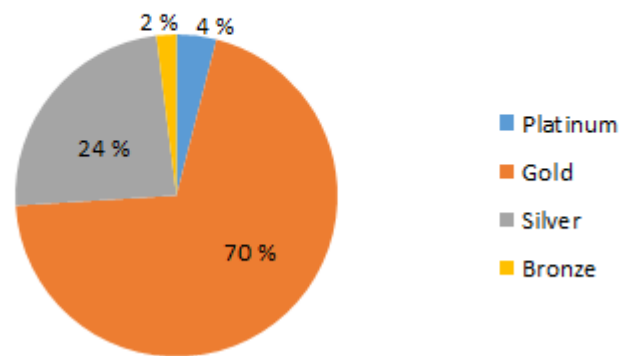
6.1   CRM

Based on the presented CRM theories and interviews at Company X, Company X could divide its customers between inside and field sales according to a combination of qualitative and quantitative customer data. All the aspects described in Table 6 are available in current CRM and ERP tools. As all this data is adaptive data (Peppers & Rogers 2011), it needs to be checked before making decisions on it.

TABLE 6. Qualitative and quantitative data

Qualitative data	Quantitative data
❖ Customer classification ❖ Origin of sales	❖ Customer and prospect amounts ❖ Customer activity ❖ Customer industry segments ❖ Item groups per customer ❖ Product development projects ❖ Customer visits ❖ Claims

As Company X has detected inside sales as a strategic option regarding CRM, entering the Value creation process (Payne 2008) would be the next step in case they choose to proceed. Current customers would be needed to be examined from the perspective of value indicators for both the customer and for Company X. Customers with small amounts or no design projects (Figure 12 **Product development projects**) indicate the purchases to be standard products or so close to standard that designer resources are not needed. These customers are described by Donaldson (2007) as those customers who have rather simple product range and rare needs for tailor-made solutions. Hence from the sales point of view, they are likely to value easiness of purchasing and quick availability of customer service or sales people if needed. This customer base is

interested in efficient buying procedures closely tied with technological advancements (Seley & Holloway 2009) which are charateristics of inside sales. Customers with high potential and /or complex product range require more attendance from the sales people and provide opportunities for mutual learning (Donaldson 2007). These customers should remain in the care of field sales as these customers require **visits** (Figure 13) and active communication for the learning relationship to evolve.

It is important to identify those customers who provide the company some other strategic value besides economic value (Storbacka, Sivula & Kaario 2000). At Company X's case, these customers can at present be identified through **customer classification** as found out from the interviews and customer data (Figure 9). Customers with the classification identifying that something qualitative is included, for example partnership or innovation, should be customers handled through field sales.

CRM tools require an addition describing if a customer belongs to inside sales, field sales or to both to ensure the quality and accurateness of customer data. The service model of inside and field sales cannot be strictly divided in all cases. It needs to be noted that with large customers, there are several on-going action lines. There can be routine purchases, product development and design services all occurring simultaneously, with different contact persons from both sides (Peppers & Rogers 2011). Naturally sales manager is aware of all events but not actively participating in all of them. Company X should analyze these customers carefully to detect who are the contact persons at the customers' side and who are the best suited people to serve these contact persons at Company X. It can be discovered that for some clients, all parties involved would benefit from having both inside and field sales manager co-working with the same customer. For this to succeed, it is absolutely crucial to have all CRM information up to date and to have regular updates between the two sales managers. As stated in benchmarking interview no. 2, insufficient sharing of information will cause difficulties. Having active communication within the whole sales organization is important also in the aspect that without communication, same customers could be pursued by both teams or

different product solutions offered to the same customers by both sales teams (Product manager, 2017).

Following the lines of Payne's (2008) five cross-functional CRM processes, the Information management process is one area of evaluation in the Company X's case. According to interviewees at Company X, information from all customer contact points is gathered at the moment. The other aspect of the Information management process (Payne 2008), using the gathered information to build a picture of current customers' customer experience, could be analyzed more in depth in case the customer satisfaction survey would be extended to a wider customer base. It was stated that Company X indirectly interviews only customers with annual purchases over 100 000 euros. Expanding the survey from time to time could give valuable information, even if it would not be executed as often as the regular interviews to bigger customers. As interviews at Company X revealed, CRM information is not actively checked for all parts at the moment. Payne (2008) stresses the quality of information, which includes how accurate and up to date the information is. Therefore all customer data should be checked before beginning any actions based on this information. Regular reviews on the collected customer data should also be timetabled to ensure that the quality and accuracy of data remains in the desired level.

The customer satisfaction survey was mentioned as a value indicator in interviews at Company X. This survey could be extended to smaller customers as a one-off survey to establish what their expectations on Company X are. In case the answers reflect the service model provided by inside sales, it would verify the perception based on current customer classification, which in turn is the starting point of dividing customer to inside and field sales regarding Company X. This relates to customer selection depending upon the company strategy (Cespedes 2014). An interesting aspect rising from the benchmarking interviews is that neither of the correspondents specifically stated customer satisfaction as a measurement of inside sales' performance. However, Company X should follow carefully customer satisfaction levels on those customers which

would be moved to inside sales to detect possible difficulties. Besides customer satisfaction survey, the amount of claims should be studied for analysis on whether the service model of inside or field sales would diminish the possibilities for further claims on similar occurrences. Customers who are at present often visited most likely require visits also in the future. Hence the amount of visits will give valuable information on which sales team the customer is more suitable for (Seley & Holloway 2009).

Every process requires attention on performance factors. In case inside sales function will be launched at Company X, indicators for employee and customer value, shareholder value and cost reduction need to be established (Payne 2008). For Company X, these could be:

Employee and customer value: Sales managers of both inside and field sales can be more focused on their line of expertize. This offers customers improved level of service. As customers receive most suitable service, it leads to stronger customer relationships (Seley & Holloway 2009). These results after dividing sales force to inside and field sales can be followed through customer satisfaction surveys and amount of sales. To some extent a proper division of work should be visible also in employee satisfaction surveys regarding sales managers, as they should be able to work more precisely with the appointed customer base and have more opportunities to utilize their skills and expertize.

Shareholder value: Having customers divided more specifically according to the service they require enables more predictability in forecasting sales and on sales personnel requirements (Seley & Holloway 2009). Company X can monitor this by comparing sales forecasting accuracy before and after adopting inside sales function as a part of the sales organization.

Cost reduction: Cost of sales can be calculated before beginning the function of inside sales, and then followed up regularly. Typically inside sales is conducted at very low cost of sales (Seley & Holloway 2009).

Some aspects of Social CRM (Greenberg 2010) are visible at Company X. Customer needs and strategic business objectives are being considered as they are contemplating on re-organizing sales to provide more accurate service. This re-organizing could present itself as improved levels of service and sales results. As stated in the interviews at Company X, CRM information is at the moment scattered to several different databases. In order to offer customers more positive experiences that engage them, which is one aspect of Social CRM, people who are in straight contact with the customer should have all the customer information easily available. Buttle (2009) emphasizes the importance of having CRM systems accessible regardless of the whereabouts of the sales person. Peppers and Rogers (2011) highlight that there should be the right CRM technology available to ensure that all customer information is easily input and readily available to all customer contact points. This is part of operational CRM described by Laudon and Laudon (2009). Therefore Company X should push to have this functionality available. It has significant meaning as it would improve sharing of information between inside and field sales and customer service. This aspect of sharing information in a learning organization has been described by Schein (2004). Inability to share information between inside and field sales was also detected as a challenge in the benchmarking interviews.

Peppers and Rogers (2011) have stated that technological advancements should be employed to build value in the customer base. Once the customer relationship has been established, all collected customer information should be gathered and interpreted in regard to how to best serve this particular customer. The importance of proper CRM metrics are again highlighted as the information from the CRM system is used as a basis for customer analysis. The aspect of a learning relationship with the customer (Peppers & Rogers 2011) at Company X can be ensured by further developing of present CRM tools to being more user-friendly and establishing clear checkpoints and times for customer data within the CRM tools. These procedures are likely to produce more data regarding the amount and accuracy of customer information. In order to utilize the data,

clear procedures on analyzing the gathered customer information have to be established.

Following the lines of Buttle's (2009) summary on value in the CRM point of view, possibly re-organizing sales force at Company X should mean for the customer that the benefits of receiving products or services are in balance with sacrifices made to acquire them. In case a customer belongs to inside sales, they are likely to need quick quotations and order confirmations to fairly standard products. As the inside sales team is prepared to act in a similar pace, both parties are pleased with the outcome. The same applies to customers with field sales approach. In case the whole purchasing process is in balance, customers are not likely to seek alternative suppliers (Buttle 2009).

As interviews at Company X stated, information on customer profitability is available in current CRM tools. This enables analyzing customers in the view of which customers to Get, Keep and Grow (Peppers & Rogers 2011). Before possible dividing customers to inside and field sales, the evaluation on which customers to pursue, retain, win back or eliminate should be made. These aspects are left as a recommendation for Company X for strategic decisionmaking later on in case they will proceed in re-organizing sales force. It can also be discovered which customers to upsell additional products or services. These aspects have been looked upon by Company X and indicated in customer classification, as revealed in the interviews. Before any customer division within the sales force, these issues have to be checked in order to have accurate data to base the decisions on. Customer retention efforts are among the most important information provided by CRM systems (Buttle & Maklan 2015). Therefore the input needed to provide high quality information into the CRM tools should not be underestimated.

From the recommendations regarding Company X and CRM, the following action points in Table 7 should be executed.

TABLE 7. CRM action points for Company X

CRM Action points for Company X

o Check customer information listed in Table 6
o Additions to CRM tools (fields for inside sales, field sales or both
o Timetable for regular customer information review
o Establish KPI's for inside and field sales, reflecting employee and customer value, shareholder value and targets of cost reduction
o Ensure easy access to CRM tools for all parties in contact with customers

At its best, CRM information will lead to correct strategic choices and create mutual value (Payne 2008). By directing customers appropriately to inside or field sales Company X will have the opportunity to improve customer satisfaction and to develop deep professionalism in both sales teams.

6.2   Sales management

Sales force was divided differently in the benchmarked companies. In the company regarding benchmarking interview no. 1, sales force was basically divided by services. In the company regarding benchmarking interview no. 2, division of sales force was mainly done by stages of customer engagement process (Zoltners, Sinha & Lorimer 2013). Despite of the different bases of customer division, they reported the same challenge of sharing enough information within the organization. It appeared apparent that both companies have been clear in communicating targets for inside sales teams, those being the amount of calls, contacts and sales in a certain period of time. These correspond at least to three aspects (specific, measurable, time-bound) of SMART-targets described by Nieminen and Tomperi (2008). Whether these targets are achievable and realistic would be visible by follow-up. Company X should set these targets carefully in case they proceed in dividing sales force to inside and field sales. Naturally the targets would be different for the two sales teams. For Company X well-established inside sales SMART-targets could be

Specific: Clear division of customers between inside and field sales. Besides clear responsibilities, this offers an opportunity to develop repeatable business processes. New sales people can be trained quickly and performance level easily monitored (Seley & Holloway 2009).

Measurable: By establishing clear metrics on what are the Key Performance Indicators (KPI's) of inside sales team, its performance can be evaluated. As these would have to be measurable, they could include amount of calls to new prospects, negotiations organized for field sales and orders or quotations handled per hour/day. These measurements have been used in the benchmarked companies and according to the interviewees provided useful data for performance assessment. These performance monitoring KPI aspects were mentioned in Payne's Performance assessment process (2008).

Achievable: When setting targets for inside sales, Company X has to ensure that inside sales is provided with proper tools and training to operate successfully (Cespedes 2014). The usage of technology in sales tasks has increased (Zoltners, Sinha & Lorimer 2013) and having lacks on either side of the participants can cause barrier to sales, as described by an interviewee from benchmarked company no. 2.

Realistic: Inside sales can typically handle large amounts of customers (Seley & Holloway 2009). The exact amount of customers per inside sales person is yet difficult to define. Company X could launch inside sales with one or few people and collect data of incident amounts per hour/day. These figures should then be compared to KPI's set for inside sales to evaluate both efficiency and effectiveness of inside sales (Zoltner et al. 2004).

Time-bound: Re-organizing sales force to inside and field sales entails that more customer prospects should be reached and current customers served in the same amount of time. At the possible launch of inside sales, Company X should retrieve from the CRM tools customer data on the amount of customer visits and other contact, and the amounts of order and

quotation handling. Both sales teams have to provide value for them to stay valuable (Zoltners, Sinha & Lorimer 2013). Hence in Company X, after possible re-organization, this same customer data should be updated regularly to see if field sales have been able to serve more customers or with better service quality, as inside sales has taken charge of some of their previous customers.

Having the proper tools and equipment for inside sales was considered important in the benchmarking interviews. Inside sales typically operates solely by telephone and online-tools (Seley & Holloway 2009). Therefore their functionality has to be secured. Company X specified in their task description for this Master's thesis that they would be interested in what type of training and tools launching an inside sales function requires. Inside sales should have access to all CRM tools to be able to view and update all customer related information. This will ensure for its part accuracy and quality of customer information (Payne 2008). This will also eliminate having shortages in sharing of customer information between inside and field sales, which was described as a difficulty in the benchmarking interview. The usage of online tools is a contemporary way to share information besides the usual marketing material vial email or mail. Company X could develop specialized marketing material for this purpose with some platform that is commonly used. Benchmarking interview no. 2 revealed that in case there is a mismatch with technical aspects between the company and the customer, it can cause difficulties in sharing of information.

One aspect of generating inside sales is responding to the needs of doing business remotely (Zoltners, Sinha & Lorimer 2013). Technological advancements have made it possible to utilize other purchasing channels in addition to telephone and email. Digitalization provides new channels of customer interaction (Gulati and Soni 2015). Company X could benefit from having real-time customer service in the form of a chat-option. This could be connected to inside sales as possible leads could be acquired through quick service on the spot. This service could be added to the company website and to the on-line purchasing tool. Chat-option, although

not being a pro-active tool, would also add to reaching more contacts per day. This was regarded a measurement of performance in the benchmarked companies.

At present customers are divided by sales managers, which all belong to sales teams. In case sales force will be further divided into inside and field sales, adjustments to present CRM tools have to be made to have fields indicating to which sales operation a certain customer belongs to. The customer base at Company X could be divided between inside and field sales in several ways. The current customer division is partially by geography, partially by industry segment. Other options described by Zoltner, Sinha and Lorimer (2013) are by products or services and stages of customer engagement process. Company X's customers could be analysed versioning these options as presented in Figure 16.

Premises for customer division for Company X

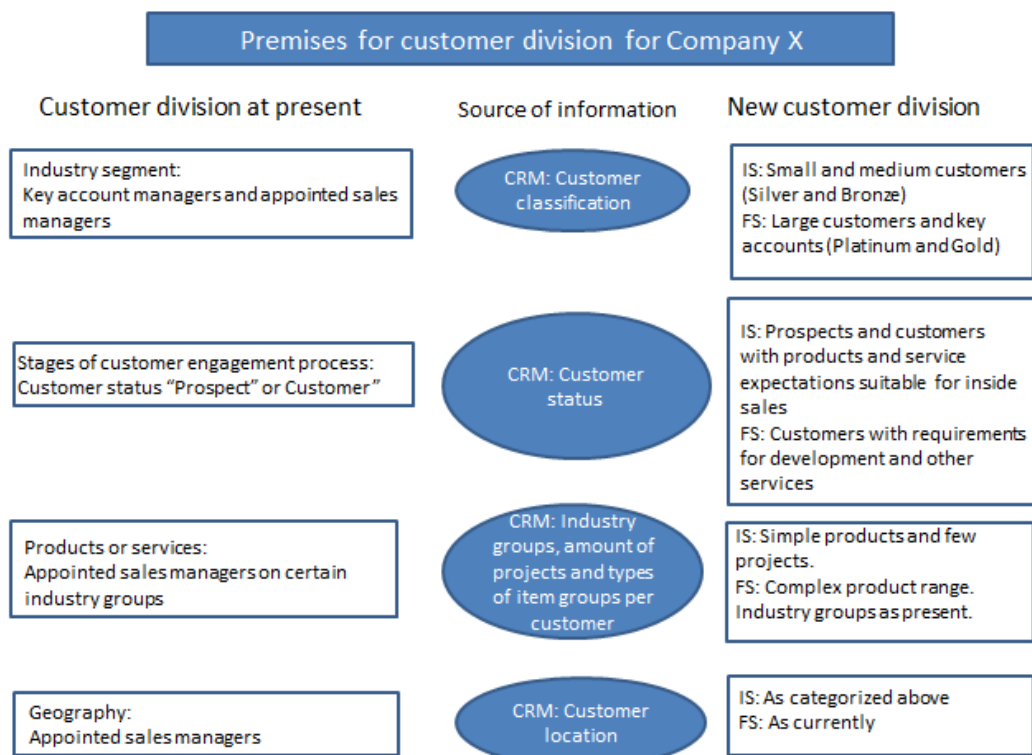| Customer division at present	Source of information	New customer division
Industry segment: Key account managers and appointed sales managers	CRM: Customer classification	IS: Small and medium customers (Silver and Bronze) FS: Large customers and key accounts (Platinum and Gold)
Stages of customer engagement process: Customer status "Prospect" or Customer"	CRM: Customer status	IS: Prospects and customers with products and service expectations suitable for inside sales FS: Customers with requirements for development and other services
Products or services: Appointed sales managers on certain industry groups	CRM: Industry groups, amount of projects and types of item groups per customer	IS: Simple products and few projects. FS: Complex product range. Industry groups as present.
Geography: Appointed sales managers	CRM: Customer location	IS: As categorized above FS: As currently

FIGURE 16 Premises for customer division for Company X.

From Figure 16 can be discovered that in order to establish how many customers would go to inside sales, the amounts per customer classification group need to be calculated. Depending on the amount of inside sales people, it can be evaluated can all small and medium customers be served through inside sales. Usually inside sales can handle more customers in relation to field sales (Seley & Holloway 2009). In Company X's case small and medium customers (customer classification groups Bronze and Silver) represent 96% of the customer base, so clearly not all of them can be transferred to inside sales. Also the amount of prospects and customers is important information. Typically prospects are handled through inside sales (Zoltners, Sinha & Lorimer 2013). The complexity of the product range per customer is an essential indicator of whether the customer would belong to inside or field sales (Zoltners, Sinha & Lorimer 2013). Company X can identify these factors by products per item groups per customer and the amount of product development projects. The geographical division of customers at present in Company X is preferable to remain the same for field sales, even though inside sales function would be launched. Serving customers of field sales profits from geographical proximity as those customers require visits.

TABLE 8. Products per item groups, divided by industry segments, including complexity distribution

| Products per item groups within industry segment | | | | | | | | | | | | |
Industry segment	10	20	40	50	60	70	80	90	100	Total	Easy	Complex
Alcohol & tobacco			3	9			28			40	30 %	70 %
Consumer & Industrial chemicals	1		53	226	24	25	351		1	681	41 %	59 %
Consumer electronics & EMS	1		37	235	13	28	410			724	38 %	62 %
Dairy			14	30	10	4	453			511	9 %	91 %
Food, confectionery & pet food	4		59	394	52	23	1610			2142	21 %	79 %
Low & non-alcoholic drinks			16	19			191			226	15 %	85 %
Merchants & sheet plants	54	14	4999	497	40	29	257		2	5892	94 %	6 %
Other	16		111	699	38	22	580		3	1469	56 %	44 %
Paper	2		40	211	7	6	213	140	72	691	37 %	63 %
Retail	7		25	139	20	11	118			320	53 %	47 %
Wood & furniture	17		37	77	6	1	59			197	66 %	34 %
Easy total	8046	62 %			Complex total:	4847	38 %					
Total	12893											

As can be seen from Table 8, the complexity level of item groups varies between **industry segments** (Table 4). In the view that inside sales will handle customers with simple product range (Zoltners, Sinha & Lorimer 2013), the customer division between inside and field sales per industry

segment is not that straighthforward for Company X. Most industry segments do not consist clearly of either easy or complex **item groups**. In case Company X decides to proceed re-organizing their sales force, the division has to be extended with the same method to industry sub-segments to find suitable entities for inside and field sales.

The aspect of customer buying preferences should be recognized as they are an essential part of analyzing the most suitable customers for inside sales (Zoltners, Sinha & Lorimer 2013). From Company X's order database can be discovered (Figure 15 **Origin of sales**), which orders have arrived through electronical channels. Company X should add to their CRM tools fields where can be marked the preferred purchasing channel. These fields can also be given a value in the analysis of detecting the correct sales function.

Division of customers for inside and field sales can be carried out by combining essential aspects of data. By linking information on item group complexity, customer classification, amount of projects (per year) and amount of customer visits (per year), the following formula presented in Table 9 can be put together. The criteria amounts of visits and projects and weight of relative values can be modified but this could be the beginning point. Company X already has all this information availablbe in their databases. For the future they would need to construct a report combining this information in one view.

TABLE 9. Customer division between sales teams

CUSTOMER DIVISION BETWEEN SALES TEAMS

Criteria:	Value:
More products from easy item groups	1
More products from difficult item groups	2
Customer classification Prospect, Silver & Bronze	1
Customer classification Platinum & Gold	2
Amount of projects less than 5	1
Amount of projects more than 5	2
Amount of visits less than 5	1
Amount of visits more than 5	2

Total value 4 ⟶ *INSIDE SALES*
Total value more than 4 ⟶ *INSIDE OR FIELD SALES*

Customer activity (Figures 10-11), **amount of customers and prospects** (Figure 8) and **amount of claims** (Figure 14) are available from Company X's CRM tools. The amount of customers and prospects is important when contemplating how many customers can be handled per sales manager, in inside or field sales. Attention should be first on active customers, then with consideration extended to unactive customers for possible comebacks. Activating customers is typically a task carried out by inside sales (Seley & Holloway 2009). The amount of claims should be analyzed in two dimensions regarding customer division to inside and field sales. The received claims for example from the past two years could be analyzed to possibly detect, are they caused by reasons related to service received. This can lead some customers to other sales function than otherwise indicated, as was discovered in benchmarking interview no. 2. The other dimension is that in case sales force will be re-organized, the amount of claims should be followed also per sales function. This will cause adding again more fields to present CRM tools.

In order to launch inside sales function successfully, Company X needs to pay special attention to employing the best candidate(s) for this position. There would be considerable advantage in case one or more of current sales managers would be appointed to this position, as they have prior information on products and company policies. However, as pointed out by Zoltners, Sinha and Lorimer (2013), the role of a field sales manager is often close to the requirements of being a key account manager. Hence this talent currently performed by Company X's sales managers might be more valuable remaining within field sales.

Action points on sales management for Company X are presented in Table 10.

TABLE 10. Sales management action points for Company X

Sales management action points for Company X

o Establish SMART-targets for inside sales
o Acquire tools needed for inside sales
o Provide training for inside sales people

o <u>Customer division between sales teams:</u> Analysis on main customer division criteria and create a report based on:
   o Product range complexity
   o Customer classification
   o Project amounts
   o Visit amounts
o Additional criteria:
   o Amount of claims and their root cause

o Regular follow-up on origin of sales development
o Add a new field to CRM tools: Preferred purchasing channel
o Customer satisfaction survey after the new sales organization has been operating for some time

Organizing sales force successfully presumes that decisions are based on accurate information and in line with strategic customer decisions. By combining information provided by the CRM tools and connecting them to analysis on customer behavior and expectations, Company X can detect which customers are best served through inside sales.

6.3   Change management

Re-organizing sales force requires active change management. As pointed out by Godson (2009), clear objectives and targets are important to both parties involved; employees and management. Especially concerning any change situation, it is important to clearly specify what is expected from each person. Objectives set by the management for the sales organization will give clarity in monitoring their performance (Robbins & Judge 2008). The performance of inside and field sales should be evaluated based on factors indicating both employee and customer value mentioned in Performance assessment process (Payne 2008). In case Company X will decide to divide sales force to inside and field sales, they are basically giving the field sales more capacity to deepen their customer relationships with increased amount of time to build focus. This will build relevance to their role in responding to demanding needs of varying customer expectations (Beerel 2009) and increase employee value (Payne 2008).

For Company X, following the Phases of Change Efforts (Pasmore 2015) has already moved on from understanding the need for change to the next phase of framing the change. Framing the change for possibly re-organizing sales force requires commitment from management to actively listen to the customers and current sales force on how customers could be served better. The importance of having sufficient participation in the decision-making was highlighted by Robbins and Judge (2008). Succeeding in the undertaking of change depends significantly on how well the set targets are being followed and corrective measures taken if needed. In case objectives are not achieved, management must react quickly. Even though the change period itself would run smoothly, it must be monitored that customers and sales managers remain in their appointed tasks in order to sustain the change.

It is fairly easy to define which concrete factors change if sales force is re-organized. These factors, for example customers per sales manager, can be considered as stable data (Peppers & Rogers 2011) that is easy to

measure and control. Part of change management should focus on adaptive data (Peppers & Rogers 2011) regarding working methods, customer satisfaction and employee observations on how to improve this new sales function to best serve Company X's business.

Besides gaining competitive advantage by offering more targeted service to customers, Company X can achieve positive organizational learning aspects from undertaking the change. In case current sales force is well added in when going into details of re-organizing customer base, their individual knowledge and competences are adding to organizational learning (Tuominen, Tuominen & Malmberg 2002). As Mills, Dye and Mills (2009) point out, handling change should first and foremost be a people process. Continuous improvement and development of personal skills will be achieved by monitoring specifically set targets for inside and field sales, and acting on any development requirements arising from them. Re-organizing sales force can be marketed as an opportunity to deepen professional skills by giving more time to communicate within certain customer base and providing more targeted training for both inside and field sales.

Management needs commitment to provide enough training for new sales people, or people transferring from field sales to inside sales. This will require resources from current sales force to ensure that all relevant customer info and practicalities is passed on. Training of inside sales requires also training of how to make quotations and input project and CRM information. Therefore change management effects other departments as well, besides sales department, as their resources are required for training purposes. This is part of the Multi-channel integration process described by Payne (2008). The process flow of inside sales in regard to close operations in Company X could be as illustrated in flow chart Figure 17.

Inside sales process flow chart

Inside sales manager (ISM)

Field sales manager (FSM)

Customer service

Designers

Investigating customer data

Contacting the customer

Quotation request

Easy

No action needs

Creating the quotation

Order

No order

Info saved to CRM

Visit needed

No order or quotation request

Difficult

Order

Handling the order

Info saved to CRM

Handling the order

Info saved to CRM

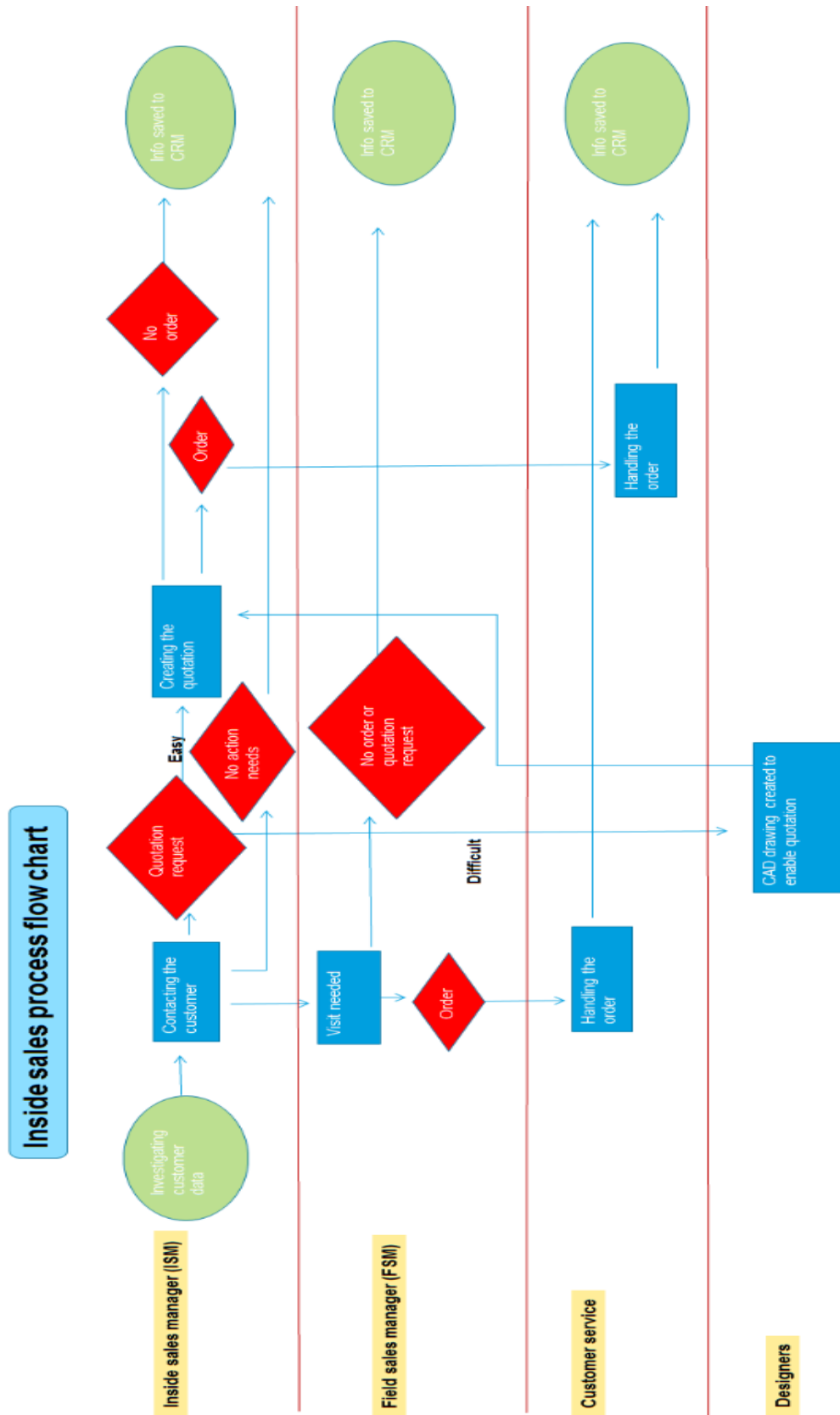CAD drawing created to enable quotation

FIGURE 17 Inside sales process flow chart

The above mentioned aspects are important managerial duties carried out during the change process. The aspect of leadership, with inspiring and motivating (Kotter 2014), should not be forgotten at any stage. Both aspects with managerial representing the tangible and leadership the visionary are equally important.

Action points on change management are presented in Table 11.

TABLE 11. Change management action points for Company X

Change management action points for Company X

- Communicate clearly objectives for every member of the sales organization
- Evaluate and communicate objectives to other parts of the organization in interaction with sales organization
- Reserve time to study and reflect on ideas from the current sales force on process and service improvement
- Reserve enough time for training
- Listen and observe carefully how customers, employees and financial results react to the change
- Strive to find aspects of organizational learning and communicate then forward to create positive atmosphere

7   CONCLUSIONS

The main research question for this Master's thesis was "***What factors contribute to operating inside sales successfully*?"** The performed research and theory review indicate that in order to properly conduct inside sales function, there are CRM and sales management issues that have to be considered. The division of customers between inside and field sales has to rise from the customer strategy. Correct division on customers is however a combination of customer expectations and the company's customer strategy. Sales management will acquire the needed information from CRM data for carrying out successful sales planning. The targets for inside sales have to be clearly defined and communicated. Active interaction with field sales is crucial for the sales organization as a whole to achieve successful results. Issues effecting the division of customers between inside and field sales teams are illustrated in Figure 18.

FIGURE 18 Issues effecting the division of customers between sales teams

The first supporting research question was "W*hat are the prerequisites for CRM tools for indicating correct customer division between inside and field sales?".* The CRM data has to be accurate and respond to the

requirements of the customer strategy. All CRM data has to be transparent to every part of the organization. This will provide better tools for communication and ease of work throughout the organization. CRM data should consist of qualitative and quantitative data, reflecting value indicators for both the company and the customer. These premises are the building blocks for sales management for customer division between inside and field sales.

The second supporting research question was *"How customers should be divided between inside and field sales functions?"* Customers directed to inside sales have to match the service model provided by inside sales. The correct division of customers between inside and field sales entails CRM data analysis on customer's stage of engagement and service expectations. Analysis on the customer's product portfolio and usage of designer services give valuable information on their service requirements. Combining relevant CRM data and customers's service requirements with a formula of weighted values will be an indicator of the correct sales function.

The third supporting research question was *"How inside sales people should be trained in order for them to perform inside sales work successfully?"* Based on the research results, inside sales work entails managing several aspects of sales work. These include pro-active work with prospects and current customers, creating quotations and closing sales with active CRM data production. Therefore training for all the mentioned aspects has to be carried out. Contacting customers by different means, using technology is essential in providing excellent service without leaving the office. The people performing inside sales have to be provided training to all the programmes they have to use in their daily work, which differs in some aspects on those used by field sales. Special attention should be given to training on present and possible new programmes, enabling effortless work flow.

The fourth research question was "*What management actions have to be considered when re-organizing sales?"* Based on the research,

management has to have carefully outlined targets for both sales teams. This will ease the transition for all parties involved. With these targets, needs for personal development are more visible. Development should not be limited to the sales organization but be enabled to the whole organization. As the re-organizing is founded on the customer strategy of the whole company, every part of the organization has to commit to the same target. Recognizing possibilities for organizational learning will add to the positive outcomes of the change. Change management entails managerial duties with specific tasks and aspects of leadership in terms of inspiring and motivating the personnel.

Research reliability is often used as an evaluation criterion (Eriksson & Kovalainen 2008). It refers to the evaluation on whether another researcher would end up with the same results (Maylor & Blackmon 2005). Reliability for this research was gained by having the used customer data clearly stated. In case this research would be repeated, the same sources of information would be used. The answers received from interviews within Company X and benchmarking interviews indicated clearly similar highlights in their own entities. This indicates that the same conclusions on relevant issues regarding inside sales would be detected by another researcher.

Research validity indicates the level of accuracy conducted in the research (Maylor & Blackmon 2005). Validity is constructed by having results which are supported by evidence and representing precisely the studied phenomenon (Eriksson & Kovalainen 2008). Research validity was achieved by precise reporting of all the used research methods. In addition, all the interviewees were sent the interview results, which they had the change to comment in case there were misunderstandings. This method of adding research validity is called member check (Eriksson & Kovalainen 2008). The interviews within Company X regarding the CRM tools could have been conducted as a group interview. This could have offered more information as the interview would have been more of an observation of a discussion between two CRM professionals. The questions asked from the interviewees were questions on the general

state of the company's CRM tools, besides Question 10. Therefore no extra value was gained by individual interviews. As the questions for the interviews were formulated before the recommendations were clear, at least one of them is not that relevant to the outcome of this research (Question 6 regarding profitability).

Limitations of this research are that the given recommendations have not been tested within the case company. At the beginning of this research project, it was in the research scope to test the given recommendations in the case company as inside sales function was about to be established. However, at the moment this organizational change is under re-evaluation. This uncontrollability of a case research has been recognized by Myers (2009). Therefore this research is limited to presenting recommendations for future purposes.

The utility of the research is one area of evaluation, regarding applicability of the findings of the research (Eds. Mills & Birks 2014). The recommended model of customer division can be utilized in other companies with fairly similar product or service structure. The research is not limited to specific customer amounts or the size of the sales organization.

Further research suggestions include research on issues that can be studied after the reorganizing of the sales force to inside and field sales has been done. Interesting issues would be differences in customer satisfaction and well-being at work of the sales people for inside and field sales teams. Regarding the case Company X, the effects of the reorganization would be interesting to analyze and develop further in respect of optimal customer amounts per sales person in both teams.

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Key account manager. 2017. Company Y. Real reference removed for anonymity reasons.

Product manager. 2017. Company X. Real reference removed for anonymity reasons.

Sales controller. 2017. Company X. Real reference removed for anonymity reasons.

APPENDICES

Appendix 1 Interviews at Company X

Interviews at Company X

Question 1: Can you describe what sorts of CRM tools are being used at the moment?

Question 2: Who has access to CRM tools?

Question 3: Who enters information to the CRM tools?

Question 4: How the data within the CRM tools is utilized at present?

Question 5: Are there any checkpoints on how accurate and up-to-date the data within the CRM system is?

Question 6: Can information on customer profitability be found through current CRM tools?

Question 7: Can information on customer satisfaction be found through current CRM tools?

Question 8: Are there any value indicators within current CRM information on the value the customer receives or the company receives from doing business together?

Question 9: Are there any indicators on the amount of work regularly done for this customer (how often the customer is contacted by the company or the customer contacts us, visits to the customer, projects, quotations, order handling etc.)?

Question 10: In your opinion, is there something missing from the current CRM tools?

Appendix 2 Benchmarking interviews

Benchmarking interviews

Question 1: For how long have you had inside sales function?

Question 2: What are the other sales functions at your company?

Question 3: By what method you have divided customers to inside and field sales?

Question 4: What type of service levels you currently have?

Question 5: How have you identified to which service level a customer belongs to?

Question 6: Can you give an example of what do you measure regarding inside sales' performance?

Question 7: What has been the most challenging aspect of inside sales function?

Question 8: How are inside sales processes connected to other business processes and strategy?

Question 9: Has there been specific challenges regarding co-operation of inside and field sales?

Question 10: What are the most important targets of your company's inside sales team?

Question 11: In your opinion, what are the most valuable tools for inside sales used daily?

Question 12: How do you share information on customers between sales teams?

Question 13: On what basis customer relationships are being analyzed before or after the sales?

Appendix 3 Customer, order and product data. 2017. Company X. Moved to hidden appendices for trade secret reasons.