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COMPETENCIES IN SUCCESSFUL CLIENT RELATIONSHIP MANAGEMENT

– Study of a relationship between a language
service company and strategic client

MASTER'S THESIS | ABSTRACT

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COMPETENCIES IN SUCCESSFUL CLIENT RELATIONSHIP MANAGEMENT

- A study of a relationship between a language service company and a strategic client

The commissioner of this thesis is one of the largest Finnish language service and solution providers. The industry has changed dramatically over the last five years and competition is fierce. Companies must find new ways to remain competitive. Research shows that competence management plays an important role in the success of a company. Effective use and management of competencies can provide a competitive advantage. The purpose of this thesis was to study the company's competencies and competence management from the perspective of strategic relationship management. Competence-related concepts were considered theoretically, and relevant competence management systems are presented. In the empirical part of the thesis, the same themes are discussed from the company's perspective and the purpose was to determine what kind of competence is needed to successfully manage strategic client relationships, and how to integrate competencies more effectively into the company's client relationship management process. The research methods included observation and six thematic interviews. The interviewees were from the production level, the middle and the top management. The research revealed that at different levels of the organization, the company strategy and the goals of the strategic customer relationship are understood differently. Client relationship management and competence management can be combined so that the client can be carefully studied and the goals defined. These must be in line with the company strategy. The next stage is competence mapping and ensuring that there is the necessary technological support for service production. All employees at the client interface must have sufficient information to successfully carry out their work and competencies must be part of the client relation metrics. The above process can be repeated at different stages of the client life cycle. The most important competence required in successful client relationships was client knowledge. In addition, technological competence is important. New competencies can be developed, for example, in service production through collaboration between different teams.

KEYWORDS:

Competence, competence management, strategy, client relationship management

Suonpää, Pia

OSAAMINEN MENESTYKSEKKÄÄSSÄ ASIAKASSUHTEESSA

- Tutkimus kielipalveluyrityksen ja strategisen asiakkuuden suhteesta

Työn tilaaja on suomalainen kielipalveluita ja kieleen liittyviä teknologisia ratkaisuja tuottava yritys. Kielipalveluala on muuttunut voimakkaasti viimeisten viiden vuoden aikana ja kilpailu on huomattavasti kovempaa kuin aiemmin. Kilpailukyvyyn säilyttämiseksi tarvitaan uusia keinoja. Tutkimuksen mukaan osaamisen johtamisella on tärkeä rooli yrityksen menestyksessä. Osaamisen tehokkaalla hyödyntämisellä ja johtamisella on mahdollista saavuttaa kilpailuetua. Tämän opinnäytetyön tarkoituksena oli tutkia yrityksen osaamista ja osaamisen johtamista strategisen asiakkuuden hallinnan näkökulmasta. Osaamiseen liittyviä käsitteitä pohdittiin teoreettisesta näkökulmasta sekä esiteltiin alan tutkimuskirjallisuudessa vaikuttavia osaamisen johtamisen malleja. Työn empiirisessä osassa näitä samoja teemoja käsiteltiin yrityksen näkökulmasta ja tarkoituksena oli selvittää, millaista osaamista tarvitaan strategisen asiakkuuden menestyksekkääseen hoitamiseen, ja miten osaaminen voitaisiin tehokkaammin integroida osaksi yrityksen asiakkuudenhallintaprosessia. Tutkimusmenetelmät olivat havainnointi ja kuusi teemahaastattelua. Haastateltavat olivat tuotantotasolta sekä keski- ja ylimmästä johdosta. Tutkimuksessa kävi ilmi, että organisaation eri tasoilla yrityksen strategia ja tutkimuksen kohteena olleen strategisen asiakkuuden tavoitteet ymmärretään eri tavoin. Asiakkuudenhallinta ja osaaminen voidaan yhdistää siten, että asiakkuuden elinkaaren alkuvaiheessa perehdytään asiakkaaseen huolellisesti sekä määritellään asiakkuuden tavoitteet, jotka myös sidotaan yrityksen strategiaan tavoitteisiin. Osaamiskartoituksen avulla sopivimmat tekijät sekä varmistetaan, että palvelutuotannolle on olemassa tarvittava teknologinen tuki. Kaikilla asiakasrajapinnassa olevilla on oltava riittävät tiedot oman vastuualueensa menestyksekkääseen hoitamiseen. Osaaminen on otettava osaksi asiakkuuden mittareita ja yllä oleva prosessi voidaan toistaa asiakkuuden eri vaiheissa. Asiakkuuden hallinnan kannalta tärkein tarvittava osaaminen oli asiakkuuskompetenssi, minkä lisäksi teknologinen osaaminen nousi esiin. Uutta osaamista on mahdollista kehittää muun muassa palvelutuotannossa eri tiimien välisen yhteistyön kautta.

ASIASANAT:

Osaaminen, osaamisen johtaminen, strategia, asiakkuudenhallinta

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LIST OF ABBREVIATIONS

CMS	Competence management system (Kimble et al. 2016)
JHS Recommendations	The Public Administration Recommendations
KIO	Knowledge intensive organization (Kimble et al. 2016)
KM	Knowledge management (Kimble et al. 2016)
KMS	Knowledge management system (Kimble et al. 2016)

1 INTRODUCTION

1.1 Background

Companies, such as the case company of this study, employ people whose skills and other characteristics are different. In many cases, the management teams of companies are not aware of the potential they have in their employees. However, research shows that competence management plays an important role in the success of a company. In addition to this, effective use and management of competencies can provide a competitive advantage

The case company is a medium-sized translation and language service company with a turnover of approximately 12.5 million euros and around 100 employees. The company produces versatile language services and language technology solutions for analyzing, processing, producing and managing spoken and written language. The company wishes to be at the forefront of digitalization, where discoverability and accessibility of information are key. The industry has changed dramatically over the last five years and competition is fierce. Therefore, companies are faced with a situation where they need to find new ways to remain competitive, and on many occasions, the source of competitive advantage comes from inside of the company.

The company has recently undergone an organizational change to better respond to the clients' needs and to maintain a solid position in the market. In order to secure the profitability of the business, the company's management has made a strategic decision to further develop the matrix organization into a competence-driven business. In short, this approach aims to ensure that the right people do the right things.

This change of approach described above has required and still requires the development of internal processes, especially those related to competence management. Work has already begun, but there is no finished model as yet. As the processes are developed, it is important to ensure that one of the company's key values, client-centeredness, is not left behind in this development.

1.2 Objectives and research problems

It is a well-known fact and supported by research that competencies and competence management have a significant part in any organization's performance and if used effectively, they provide a competitive advantage. In this study, we introduce some relevant theoretical perspectives to competencies and competence management and examine them empirically in the context of a chosen strategic client.

The main objective of this study is to consider which competencies are relevant for strategic client management, and how to integrate the company's competencies more effectively into client relationship management. The context of this study is a chosen strategic client in the public sector segment, where other clients include various government organizations ranging from ministries to universities.

Chapter 2 is dedicated to examining the notions of competence, core competence and competence management from a theoretical point of view, while in Chapter 3, the focus will be on the chosen strategic client relationship and on the competencies required to achieve the best possible result from this particular relationship. In addition to mapping out the competencies and considering the possibilities for managing them effectively, it is important to investigate how different people, from the top management to the production level, understand the strategic value of this client to the company.

The last chapter summarizes the most significant points and findings of this thesis, and provides some suggestions for further developing and implementing the competence-based client relationship management process.

1.3 Methodology

The data for this research has been collated from the company's documentation, and gathered during participant observation and from thematic interviews. These methods will be briefly introduced in the following chapters.

1.3.1 Documentation

As an employee of the case company, it was possible to examine internal minutes from meetings, plans and emails, in addition to planning documents. According to Yin (2014, 106), the main strengths examining company documentation is that they are stable and can be looked at frequently. Documentation is not based on assumptions because it has not been created as a result of the case study. In addition, it is specific because it may contain precise information such as names and references as well as details of events. However, as a means of research examining documents has some weaknesses: namely that it may be difficult to locate relevant documents and they may not necessarily be complete (Yin 2014, 106).

The documentation used for the empirical part of this research consists of emails, planning documents, competence classifications, as well as the draft of the company's strategy and vision. To more depth and to explore the context for the documentation, participant observation was chosen as a method and this will be covered in the next chapter.

1.3.2 Participant observation

Participant observation is a mode of observation, in which the researcher is an active observer and may assume different roles and participate in actions that are being examined. Observation may take place in communities and the roles can vary from engaging in casual social exchanges to organising functional activities in the community (Yin 2014, 115). In this study, the community is the case company, and the social exchanges are informal discussions with the company's employees at various functional levels, while the observed functional activities are meetings organised specifically to discuss the research topic of this study.

This main benefit of this method is that it offers various opportunities for data collection and provides access to various sources of information, and as an employee of the company it is possible to bring an "insider's" viewpoint to the study (Yin 2014, 116-117). Yin (2014, 117) notes that a potential challenge with this method is that the observer does not necessarily have enough time to ask relevant questions during the

meetings and discussions (Yin 2014, 116-117). This is why theme interviews were also used to broaden the data even further.

1.3.3 Theme interviews

In the previous chapter, we saw that using participant observation as a research method, data could be obtained during discussions. The main difference between a discussion and an interview, according to Hirsjärvi and Hurme (2011, 42), is that an interview is a discussion with a specific, pre-defined purpose, while a discussion can be often be informal, and even though it offers an opportunity to gather data, data collection is not its main objective. An interview specifically aims at getting information and therefore is a goal-oriented action and has pre-defined objectives (Hirsjärvi and Hurme 2011, 42).

There are various types of interviews used in academic research. They may be structured questionnaire-based interviews, or unstructured, conversation-like interviews. The choice of interview depends on what the researcher intends to do with the data (for example testing hypothesis etc.) (Hirsjärvi & Hurme 2011, 45).

Thematic interviews are useful when the main objective is to find new hypothesis and not to test them, and when the interest lies in the characteristics of a phenomenon. The themes of the interview arise from the theory and academic research related to the research topic (Hirsjärvi & Hurme 2011, 66). The number of interviews to be carried out is not significant because typically the main objective is to get an understanding of a phenomenon rather than to make statistical generalizations. Interviewing only a few people may result in obtaining some significant data (Hirsjärvi & Hurme 2011, 58-59).

Thematic interviews give the interviewees a chance to provide answers and describe things in their own words. The interview moves from one theme to another, and it is not bound to qualitative or quantitative research. This type of interview takes into account the fact that people see things differently from their own viewpoints and situation (Hirsjärvi & Hurme 2011, 48, 66-67).

We carried out six interviews at all levels of the organization, ranging from the service coordinator of the language service team to the middle and the top management. The top management team consists of the chief executive officer, the service director and the client relationship director, and the middle management team includes a service manager and service supervisor. All the interviewees have been involved with the client

used as the context for this study. This allowed the researcher to form an understanding of competencies and competence management, and what is needed for creating a usable process for a competence-based form of client relationship management. All the interviews were recorded to ensure that all the nuances and details had been captured. The data was analysed according to themes so that the key points of each interview were listed in a table, which allowed us to compare the views of the interviewees.

2 PERSPECTIVES ON COMPETENCIES AND COMPETENCE MANAGEMENT

Competencies have been widely explored by academics, and as stated by Hong, Lehtonen and Ståhle (2011, 2-3), the main lines of research have been “outside in” and “inside out” perspectives. In the first, the emphasis is on taking advantage of the market opportunities and market positioning (based for instance on competitive forces, see, e.g. Porter 2016, whereas the latter focuses on resources such as competencies and knowledge, that are indispensable for maintaining a competitive advantage. There has been a growing interest in the research examining the crossing and dynamics of these previously mentioned lines of research, as stated by Hong, Lehtonen and Ståhle (2011, 2-3). However, in this research the focus will remain on the “inside out” perspective and the role it plays in client relationship management.

2.1 Competencies and core competencies

Firstly, the main aim of this chapter is to define what competencies are and, secondly how they differ from core competencies. Thirdly, we aim at explaining, why they play a significant role in the company's performance.

When looking into the concept of a competence, the tendency is to link it with skills, for example language skills or communication skills. However, it is more complex than that; the usage of competencies requires a particular context or situation. According to Kimble et. al., (2016, 1121), competencies are capabilities that are needed in carrying out tasks in a concrete situation. Berio and Harzallah (2005, 21) share this view, and define a competency as a way to make use of some knowledge, know-how and attitudes in a particular circumstance.

It is also possible to divide competencies into 1) operational competencies, 2) supporting competencies and 3) strategic competencies (JUHTA 2015, recommendation 179, annex 2, 3). Operational competencies are required for producing certain services, whereas supporting competencies (for example ICT competencies) enable production of those services; strategic competencies are needed for achieving the organization's strategic objectives. Strategic competencies can be classified further: distinctive

competencies make the organization different from other players in the field, as it is the only organization to have those competencies; while threshold competencies, or capabilities, are strategically indispensable for the company; and finally dynamic competencies help to change other competencies in order to achieve strategic objectives (JUHTA 2015, Recommendation 179, annex 2, 3-5).

Kimble et al. (2016, 1120) also suggest that competencies can be considered as a form of shared knowledge, which, in the form of technical, cognitive as well as organizational skills, have a direct effect on the performance of a knowledge-intensive organization (KIO). This is supported by the widely known definition of the concept of competency, which can be considered as a characteristic of an individual, leading to, or causing greater or more effective work performance (Pharalad & Hamel 1990, 79-91).

As mentioned previously, competencies consist of commonly understood, shared knowledge, skills and behaviours linked to a particular situation, but they can also be defined at different levels of granularity depending on the type of work that is being carried out (Kimble et al. 2016, 1121). Furthermore, Kimble et al. (2016, 1121) state that competencies are divisible into different sub-competencies that can be broken down into further sub-competencies. In other words, competencies form a hierarchy (Oiva 2007, 68).

Competencies may be simple integrations of individual resources, with a resource being an individual member of staff, according to our interpretation. Simple competencies are connected to the performance of individual tasks, and a set of competencies, knowledge and technological skills of a member of staff are integrated into the infrastructure and processes of the organization. Furthermore, competencies form complex clusters related to the organization's overall performance. In these clusters simple competencies are further integrated across the organization's divisions, and they become harder to reproduce.

Competencies at the highest level in the previously mentioned hierarchy can, in fact, be considered as the organization's competency (Oiva 2007, 68-69). This leads us to look into the concept of core competence. Prahalad and Hamel (1990, 77-91) firstly introduced the concept of core competence in 1990 as the following: "the collective learning in the organization, especially how to coordinate diverse production skills and integrate multiple streams of technologies". Hong et al., (2011, 7) conclude that with the concept of core-competence, the emphasis is on the company's competencies and they

form the basis for a sustainable competitive advantage leading to the company's growth. In order to achieve company objectives, the company's vision must be broken down to core competencies. This takes place in the company's strategic planning and takes into consideration the company's existing pool of knowledge (Laakso-Manninen & Viitala 2007, 44).

Core competencies are also a link to the future, because the identification of the core competencies comprises the company's mission and vision, particularly a plan of the company's tasks in a chosen future. The vision provides an idea of the client needs that the competencies will be built on, and it is crucial that the company has got a clear understanding of its core competencies in relation to the market opportunities (Laakso-Manninen & Viitala 2007, 34).

Core competencies are very difficult to copy, because they are founded on knowledge, skills and processes developed over a longer time into effective combinations in a particular organizational context (Laakso-Manninen & Viitala 2007, 34). They form a source of competitive advantage, and they may give the company access to wider markets and contribute significantly to the client benefits of the end product (Prahalad & Hamel (1990, 79-91). Core competencies should be founded on knowledge about clients and markets rather than on product groups, choices in technology or market segments (Laakso-Manninen & Viitala 2007, 30). Prahalad and Hamel (1994) suggest that the company should ask itself these four questions to maintain its competitive advantage:

1. Where are we now with our core competencies and which *new* competencies should be acquired or built in order to expand or protect the current market?
2. Do we have the opportunity to improve our market position by better using our current core competencies?
3. Which new competencies do we need to be part of the most promising markets of the future?
4. Which new products and/ or industries can we develop in the future by combining our current competencies with new competencies?

If the company is able to provide answers to the above questions, it probably has successfully defined its strategy and strategic objectives. Berio and Harzallah (2005, 24) state, that when examining the company's performance, there is a clear link between competencies and the objectives that the company is aiming to achieve.

To conclude, competence consists of specific skills which are applicable according to changing circumstances as well as behavioural aptitudes that help with controlling the use of skills. Competencies and core competencies should be linked to the organization's vision, which, on a concrete level, means that a competent individual or employee knows what is required from her/him in changing situations in relation to the company's market opportunities. Furthermore, competencies form hierarchies, and on the top level are the organization's competencies, the core competencies. These encompass aspects such as shared knowledge across different divisions, processes and technical resources, which are difficult to copy, and therefore make the company more competitive compared to other businesses in the market.

As also stated by Berio and Harzallah (2005, 24), competencies should be correctly described and recorded, in which case, it is possible to assess them. In other words, there is a need for a competence management process, which will be examined in the next chapter.

2.2 Competence management

The main objective of this chapter is to define the concept of competence management, to provide arguments why this area plays a significant role in implementing the corporate vision and strategy, and finally, to shed light on different aspects of the competence management process.

This concept has been covered broadly in academic research from wide ranging approaches such as the learning organization, intellectual capital management, individual competence and skills management, as well as competence-based strategic management (Laakso-Manninen & Viitala 2007, 9). According to Hong et Al. (10), the main forms of current competence management are individual competence management and corporate-wide strategic competence management. The focus in this research will be on the corporate-wide strategic competence management processes.

Competence management is a process that consists of different factors, ranging from individuals' skills and knowledge to company-wide aspects. Kimble et al. (2016, 1121) also add that competence management is concerned with the better usage of skills and knowledge within an organization. There is a pool of knowledge, in addition to

competencies and core-competencies that should be leveraged to achieve success, and without a well-defined process, this would be rather challenging.

An adequate starting point for the competence management process would be the creation of job descriptions which are in line with the company's vision. In order for the corporate vision to be achieved, it is vital that a company has a human resource development system that supports the implantation and company-wide communication of the vision. Once this system is in place, there is a clear direction for the company and individuals working in it (Laakso-Manninen & Viitala (2007, 17). The job descriptions should be broken into competencies, which should be correctly and completely described, which would also make their assessment possible (Berio & Harzallah 2005, 24).

The next step would be recording the competencies in a database, which may well be one of the key factors in achieving a competitive advantage. Computer-based systems are useful for structuring and storing information and may lead to reduction in the cost of coordination and knowledge transfer. A competence management system is like an "organizational memory", which contains information about the where and how the knowledge has been obtained, the context it has been used in, documents and best practice (Kimble et al. (2016, 1122; see also Janicot & Mignon 2012.) Colucci, et al. (2011, 1368) introduce a concept of "competence warehouse", which is formed by the company's employees, and is available for production of goods, in our case, services. The employees of the company have been profiled, and their competencies have been stored as formal descriptions in an *ontology*, defined as following:

[...] *a formal definition of concepts and their relationships, related to a domain of interest.* "Formal" means in a language with well-defined syntax and semantics which can be processed by computer programs (Busse et al. 2015, 31).

Table 1 illustrates the concept of ontology:

Table 1. Example of an ontology (Kimble et al. 2016, 1125)

Term	Meaning
Competency	Describes an ontology instantiation defined specifically to represent domain competencies
Entity	A representation of an abstract knowledge element
Entity type	An instance of an ontology of the type “entity type” used to categories entities
Evidence	An element that assigns a value to the reliability of a skill
Evidence metric	Application of a given metric to a specific piece of evidence
Evidence type	An instance of an ontology of the type “evidence type” for the categorization of evidence.
Metric	Generic metrics (evaluation measures) used to classify
Ontology	The basic elements for the representation of entities and their semantic relationships
Ontology relationship	Represents a relationship between two ontologies
Ontology type	A logical group of ontologies with similar characteristics
Owner	Entities that certify and/or belong to a given piece of evidence
Skill	Represents the relationship between two competencies from different types and its application to a specific entity
Skill metric	The application of a given metric to a specific skill

Why is it important to manage and evaluate competencies? Especially in larger organizations, it is often likely that there is no clear awareness what kind of competencies there are available and, therefore, it is impossible to make the best use of them in new situations, or define which new competencies must be developed or acquired (Laakso-Manninen & Viitala 2007, 53).

The definition, or mapping of competencies plays an important role in allocating tasks to the right employees as we have previously stated in this research. In this chapter, we introduce automation-supported systems as well as a discussion-based method.

Based on the formal descriptions of competencies, an automated system supports the mapping of the definition of competencies and the allocation of tasks to the right individuals, which has a positive effect on the company’s performance (Colucci et al. 2011, 1368-1369).

Berio and Harzallah (2005, 22) introduce an architecture for managing competencies. The architecture includes four integrated processes, which are 1) competence identification, 2) competence assessment, 3) competence acquisition and 4) competence usage (Berio & Harzallah 2005, 22-23).

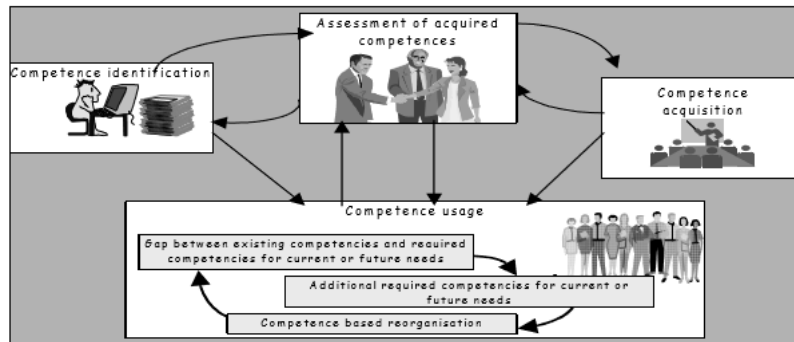


Figure 1. Competence management process architecture (Berio & Harzallah 2005, 22).

The process of competence identification consists of defining the competencies for specific tasks or strategies required now or in the future, and how the competencies are represented. The process of assessment is about defining how to evaluate employees directly. It also consists of deciding when a certain competence or competencies have been acquired. Furthermore, this process represents the relationship between the required competencies and employees, in other words, how the individuals, or the company itself match the competencies required for a certain task.

The acquisition process assists with deciding when and how to obtain further competencies. Finally, the usage of competencies is for leveraging the information resulting the competence identification, assessment and acquisition processes. The aim is to define gaps in relation to the required competencies; and how to fill in these gaps: for example, whether employees need further training, or if there is a need to find employees who possess the right kind of set of competencies (Berio & Harzallah 2005, 22, 25).

According to Colucci et al. (2011, 1368), competence management requires automated knowledge-based services to fully benefit the company's competency. In this case, it is essential that the company has a *knowledge inventory*, where employees have been profiled in terms of their competences and stored as formal descriptions in an ontology. A system of this kind assists the company management with decisions concerning different aspects of competence management, including the allocation of human resources, planning training programmes and core competence evaluation. Once profiles of the staff have been stored as formal descriptions in an ontology, it is possible to provide automatic allocation suggestions that are based on the *semantic similarity* between the profile and the task, which has to be presented as a formal description according to the same ontology (Coluccio et al. 2011, 1368-1369).

In terms of core competencies, the definition may be more challenging because of the intangible nature of it, and because it is rather difficult to formally describe them. There are two possible methods for identifying core competencies: *automated core competence extraction* and *target core competence reaching evaluation*. The first aims at identifying a common expertise in a significant share of company's employees with a degree of coverage defined by the company management (Coluccio et al. 2011, 1370). The objective of the second method is to assess if the company is in possession of a specified core competence, a target competence. In this method, an algorithm performs a subsumption check for each profile description stored in the ontology to determine how many of the company's employees have the target competence. If the target competence is not found, there is also a possibility in the system for an explanation for why this is the case (Coluccio et al. 2011, 1370-1371).

Knowledge, in general may be, according to Kimble et al. (2016, 1119) either explicit, transmittable in formal systemic language, or tacit knowledge, which is difficult to communicate and hence creates difficulties for computer-based systems. As we have previously seen, competencies are, or should be measurable, and Laakso-Manninen and Viitala (2007, 56) note that the measurement must be transparent and seen as fair, as well as the variables measured commonly considered important and consider well defined key areas.

Moreover, Laakso-Manninen and Viitala (2007, 55-59) suggest that competencies should be classified so the skills the staff have, are broken into different competence areas, for example, client expertise, operations expertise and production process expertise, which could then be evaluated against a defined levels of expertise (such as satisfactory, good, excellent). When evaluating competencies, it would be useful to consider whether an individual has other skills, in addition to expertise in the relevant competence, that may add value to task field the person works in. The individual competencies should also be in line with the company's core competencies (Laakso-Manninen & Viitala 2007, 55-59).

Mapping competencies could be a useful tool for the company to gain an understanding of the competencies it has in different divisions and to visualise them effectively. Competencies may be mapped and assessed using a so-called white paper technique, which is a discussion on the competencies covering the company's vision and strategy or by identification techniques that name and classify competencies. Another aspect to consider is a comparison of the competencies with the company's strategic objectives.

This exercise is time-consuming, and therefore it would be useful to limit the mapping process to a certain extent, making sure the mapping is suitable for its objectives and that the results are usable (Laakso-Manninen & Viitala 2007, 55-59). Figure 2 demonstrates an example of the classification that can be used as a basis for mapping and further developing the competencies in the company.

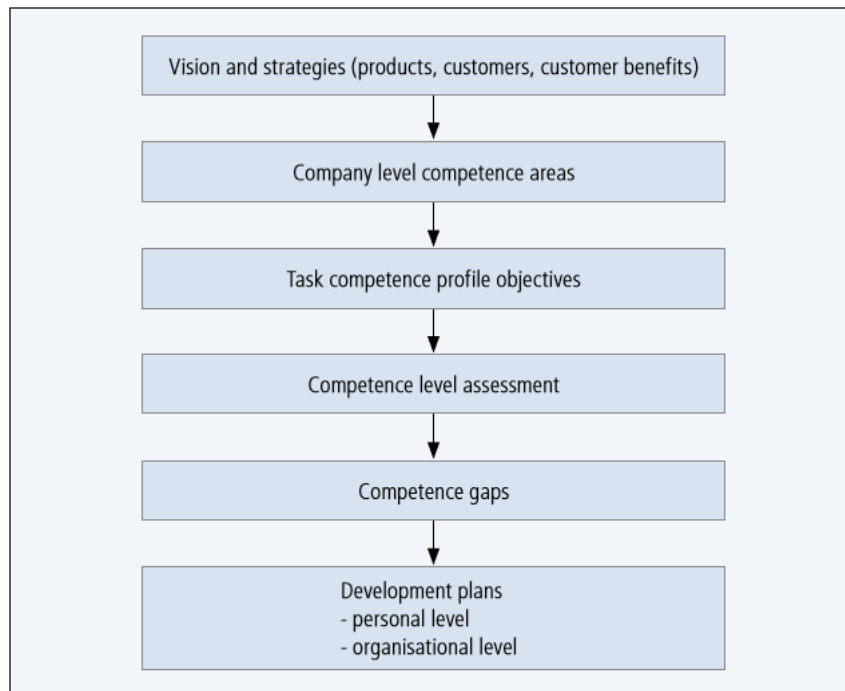


Figure 2. Process for mapping and developing competencies (Laakso-Manninen & Viitala 2007, 59; see also Hätönen 1999).

To sum up, both automated competence management systems and the discussion-based mapping of competencies necessitate that job descriptions, skills and competencies have been recorded so that they can be measured adequately. Discussions, or the white paper method, is more time consuming than a process based on an ontology, but it more useful when analysing competencies containing aspects of tacit knowledge.

It is not always possible to match tasks with individuals possessing *exactly* the required set of competencies no matter how the competencies are identified, evaluated or visualised. The mismatch between the existing competencies and the competencies needed for carrying out a task can be seen as a gap. Colucci et al. (2011, 1369-1370) suggest that the gaps that can be identified “in between” the competencies actually represent an opportunity to achieve new competencies through further training, or even out-sourcing. Competence development is important not only from strategic perspective,

but also from the viewpoint of allocating resources. Spotting those competence areas that require further development and resources from the management is crucial (Laakso-Manninen & Viitala 2007, 53).

Because in the empiric part of this study we examine a public organization, it is important to present competence management, and particularly the competence development process defined in the JHS Recommendation 179. The Public Administration Recommendations (JHS recommendations) give guidelines for information management for public administration (both governmental and municipal) organizations. The goal of the JHS system is to develop the interoperability of information systems and the compatibility of data in them, to assist cross-sector process development and to encourage more efficient use of existing data. (JHS-Public Administration Recommendations).

Figure 3 illustrates this process connecting competencies to different levels of operations of an organization: daily routines, operational, tactics and strategic level.



Figure 3. Competence development (Adapted from JHS Recommendation 179, annex 2, 2015, 5).

As previously seen, competencies and core competencies are key factors in companies' success. Every client or client segment is different, and, therefore there is a lot of variation in terms of the competencies required for the production of company goods or services. It is actually the client who defines what is needed competence-wise. From the

inside-out perspective, the key is to compare the existing pool of competencies to the client's needs and to make use of the existing competencies that have been previously proven successful. In case there are gaps, there is an opportunity for the organization to learn and acquire new competencies, for example through training, recruitment or outsourcing. It is therefore possible to draw a conclusion that client management process is a significant context for competence management and specifically competence development. One of the key core competencies that develop during the client relationship management is the client knowledge competence, which in this study is considered as a core competence. (Berio & Harzallah 2005, 22, 25; Laakso-Manninen & Viitala 2007, 44.)

Prahalad and Hamel (1990) discussed client knowledge competence in their research: they found it is unique and cannot be imitated and that the generation of client knowledge is an integral part of the organization's cognitive and internal activities and for that reason it cannot be easily observed from outside. According to Campbell (2011, 376-377), client knowledge competence results from the combination of four organizational processes: 1) a client knowledge process; 2) the Marketing-IT (information technology) interface; 3) top management participation; and 4) the employee assessment and reward systems. These processes are connected to each other. The generation of client knowledge is related to the set of behavioural activities that generate and integrate client knowledge into the company's marketing operations, and the marketing-IT interface refers to the process where marketing and IT interact and cooperate with one another. The role of top management is to actively support the generation and integration of client knowledge within the entire organization. Employee assessment and reward systems ensure that the employees' behaviour is connected to the key objective of generating and integrating client knowledge into the company's market strategy (Campbell 2011, 376-377).

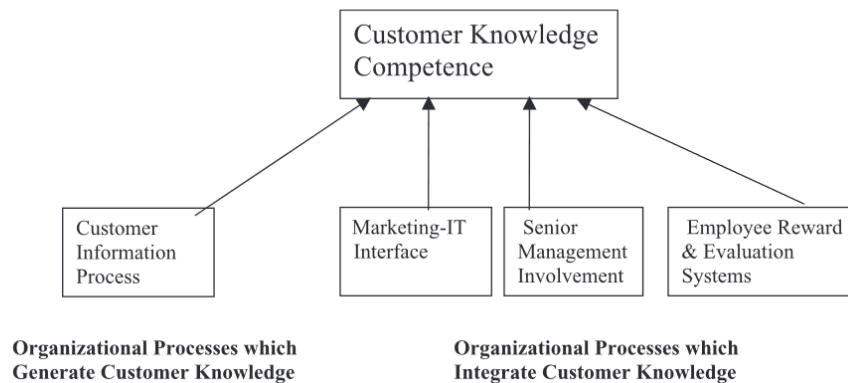


Figure 4. Conceptualization of client knowledge competence (Campbell (2011, 377)).

Client relationship management can be examined from the perspective of a client life cycle model. Kumar et al. (2013, 278) divide the client life cycle into three stages: acquiring clients, increasing the value of clients and finally, retaining good customers. The model used in this study splits the stages into acquirement, taking over the relationship, development and retention. The value of the relationship starts to increase significantly during the development stage and remains fairly stable for the rest of the duration of the client life cycle (Mäntyneva 2001, 17). This model will form the basis for the client and competence management model which is the objective of this study. It will be interesting to examine how the competencies develop and are managed at each of the stages of this model.

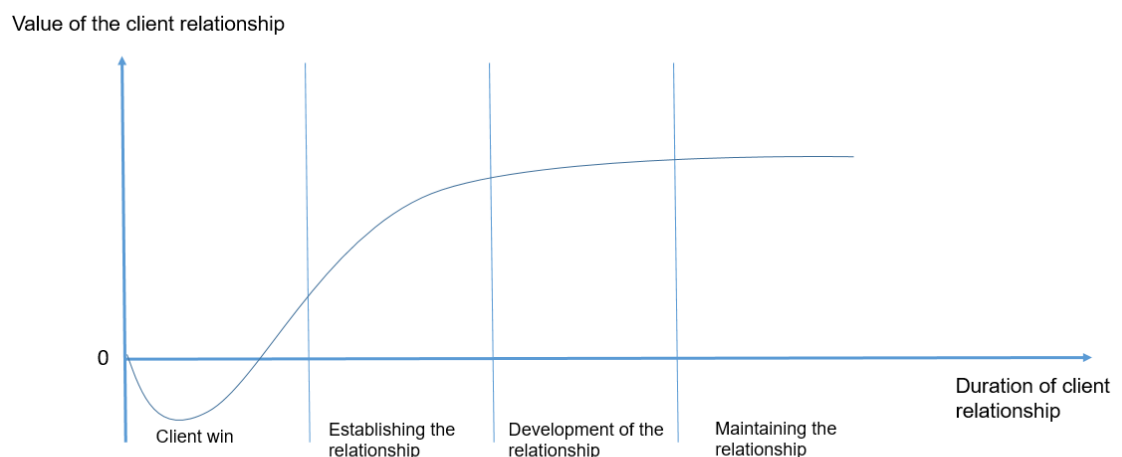


Figure 5. Client life cycle (Adapted from Mäntyneva 2001, 17).

How can the the relevant competencies for the needs of a particular client be recognised? According to JUHTA (2015, recommendation 179, annex 2, 3), the first step would be the identification of the service offering and organizational processes. Competencies are key in the production of services to the client, and organizational processes are important because they form competencies alongside the company's resources, such as information systems (JUHTA 2015, recommendation 179, annex 2, 3.)

Moreover, it is possible to study the connection between services and competencies on the client level. Figure 6. shows the structure of the entire offering. The inner circle represents the core elements of the services and the company's own competencies and resources needed for the production. The next level consists of the business support services and the competencies and internal and external resources required for them, while the outer circle is for illustrating the complementary services connected to the internal and external competencies and resources. In the empiric part, we will use and apply this model for the case company.

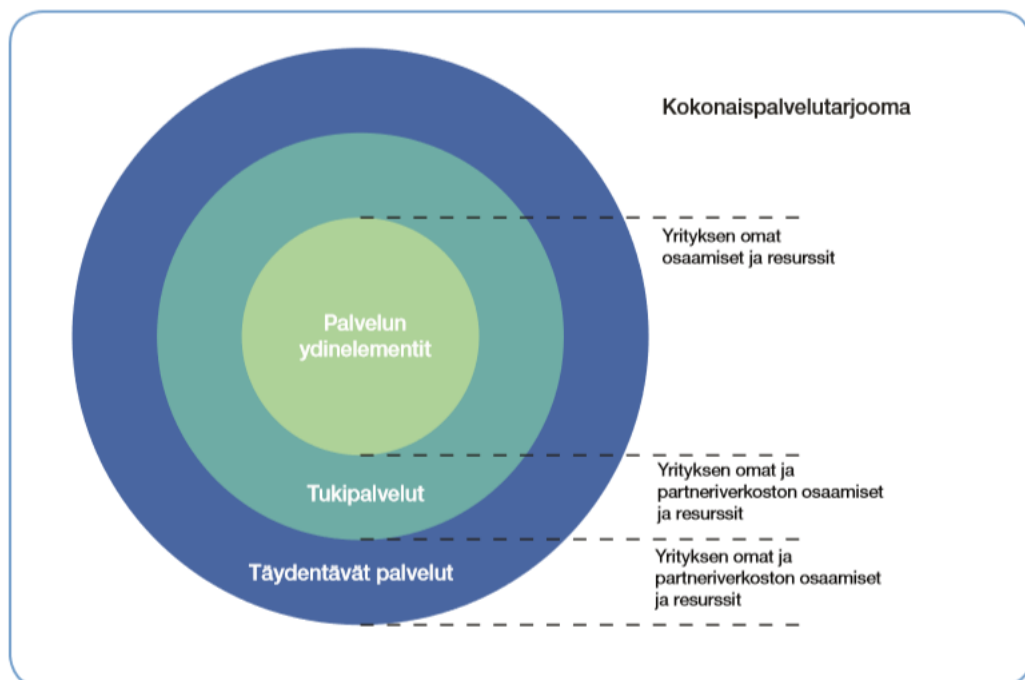


Figure 6. The offering and related competencies (Valkokari et al. 2014, 19).

3 COMPETENCIES IN A STRATEGIC CLIENT RELATIONSHIP

Through the previously presented literary review forming the theoretical framework of this study, we have already seen that competencies may be defined in many possible ways, and there is a great deal of variation in competence management practices. It was already noted in the introduction that the case company is aiming to become a competence-based organization, and has started planning and partly executing this in practice by creating a semantic-driven database for all of its employees that, in addition to listing the name and contact details, contains information regarding the employee's competencies. The work is still in progress, but it is vital to consider the client relationship already at this point to ensure that the competencies will be used adequately.

One of the key objectives of this study is to examine competencies in the context of a strategic client relationship. The client chosen for this study is a major Finnish public organization to whom our company provides a wide range of services from traditional translations to content creation and language technology solutions. What makes this client strategic and unique is that the services originate from not only one, but different functions of the company, and this aspect leads to the need for different competencies. This creates several opportunities for exchanging and developing competencies internally and hence to generate competitive advantages for the company.

Despite the fact that the case client is a public organization and the information regarding translation and other services is publicly available, the name will not be disclosed because the following content may reveal parts of the production processes, which our company does not wish to unveil.

The following chapters will study the competencies and competence management as well as client relationship management in practice, and the main aim is to determine the competencies that are required for effectively serving the client, and how the competencies and client relationship should be managed. However, as seen in Chapter 2, a company's competence management should be linked to its strategic objectives. Hence, it is necessary to explore what kind of views and conceptions there are about this topic in the company. This will also be dealt with in the following chapter.

3.1 Understanding strategy in the client relationship

Because the chosen client has been identified as a strategic for the case company, it was important to find out how this is understood amongst the interviewees. The views of the members of the management team, including both middle and top management, combined the client perspective with the company's service offering. It was clearly noted that what the client does and the role it has as the main driver of digitalization in Finnish society, was the most important reason for why the client is strategically significant for the business.

Furthermore, the management team brought up the fact that from the strategy's point of view, it was also significant that the company's offering includes traditional language services, such as translations, but also technological solutions, which need to correspond to the client's role in the digitalization process in our society. Moreover, the interviewees of both middle and top management team recognized that a long-term contract with the client as well as a large turnover had an effect on why the client is strategically important for the company.

The employee-level interviewees shared the view that it was important that the company provides a wide range of services, and not just translations, but the client's perspective was not brought up. However, it is not possible to assume solely on the basis of this interview that the client's perspective and the significance in Finnish society were not understood.

In terms of executing the company's strategy through this client relationship, the interviewees' views varied significantly. On the employee-level, there was no clear understanding of the strategy at all, while the interviewees belonging to the middle management had a more elaborate understanding. According to the interviewees, the production of services and solutions that other companies in this market do not have and the role as a full-service language management company materialize through this client relationship. The top management team, on the contrary, brought up the client's strategy as the main driver of the digitalization of Finnish society: and that language is essential in this process. When the company offers wide-ranging language services and solutions to the client combining language and technology, it actually executes its own strategy.

While the company's operations should be linked to the vision and strategy, it is also important to define in more detail, the strategic objectives the company aims to achieve.

These objectives should be filtered further down to the client relationship management level. When the interviewees were asked to define the goals in this particular client context, the employee on the production level mentioned that despite the fact that the objectives had not been communicated; the main goal was assumed to be generating versatile sales. The middle management added to this the clarification that there should be a variety of services and solutions offered to the client, as the client employs a large number of people and has many functions. Bringing out synergy in the service offering, but also convincing the client that they can get all the services from one single provider were important. This kind of approach could be used as a reference for other client opportunities. The middle management had also adopted the top management team's view on combining language and technology, and it was considered important to implement those in the company's internal processes in the context of this client, and also in other client relationships. This supports competence development, as seen in the earlier chapters of this study.

The top management team also expressed their willingness for creating a more holistic approach to the client and a deeper understanding of the client itself. Getting to know the right people in this large organization and effective communication will bring the company closer to the areas where the client needs solutions. Digitalization is a significant objective also for the company, as well as improving the services and solutions the company offers through the effective use of the company's competencies in a solution-oriented manner.

To sum up, the top management had a more detailed and abstract understanding of what the company wanted to achieve through the chosen client relationship. The top management's view contained the client's perspective, in other words, the client's role in Finnish society, and the company's strategy followed what the client does. The production team saw that the strategy was very much related to the generation of sales.

3.2. Competencies and competence management in successful client relationship management

3.2.1 Analysis of the current competencies

Because the client organization is large in terms of the number of employees it has, and that it plays an important role in the digitalization of Finnish society and has many functions, successful client relationship management requires a variety of competencies. On the employee-level, which is mostly involved with the production of translations, it was considered important that individuals in the team dealing with orders for traditional language services were able to use the translation tools well and that they had sufficient knowledge of the client's terminology, not to forget general coordination skills. In addition, it was mentioned that everyone in the team should have at least a general understanding of the client and the services that are produced outside of the language services team. However, it was also noted that the client coordinator responsible for ordering the traditional language services, was not aware of the other services the company provides to the client, and does not necessarily know, who does what in the client organization.

The middle management had a more detailed vision regarding the competencies required for this client relationship. The service production is outsourced to subcontractors and subcontractor competence is certainly needed: the topics of the texts from the client vary from technical documentation to texts aimed at the general public. Choice of the most suitable subcontractors for different types of texts requires a lot of experience and competence: knowledge concerning quality control and the ability to spot needs for training are essential. In addition, the client relationship necessitates competence concerning the technical solutions and the technical support enabling these solutions. In case of problems, it is important to know how and who can solve them. This is actually in line with the view the top management had about the company strategy, and combining language and technology.

General project management competence was also mentioned. In addition, the middle management raised a need for the client knowledge, which was also introduced in Chapter 2. In practice this would mean that there should be someone responsible for the whole client relationship. Currently, the responsibilities have been divided between different functions in the company.

The top management team also raised the importance of client knowledge competence. It is vital to understand the operating environment of the client, as well as where in the organization and why the client needs particular services and solutions. It is crucial to recognize from the communication with the client, what the client needs and where the business opportunities are, as well as to understand the structures and the digitalization of the public sector.

Knowing the relevant people and decision-makers is essential. Furthermore, the top management team noted that the company's technical competencies and resources should also be communicated to the subcontractors so that they can more effectively respond to the client's needs. An ability to spot new business opportunities for add-on sales and an overall capability to manage the production process were also mentioned, as well as the capability to use the company's own technological solutions in service production. Yet again, combining competencies related to language and the company's core competencies would be likely to make the company more competitive against others operating in the same market.

To conclude, it is possible to observe a difference in how the company's strategy and objectives are perceived across different levels of the organization. To what extent should the strategy and objectives be communicated across the organization, and how much detail is necessary? Would more effective communication of these aspects have a positive effect on the company's performance? These are questions worth considering further in the future.

There was also variation amongst the interviewees about which competencies are considered essential in successful client relationship management. On the employee-level, the competencies were more concrete and they were linked to production of traditional language services including aspects such as the capability to use translation tools and the correct client terminology. The middle management team emphasised the role of the technological competence to enable and support the production of services and solutions.

The top management thought it would be important to understand the client and its operating environment thoroughly. If this was filtered down to all levels of the organization, it would be worth examining the number of new business opportunities and the volume of add-on sales and compare this to previous data. In-depth understanding of the client obviously relates to client knowledge competence and can be considered an

integral part of it. It is not clear to what extent it is necessary to understand the client and its operational environment, when the team is solely responsible for the production of traditional language services. It is highly likely that the corresponding role at the client's end does not have the full understanding either.

3.2.2 Competence gaps

When the interviewees were asked about competence gaps, most of them mentioned client relationship management. There is a need for someone who would take full responsibility for this, and who would be aware of all the services and solutions, opportunities and client contacts. Currently, the client relationship is managed in an uncoordinated manner, and the client knowledge competence is not sufficient. No one has time to analyse the materials that the client sends for translation; these documents contain a lot of relevant information about the client and its processes, and those are the aspects that should be understood better in order to gain an understanding of the digitalization process and to add value to the client relationship. Another aspect linked to the client knowledge competence and the gaps therein was that the subcontractors should increase their knowledge concerning the client. This would affect the quality of language services significantly.

As previously mentioned, combining language and technology is a significant part of the company's strategic objectives in this client relationship, and according to the chief executive officer, major competence gaps exist in the technology and organization. There is not enough competence to manage the entire organization accordingly to ensure the company works at its full capacity in the context of this particular client. Another significant gap was in the understanding of semantic and pragmatic structures, which are strongly linked to the digitalization process of our society that the client is responsible for. The service director, however, raised the fact that the technological team should understand the entire service process better.

3.2.3. Combining competence management and client relationship management

We have previously seen in this study that this particular client relationship, and more precisely, successful client relationship management requires numerous different competencies: service coordinators need competencies in project management, client

knowledge, and technical abilities such as the ability to understand and use translation tools. The company's information technology support must have relevant IT competencies to ensure production of the services and solutions. Subcontractors need to be aware of the requirements different types of texts have; whether they are technical documentation or directly aimed at Finnish citizens.

How to fill in these gaps and develop new competencies, and to respond to, and go beyond, the clients' needs? The key is to understand the client and its role in what it does and how it operates. In addition to this, the service provider must know the most important decision-makers in the client organization, and those who can influence them, as well as the organizational structure including responsibilities. There must be a clear link between the client and its operations to the company's vision and strategic objectives and this must be communicated to the employees who have regular contact with the client and participate in the service production process.

Moreover, there must be systematic transfer of knowledge between teams, right from the beginning of the client relationship. It is important to identify the client interfaces in the company; those who communicate with the client may obtain valuable information that should be taken into account at all levels of the service production in order to make the process as smooth as possible for the client. The information may for example, concern the client's key contacts, invoicing, new structures, business initiatives or technical issues. For instance, if the company sends an invoice with an incorrect purchase order number, the impact on the image the client has of the service may be undesirable. Alternatively, if there are constant problems with technological solutions, which could otherwise be solved, but because the communication between teams is insufficient, there are major delays, the client is likely to be unhappy with the service it gets. To sum up, every employee in contact with the client should have sufficient information about the client and the service offering across the company to successfully carry out all the tasks that she or he is responsible for and hence make a positive impact on the client relationship.

Service coordinators could spot new business opportunities and contribute to add-on sales if the strategic objectives were clarified to them and if there was enough time to study the client and its operational environment thoroughly. In addition to efficient communication between individuals in different teams, the company's structures and information systems should support the transfer of knowledge and create a link to the company's core competencies.

In terms of combining language and technology in the processes and services of the company, these two aspects should be intertwined. Individuals within the company have different sets of skills and competencies, and the company should see that as a major asset. The company must identify what kind of competencies are required in order to achieve this. The service coordination team could benefit from the competencies of the technological support teams and vice-versa. Competencies may be mapped out using an automation-supported system that is able to identify the competencies based on semantics, as seen in Chapter 2. Another method could be to engage in discussions that link the client's needs and competencies to the company's strategic goals. In case there are competence gaps, the management should decide how they should be filled and consider whether there is a need to reorganise the teams, recruit new people, or perhaps organise training for staff and subcontractors. In any case, the company should optimise the use of its own resources and competencies first, and only then decide if any of those above-mentioned measures are required.

Figure 7 demonstrates the services provided to the client if all the knowledge related to production and client are organised appropriately, the area where all the services and solutions cross each other provides an opportunity for organic competence development, which can be used as a reference in bids for other client contracts. The model presented in Figure 7 also shows how the company implements its vision and combines language with technology.

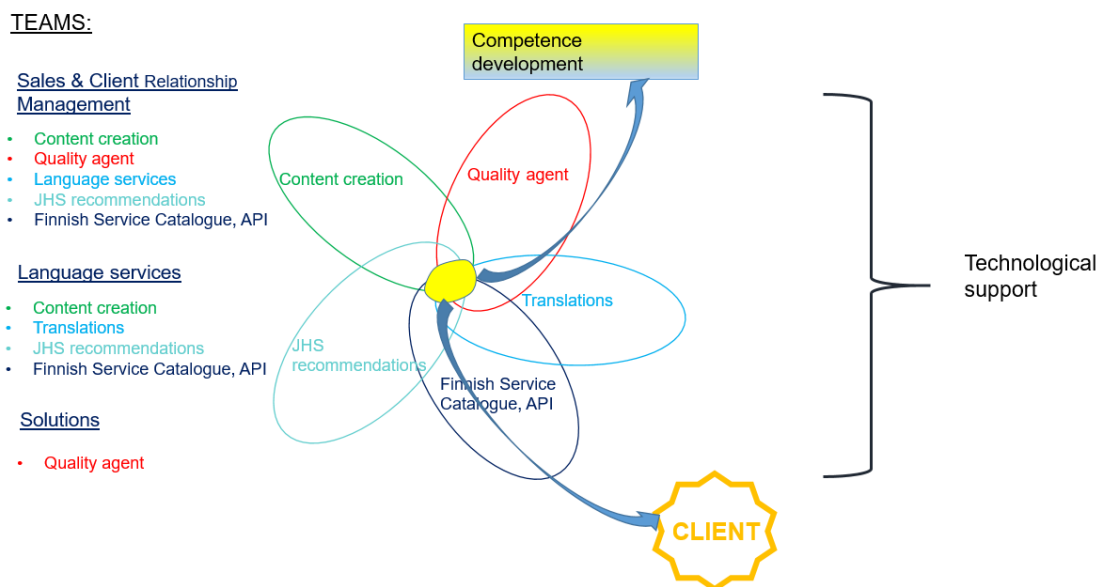


Figure 7. Teams, services and competence development.

The current service production, particularly the levels of the service production of the company are shown in Figure 8. The inner circle includes the service production that the company is responsible for delivering to the client. The circle in the middle illustrates on one hand the technological support enabling the entire service offering and on the other hand invoicing, which is an integral part of the service offering. The outer circle demonstrates the parts of production that have been outsourced to external subcontractors. All the levels are connected to each other, and they require certain competencies, which are listed and linked to the appropriate levels.

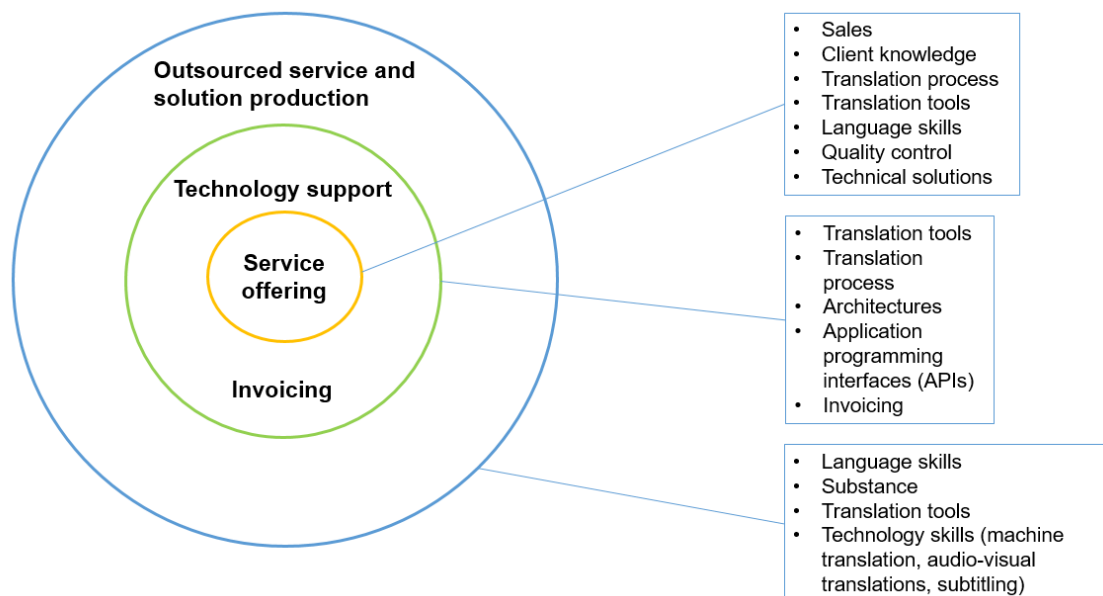


Figure 8. Service offering and competencies (adapted from Valkokari et al. 2014, 19).

As stated previously, it is important to manage competencies inside the client relationship. The company should set objectives for the client relationship, and these can be considered as steps towards achieving what the company has defined as its goals in the vision and strategy. The list of objectives and competencies in Table 2 is not exhaustive, but it provides an example of how objectives, competencies and outcomes can be combined in practice.

Table 2. Linking objectives to competencies.

Objective	Competence	Outcome
Production of high-quality language services	Technology Expertise in the specific field Language skills Quality Client knowledge	The translator is able to use relevant translation tools, and has an understanding of other technological processes such as machine translation and quality control. Translators and service coordinator have knowledge of the relevant terminology and understand the client's operating environment. The service coordinator is able to serve clients quickly and efficiently and in a friendly manner. Translations are of high quality, and do not contain errors.
Increase in add-on sales	Client knowledge Internal process and technological solutions Sales and marketing	Sales specialists are able to spot new business opportunities based on profound understanding of the client Sales specialists know the company's processes and solutions well enough in order to convince the client
Streamline production to lower costs	Architecture knowledge Application programming interface knowledge	The technological support team is able to create automation-supported solutions for different information systems which help to shorten the turnaround of services
Appropriate use of subcontractors	Outsourcing Knowledge on subcontractors' profiles Communication and interpersonal skills Client knowledge	The service coordinators are able to outsource translations to the most suitable subcontractors in terms of rates and experience which has a positive effect on profit margins. The service coordinators are able to give feedback and hence improve the quality of the overall client service

To conclude, in successful client relationship management, it is essential that the company is aware of the current situation in terms of how things are going with the client, where the company should be aiming, and finally, how the company is likely to get there. The appropriate use of competencies and core competencies and an organization created around these competencies is key to achieving what the company is aiming at.

3.3 Reliability and validity

Assessment of reliability and validity is an integral part of a case study. According to Yin (2014, 240), reliability is the consistency and repeatability of the research procedure used in a case study. There are also other ways for defining this concept. Hirsjärvi and Hurme (2011, 186) offer three possible definitions:

A study is reliable if

1. the same result is achieved at two separate sessions when researching the same person
2. if two researchers get the same results;
3. if two parallel methods are used and result is the same.

In terms of evaluation of validity of this thesis, the method as well as the number of interviews must be taken into account. The aim was not to make any generalizations of the research material, but to understand the themes. Therefore, the concept of construct validity is relevant in this case. The researcher must be able to document the entire process from the data sources to classification and description of the phenomena described by the examinees. The arguments supporting the research results must be reliable despite the fact that another researcher might get a different result. The reliability of the sources is also important. There should be several interviews, printed publications and other documentation obtained through observation amongst others (Hirsjärvi & Hurme 2011, 186-189).

In the context of this study, the third of the above-mentioned definitions of reliability is relevant. In addition to studying the appropriate academic literature of this field, both observation and theme interviews were used, and they all allowed us to compare data and views formed from the literature. This is in fact triangulation, which refers to the application and combination of several research methods to study the same phenomenon (Hirsjärvi & Hurme 2011, 39, 185).

The operations of the company are based on academic research and this connection was clearly visible when studying documentation concerning the company's vision and strategy. As mentioned in Chapter 1.3.3, theme interviews can be used as a method if the aim of the study is to gain an understanding of a phenomenon. In this case, interviews were useful because they enabled us to complement the theoretical perspectives constructed through observation with more pragmatic views, and how the company's strategy can be seen in its day-to-day activities.

The results were indeed interesting and showed differences in views between the management and employee levels. The themes were the same in all of the interviews, but the interpretations varied. These results can be considered reliable because the interviewees were from all the levels of the organization: from the chief executive officer to the service coordinator. It would have been interesting to interview employees from the information technology and invoicing teams whose contacts with the client are typically indirect, even though their roles are important in the overall service process.

Finally, when an employee of a company carries out research on the activities that she or he participates in, objectivity is an important aspect to reflect on. The aim is, of course, to maintain a neutral attitude towards the phenomena subject to study, and towards the individuals who participate in the thematic interviews. All the phases of this study were carried out as objectively as possible and complied fully with the ethics of academic research. All the discussions and interviews were confidential and based on the interviewees' permission, and any other material was handled confidentially.

4 SUMMARY

In the research on competencies and competence management, the main trends have been “outside in” and “inside out” perspectives. The first focuses on taking advantage of the market opportunities and market positioning (based for instance on the competitive forces described by Porter), while the latter emphasis is on resources such as competencies and knowledge that play an essential role in maintaining a competitive advantage. This study has adopted the “inside out” perspective, and one of the goals was to assess the importance of competence management in client relationship management.

There are quite a few possible ways to define the concepts of competencies and competence management. According to the view by Kimble et al., (2016, 1121), competencies are capabilities that are essential in carrying out tasks in a certain situation, whereas Berio and Harzallah (2005, 21) add that a competency is a way to make use of some knowledge, expertise and attitudes in a particular context. To recapitulate, a competent individual is able to use his or her skills and abilities according to the requirements of a specific situation, such as client service.

Prahalad and Hamel (1990, 77-91) firstly introduced the concept of core competence and defined it as joint learning in an organization. Core competencies form the foundation for competitive advantages, and they should have a connection to the company's vision and strategic objectives (Hong et al. (2011, 7; Laakso-Manninen & Viitala 2007, 44).

4.1 Competencies and competence management in the case company

Employees of a company have a large number of different competencies, and companies have few core competencies. To fully benefit from a competency, the company must establish a process to manage its competencies. According to Berio and Harzallah (2005, 24), competencies should be described and documented adequately, and this way they can be subject to evaluation. Kimble et al. (2016, 1121) note that competence management is about the better usage of skills and knowledge within an organization. In fact, the purpose of competence management is to make sure that the tasks are carried out by employees whose set of skills and competencies match the client's needs. This should directly contribute to achieving the company's objectives.

There are many methods for managing competencies; they can be automated and organized in an ontology or they can be based on the so-called white paper method (Laakso-Manninen & Viitala 2007, 55-59). The method does the same as the automated system, but the difference is that the information is obtained through discussion, which allows the use of explanation and reveals tacit knowledge.

Berio and Harzallah (2005, 22) introduce an architecture for competence. The architecture includes four integrated processes, which are 1) competence identification, 2) competence assessment, 3) competence acquisition and 4) competence usage (Berio & Harzallah 2005, 22-23). The case company has largely adopted the architectural approach and has already built a database for the company that will eventually contain all the competencies of its staff. Instead of re-inventing the wheel, the company has made use of the existing architecture of the strategic client defined in JUHTA 2015, recommendation 179, annex 2 using open-source data, and has tailored and developed it further. The work of recording data on the system is currently very much in progress.

Another aim of competence management is to assist the management team with decision-making. Competence management processes may reveal gaps that need to be filled. The gaps that can be found "in between" competencies can be considered opportunities to gain new competencies through further training, or even outsourcing (Colucci et al. (2011, 1369-1370). The management team is responsible for determining how to do this. (Coluccio et al. 2011, 1368-1369). In the case company, a majority of the traditional language services, such as translations and proofreading are outsourced to subcontractors. In terms of identifying the most suitable employees for specific client relationships and projects, mapping out and classifying the competencies would be useful. As mentioned in one of the interviews, it would be useful know everyone's strengths and weaknesses, and how the teams could be organised in order to get the best possible result from the client's perspective. At the moment it is challenging because construction of the relevant information systems is a work-in progress.

Because client-centeredness is one of the key values of the case company, it is important to consider competence management from the viewpoint of the company's strategic client relationship. As mentioned earlier, competence management should be connected to the company's strategic objectives, and therefore it is essential to communicate the strategy across the organization to ensure that everyone is aware what is expected from them and why. The theme interviews showed a difference in awareness concerning the

company's strategy. The management teams saw it from the client's perspective: digitalization was the client's main focus area, and the management teams could see that company should follow this and should aim at gaining access to this. The service coordinator, who is in charge of the daily client service, saw that the main strategic objective was to generate more sales. It is worth considering how the strategy and objectives, which can in fact be interpreted as the steps towards achieving the desired results, should be communicated across the different teams.

4.2 Integration of competencies into client relationship management

One of the research questions concerned the competencies that are needed to successfully manage the client relationship. The thematic interviews revealed that what is required is a profound understanding of the client and its operational environment, which in this case is the digitalization of Finnish society. An understanding of the client covers the relevant client contacts, its structures, operations, and the architecture underneath the client's documentation. Campbell (2011, 376-377) defines knowledge of this kind as client knowledge competence. It is developed through separate processes, such as marketing and IT, as well as the client information process conceptualised in Figure 4.

In terms of other competencies, technological competence was significant, and it supports the company strategy of combining language and technology in the service offering. The top management wishes to see increases in technical competence, particularly in the language services team. In addition, competence in managing the subcontractors plays an important role in this business, because the subcontractors produce a large majority of the language services outside the company. From the client's point of view, it is important that employees are able to identify the subcontractor whose expertise and competencies would best suit the client's needs.

As far as acquiring new competencies is concerned, Figure 7 shows that at the moment the production of translations and technical solutions such as the quality agent, takes place in separate teams. All the services are related to each other and the intersection point of the services provides an opportunity to generate new competence. The language service team can learn from the solutions team and vice-versa.

Based on the theoretical perspectives and the data obtained through observation and from the thematic interviews, it is possible to outline a process for client relationship management that benefits from the employees' competencies and the company's core competencies, and links them with the strategic objectives. The first step is to understand the current status of the relationship, the second step is the definition of the main goals and the third step is choosing the right tactics to achieve the goals. The process should be repeated at different stages of the life cycle of the client relationship depicted in Figure 5 adapted from the illustration by Mäntyneva (2001, 17). This would result in the following process.

1. Documentation of all the relevant data obtained in the bidding process
2. Study the client, its operations and contact persons
3. Read the contract
4. Competence mapping and definition of objectives
5. Determining of the internal team and subcontractors
6. Developing information systems and technical and other support
7. Knowledge transfer from sales to production
8. Definition metrics

In case of a new client, the sales team would first ensure that it has documented all the relevant information received through the bidding process. The next stage is a profound study of the client: what it does, how it does it and who the relevant contact persons are. In most cases, the company has contracts with the clients, and understanding what has been agreed on with the client is crucial. The contract contains important information about services, rates, response times and reports.

The following stage is competence mapping, which can be done automatically if the system is in place, or through the process for mapping and developing competencies suggested in Figure 2 (Laakso-Manninen & Viitala 2007, 59; see also Hätönen 1999). Another method could be a combination of objectives and competencies and listing the preferred outcomes as shown in Table 2. The goal of the competence mapping is to find the most suitable employees whose competencies match the client's requirements. In case the subcontractors have not been mentioned in the contract, the same exercise of

competence mapping could be carried out to identify and select the best possible subcontractors. The company must also ensure it has the necessary technical support to secure the production of the services and solutions. Finally, the sales team must transfer all the data it has documented to the production units and define the goals and metrics to monitor the relationship. Development of new competencies should be part of the metrics.

As the client relationship is refined and progresses, it might be useful to repeat this process at different stages of the relationship because there might be changes that concern the client's contact persons, organization, and operations, or there may be new business opportunities that require immediate action from the company. What was also raised in one of the interviews was the issue regarding proactivity. At the moment, the company is rather reactive and offers the clients what has been agreed on. The company has always been very good at this, but ideally, the company should be ahead of the client and ahead of its competitors and be ready and able to offer the client solutions it does not know about yet. These are typically things that may be outside the remit of the traditional language service providers. The ability to develop solutions that combine technological tools with language services would give access to the client's documentation, which would increase client knowledge competence, and increase how the client structures data.

The definition of the main goals provides a structure to the daily client relationship management. Everybody is aware what is expected from him or her, and what the company is aiming at. The client objectives ideally help the company to attain its goals and contribute to economic success.

Yet again, client knowledge competence is vital and has an impact on the customer service. That is why the client interfaces must be identified and all the relevant information communicated so that employees in regular contact with the client are able to assume their responsibilities accordingly, and to identify opportunities. The client knowledge competence is a useful reference in bidding for new business.

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