



VAASAN AMMATTIKORKEAKOULU  
VASA YRKESHÖGSKOLA  
UNIVERSITY OF APPLIED SCIENCES

Frantz T. Kruger

The Effect of Culture on the Sales Process  
Within a Global Company. Case: ABB Dis-  
tribution Automation Sales Unit

International Business  
2011

## TIIVISTELMÄ

Tekijä	Frantz Kruger
Opinnäytetyön nimi	Kulttuurin vaikutus globaalin yrityksen myyntiprosessiin. Case: ABB Sähköjakeluautomaation myynti yksikkö.
Vuosi	2011
Kieli	Suomi
Sivumäärä	134 + 7 liitettä
Ohjaaja	Karl-Johan Smeds

---

Tässä opinnäytetyössä pyrin osoittamaan, että huolellisen myyntiprosessianalyysin avulla kulttuurien välisiä myyntiprosessi eroja voidaan ennustaa tai ennakoida. Opinnäytetyössäni tutkin ABB:n sähköjakeluautomaatio liiketoimintayksikön (Vaasa, Suomi) myyntiprosessin toimintoja suhteessa sen eri myyntialueiden ja markkinoiden oletamiin myyntitukitoimintoihin ja osiin.

Kulttuurilliset ulottuvuudet on määritelty Geert Hofstedin mukaan siten, miten ihmiset eri kulttuureissa ajattelevat ja miten he toimivat jokapäiväisessä elämässä. Hänen mukaansa siten eroja on myös tavoissa, miten eri kulttuureista tulevat ihmiset toimivat liike-elämässä. Kulttuurierojen ja Suomen ABB:n (sähköjakeluautomaatio) aluemarkkinointijohtajan myyntitoimintojen välille voidaan johtaa yhteyksiä. Aluemarkkinointijohtajan olisi tärkeää tietää eri kulttuuriryhmien mieltymykset myyntiprosessissa ja sen toiminnoissa; miten hoitaa ja tukea kyseistä aluetta ja markkinoita tietyssä kulttuurissa ja kulttuuriryhmittymässä. Myyntiprosessissa odotetaan optimaalista toimintojen yhdistelmää, joka on suunnattu markkinoille tietyssä kulttuurissa.

Maat, joita Suomen ABB:n sähköjakeluautomaation aluemarkkinointijohtajat hoitavat tai tukevat on jaettu kahdeksaan ryhmään tai samankaltaisia kulttuurisia piirteitä omaaviin alueisiin Hofstedin kulttuuriulottuvuusteorian mukaan. Työssä analysoidaan aluemarkkinointijohtajien toimintoja eri ryhmien sisäisissä myyntiprosessissa. Verkkopohjainen sähköpostikysely ABB:n sähköjakeluautomaation kansainvälisistä sisäisistä myyntikanavista tutkii ja osoittaa alueiden/markkinoiden prioriteetin ja mitä toimintoja aluemarkkinointijohtajilta odotetaan. Kyselyn tarkoitus oli selvittää näkökulma miten aluemarkkinointijohtajat tukevat ja hoitavat alueita ja paikallisia ABB-toimistoja.

Mahdolliset erot aluemarkkinointijohtajien käytännön toimintojen ja odotettujen tai toivottujen toimintojen välillä eri alueilla/markkina-alueilla analysoitiin. Merkittävät erot voidaan mahdollisesti selittää Hofstedin teorian mukaan kulttuurieroilla ja niiden vaikutuksilla ihmisten elämään ja työskentelyyn. Mutta on muistettava myös monet muut merkittävät tekijät vaikuttavat myyntiprosessiin, kuten mm. maantiede, talous, politiikka, teknologia, biologia.

Myyntiprosessi jaettiin viiteen päämittaukseen, jotka kuvastavat aluemarkkinointijohtajien toimintaa alueilla ja markkinoilla. Nämä viisi päämittauskohtaa sisältävät strategisen suunnittelun, esityksen, neuvottelun, valmennuksen ja koulutuksen sekä asiakassuhteiden hallinnan. Päämittaukset kuvastavat toimintojen

määrää ja ovat kuvattavissa suhdemallilla, joka lopulta johtaa suhdemallien avaintekijöiden muodostumiseen jokaisessa kulttuuriryhmässä tietyillä alueilla. Tätä voidaan käyttää välineenä tai ohjeena päätettäessä tai suunniteltaessa liiketoiminta- tai myynti - ja markkinointistrategiaa tietyille maalle, alueelle, tai jopa koko kyseisellä alueella tai markkina-alueella. Suhdemalli osoittaa, kuinka alue-markkinointijohtajan on mahdollista tai tulisi jakaa hänen voimavarojaan tai toimintoja (toiminnan prosenttinen määrä kokonaismäärästä ja mallista) ottaen huomioon päämittaukset myyntiprosessissa ja osoittaa avainalueita mihin keskittyä. Näitä keskeisiä painopistealueita voidaan käyttää avaintekijöinä arvioitaessa tuloksellisuutta. Avaintekijöiden käyttö myyntiprosessin tavoitteita määriteltäessä auttaa tehostamaan toimintaa ja lisää kustannustehokkuutta – joka on jokaisen yrityksen perimmäinen tavoite.

## ABSTRACT

Author	Frantz Kruger
Title	The effect of culture on the sales process within a global company. Case: ABB Distribution Automation Sales Unit
Year	2011
Language	English
Pages	134 + 7 Appendices
Name of Supervisor	Karl-Johan Smeds

---

My aim in this study was to investigate the possible differences between cultures when looking at them in the context of the sales process within a global company. If these differences did exist I would further attempt to prove that through careful analysis of the sales process, and the elements within the sales process, the associated activity within the sales process could be predicted or anticipated.

I compared the activity of the ABB Distribution Automation Sales Unit (Vaasa, Finland) towards the regions it supports with the activity that was expected from these regions or markets.

According to Geert Hofstede and the Cultural Dimensions he defined after decades of research into the differences in cultures, there did exist definite differences between people from different countries and the different cultures they represent. There have always been differences in the way people from different cultures thought and act in daily life, as well as in business, and thus differences in the way they would do business. Using this knowledge that was gained from the Cultural Dimensions of Hofstede as background, links between the sales activities of the Area Marketing Managers in ABB DA Finland and the cultural differences in business could be derived. The preferences of different cultural groups regarding the sales process and the activities within it would have been vital to the Area Marketing Managers in knowing how to have managed and supported a region or market within a specific culture or cultural grouping. Therefore, there would be an expected and optimal combination of activity within the sales process that would be directed to the market within a certain culture.

The countries that the Area Marketing Managers from ABB DA Finland served or supported had been divided into eight groups or regions of similar cultural characteristics according to the Cultural Dimensions of Hofstede (cultural clusters). The activity of the Area Marketing Managers within the sales process towards these regions was analyzed. A web-based electronic mail survey within the global internal sales channels of ABB DA investigated and showed the preferences of the regions or markets and the activity that would be expected from the Area Marketing Managers from the point of view of the regional or local ABB offices.

The differences between the actual activity and the expected or preferred activity of the Area Marketing Managers – if any – would then be analyzed. Any significant differences in activity profiles towards the regions should then be explained or supported by the differences in culture, as was shown in the Cultural Dimen-

sions of Hofstede and the influence it had on people living and working within a certain culture. Possibly it could also be explained by the many other major influences on the sales process, like geography, economy, politics, technology and biology, amongst others.

The sales process was divided into five major points of measurement (MPM) that described and categorized the activity of the Area Marketing Managers towards the regions or markets and included Strategic Planning, Presenting, Negotiating, Training and Educating, and Customer Relationship Management. These MPM represented volumes of activity and were described within a ratio model that would ultimately have led to the formulating of the key activity ratio model for each cultural group within the identified regions or markets. This would then be used as a tool or guide when deciding on or planning a business or sales and marketing strategy for a particular country or region. The ratio model would also have indicated how the Area Marketing Manager could or should have distributed his or her resources or activities according to the MPM within the sales process and thus would have shown on key areas of activity focus. These key areas of focus could also have been used to judge performance as key performance indicators when targets were set according to customer satisfaction within the sales process. Thus it would have helped to streamline activity within the sales process, in order to have made the sales process more efficient and cost effective – the ultimate goal of every business.

---

Keywords: Culture, Sales Process, Activity, Market, Geert Hofstede, Cultural Dimensions, Business, Cultural clusters, Electronic Mail Survey, Major Points of Measurement, Strategic Planning, Presenting, Negotiating, Training and Educating, Customer Relationship Management, Ratio Model, Resources, Key Performance Indicators, Efficient, Cost Effective

## CONTENTS

### TIIVISTELMÄ

### ABSTRACT

1	INTRODUCTION .....	8
1.1	Outline of the thesis .....	10
1.2	Problem statement and the importance of this thesis.....	12
1.3	The case company: ABB Oy.....	14
1.3.1	This is ABB.....	14
1.4	Aims and Restrictions of the Thesis .....	17
2	DESCRIPTION OF THE THEORETICAL FRAMEWORK AND THEORY INVOLVED IN THIS THESIS .....	20
2.1	The sales process.....	20
2.2	The business-to-business sales process.....	21
2.3	Organizational buying.....	23
2.4	The Sales process within ABB DA sales unit.....	25
2.5	Defining the Major Points of Measurement (MPM).....	29
2.6	Descriptions of the five Major Points of Measurement follow: .....	33
2.7	Culture.....	36
2.7.1	Definition .....	36
2.7.2	Culture in the world as we know it .....	37
2.7.3	Corporate Culture.....	40
2.7.4	Hofstede's Cultural Dimensions and the International Business Organization.....	42
2.7.5	Hofstede's Cultural Dimensions .....	44
2.7.6	Summary of Cultural Dimensions of Hofstede in accordance with the MPM .....	55
2.7.7	Cultural Clusters: .....	59
2.7.8	The Regional Divide .....	62
2.8	The cultural characteristics as defined in the cultural clusters. ....	64
2.8.1	Region A (South American Countries).....	64
2.8.2	Region B (English Speaking Countries) .....	66

2.8.3	World Average for the Hofstede Cultural Dimensions.....	68
2.9	The Data of this study .....	71
3	THE RESEARCH STUDY .....	76
3.1	Presentation of the Research Material .....	77
3.1.1	Initial (secondary) data.....	77
3.1.2	Latter Gathered (primary) data.....	80
3.2	Presentation of the Research study (data and the analysis of the data) ..	82
3.2.1	Secondary data analysis .....	82
3.2.2	Data from the survey (primary data).....	85
3.2.3	Background to the Survey .....	85
3.2.4	Aim of the analysis.....	87
3.3	The Building of the Activity Ratio Adjustment Model .....	88
3.4	The Survey .....	89
3.4.1	Structure and design of the survey .....	90
3.4.2	The “Welcome”-page.....	90
3.4.3	The “General information” (about the respondent) page.....	91
3.4.4	“Strategic Planning”-page.....	91
3.4.5	“Presenting”-page .....	91
3.4.6	“Negotiating”-page .....	92
3.4.7	“Training & Educating”-page .....	92
3.4.8	“Customer Customer Relationship Management”-page .....	93
3.4.9	“Overall Activities”-page.....	93
3.5	Analysis of the Gathered Data .....	93
3.5.1	Restrictions concerning the data .....	93
3.5.2	What was done? And how?.....	94
3.5.3	When was it done? .....	97
3.6	Initial information from the survey.....	98
3.7	Statistical Findings (or Observations) from the survey and secondary data’s analysis.....	99
3.7.1	South American Countries .....	99
3.7.2	English-Speaking Countries.....	102
3.7.3	Global or World (overall) Averages .....	104

3.8	Changes in the formulated profiles .....	106
3.8.1	South American Countries .....	106
3.8.2	English-Speaking Countries.....	110
3.8.3	World or global Average.....	112
3.9	Comparison tests with the Cultural Dimensions of Hofstede.....	115
3.10	The value of the comparison tests in this study.....	116
3.11	Process of the comparison tests .....	117
3.12	The comparisons .....	120
3.12.1	South American cluster.....	121
3.12.2	English-Speaking cluster.....	125
3.12.3	General remarks .....	130
3.13	Formulating of the adjustment model for each cultural cluster.....	131
4	CONCLUSIONS AND RECOMMENDATIONS.....	133
5	APPENDIX .....	135
5.1	Appendix 1.....	135
5.2	Appendix 2.....	138
5.2.1	Region C (Asian Countries).....	138
5.2.2	Region D (Mediterranean Countries).....	141
5.2.3	Region E (Eastern European Countries) .....	143
5.2.4	Region F (Scandinavian Countries).....	145
5.2.5	Region G (Central European Countries).....	147
5.2.6	Region H (Arabian World).....	149
5.3	Appendix 3.....	151
5.3.1	Asian Countries.....	151
5.3.2	Mediterranean Countries.....	153
5.3.3	Eastern European Countries.....	155
5.3.4	Scandinavian Countries.....	157
5.3.5	Central European Countries .....	160
5.3.6	Arab World Countries .....	162
5.4	Appendix 4.....	165
5.5	Appendix 5.....	181
5.5.1	Asian Countries.....	181



5.5.2	Mediterranean Countries .....	184
5.5.3	Eastern European Countries .....	187
5.5.4	Scandinavian Countries.....	190
5.5.5	Central European Countries .....	193
5.5.6	Arab World Countries .....	196
5.6	Appendix 6.....	199
5.6.1	Asian cluster.....	199
5.6.2	Mediterranean cluster.....	203
5.6.3	Eastern European cluster.....	208
5.6.4	Scandinavian cluster.....	212
5.6.5	Central European cluster .....	217
5.6.6	Arab World cluster .....	221
5.7	Appendix 7.....	226
6	REFERENCES .....	237

## LISTS OF FIGURES, GRAPHS AND TABLES

<b>Figure 1.</b> The simplified corporate structure of the ABB divisions and business units.....	16
<b>Figure 2.</b> The simplified view of the sales process to show the MPM. ....	32
<b>Figure 3.</b> Summary of expected changes in the MPM in the sales process according to the Cultural Dimensions of Hofstede.....	57
<b>Figure 4.</b> Combination of South American Countries' Hofstede Cultural Dimensions. ....	64
<b>Figure 5.</b> Cultural Dimension Profile Comparison: South American Countries vs. World Average. ....	65
<b>Figure 6.</b> Combination of English-Speaking Countries' Hofstede Cultural Dimensions. ....	66
<b>Figure 7.</b> Cultural Dimension Profile Comparison: English-Speaking Countries vs. World Average. ....	67
<b>Figure 8.</b> Combination of World Average Hofstede Cultural Dimensions.....	68
<b>Figure 9.</b> Cultural Dimension Profile Comparison: World Average. ....	69
<b>Figure 10.</b> ABB DA South American Countries' Change in Activity-Profile...	107
<b>Figure 11.</b> ABB DA Activity Profile Comparison of South American Countries .....	108
<b>Figure 12.</b> ABB DA English-Speaking Countries' Change in Activity-Profile	110
<b>Figure 13.</b> ABB DA Activity Profile Comparison of English-Speaking Countries .....	111
<b>Figure 14.</b> ABB DA Global Change in Company Activity-Profile .....	113
<b>Figure 15.</b> ABB DA Activity Profile Comparison of Global Company Profiles. ....	114
<b>Figure 16.</b> Summary of expected changes in the MPM in the sales process according to the Cultural Dimensions of Hofstede.....	118
<b>Figure 17.</b> South American Cluster Activity Profile with minimum and maximum deviation.....	124
<b>Figure 18.</b> English-Speaking Cluster Activity Profile with minimum and maximum deviation.....	129

**Figure 19.** Company Activity Profile with actual minimum and maximum deviation. .... 131

**LIST OF APPENDICES**

**APPENDIX 1.** The cultural characteristics as defined in the cultural clusters.

**APPENDIX 2.** Statistical Findings (or Observations) from the survey and secondary data's analysis

**APPENDIX 3.** Analysis of Sales Process Activity Profiles.

**APPENDIX 4.** Survey results.

**APPENDIX 5.** Changes in the formulated profiles

**APPENDIX 6.** The comparisons

**APPENDIX 7.** The cultural characteristics as defined in the cultural clusters.

## 1 INTRODUCTION

Business is done all over the world – it is a global phenomenon. It would be hard to find a person anywhere that would not be affected by business in some way or form – be it the pygmies of the Amazon forest trading for survival or the multinationals being traded in the stock markets of the world. Business is done where two people meet to exchange commodities – the one thing that is needed by someone in exchange for something that someone else has an abundance of and is willing to exchange or trade for that something that he or she needs. Yes, the term is used very loosely, but the term “business” is not the important one now. What is important is the interaction between the two parties involved.

Ever since the “trade winds” started to blow in the minds of explorers in Europe and ships set sail for far-off unknown lands the idea of international business was present. The trade of wares to your next door neighbour or at the town marketplace developed over some thousands of years into the trade of commodities between people from different ends of the world. New lands and new markets were being discovered by men like Columbus, Cook, Dias, and many more that ventured out into a world far removed and different than the one they were accustomed to. The more these men explored the world and reached the corners of the globe we know today, the more they came into contact with different civilizations and people that not only looked different and dressed different, but spoke a different language and lived in a way that was strange and interesting to them. People in these new worlds did things in ways that didn’t always make sense to outsiders, and it took a long time before simple gestures of greeting were no longer seen as challenges to war. A sense of understanding in each other started to develop in this strange and wonderful world.

The first European contacts made between the “savages” of Africa or the Americas early on in the “Age of Discovery” (or “Age of Exploration” – between the 15<sup>th</sup> and the 17<sup>th</sup> centuries) can be compared to the first contacts made to a foreign client or customer in today’s world when a company decides to cross the borders between countries and cultures in the search of lower costs or expansion into even

more lucrative markets. The perceived differences between the involved countries or cultures can have a devastating effect on any chances of doing business if they are not handled carefully, and seen as an integral part of the contact between the “traders” in the modern world we live in. The way people from different countries or cultures do business, as well as their senses of value and the norms they bring from life outside business will ultimately have an effect on their business behaviour and the way business is done between two individuals or two companies – or even two governments – from two different countries or cultures.

Many studies have been done into the differences in cultures and how these differences can be understood in many areas of daily life. The thought processes behind the actions of people in a business environment and from different backgrounds have been analyzed and have shown the influence of culture on these thought processes. Geert Hofstede is only one of a long list of researchers that have spent their time analyzing people from different cultures and trying to understand the Why in their actions and thoughts. He has looked at the world through the eyes of thousands of employees of a huge global company and formulated his Cultural Dimensions to help even the average man understand the differences in culture and maybe understand the humour in the foreign film he saw last week.

The challenge now is to use this knowledge. It is said that “knowledge is power” – so why not use this power to the benefit of your international or global business. Use the knowledge derived from the study of the differences in culture to be culturally more aware and know what is expected of you in whatever country you may choose to visit or do business in. Knowing the difference between what would insult and what would indulge, what would seal the deal and what would leave you with your head in your hands has become invaluable.

Further on in this thesis I take on a very small part of this challenge to make sense of the differences in culture and how it affects business. Hopefully it can be of value to the case company, ABB Oy, and add some value to their global business by equipping them with some added knowledge of the differences in culture and

how to approach these differences when looking at it within the scope of the sales process within this global company.

### **1.1 Outline of the thesis**

This thesis consists of three main parts: the introduction, the theoretical background to the study and then the empirical study.

In the introduction section I introduced this study within the case company, ABB, and gave some background of the study itself. The research problem and reason for the study was explained, as well as the importance of this study to the ABB DA Sales Unit and ABB as a whole. I also looked at the aims and goals of the thesis. This has to be clearly defined in order to have some clear structure or platform from which to look at the results of the study. The results and the interpretation of the results will also be dependent on the restrictions of the study and how the restrictions will be handled in this thesis. Therefore, there will be a clear picture painted of the thesis in this, the introduction part of the thesis.

After this, the introduction section, I will look at the theoretical background of the study. As the study will be investigating the effects, if any, of culture on the sales process within a global company – which in this case is ABB – I will be delving into these two interesting topics. Firstly, the sales process is a very important process for all companies as I believe it is the one process directly responsible for actual sales and thus business in general. I will shed some light on this process and how it is complimented by the buying process and buying behaviour within the business-to-business environment. The factors affecting these processes will also be looked at. Secondly, culture and the differences between cultures will be explained according to the studies done by Geert Hofstede and his defined cultural dimensions. These dimensions will be linked to the sales process within ABB DA as to create a platform from which to formulate and describe a model that will be used to help in the planning of sales actions of the Area Marketing Managers towards their regions. Helping them to be more efficient and cost effective, and also more culturally adept to the differences in the societies within the markets they find themselves working in.

Finally, I will describe the study of the observations and results from certain analyses – the empirical study. It will include the process of data mining into data describing the sales activities of the Area Marketing Managers in the ABB DA sales unit over a past period, and the results obtained from an internal web-based electronic mail survey investigating the expected sales activities of the Area Marketing Managers towards their regions and markets. ABB is a global company, and therefore it would be expected that there would be some kind of culturally based differences within the actions towards the regions as well as in the responses to the survey from the ABB employees in the sales channels supported by the ABB DA sales unit Area Marketing Managers. These expectations and the results of the analyses will be shown and discussed. Thus, by analysis of the abovementioned data the findings should, hopefully, show the effect of culture on the sales process and as a conclusion help to formulate the activity ratio model according to culture – that would predict the optimum volume and type of activity within the sales process for the Area Marketing Managers within their allotted markets.

Before I conclude the thesis I will be comparing the links of the cultural dimensions of Hofstede and the activities within the sales process of ABB DA to the expected activity trends obtained from the survey in order to show the effects of culture on the sales process. My recommendations will follow on how to go about using the proposed model and ways of improving it in the future as to obtain a better understanding of the cultural differences within different markets and the effects it has on business in general.



## 1.2 Problem statement and the importance of this thesis

ABB is a global company that does business in almost all countries and regions globally. The activities within the sales process of the Area Marketing Managers touch many people and organizations within their different designated global areas or regions. Naturally the effect of their activities will be interpreted differently within these regions or markets. Now, the question arises – how do you predict this reaction to their activities and make it work for ABB and the customer within the business environment.

Within the database of the ABB DA sales unit there exists data that describes the actions of the Area Marketing Managers since the beginning of the year 2006. This data is in the form of a list of actions directed towards the Area Marketing Managers' regions or markets and the local ABB office and has not yet been analyzed in any way. Currently, we find ourselves in a very difficult global financial environment and as all major companies are looking to cut costs and do business more efficiently and cost effectively, the need arose to look at how business was being done in the ABB DA sales unit in Vaasa, Finland as well. The ABB DA sales unit does business globally in almost eighty countries and this means that the costs of normal business activities are very high as it involves a huge amount of expenses, of which the travelling of the Area Marketing Managers is only one.

So, the questions were raised: How does the ABB DA sales unit perform in these global markets and how can business be done more cost efficiently?

One way of answering these questions is to look at the factors that have an effect on the Sales Process – the main process that is part of the everyday business of the Area Marketing Managers and is at the core of the business of the ABB DA sales unit.

The ABB DA sales unit does business in so many markets globally that it would be foolish not to take into account the effect of culture and the differences that exist between them. Yes, there are more measurable factors that also have an effect on the way global companies and the business units within them do business, like

language, political situations, country demographics, geography, economy, etc. – but as the business of sales is a business of interaction between people it becomes just that little bit more important to know what affects the people – and more importantly their behaviour – involved in this business of sales. What affects the way people decide to buy? Why do they buy what they buy, when they buy and how they buy? What makes them comfortable and happy in the buyer-seller relationship, which ultimately makes the closing of the sale easier or a sure thing? Ultimately we want to know how peoples’ minds work and how this drives their behaviour.

This study will attempt to show – from a cultural point of view – what makes the people involved in the sales process tick. This knowledge will tell us how to treat people (customers – potential or old), how to interact and communicate with them as to ensure that the cooperation is as fruitful as possible, i.e. result in as big and as many sales as possible for as long a period as possible.

And now we get to the importance of this thesis. Why will the results of this thesis be important to the ABB DA sales unit in Vaasa, Finland?

Of course, “knowledge is power”, as someone said a long time ago and, thus armed with this knowledge of how to maximize business by knowing how to treat and interact with people from different backgrounds and societies – and therefore different cultures – it’s makes the business of ensuring the cooperation between the ABB DA sales unit and their regions or markets easier and more productive, as well as, more cost effective. The costs of doing business abroad will be limited only to the necessary as the Area Marketing Managers will be able to plan their activities towards their regions or markets better. This means that their supportive role towards the regions and their markets, and the available resources will be divided better between the different types of activities within the sales process and not wasted on unnecessary activities towards their regions or markets.

I see the value of the development of this tool or guide as being just as important as the saving in resources – time, effort and money – to ABB and of course, as important as the improvement in the cooperation between the Area Marketing

Managers and their regions within their respective markets. This would potentially lead to improvements in the sales volumes from these markets. It would change the focus of business inside the ABB DA sales unit from the current strong product orientated approach to a more personal customer orientated approach and thus improved relationships outwards towards the local ABB sales force and ultimately to the end-customers with stronger cooperation and added value to all.

### **1.3 The case company: ABB Oy.**

#### **1.3.1 This is ABB**

ABB is one of the world's leading power and automation engineering companies. They provide solutions for secure, energy-efficient generation, transmission and distribution of electricity, as well as solutions for the increasing of productivity in industrial, commercial and utility operations.

Their portfolio ranges from simple light switches to sophisticated robots for painting cars or packing food, and from huge electrical transformers to control systems that manage entire power networks and factories.

They help their customers meet their challenges with minimum impact to the environment and that's why ABB still stands for "Power and productivity for a better World."

ABB possesses technological leadership, global presence, application knowledge and local expertise and thus ABB can offer products, systems, solutions and services that allow their customers to improve their operations – whether it be to increase the reliability of a power grid or to raise the productivity in a factory.

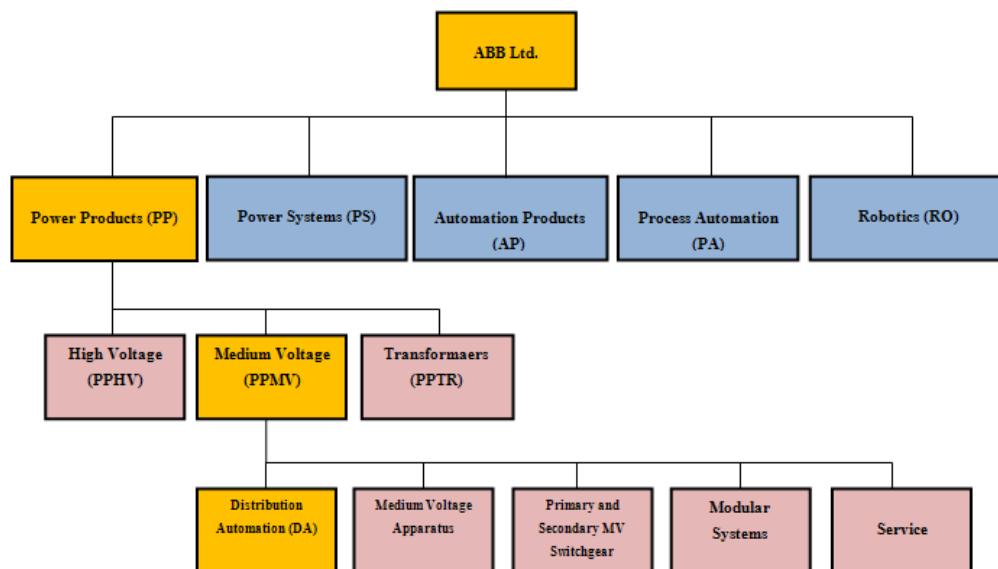
The ABB Group of companies operates in almost a hundred countries globally and employs about 120 000 people and has a history that goes back almost 120 years. The ABB Group was formed in 1988 through a merger of Asea AB (from Sweden) and BBC Brown Boveri AG (from Switzerland). Both companies committed close to all of their active businesses to the newly formed ABB Asea Brown Boveri Ltd. of which each owned 50 percent.

Headquartered in Zurich, Switzerland the company generates revenues in numerous currencies and has structured its global organization into eight global markets (correct as September 2009); Northern America (NAM), Southern America (SAM), Northern Europe (NEU), Central Europe (CEU), Mediterranean (MED), India-Middle East-Africa (IMA), Northern Asia (NAS), and Southern Asia (SAS). These regions are then divided further by the different business units as the markets and other product or market related factors dictate.

ABB manages its core business based on a divisional structure. As at September 2009 the company is divided into five clearly defined divisions. They are; Power Products (PP), Power Systems (PS), Automation Products (AP), Process Automation (PA), and Robotics (RO).

Each of these divisions is then further divided into business units (BU's) according to specific products, either, made, sold or serviced by a particular business unit. The Power Products and Power Systems BU's are then divided even further into product or system groups that handle products or systems within the division on a more specific level.

In the interest of this thesis the division Power Product (PP) and the Medium Voltage (PPMV) BU with special mention of the product group Distribution Automation (DA) will be highlighted.



**Figure 1.** The simplified corporate structure of the ABB divisions and business units.

Power products refer to the key components used in the transmitting and distributing of electricity. The division incorporates ABB's manufacturing network that produces transformers, switchgear, circuit breakers, cables and associated equipment. Also on offer is all the services needed to make sure the products deliver the promised performance and to extend the lifespan of the products. This division is subdivided into three business units (BU's); High Voltage Products and Systems, Medium Voltage Products and systems, and Transformer Products. Medium Voltage Products and Services aim of satisfy the requirements of customers for reliable medium voltage switchgear, apparatus, modular systems and distribution automation used in industrial, commercial, and utility applications.

As the products themselves are not an issue in this thesis, but the relationships between buyers and sellers involved in the sales process and the ABB DA sales unit I will, in this thesis, only be referring to the sales process and the actions of the Area Marketing Managers (AMM) involved in the sales processes within the selected areas or regions and the markets they represent.

#### **1.4 Aims and Restrictions of the Thesis**

The aim of this thesis is to compare the actual historical trends in activity of the ABB DA Finland sales unit's Area Marketing Managers towards their dedicated regions or markets with the activities expected from the regional offices within the specific regions markets. This will help me to develop a key activity ratio model to be used as a supportive tool in the strategic activity planning towards the regions. Taking the differences in culture between countries and the regions they represent into account, it would be expected that there would to be differences in the trends of activity towards each of the countries within their regions as they strive to produce optimum results.

According to Geert Hofstede and the Cultural Dimensions he defined after decades of research into the phenomenon of cultural differences, there are definite and significant differences between people from different countries and the different cultures they represent. There are differences in the way people from different societies and cultures think and act in life - and in business - and thus how they would do business and behave in the business environment. Using this knowledge of the Cultural Dimensions of Hofstede as background the links between the sales activities of the Area Marketing Managers in ABB DA Finland, and the cultural differences between the regions they manage can be derived. The preferences of different cultural groups - when it comes to the sales process and the activities within it - would be vital to the Area Marketing Managers – as it would help them know how to manage and support such a region containing a certain culture. Therefore, there will be an expected combination of activity within the sales process, within a certain culture that would fit the cultural profile of the region and thus hopefully eliminate some, if not most, of the obstacles in doing business across borders and cultures and help the sales process along and produce optimum results.

The countries that the Area Marketing Managers from ABB DA Finland serve have been divided into eight regions of similar cultural characteristics – or cultural

clusters (Griffon and Pustay p.356) – with the help of the Cultural Dimensions of Hofstede and the index scores of the particular countries involved.

The activity of the Area Marketing Managers within the sales process towards these regions will be analyzed by looking at data recorded over a period of time between the beginning of 2006 and the end of 2008 to find trends in the actual activity of the Area Marketing Managers towards the regions over a specified period of time. An electronic mail survey within the internal sales channels of the global ABB DA organization will then investigate and show the preferences of the regional offices and markets, and thus the expected activity from the Area Marketing Managers from the point of view of the regional offices served by these Area Marketing Managers. The data gathered and findings of these investigations will then be analyzed and compared in order to show either the similarities or differences between the actual activity and the expected activity of the Area Marketing Managers towards their regions and the countries within these specified regions. The magnitude and significance of the differences between the actual and expected activity profiles towards the regions will then be shown. By comparing all the findings it should then also be possible to explain the phenomenon in the light of the Cultural Dimensions of Hofstede and the influence it has on people living and working within a certain culture.

I have divided the sales process within ABB DA Finland into five major points of measurement (MPM) that describe the activity of the Area Marketing Managers towards the regions.

The MPM are:

- Planning,
- Presenting,
- Negotiating,
- Training and Educating, and
- Customer Relationship Management.

These MPM represent volumes of activity and are described within a five number ratio model (i.e. XX%: XX%: XX%: XX%: XX%). It will ultimately be used as a tool when deciding on or planning a strategy for a particular country within a region - or even the whole region and all the countries within this region. The ratio model will indicate or suggest how the Area Marketing Manager should be able to divide and distribute his resources optimally within the sales process.



## **2 DESCRIPTION OF THE THEORETICAL FRAMEWORK AND THEORY INVOLVED IN THIS THESIS**

### **2.1 The sales process**

Firstly, I would like to give my own definition of the term “sales process”. I see the sales process as a logical systematic approach to the steps taken to ensure the sale of a product or service. It can be seen from the point of view of the seller or it can be seen from the point of view of the buyer – in which case it will be called the buying process. Even though the two points of view are directed towards the same essential process the steps do differ, but complement each other, because there is an interaction between them. They react to each other and form the basis for the continuation of the process with the ultimate goal of the sale of the product or service in question. The sale involves the satisfying of needs or requirements on both sides of the table and therefore the need for the logical systematic approach. The buyer has a need for a product, either to consume or in order to solve a problem within his business. The seller has the need to make a profit by selling his available product – as that is his business. [www.businessdictionary.com]

Within the sales process there are many steps that are followed and the two main actors – the buyer and the seller – together with the product are the ones that decide what these steps would be and what emphasis would be placed on what steps. This means that the buyers and sellers from different backgrounds would approach the sales process in different ways, and the process would also be influenced differently by different products or services. What is the purpose of the interaction? Are the buyers buying for reselling? Are they buying for production? Are they selling the product on to another company or to end consumers? Are they buying a stick of chewing gum from the corner store or an electric power plant to power a small African country? Questions like these would dictate the steps in the sales process and also the manner in which the steps in the sales process would be handled.

Of course, the processes in the minds of the buyers and the sellers would also be different as they will be striving for maximum return value – that would be the value to the buyer and the value to the seller. The concept of value (the added value to the sale) to the buyer might mean some kind of discount or terms of payment or delivery time that benefits him; where the value to the seller might mean maximum profit or the opportunity of a resale in the future. The “value of the sale” has different meanings to different people involved in the sales process and is potentially the topic of a further thesis. For us it is important to note the factors that have an effect on these processes in the minds of the buyers and sellers and in particular the ones involving organizational (between different organizations or companies) buying and selling.

## **2.2 The business-to-business sales process**

For the purpose of this thesis we will limit ourselves to the sales process between companies – the classic Business-to-Business (B2B) Sales Process. Here the aim is the purchasing and selling of products, raw material or unfinished products between companies with the intent of either manufacturing a product or part of it, or just reselling the product further.

This process can be considered in the case of ABB as ABB is seen in a way as a group of companies where every business unit (BU) operates almost as a separate entity. The business between BU's is thus considered B2B selling, even though it happens within the ABB organization and between different BU's within different ABB country organizations, which are also considered to be separate companies within the group of companies that ABB represents.

The relationship of supplier and manufacturer would be the most basic example of these buying and selling processes and some of the most common steps in the theoretical B2B sales process could be the following:

- the identification of a new opportunity within a specific market,
- the initial contact or communication with the prospect,
- the development of a sales lead regarding the prospect, involving:
  - o fact finding and need identification of the prospect,
  - o development of a solution,
  - o identify qualified prospects that would benefit from the solution
- the proposal of the solution to the prospect(s),
- the evaluation of the solution by the prospect,
- the negotiation,
- the closing of the deal and placement of the purchase order,
- the transaction, involving:
  - o the delivery,
  - o the payment,
- the account maintenance and service (after sale service, etc.).

When companies buy or sell products or services to each other the sales process becomes quite complicated and structured as not to let any elements of the process fall through the gaps that may arise due to many factors as huge sums of money and resources usually are involved. This also means that there can be many people involved in these processes within the involved organizations. When we want to

look at the influences affecting the minds of the people involved in the selling and buying processes we need to look at the composition of the processes on both sides of the table. Thus we look at the process of organizational buying and the behaviour the people involved in it would display. Organizational buying behaviour has been divided into three elements namely, the structure, the process and the content of the sale. [Jobber & Lancaster: p 47]

### **2.3 Organizational buying**

The structure of the organizational buying process includes all the people that have an influence on, are involved in making the final decision, or have the authority to make the ultimate decision of buying or not. They are all included in the decision-making unit (DMU). Within the DMU there are definite roles specified and the factors that influence the nature of the DMU will always be quite important in terms of the outcome of the sales or buying process, but obviously the types of products, the reasons for the purchase and the importance of the purchase would be the most important influences. These are the people the sales persons would want to influence into making the sale. The processes in the minds of these people are most important and they will be influenced by a number of factors that we will be looking at later, and when this buying and selling goes across borders (country and culture) the number of influences and their importance just multiplies. [Jobber & Lancaster: p 47]

The process within the organizational buying process refers to the decision-making process within the company and will include a number of stages or steps that will be followed. These steps will be different for different products and will be influenced directly by the specific buying situation.

The steps may include the following, but may also include more or less steps depending on the influences involved: [Jobber & Lancaster: p 48-50] [Holden: p 140-146]

- need or problem recognition,
- determination of characteristics, specification and quality of the item needed,
- the search for and the qualification of potential sources,
- the acquisition and analysis of proposals,
- the evaluation of proposals and the selection of supplier(s),
- the selection of an order routine,
- performance feedback and evaluation

The content aspect within the organizational buying process involves the choice criteria that would be used by the members of the DMU to decide which proposal from which supplier would be most favourable to their company in its current situation. This is a very complex area to be moving in as the criteria for the decision can be as wide ranging as the persons involved in the DMU – considering the product and the eventual use of it. For instance, the purchasing manager involved in the DMU will be most interested in the most cost effective product that would reduce his or her purchase expenditure, while the production engineer would be evaluating the purchase according to the best product to fit the production processes he or she would design. Organizational buying is also characterized by both functional (economic) and psychological (emotive) criteria. This refers to the fact that there will always be a matter of money involved in the decision, as well as, the emotional point of views of the people involved in the DMU. [Jobber & Lancaster: p 50-51] And, as emotions become involved, also the values and norms of the different people involved in the DMU that is associated with the societies and

cultures within the different countries and regions involved in this international sale or purchase. [Holden: p 140-146]

These differing values and norms between people from different societies and countries are the direct effect of a few strong factors of which culture and the differences between cultures might be the most important. Other factors might include language, geography, economy, politics, etc. Therefore, it can be assumed that culture and the differences between different cultures or societies globally would also have an effect on the way people buy and sell and therefore also have an effect on the way organizations buy and sell and thus measurably influence the sales process and the processes within the sales process. This is what I aim to prove later in this study.

#### **2.4 The Sales process within ABB DA sales unit**

The sales process within the ABB DA sales unit is a very specialized process and is mainly due to the high degree of technicality and specialization of the product. The process does not always follow a set pattern, but more often than not it will follow the following basic process of phases that may include other smaller processes and functions.

First of all there is a planning phase, where the business and marketing strategies for the market are formulated. This phase will include representatives from both the ABB DA sales unit in Finland (the factory) and the local ABB office as they form the cornerstones of the business processes aimed towards the involved markets and therefore need to be part of the planning where they can give their input regarding specification approvals of local customers and other important information. This is very important for future cooperation as well. The marketing planning that occurs in this phase is crucial to the marketing done towards a specific market and therefore will include the marketing communications department's close cooperation and input. Also, representatives from the different sales channels will be involved in this phase as their input pertaining to the market might be very valuable.

The function of this planning phase is the formulation of a strategy for the creation of awareness of ABB DA in a certain market and the creation of sales opportunities within this market for the local ABB office to follow up on. This can be done by way of trade fairs, presentations, seminars, etc. The process starts out very general as the targeted audience is quite wide ranging and then as opportunities are created or discovered and potential customers are being identified the process becomes a little bit more personal and specific.

From the identification of the opportunities or potential customers the sales process can follow many possible routes as the needs of customers and their situations differ tremendously, but there are two routes most commonly used. The first route starts when the potential customer is faced with a problem or requirement and enquires about a possible solution from their local ABB office. The solution will then be devised within the scope of the range of the ABB DA products or combinations of products – this may involve other ABB divisions and departments as the nature of the DA products are such that they are usually used within an electrical system. Usually assistance in the form of technical knowledge and expertise is called upon from the Area Marketing Manager and the office in Vaasa. The second option is the route taken when a customer has a problem that needs solving, but actually has a proposed solution with specific specifications that need to be adhered to. These customers will ask for the specific product by specification and know what they would like and would expect the product to do. Also, these customers might be difficult to work with as, for instance, they might be using old, outdated products that need replacing or upgrading and might be unwilling to change. The Area Marketing Manager would become involved, supporting the local ABB office, in cases like these by adding some expertise and knowledge to the process. Another option is to even suggest the use of third party manufacturers to supplement the offered products by ABB from the point of view of an integrated system, containing many different products, sometimes from different vendors, but what serves the customers' requirements best. The third party manufacturers could be in the business of producing products that work in a synergistic way (the sum of the effect of the two or more product working together will be greater than the sum of the effect they would have when working alone – again an

increase in the perceived value) together with ABB products. Here the value added to the overall need satisfaction of the customer could be tremendous. [ref. informal interviews with ABB AMMs]

This give-and-take process [Holden: p 149] of satisfying the needs and solving the problems these potential customers might have is now done by a series of meetings between the potential customers and the local ABB sales people, in which possible solutions or solution options are discussed, specifications matched and/or approved. This is a phase of gathering information and ironing out the differences in the minds of the buyers and the sellers on either side of the table as to come to an agreement. This usually involves the back and forth between buyers and sellers of negotiating and proposals being made and in difficult cases also the involvement of the Area Marketing Manager and some technical specialist (TMM or Technical Marketing Manager) or expert is needed. Many factors and issues have the potential to affect this phase in the sales process as more is learnt from the customer and the customer learns more about ABB and the product. The competence of the local ABB sales people together with the type and requirements of the sale are – maybe – the most important factors that could influence this phase of presenting options and negotiating possibilities. Usually this phase is judged by the amount of time it takes to get through to the point where an offer is submitted to the factory. The more experienced sales people are quick to see the needs or requirements of the customers by asking the right questions and reacting to them, offering know-how and value to the sale for the customer. Therefore, the negotiating gets done quite quickly and the process can run its course faster and more time efficiently, and at the end of the day produce more sales because of faster sales. [Beck: p16]

As soon as the customer feels happy and the local ABB sales people are close to closing the deal, either with the help of the Area Marketing Manager or not, the offer is submitted to the factory for review. Now a little bit of negotiating is involved to finalize prices and value offerings to customers via the local ABB office. This process usually does not include a lot of effort, but when strategically important customers are identified and special arrangements, like for instance, fi-



nancing or special delivery times, come into play as a way of improving the cooperation between the companies there will be some negotiating done between the local ABB office and the factory. When all of this is settled the offer goes to back to the customer and more negotiating is included in the process until all possible needs and expectations are satisfied and met on both sides of the table.

The accepted offer that results in an order will then be made to the local ABB office, which will in turn make the order to the factory. The delivery will then be made to wherever the customer would like it to be, for instance to the site of the substation, the OEM (original equipment manufacturer) building the final project for the end-customer or the internal ABB SI (system integrator), etc. The after sale service and other customer relationship management towards the customer will be handled by the local ABB office except in cases where support is needed from the Area Marketing Manager. This sales process is very complex and if seen as only the one sided half of the whole selling-buying process it is easy to understand why it is so important to keep the steps of the process systematic and keep gaps from appearing.

As we can see it appears as if there is a two layered approach to the sales process within ABB DA sales unit, where the local sales people are operating on the one layer and as soon as there might be a need for more technical competence or sales expertise, or even just a show of face from a higher authority to create a better report with the customer – the second layer gets involved to support the local efforts. In this way the Area Marketing Manager's tasks are divided between the local ABB offices in his region made up of countries where ABB's products are present. When looking at the two layers it can be seen that the Area Marketing Managers' tasks and actions would mirror or be comparable to a certain extent to the sales actions of the local ABB sales people in the markets within the regions that he/she is responsible for. Essentially this is what would be expected, but the efforts and actions of the Area Marketing Manager would also be influenced by the competence levels and capabilities of the local ABB office, that in turn would influence the type of actions and amounts of actions that would be performed.

Therefore it could be assumed that the actions of the Area Marketing Managers could be seen as a measure of the actions of the sales people in the markets.

Of course, this statement will be influenced by the fact that countries are different in the ways they buy and the ways industrial companies buy are different from the ways country utilities buy. The way people think is different and therefore the mechanics behind the buying and selling processes are so different. All the factors that mould you as a person – unknowingly – into the sales person or purchasing manager in a global company will eventually have an influence in the way you make decisions and, yes, it is difficult to separate and analyze all these factors, but as the actions of the Area Marketing Managers are towards so many different markets and cultures, culture and the differences in culture should have some effect on the buying and selling processes in the different markets. Therefore, I will use the actions of the Area Marketing Managers in the ABB DA sales unit as the basis from which I will investigate the effects culture in different societies have on the sales process in ABB DA sales unit.[ref. informal interviews with AMM's within FISUB]

## **2.5 Defining the Major Points of Measurement (MPM)**

In the Sales Process there are many models that describe the selling process and all of its intricate steps or phases. The aim of the sales process is the closing of the sale at the end of the day, and this can be the sale of a service or an actual object, but it is important to remember that the added value in the form of, for instance, after sale service, etc. is also included in the concept “product”.

All of these steps or phases are as much company specific as they are product specific and thus it is important to realize that for certain companies, when selling certain products to certain markets (for instance, business-to-consumer versus business-to-business, etc.) there are specific steps or phases that become more important in the bigger scheme of selling than other steps or phases. This means that more emphasis will be placed on those steps or phases that are more important to the specific company or product sales and less emphasis placed on those that seem more important. The steps or phases that seem more important could be directly

linked to the volume of sales. This could be shown statistically and the knowledge of which steps or phases in the specific company's selling process are more important is thus crucial to top management in their roles as planners, organizers of resources, leaders and controllers or coordinators.

To make the manager's, and especially the sales manager's job easier it would be helpful to define major points of measurement within the sales process of his/her company and use these to evaluate trends and correlations between these points of measurement and the results of the sales process. Ultimately he/she will be able to forecast movements in these trends. These points of measurement could also refer to or be based on phases in the actual sales process that include one or more pre-defined steps or phases (the steps or phases that seemed more important in the sales process of the specific company). The knowledge of relationships and/or correlations of these points of measure and the results of the sales process could be very important in the planning of a sales or marketing strategy as it could indicate what has worked or not in the past and what would likely also work or not in the future.

The importance of keeping records of sales actions within the sales process is debatable, but if they have been kept over time it can be used to shed light on the effects these actions have on the results of the sales process – being the amount or volume of the completed sales. The volume of the different activities within the sales process' points of measurement would be used to derive certain relationships and/or correlations between the volumes of actions at these points of measurement and the results of the sales process – measured in volume of sales - in the case they actually do exist.

Thus, as an example, a high volume of actions (within specific relationships) within the sales process would be expected to produce a high volume of sales within the timeframe of that sales process. The timeframe of the sales process includes the actual "lay" time for a sale which indicates the time it would take for the sales process to run its course from first contact through negotiations and the closing of the sale. The time before the first contact, when there is just an aware-

ness being created in the mind of the customer, and also the time after the sale has been made, which include installations, after sale service and training aimed towards the customer. There are of course other factors that would have an effect on the sales process as well, for example the competency of the sales person, the general economic health of the marketplace, company resources, etc. When considering all factors it brings the reliability of the available data into question, therefore these measures and relationships cannot be seen as a precise science, but as a tool for understanding different markets better and thus being able to direct a strategy onto the market in question more cost effectively.

It might, for instance be seen that there is a need to create a greater awareness of the company in the minds of customers for a certain product and that after sales service is also important to achieve high results for this product over the last few measured periods of time – either quarterly or annual measurements. Therefore, it would be seen that there are relationships that exist and that these are the areas of importance for this specific product and company and resources could be allocated accordingly in the sales strategy as to produce the maximum sales volume. Naturally it would differ from company to company, and between products, but as a rule the model would stay relatively uniform within one company and for one specific product as a tool to offer some support to the company's sales strategy.

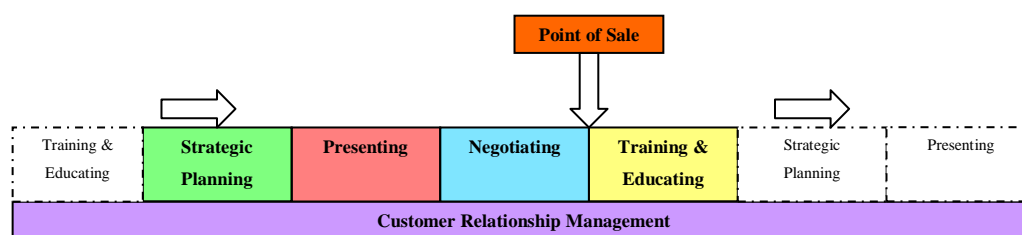
In ABB's Distribution Automation Sales Unit, Finland records do exist of sales activities within their sales process. It is now my task to analyze the past 3 years' (2006-2008) activities and try to discover possible trends within these activities. As these actions are very specific and might even be especially specific towards a certain customer or product it was necessary to group these actions into more usable and descriptive terms that could be used to indicate performance according to the recorded actions. These terms correspond to stages in the sales process and will be seen as the points of measure within this sales process.

These Major Points of Measurement (MPM) are terms that describe the intensity of Area Marketing Managers' actions in a defined phase within the selling process of ABB Distribution Automation Sales Unit, Finland. The trends and/or correla-

tions, if any, between these MPM and the result measured in volume of sales over several periods could, for instance indicate misuse of resources in a specific area of the sales process as defined by the specific MPM.

The sales process can thus be divided into five MPM that would show a trend over time to produce a certain result. The Area Marketing Managers' MPM for ABB are named as the following:

1. Strategic Planning
2. Presenting
3. Negotiating
4. Training & Educating
5. Customer Relationship Management



**Figure 2.** The simplified view of the sales process to show the MPM.

The above MPM would then be put together as a ratio of activities. The amounts of activity as a percentage of the total per time period will be shown, for example 20:30:25:10:15. The existing trends, and if present, the correlation between the relationships of the MPM and the result would then be used to forecast sales volumes by knowing what actions, and at what intensity (or volume) would be required in each group of actions to produce a certain result in the form of sales volumes. The ratio's of the MPM will then be set as a guideline or tool and be constant for a specified market where ABB Distribution Automation Sales Unit, Finland is active. It can be used as a tool for implementing desired strategies or

one to evaluate current strategies, when looking for reasons why current strategies or action plans are not having the desired effect. These relationships between MPM in the form of this model would then serve as a guiding tool to measure, indicate and ultimately predict or forecast performance within the ABB Distribution Automation Sales Unit, Finland.

All completed actions were included in the study that was restricted to the actions of the Area Marketing Managers from 2006's first quarter up until the end of 2008's fourth quarter. The actions were also restricted to the actions that fitted the classifications of the MPM as those actions would be the most relevant to the study.

## **2.6 Descriptions of the five Major Points of Measurement follow:**

### **a. Strategic Planning**

Strategic planning can be defined as the premium MPM when looking at the sales process of the ABB DA sales unit as it forms the platform for the rest of the sales process to be operated from. Theoretically it would be a process that includes the setting of objectives, determining the operations necessary to meet the set objectives, the organizing for these actions, the implementation of these actions, the measuring of results from these actions against standards set and finally re-evaluating and controlling the actions before starting the cycle again. It can also be described by the acronym "MOST" which describes the process from the general to the specific as: mission, objective, strategy, tactics. [Jobber & Lancaster: p 65-66]

In practice the abovementioned cycle may have a few permutations or variations because of a number of reasons that might include the product itself, the marketplace, consumer buying behaviour, etc. But, essentially in the Business-to-Business environment the planning phase of the sales process is quite important and will be prioritized as such. The planning process is therefore a process within a process and can be seen as one element of – or activity in – the whole that is the sales process.

Within the ABB DA sales unit the MPM “Strategic Planning” includes all the actions recorded in the database as Business Planning, Marketing Planning or any other specific actions that have to do with researching a new market or planning or creating a strategy for the new market, an existing market or customer. Also, actions that include discussions surrounding new specifications or applications required from customers would be included in this group. Therefore, all actions that have to do with the creating, the planning or the revising of a new or existing selling - or even marketing - strategy with a new or existing customer would be seen as actions that are included in this MPM.

b. Presenting

This phase in the sales process is very important as it brings the customer and the product face-to-face. The main aim of presentations and related functions like exhibitions are not strictly sales settings. The main aim is to build up a perception of the company and its products as to pave a way for future sales. An exhibition, for instance, plays an essential role in the initial impression of the product in the mind of the customer and in more cases than not it might be the first contact the potential customer might have with the specific product offered by ABB DA or even the first contact with ABB as a company. They say first impressions last and don't be fooled, it's true. [Jobber & Lancaster: p 220-224]

This MPM includes all actions done as to introduce prospective customers; to demonstrate functions; to entice interest; to teach users about the products; and to encourage and convince potential customers to buy the products offered by ABB DA. According to the recorded actions it includes the actions recorded as: Exhibitions, Presentations, Seminars and any logged visits to with the purpose to introduce or present a product or a service to an existing or potential customer.

c. Negotiating

Negotiating is also a very important phase in the sales process and is usually the final phase before the closing of a sale. As it is so close to the climax of the sale it is a very sensitive phase in the sales process and sometimes requires specialists in negotiating with specialized skills to complete this phase successfully – especially in organizational buying and selling where professional buyers and sellers get involved. [Jobber & Lancaster: p 34] The purpose of negotiating is to come to some kind of understanding of what is being bought or sold and how much will be paid for it, when and how. The issue of adding the maximum value to both parties is of main importance and this is where big differences in the way people see value comes into play. The actions that fulfil the abovementioned functions of negotiating or closing the sale are included in this MPM.

d. Training & Educating

After the product has been sold and all the agreements signed, we enter a phase of adding more value to the sale by making sure the customer uses and knows how to use the product effectively and most cost efficiently. This may include actions by the Area Marketing Managers that include assistance with installations, Seminars (that have the purpose of training and educating existing customers about features of the product they purchased and its uses), also any actions that have as purpose the education of customers, and especially users of the products, and all other actions recorded as Training in the database. Also, any actions recorded with the aim of increasing the competence of the sales staff in the field would be included in this MPM.

e. Customer Relationship Management

Making the customer happy and keeping the customer happy is the most important aspect of creating a long term relationship with a customer and thus ensuring repeat sales of your product. The way this relationship is managed is thus also a very important facet in the sales process as it alone can be a very good indicator of the potential of future sales by existing



customers and also the creation of new contacts in many ways. The correct handling of the idea of the value added by after sale service would also be an important part of the choice criteria that buyers use when evaluating the product and services offered by the seller. [Jobber & Lancaster: p 39]

After Sale Service and Technical Support by the Area Marketing Managers (entries found in the database) as well as any other actions that have as aim to maintain, improve or enhance the relationship between ABB DA unit and their existing customers will be included in this MPM.

## **2.7 Culture**

### **2.7.1 Definition**

“Culture is a learned set of ideals, values, and standards that is shared by members of a society (a defined group of people who depend on each other for survival).” [Jeannet & Hennessey: p 63] As this learned set is acted upon, it brings forth behaviour that is non-random and systematic within boundaries, that is recognizable and acceptable within that particular society. Cultures exist as a tool or platform for societies to deal with issues that concern them systematically. All cultures contain the following basic characteristics:

- culture is shared within a society,
- culture is learned,
- culture is based on symbols (of which language is the most important),
- culture is integrated – all aspects of culture function as a coordinated whole. [Jeannet & Hennessey: p 63-64]

Essentially culture can be described as the distinctive way of living of a group of people – usually in a community, society or region. It manifests itself in the form of norms and values that these people within the particular society will adhere to and which will separate them from the next society. These norms and values will dictate the way people think and how they view the world around them. It is

passed from one generation to the next, evolving and changing over time and not transmitted biologically from one person to another as reactive instincts are. [Jobber & Lancaster: p 247]

As behaviour is learned, it is therefore relatively easy to organize – like societies organize themselves in such a way that the people adhering to the cultural norms are rewarded and the ones not adhering to it are “punished” in some way or another – depending on the culture. In order for a culture to survive it will bend and twist as the society’s needs are influenced by external forces and internally certain behaviour will be rewarded and punished differently as to make way for changes in the accepted behavioural patterns and at the same time sustaining the culture itself; providing a new “set of rules” – norms and values – that is shaped over time to ensure the survival of the culture. [Jobber & Lancaster: p 248]

The culture in which a person lives dictates to a certain extent the consumption patterns of the individual and therefore, would also have an effect on the views expressed towards specific products and the meaning attached to them. Because of this only certain types of products and selling practices that the individual sees as normal will be acceptable in his or her culture. This shows how important it becomes for international sales people to understand the functioning of the culture his market falls in so that he can adjust his selling approach accordingly. If a sales person wants to offer value to his marketplace he needs to understand the value system of the foreign culture and this means he needs to have knowledge of the influence of cultural factors on his market. [Jobber & Lancaster: p 248]

Culture also includes both abstract and material elements. Abstract elements include values, attitudes, ideas and religion. These are learned patterns of behaviour. Material elements of the culture are the levels and type of technology and the consumption patterns within that culture. [Jobber & Lancaster: p 248]

### **2.7.2 Culture in the world as we know it**

As the global village we are living in and technology in general is making the world smaller and people, their thoughts and ideas are being exchanged over so

many boundaries, the idea does emerge that people are starting to think similarly (there is even talk of cultural convergence of consumer needs and desires [de Mooij 2002, 61-69]) as they are all exposed to the same media, values and ideas through the internet, television, etc. But, even though this might be true in a way, cultural norms and values play a major part in the way interpersonal relationships work, no matter where – at work, on the street, when on holiday, etc. Growing up in a culture you usually take the way you see the world and react to it – your norms and values – for granted. You seldom have to think about them and how you should act, react or feel. That is why when faced with a different culture there is a sense of uneasiness because even though there are many similarities in different cultures there are even more significant differences between countries and the cultural groups within them. Also, more and more people from different countries and cultures find themselves working side by side and communicating everyday [Hofstede 2005].

Therefore, keeping all of this in mind it should be clear to see that, even though two people in two different countries or cultures would purchase the same product produced in the same factory somewhere else in the world, there would be major differences in the motivations for purchasing that specific product and what would then be expected of it in the end of the day when it comes to satisfying the need of the consumer. These differences are also carried over into larger organizations where business is done across many borders and intercultural issues are faced every day. Cultural differences would then influence the way business is done, for instance, in the way of strategic decisions and the way activities and especially sales activities are planned for certain products in certain cultures within certain countries or regions. We therefore need to look at these differences and try to connect them in some way as to make them work for us in a profitable way.

This is interesting and exciting, but it can also be a boiling pot of uncertainty and misguided thoughts and actions as these differences influence the way people see life and the world around them, how they socialize with each other, what and when they buy, how they do business and also to some extent how they see their futures. It might seem hard to understand these differences and classify them in

order to make life simpler and minimize awkward situations and bad judgment by being able to know what to expect from people from a certain culture and deal with it in the appropriate manner. The knowledge of these differences and how they affect people are even more important when doing business globally and the influence of culture and the understanding of it can have a huge affect on the success or lack of it in the marketplace.

The importance of these cultural differences cannot be underestimated and it also shows how valuable this study could be as it aims to show the differences in actions related to the sales process globally in ABB DA, because what works in one place or culture might not work in another place or culture and why should we learn from our mistakes – it should be possible to anticipate the differences and thus take the appropriate actions proactively.

The logic behind this study is that the differences in cultures would require different intensities of different actions as they all will ultimately affect people in different ways and thus affect the way the decisions to buy or not are made – and thus affect the bottom line for the business directly.

Fortunately, after a decade of research and thousands of questionnaires aimed at these cultural differences Geert Hofstede came up with a model of cultural dimensions that has become an internationally recognized standard in the area of cultural differences and how to handle them.

Hofstede had access to people working for the same organization (IBM) in over forty countries and after collecting his data, analyzing it he formulated his findings. He initially identified four distinct cultural dimensions that served as the basis for distinguishing cultures from one another on different levels of society. Later a fifth dimension was added to the model as it stands today. Each country scored using a scale of roughly 0 to 100 for each dimension. The higher the score, the more pronounced the dimension is exhibited in the society [Hofstede 2005].

As the data that Hofstede was analyzing was from one company (IBM), it eliminated to a large extent the effect that differences in company culture would have on the data from different countries.

Later I will highlight the differences, if any, between countries and cultures that ABB DA does business with everyday and therefore it is also important that I try to connect these cultural dimensions of Hofstede to the sales process described and defined above and establish a link between certain of the cultural dimensions and the steps or stages in the sales process. The connections with the appropriate dimensions will support my findings from the ABB data of actions in the stages of the sales process and suggest possible reasons or driving forces for the behaviour and sales activity trends that were shown through the analysis of the ABB data. Certain deductions or assumptions will then be made as the dimensions describe certain values or behaviour by people or groups of people within certain societies and cultures. These deductions or assumptions will also be discussed from the point of view of ABB DA and their sales process.

### **2.7.3 Corporate Culture**

Within the structure and components of an organization that can be drawn on an organizational chart there lies a different, more informal organization, which can be more subjective and distinctive. This informal organization plays a critical role in the coordination of the organization and is called the corporate culture.

Corporate culture is the set of shared values that defines what the organization stands for from the point of view of the members, how it functions and what it considers as being important. It is believed by most managers that it is important to have a strong and clearly defined corporate culture to help guide managers' behaviour in their daily tasks.

Creating a corporate culture is not always easy and may be especially difficult for a multi-national or global company as the units or divisions within the company will naturally also have its own culture. This unit culture will also, partially, be defined by the national culture it finds itself in and from where most if not all the

employees are from. At the same time there needs to be an overall corporate culture that runs through the whole organization. Thus, different units in different countries will have different unit cultures, even if there is a strong corporate culture that dictates how business should be done overall. [Griffin & Pustay: p 499]

When considering all it would be foolish not to take this phenomenon into account when doing business in different countries containing different societies and cultures. The unit cultures, that are influenced by the local national culture has its effect on business within that society even though the corporate culture is always present and therefore has an effect on the way the multinational or global company does business in that particular society or culture. Taking into account that the local customers are from a similar background than the employees of the multinational or global company a cultural knowledge exists and this means the local unit won't have too many problems doing business, because they would have the local knowledge as they are from the same culture – even though the corporate culture runs through the business processes still. I would expect the most issues of cultural difference to be within the same organization. The corporate culture, enhanced by the home culture of employees working in the headquarters where the corporate culture originates, will ultimately be different from the unit culture, and that is mainly influenced by the local culture of the employees in the local unit. These differences would ultimately have an impact on the processes within the company, but between the mother organization and the foreign (daughter) units. Looking at the structure within ABB DA Finland, the home (Finnish) culture and ways of doing things will not be the same as the way things are, or need to be done in, for instance Brazil or China, even though the processes are standardized and the same, essentially, there will be minor differences in the minds of the locals that differ from the ones in Finland and these are the differences I will be looking at later in this study. These differences might sometimes be small, but it might mean the difference between getting the most out of your employees in other countries and growing in sales volumes, or stagnating in the local markets.

The Area Marketing Managers therefore would benefit from knowledge that would make them more aware of cultural differences and how they impact on eve-

ryday processes within a company like ABB. The needs, not only of the customers, but also of the other ABB employees (the local sales people) should be taken into account and considered when planning or strategizing towards a specific region or market. The market is going to include a certain culture and this is going to have an impact on business to a greater or smaller extent that needs to be recognized and the Area Marketing Managers need to adjust accordingly as to ensure that the processes (in this case the sales process) involving them the regional offices and their customers run smoothly, effectively and cost efficiently. This is the challenge I aim to help with.

#### **2.7.4 Hofstede's Cultural Dimensions and the International Business Organization.**

This study ultimately aims at defining a stable, yet adjustable and updateable model that would be able to be used across national and cultural borders in order to aid Area Marketing Managers in predicting or forecasting their results measured in sales volume (or Euros). The analysis of the recorded data (the activities of the Area Marketing Managers - in the ABB DA sales unit - toward their areas or regions collected over a period of 3 years(2006-2008)), by way of data mining, would identify trends in the sales activity volumes. These trends could then be compared to data regarding the views and expectations of the people in the regions towards whom the activities are directed by way of a web-based electronic mail survey. The differences between the current and expected sales activities (defined according to steps or stages in the sales process of the ABB DA sales unit – the MPM) within these different areas or regions, as well as the possible differences between the regions themselves would then be highlighted. As we know, according to Hofstede and his analysis of IBM data there are significant differences between different countries or regions according to specific cultural dimensions that he defined. [Hofstede 2005]

Thus, if trends or tendencies are found in the results of this analysis that correlate, or are in some way comparable with the cultural differences defined in the five cultural dimensions of Hofstede quite important conclusions would be able to be

formulated according to the trends or tendencies of the ABB data, and, these trends or tendencies would not only then be seen in a more reliable light, but also as being more useful in practice for ABB as a company. This would then lead to the definition of the key activity ratio model from the major points of measurement (MPM's) in the sales process of the ABB DA sales unit, which in turn, then would be used in the future as a guide for measuring, comparing and eventually forecasting performance (measured in sales volumes – euro's) by Area Marketing Managers in the ABB DA sales unit globally within their respective areas or regions.

Now, the question may be asked: “How do we connect these different trends and tendencies to each other?”

The data from the ABB DA sales unit and the cultural dimensions of Hofstede need to be compared with each other and this has to be done by putting them on the same page – like comparing apples with apples. After that, links need to be made between the dimensions and the results of the analysis by highlighting the appropriate affects of the cultural dimensions defined by Hofstede to business organizations in general, and then by linking these affects to the specific MPM in the sales process defined for the ABB DA sales unit.

Firstly, it would be good to look at the Cultural Dimensions defined by Hofstede. I will discuss Hofstede's analysis and define the dimensions separately and explain key points of the different dimensions and how they affect people in general within different cultures, how they affect business organizations doing international business and then, finally, how these could be linked to the specific MPM defined for the sales process of the ABB DA sales unit. The links would then serve as reference points when concluding the analysis of the actual versus the expected activities of the ABB DA sales unit later. They would refer to and emphasize expected trends or tendencies in the behaviour of different countries or cultures within the areas or regions of the Area Marketing Managers of the ABB DA sales unit. I would then compare the expected tendencies to the trends I have



found from analyzing the ABB DA sales unit data and formulate my findings and conclusions.

### **2.7.5 Hofstede's Cultural Dimensions**

The five cultural dimensions defined by Geert Hofstede are:

#### **a. Power Distance (PDI)**

The power distance of a country refers to the extent of the degree of inequality that exists between people with and without power (political power, power because of stature, power because of position in a company, etc.) - also the degree to which this inequality is accepted by subordinates.

In cultures with a high PDI (Power Distance Index score) it can be expected that society accepts an unequal distribution of power. Therefore people understand where they stand in society or the system and accept it that way.

On the other end of the scale in cultures with a low PDI score, power is shared and distributed more evenly as there is not such a big difference between statures in society. The members of society see themselves more as equals.

PDI scores also refer to the dependence relationships that exist in countries. In low PDI countries there is a lesser degree of dependence of subordinates on their bosses and there is a preference for discussion and consultation. The emotional distance between subordinate and boss is also smaller and the boss is easier approachable and subordinates will not keep from contradicting their bosses.

High PDI scoring countries or cultures, on the other hand, would exhibit considerable dependence of the subordinates on their bosses, either in the form of the autocratic leader that gives orders without consultation or the paternalistic boss that will be like a "good father" figure, but that will also be giving orders and expecting the work to be done as ordered. It may also be that the subordinates reject the dependence – also called "counter dependence". In these coun-

tries there would be a strong pattern of polarization between dependence and “counter dependence”. The emotional distance between subordinates and their bosses are huge and they would find it very difficult to approach their bosses or contradict them directly. [Hofstede: p45-46]

When looking for connections between Hofstede’s cultural dimension of Power Distance (PDI scores) and my Major Points of Measurement (MPM) in the sales process of the ABB DA sales unit the following deductions or assumptions can be made:

In countries with low PDI scores subordinates are entrusted with tasks demanding more initiative from the subordinates and therefore I expect to find that lower level managers might be entrusted with the task of negotiating important deals without the consent - but maybe only with consultation - of their superiors. This would mean that there might be less time spent on negotiating as decisions can be made with less input from superiors. The managers rely on their own experience to make decisions and also on their subordinates to take responsibility and make their own decisions (to the benefit of the whole company, of course). There seems to exist a higher level of trust between co-workers.

It may also be necessary for more and intensive training and after sale service in low scoring PDI countries as the subordinates will be more open and willing to express their concerns about a certain product and report faults and difficulties to their superiors more readily. These subordinates will also have something to say about their part in a certain matter, and therefore, will also have to be taken into account when organizing seminars or presentations to companies in these countries. Thus, a seminar or presentation introducing a new product or product range would have to include a greater audience or involve more, but smaller groups (include more than one level of employees from within the organization) as it would include everybody involved in the products implementation, as all of these people will be consulted and ultimately be involved in the eventual decision of purchasing the product. The

superior would be making a democratic decision and therefore he would not be the only informed party to the purchase of the product.

On the other side of the coin it might look very different as I would expect in a country with a high PDI score there to be an autocratic leader making all the decisions and giving orders to subordinates whose tasks would need more discipline – and they would feel more comfortable in this environment. The subordinates would be reporting to many more supervisory personnel and as managers rely more on their superiors and on formal rules, negotiating might take just that little bit longer to get to a decision as there will be more steps in the internal decision making process as managers might not have the power to make even the smallest decisions themselves in the negotiating process. [Hofstede: p55-59]

b. Individualism (IDV) vs. Collectivism

This dimension can be defined as the strength of the connections that people have towards others in the same community or society.

A high IDV score, i.e. high individualism, indicates relatively loose connections towards others in their society. Countries displaying high IDV scores generally have a lack of interpersonal connections and there is also very limited sense of sharing responsibility – beyond family and very close friends. [Hofstede: 74-79]

A low IDV score, i.e. high collectivism, indicates a society with strong group cohesion as well as a big amount of loyalty and respect for members of the group. The group itself also tends to be bigger and people share more responsibility of taking care of the group and the members within the group – they are more responsible for each other's well being and more trusting of each other.

As can be seen these two terms represent the pole opposites of this dimension and will vary from country to country and between cultures. On the one hand there is a high valuation of peoples time and their need for freedom as well as their enjoyment of challenges with an expectation of rewards for hard work and the respect for privacy, i.e. a high IDV score, contrasting the other pole that represents a low IDV score – a more collectivistic approach, where the group is important and people look out for each other and the feelings of others. Also there is an emphasis on building skills and becoming masters of something, working for intrinsic rewards (the joys of doing the work is the only reward) and where harmony is very important – harmony between people and also the harmony between people and their environment. [Hofstede: p99-106]

When connecting this dimension to the MPM of the sales process it would seem that countries with a low IDV score would be resistant to change and would like to keep the harmony of the group no matter what. This needs to be kept in mind when, for instance, a new range or line of products would be introduced to a country like China, with a very low IDV score. The fact that they would be resistant to change would mean that the process of introduction or presentation of the product would take that much longer as it is a process that needs to be eased into and then it might also take some time to get the users to an operational level through training.

This would also be tied into the fact that in a low IDV scoring culture the emphasis is on building skills and keeping to traditions. It may also take some time to get into the “in-group” before a deal can be struck and therefore I believe that the volume of Customer Relationship Management activities might also be greater in these countries or cultures; but then as soon as you are an “in-group” member it will be much easier to close deals and keep relationships going between companies. Here the term particularism (the better treatment of in-group customers) is applicable. [Hofstede: p102] Literally, a lot of tea would have to be drunk in China or the Middle East before any mention of a deal, but then when the deal is struck a bond is formed – almost like becoming

a part of the family and becoming the favoured business partner – making you privy to upcoming deals and other related partnerships. It is clear that the relationship that is formed between organizations and sometimes between individual persons from the two organizations would be more important than the actual task or deal at hand.

On the other side of the spectrum it would look very different as the countries or cultures with high IDV scores would be more likely to treat every customer the same (universalism) and therefore the relationship between customers (business relationship) would be more of an impersonal one – a relationship between individuals looking out for their own best interests. Business will be done and relationships will not be of such a personal nature as in low IDV scoring countries or cultures. The relationship might be friendly between the involved persons representing the two companies, but the relationship would not be that of being part of the family.

When linking this dimension to the MPM it seems like there is a general feeling that the two poles are the one of doing business and considering the human involvement and being more concerned with creating lasting personal relationships; and opposing this there is the feeling of business being done for the sake of business and the bottom line. It comes down to be the difference between the win-win situation and the win-at-all-cost situation. Without getting into too much detail I would suspect that in a society or culture with a high IDV score (strong individualism) there would not be much time spent fostering the relationships with the customers, and the idea of “time is money” would be omnipresent.

I believe there not to be much time spent in any of the other MPM either. Only the bare minimum would suffice and be tolerated as planning would involve only the necessary and near future issues. Presenting would be limited to a very efficient system that would be done by very competent persons and be very direct and impersonal. The amount of negotiating would be determined by the customer as the sales person would be on a schedule and won't be

spending too much time negotiating issues – facts would be placed on the table and either accepted or rejected. The societies where this is the average norm would also tend to show a high MAS score that will be discussed later. I also believe that the training and educating done by big companies in these countries or cultures would be limited to the necessary as it is expected from these cultures for the individual to educate him/herself as there usually is strong competition for positions in the marketplace.

c. Masculinity (MAS) vs. Femininity

This dimension refers to the extent society sticks with, and values, traditional male and female roles. Hofstede defines masculine and feminine societies as follows: “A society is called masculine when emotional gender roles are clearly distinct: men are supposed to be assertive, tough, and focused on material success, whereas women are supposed to be more modest, tender, and concerned with the quality of life. A society is called feminine when emotional gender roles overlap: both man and women are supposed to be modest, tender, and be concerned with the quality of life”- and the traditional masculine characteristics are less prevalent in the society. [Hofstede: p120]

Therefore, it can be accepted that in high MAS scoring countries or cultures men are seen as the providers, need to be assertive and to be strong – not only physically, but also emotionally - like the old saying goes: “Cowboys don’t cry.” In these societies women generally work inside the house and if they do not they would have professions that are separate from those that men occupy. In low MAS scoring countries or cultures it would be seen that the roles between men and women are not reversed, but that the roles are somewhat blurred. Men and women work together equally across many professions and as women strive towards equality in these societies men are also allowed to be more sensitive and might even take over some of the roles that would be seen as something fitting into the role of a women in a high MAS scoring culture where there is a well defined distinction between men’s work and women’s work. The movement of men staying home and looking after the children in

the Finnish society, as well as in some other societies, is an example of this phenomenon.

In low MAS scoring societies a woman is seen as being able to do anything a man can do and powerful and successful women are admired and respected. In these societies there is a shift in the optimal balance in the scale of concern for work versus the concern for people towards the more consideration side of that scale. People tend to work to be able to live and not like in the more masculine societies where the mindset is that you live in order to work. [Hofstede: p125-147]

This is an interesting dimension to try and link with the sales process' MPM as within high MAS scoring cultures people are more driven towards results and success is measured in equity. The deal is more important than the people involved in it and thus, I believe that there would not be much time spent negotiating or making friends (i.e. building mutually beneficial relationships) when there is money to be made. Decisions will be made based on ego and there will thus not be a requirement for many presentations or seminar visits to convince the customer to make the deal and purchase the product. They would be more interested in the technology and performance of the product rather than for instance the fact that the product is made from biodegradable products and therefore less harmful to the environment – the here and now is much more important. I would expect the companies in these societies or cultures to have sales processes that are much shorter than usual and also I would expect them to negotiate for shorter lead times and would not have any consideration sympathy for late deliveries or human error.

Opposing this I feel that societies with low MAS scores would be more flexible when it comes to regulations and time constraints. They would also be more willing to discuss a deal up to the last point and make sure all bases are covered and that everyone is happy. The mutual win-win would be important to them and this would be true in the management of the relationship between the companies from these societies and their customers. Personal contact is

very important as well and therefore I would suspect that there would be a higher amount of activities towards negotiations and Customer Relationship Management in these societies or cultures. [Hofstede: p132-147]

d. Uncertainty Avoidance (UAI)

Uncertainty avoidance as a dimension of cultural difference can be defined as: “the extent to which the members of a culture feel threatened by ambiguous or unknown situations.” These feelings people have would then be expressed through nervous stress and more interestingly through a need for predictability, thus a need for written and even unwritten rules and regulations. [Hofstede: p 167]

High UAI scoring countries or cultures try to avoid uncertain or potentially misleading situations whenever possible. These societies are governed by rules and order. Low UAI scoring countries or cultures on the other hand enjoy novel events and value differences or the anticipation of change. There are few rules or strong regulations and people have more freedom in finding what makes them happy.

It is important to mention that the avoidance of uncertainty is not the same as the avoidance of risk. The difference lies in the fact that if there is a risk it is a known risk and that it can be calculated – it does not have to be expected, but if there is a risk it is something that is known; compared to uncertainty, which is an aspect of life that is not known, something that cannot be anticipated and therefore will cause anxiety in persons that feel uncertain about the future.

Interestingly, in Hofstede’s analysis of the IBM data he found a positive relationship between the driving behaviour of certain societies and their UAI scores. He found that societies with high UAI scores tend to drive faster as they have higher speeds limits allowed on the freeways. This leads us to the fact that driving faster causes more deaths, but this is a known or familiar risk that people in these societies do not mind running as their emotionality provides them with a sense of stress that drives them to want to drive faster –



therefore showing that they would be more concerned with saving time than saving lives. The lesser sense of urgency in low UAI scoring societies leads to a better public acceptance of driving slower according to a slower speed limit. Not only are known or familiar risks accepted but there is a lesser sense of stress towards unknown or unfamiliar risks. In high UAI scoring countries an unfamiliar or unknown risk would be avoided as far as possible in, but a risk that is known will be calculated and dealt with, because the unknown element in the risk is eliminated and can be expected.

The ABB DA sales unit's sales process and even business in general may have interesting links to this dimension as people in strong uncertainty avoidance societies (high UAI scores) tend to be less risky when it comes to investments and would rather invest in precious metals and stones instead of looking at putting money into the stock market. These people are also slower to pay bills and because of their fear of uncertainty or the unknown they are also hesitant to accept new technology – this could be a problem when trying to introduce a new product or product line that is filled with the latest and greatest technology to improve the life of all. It may take a little more time to introduce or familiarize your target audience of the benefits of the new technology, and it might take a little more time to plan and get your strategy set before visiting the client because of his need for structure and formality.

Therefore, also in the high UAI scoring societies there might be less time spent planning strategies and business plans with the client, as the client expects this to be done by the expert – in which he believes – and laid before him to follow with rule and regulation. Managers in these societies are concerned with the daily running of the company and don't seem to like to think too much about the future – as it is an uncertainty and would rather avoid it. I would also suspect that less time would be spent negotiating as cultures with a high UAI score would be more concerned with the content of a decision and not so much the process. They also believe that “time is money” and therefore no time will be wasted. I believe that the time spent on relationship building will also be less.

When it comes to the societies with weak uncertainty avoidance (low UAI scores) we see that there is a much better tolerance for change and risk. The mindset in these societies or cultures is toward more risky investments and there exists a informal attitude and a better feeling towards the future as top managers like strategizing and making plans for the future and are less bound by rules and regulations – whether it be in a big organization or as an entrepreneur. They are not so much concerned with the day to day operations, but look at the bigger picture of business.

As the fear of the unknown is less, there is a better acceptance level for new technology and people seem to be more curious by nature. I would expect that when dealing with these societies or cultures that not so much time would be spent with presentations and introduction seminars as there would be an eagerness to gather knowledge and that only the minimum amount of seminars or presentations would be necessary to get your idea across – depending on how it is done, of course. Another important trait or characteristic to consider is that people in low UAI scoring societies or cultures are better at innovating and inventing and worse at implementation, so it might require a little more time and effort to get them trained and skilled enough to operate the intended product – thus more time spent training and educating. [Hofstede: 182-189]

e. Long Term Orientation (LTO) vs. Short Term Orientation

This dimension was added later to the other four dimensions derived from Hofstede's analysis of IBM's data after finding that Asian countries with a strong link to Confusion philosophy acted differently to western cultures (according to work done by Michael Bond in his Chinese Value Survey (CVS) ca. 1982) and refers to how much society values long-standing – as opposed to short term – values and traditions. [Hofstede: p208] Hofstede defines long term orientation as the “fostering of virtues orientated toward future rewards – in particular, perseverance and thrift” and he continues to define short term orientation as the “fostering of virtues related to the past and the present – in

particular, respect for tradition, preservation of ‘face’, and fulfilling social obligations.” [Hofstede: p210]

Countries or regions with high LTO scores and, therefore a stronger orientation to the “long term” show characteristics of having perseverance and the willingness to make sustained efforts toward slow results. They tend to be more sparing with resources – being thrifty – and having respect for circumstances more than traditions. Also, there is a concern for personal adaptability rather than a concern for personal stability as in the short term orientated countries or regions. [Hofstede: p210-212]

This dimension also has some interesting links or references to the business world and can be used to explain the ways business is done in countries or regions with high LTO scores (i.e. Long Term Orientation) versus the countries or regions with low LTO scores (i.e. Short Term Orientation).

Long term orientated countries or regions (with high LTO scores) exhibit a strong work ethic and place a high value on education and training, as well as honesty, adaptability, accountability and self discipline. The focus here is usually on rather being in a favourable position in the market place, and thus, showing the importance of profits that would be delivered ten years from now. The current bottom line is not as important as it would be in the countries of regions where a short term orientation is held. This is possible because all the employees (owner-managers and workers) share the same aspirations and invest in lifelong personal networks, described as guanxi (the basic dynamic in personalized networks of influence - a central concept in Chinese society). In companies in short term orientated countries or regions the managers and the workers are psychologically in two camps and therefore it would be very unlikely that they share the same aspirations towards the company. I believe that their personal loyalties and the needs of the company vary greatly.

Because of their long term orientation and a sense of looking towards tomorrow and the future these countries or regions will also exhibit behaviour that produces a large saving quota – larger portions of salaries and profits go into

savings and therefore they would have more capital to use as investment later. These investment would then also show a long term orientation in the fact that there would be invested in real estate opposed to the short term orientated countries or regions where the investments that would be made would be made as to ensure a shorter time for the investment to give returns such as mutual funds and stocks. [Hofstede: p212, 217-227]

Looking at the ABB DA sales process from the point of view of long term versus short term orientation I would think that there would be more time spent on training in countries with high LTO scores as they place high value on training and education and have a strong work ethic. Also, there would be a bigger emphasis on the relationship – long term relationship - between the business and its customer in these high scoring LTO countries or regions. I would therefore expect a higher volume of activities in the area of Customer Relationship Management in these countries or regions as the relationship would carry more importance - up to a certain stage - than the actual business.

Countries or societies with a high LTO score would also not be very willing to change as they would be very tradition orientated. This would mean that it would take more presenting to convey the message of the product and so also mean that it might need a lot of time in negotiating the issues of the deal as the investment made into the product would have to satisfy not only the goals of the company now, but also the longer term goals. This means that the after sale service becomes so much more important and the effort that would be needed to manage these relationships between the two companies would always be worthwhile.

#### **2.7.6 Summary of Cultural Dimensions of Hofstede in accordance with the MPM**

Before we start to look at the actual measurements and analysis of the mentioned cultural dimensions and later the research studies done we need to summarize the theory first. This can be done by presenting the theoretical links I made between the Cultural Dimensions of Hofstede and the MPM of

the sales process. With this I will create theoretically expected changes in the MPM for each cultural group or society based on the theoretic averages that Hofstede presented through his Cultural Dimension Index Scores and the links I made between the Cultural Dimensions and the MPM.

Even though the links are purely theoretical, I believe that they could help in the formulating of some valuable assumptions and deductions. Some of these assumptions and deductions would have to be proven in practice, but I will nonetheless use them as theoretical background to understanding the differences in culture that exist, and how this will influence the sales process.

The expected changes in the Sales Activity Volumes within the selected countries or cultures are summarized below in the table. This is also formulated according to the definitions of the Cultural Dimensions of Hofstede. These indicators were formulated by linking the expected behaviour of people in different societies and cultures into the business world and will be used to compare the dimensions of Hofstede to the findings of the web-based survey sent out to investigate the preferences and expectations of the people in the countries or regions supported by ABB DA within the Sales Process of the ABB DA sales unit.

As I defined and described the Cultural Dimensions of Hofstede above [Hofstede 2005] and tried to link them in some way to the steps or stages – my predefined Major Points of Measurement (MPM) - in the ABB DA sales unit's sales process it became clear that the links are not as clear as first expected, but with a certain amount of creativity and some common sense I propose the following summary of what changes in activity from the average baseline (world average) could be expected when the sales process is analyzed from the point of view of the cultural dimensions of Hofstede and by expecting certain actions within certain countries or cultures because of cultural trends described by these cultural dimensions of Hofstede.

		Cultural Dimensions of Hofstede				
		High PDI	High IDV	High MAS	High UAI	High LTO
Major Points of Measure- ment (MPM) in the Sales Process	Strategic Planning	↓	↓	↓	↓	↑
	Presenting	↓	↓	↓	↑	↑
	Negotiating	↑	↓	↓	↓	↑
	Training and Education	↓	↓	↓	↑	↑
	Customer Relationship Management	↓	↓	↓	↓	↑

**Figure 3.** Summary of expected changes in the MPM in the sales process according to the Cultural Dimensions of Hofstede.

The table above summarizes the theoretic effects the cultural dimensions of Hofstede would have on the MPM's in the sales process described for the ABB DA sales unit.

We see that for a country or culture with a positive or strong power distance (PDI) there can be expected to be a lower volume of Strategic Planning Activities when comparing the activity ratio profile of the world or global averages. The same can be expected from the Training and Education and Customer Relationship Management MPM. Also, a relative higher activity volume can be expected in the Presenting and Negotiating phase of the sales process when comparing the percentages within the ratio profile to the average world or global profile.

In countries or cultures with high IDV (individualism index) scores I would expect that relatively low volumes in all the MPM's would be seen compared to the averages. This does not mean that deals would be made without any input from the sales managers, but that when it comes to the actual sales process all steps or phases are relatively shorter as strong individualistic countries or cultures contrast weak individualistic (strong collectivistic) countries or cultures where the personal relationship between companies prevails over the

task and should be established first. In practice I would expect this to mean that when engaging with a company within these countries or cultures it would take more time (probably many actual visits or sales activities) to establish a relationship between companies before any of the other steps could be performed, and then also when conducting the specific sales activities it would be accompanied with a lot of Customer Relationship Management activities in order to maintain and keep the status of being in the “in”-group. The specific sales activities would also take longer as it would involve the personal relationship between the participants and not only the task or deal at hand.

A similar scenario of relatively lower activity levels, compared to the global average, can be expected in countries or cultures where a strong masculine (high MAS score) orientation is present. In these countries or cultures the society is male orientated and thus more aggressive and competitive. Results are ego-driven and thus the people involved in the deal would not carry as much weight as the deal itself. I would expect the Customer Relationship Management activities to be relatively on the low side and as time is a constraint for these societies within the high MAS scoring countries or cultures I would also expect that the whole sales process to run quicker and therefore fewer activities would be involved all round.

In countries or cultures exhibiting strong uncertainty avoidance (high UAI scores) I would expect to find lower levels of planning activity as the managers in these societies are more concerned with the daily running of the business than with planning for the future – which refers to them to the unknown and is an entity that they would rather avoid. Also in these societies there is a definite need for structure (rules and regulations) to daily life. This means that even the sales process would be very structured and no time or meetings would be wasted – there is a greater concern for the content of the deal than the process and therefore the minimum amount of sales activities would suffice – time is money. The people in these societies are traditionally also better at implementing than innovating and I would therefore expect the levels of training activities to be relatively lower.

Long term orientated (high LTO scoring) countries or cultures place high value on training and education, as well as adaptability, and as time is no constraint I would expect higher levels of training and education activities compared to the global averages in the sales process. A higher level of presenting and negotiating would also be expected as there is no rush to get the deal done and also because there is a long term orientation I would suspect that more attention would be given to the thoughts of all involved and to getting the deal done so that all is happy. The company's position and long term position in the market is also very important and therefore I would expect a relatively higher level of strategic planning activities for these societies within the long term orientated countries or cultures. Customer Relationship Management activities would naturally be higher, I suspect as the long term results and relationships have greater importance.

For the different regions, different assumptions or deductions can thus be made regarding the effect differences in culture would have on the sales process, and, in specific the MPM. Therefore, it is important to look at the different defined regions or cultural clusters and formulate the most important or strongest characteristics into a cultural model for each. This will help in the comparison of the data gathered with the expectations from the people working within these regions or cultural clusters.

### **2.7.7 Cultural Clusters:**

The cultural differences between countries provide a challenge to whoever tries to understand and manage them in a business environment. Fortunately, there do exist similarities between the cultures from different countries and this makes the job of customizing business practices to meet the demands of the local environment easier and less confusing. Many studies have been done into the influence of culture on the way people think and react to their environment, what their values are and ultimately how they do business. It has been found that because different cultures share certain cultural values or ex-



hibit values based on similar origins, they can be grouped together as to form cultural country groupings or “cultural clusters”.

A “cultural cluster” is made up of countries that share many cultural attributes and values, even though some differences do remain. [Griffin Pustay: p356] These clusters can be divided according to a range of different criteria. Maybe the most basic of criteria is language and it, in itself, forms a very strong division between countries and cultures. Another very strong divider of people is religion, but may be more pertinent as a divider of cultures into sub-cultures of many sorts and therefore not considered in this study.

The language spoken within a culture will guide companies when formulating their internationalization strategies and this can be seen in the way American companies used this clustering of cultures to focus their initial exports towards Canada and the United Kingdom as well as other English-speaking countries. Even though they shared many cultural values with other nations around the world the initial steps were made easier by having a common language. [Investopedia, 2010]

This closeness of cultures can also have an effect on the way companies enter foreign markets, for instance, a Canadian company would rather enter the market in the United Kingdom by establishing a joint venture with a local company compared to a Japanese company that would feel more comfortable entering the British markets through a Green Field investment – a form of foreign direct investment where a company starts a new venture in a foreign county by building the operational structures from nothing [Investopedia, 2010]. It just shows how big the effect could be and shows how important it is to manage the differences in cultures well.

On the other hand though, according to many experts in the field of media – in the form of television and the internet, it has shone a light on a process that could eradicate many of the cultural differences we see today. The process of “cultural convergence” or “globalization” will also have to be considered in the future as many cultures start exhibiting more and more similar behaviour,

not only in media but even businesses are displaying the tendencies to break out of the boundaries of their domestic markets to other markets around the world – increasing the interconnectivity of different markets globally. This is forcing the formation of new management techniques, technologies and ways of doing business in cultures that were considered very different before, but that is now becoming more and more alike.

In this study – as it will be shown later - it was important to group the countries where the ABB DA sales unit is involved together in clusters because it helped to emphasize the differences in culture between the formed groupings or clusters, as it also showed the similarities of the countries included in the clusters. I grouped the countries into these clusters on the basis of cultural profiles that were deduced from the cultural dimensions of Hofstede and the indexes that these specific countries possessed within the different dimensions and to a lesser extent to geographical location. Most of the countries that were seen as important to the ABB DA sales unit or seen as high profile countries or regions were clustered into eight regional clusters - named Regions A to H for the purpose of this study. They may not be all situated in the same geographical regions, but may be linked in different ways as to produce similar cultural values and attitudes that will – as I aim to show – have an influence on the way business is done within these regions or clusters and therefore, also influence the way activities within the sales process are directed towards them by the Area Marketing Managers from the ABB DA sales unit.

Because of the fact that the Area Marketing Managers are currently each responsible for a group of countries (maybe not always culturally correctly grouped) within a specified geographical or economically related area, the groupings or clusters in this study tries to simulate the current model that is used and show how it may be improved in order to be more “culturally” effective and get the most out of the Area Marketing Managers as they will be able to direct their resources more efficiently towards the named regions or cultural clusters and the specific countries within these regions or clusters.

### 2.7.8 The Regional Divide

According to Hofstede's cultural dimensions' index scores for countries in the IBM study, as well as further work done since then, I was able to formulate cultural clusters of countries into eight regions scoring similarly within the five dimensions.

Please note that for the purpose of this version of the thesis I have excluded six of the eight cultural clusters, because in the interest of being brief, yet concise showing detail of two clusters as examples would be enough to get the point across. The details of the excluded six cultural clusters will be added as Appendix 2 and thus can be found at the end of this thesis. The world average will be shown for reference sake.

The dimensional index scores for these regions are presented as averages. Numbers of countries which have obvious cultural backgrounds and therefore are similar and also comparable on the grounds of the cultural dimensions have been grouped together.

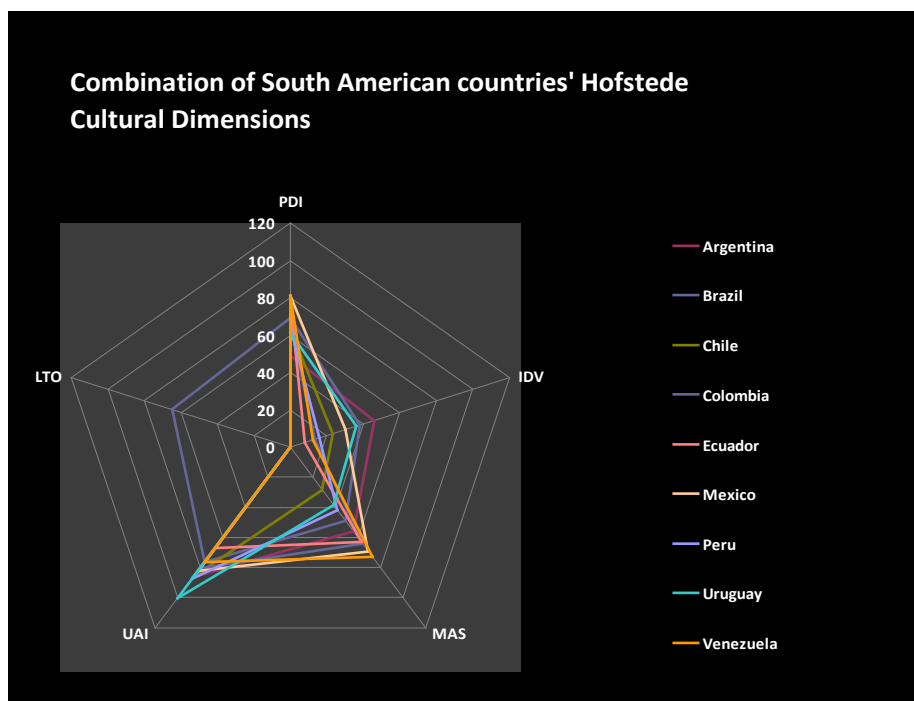
It might only be average scores that are depicted in the analysis and might therefore seem to be somewhat unreliable, but for all of the regions defined here the scores are merely a measure of a trend that shows an average within a bigger group and will vary quite considerably within the society that is involved.

Individuals within the cultural cluster will show certain variations from the average, but this can be expected in all the cultures below and is a characteristic of all the dimensional score indexes. It is the averages of the certain dimensional scores that I am interested in within the scope of this study as it provides me with a trend within the cultural clusters that can be used to predict the actions of the people involved in the sales process later. I expect to be able to use the trends to predict or explain actions and answer the question concerning actions within the sales process that will differ between people of different societies within different cultures or from different cultural back-

grounds and also explain the question concerning the similar actions of people in similar societies with similar cultural backgrounds.

## 2.8 The cultural characteristics as defined in the cultural clusters.

### 2.8.1 Region A (South American Countries)

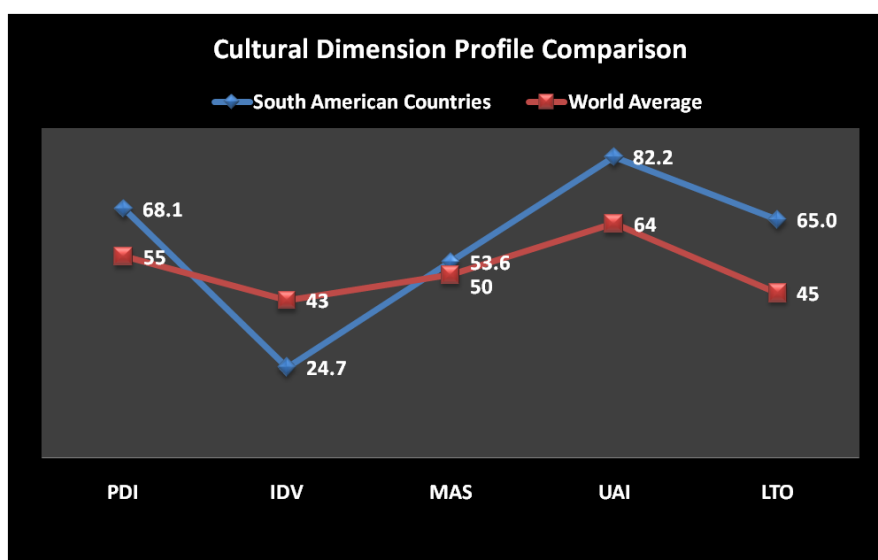


**Figure 4.** Combination of South American Countries' Hofstede Cultural Dimensions.

Countries: Brazil, Argentina, Chile, Colombia, Ecuador, Mexico, Peru, Uruguay, Venezuela

When looking at this region, it can be seen that there are high scores in two of the five dimensions (UAI and PDI). UAI (uncertainty avoidance index) scores for all the countries are between 67 and 100, with an average of 82.2 and the PDI (power distance index) scores are between 49 and 81, with an average of 68.1. The MAS (Masculinity index) scores were between 28 and 73, with an average of 53.6. This dimension's score is quite wide spread and as the average indicates a quite mid-ranged score it indicates a variation in the society towards masculinity and femininity that is quite neutral on average. A similar picture can be seen in the index scores for the dimension of individuality versus collectivism (IDV). Here the

range of scores is between 8 and 46, with an average of 24.7. So, even though there is a wide range in the scores the average is low and thus indicates that the society has strong collectivist values. The long term orientation dimension (LTO) shows only the value of Brazil as this was the only country from this region that was involved in the later study concerning this dimension and shows a relative neutral value of 65 towards long term orientation. As Brazil can be seen as a major influential country in this region I would like to use the LTO value of Brazil as an average for this region. [Hofstede 2005: p43-44, 78-79, 120-121, 168-169, 211]



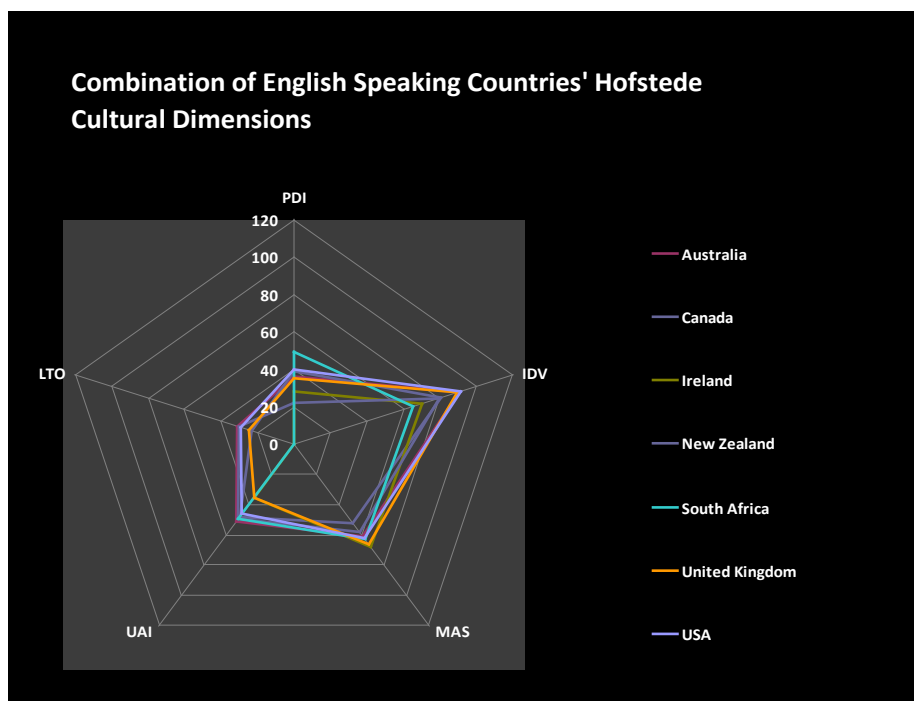
**Figure 5.** Cultural Dimension Profile Comparison: South American Countries vs. World Average.

Therefore the South American Region can be characterized by a relatively strong Power Distance (with an average index score of 13.1 above the world average) and Uncertainty Avoidance (with an average of 18.2 above the world average). Long Term Orientation is also quite high above the world average. Individualism is on average low for the region and thus points to a strong value of collectivism in this region. As an average the score for Masculinity versus Femininity shows that there is a relative neutral view of this dimension, but the spread of the index scores is quite wide, which shows that there are different opinions within the region and

to make assumptions concerning this dimension would be dangerous if the individual views and values of people are not taken into account. In summary I would categorize this region as one that respects authority within the group, which holds strong ties between people. There does exist a strong uncertainty avoidance and long term orientation that may create an aversion to taking risks and a strong sense of keeping the future in mind.

The breakdown of the involved countries and their respective Cultural Dimension index scores in this cultural cluster can be found in Appendix 1.

### 2.8.2 Region B (English Speaking Countries)

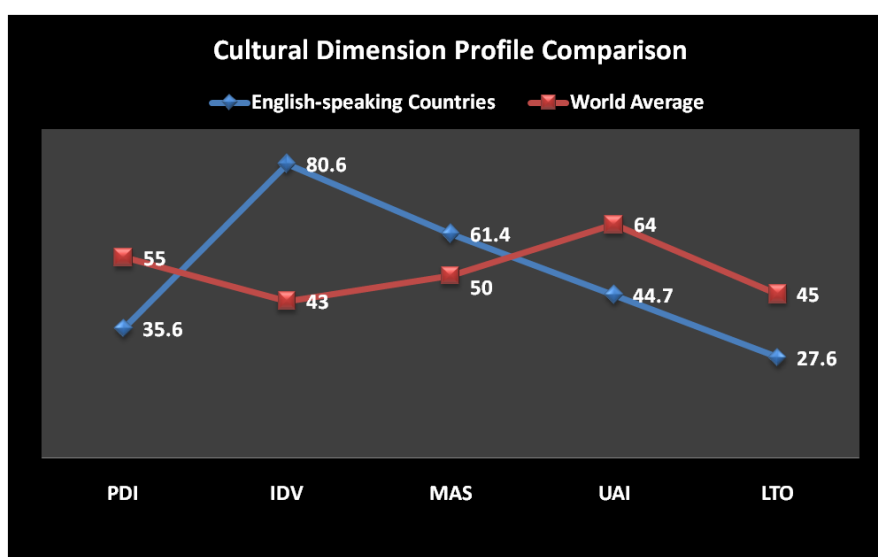


**Figure 6.** Combination of English-Speaking Countries' Hofstede Cultural Dimensions.

Countries: Australia, Canada, Ireland, New Zealand, South Africa, United Kingdom, United States of America

As it can be seen this Region or cultural cluster was one of the easiest to group as the dimensions were quite closely related and therefore would

make the task of characterizing the Region much more relevant and reliable. Here we see strong individualism index (IDV) scores between 65 and 91, with an average of 80.6. Masculinity index (MAS) scores are also quite strong between 52 and 68, with an average of 61.4. The Uncertainty Avoidance index (UAI) scores are low – between 35 and 51, with an average of 44.7. Similarly, the Power Distance index (PDI) scores are low – between 22 and 49, with an average of 35.6, but the Long Term Orientation index (LTO) scores are even lower – between 23 and 31, with an average of 27.6 for the measured countries. [Hofstede 2005: p43-44, 78-79, 120-121, 168-169, 211]



**Figure 7.** Cultural Dimension Profile Comparison: English-Speaking Countries vs. World Average.

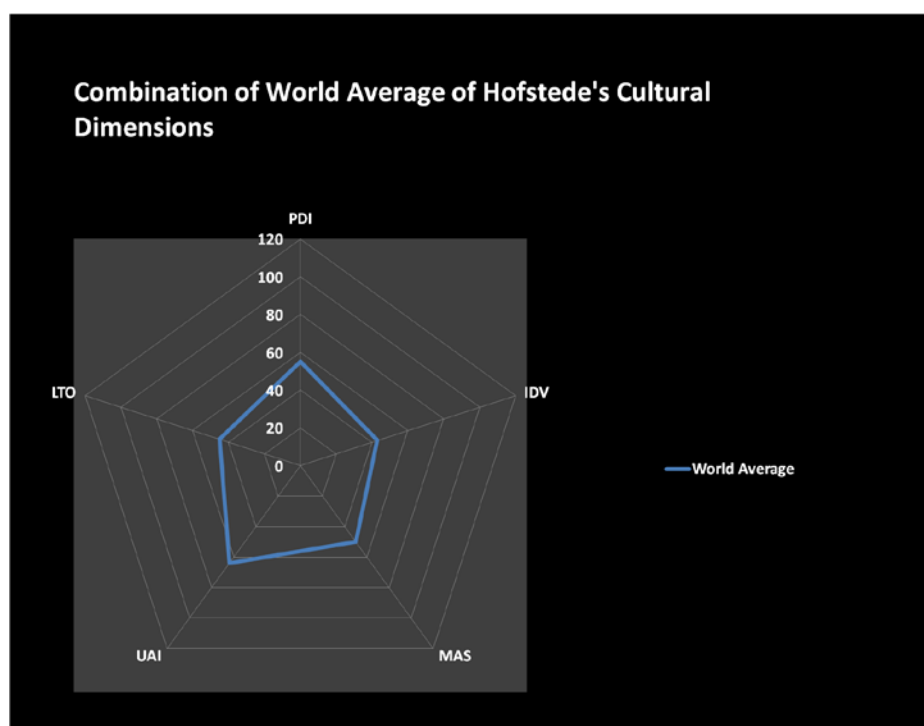
This Region or cultural cluster can thus in summary be characterized as one that is strong Individualistic (with an average index score of 37.6 points above the world average) and Masculine (with an average index score of 11.4 above the world average). The other three indexes score strongly below the world average (PDI: -19.4; UAI: -19.3; and LTO: -17.4). This would lead me to categorize this region as one that is strongly individualistic and set on driving self interest, being very competitive and willing to take risks and not think too much about the future. This region



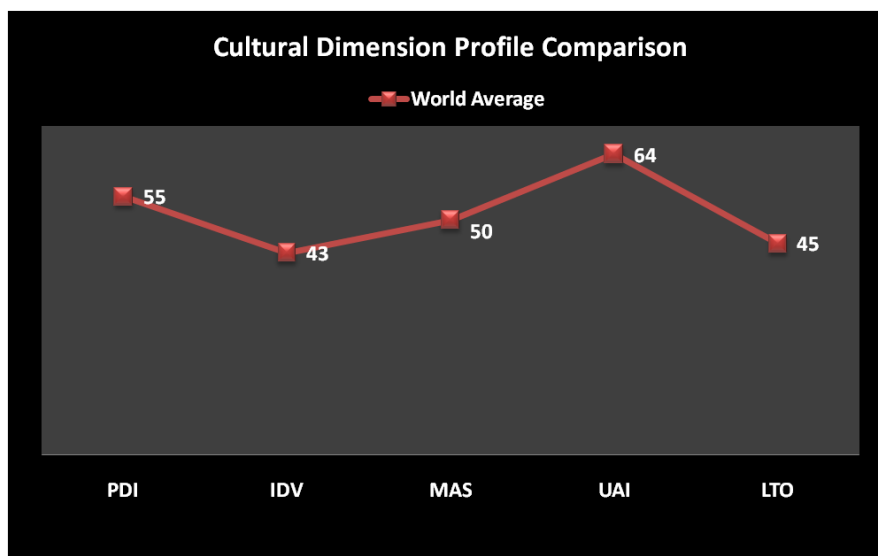
would also put a higher premium on equality between the members of this regional divide.

The breakdown of the involved countries and their respective Cultural Dimension index scores in this cultural cluster can be found in Appendix 1.

### 2.8.3 World Average for the Hofstede Cultural Dimensions



**Figure 8.** Combination of World Average Hofstede Cultural Dimensions.



**Figure 9.** Cultural Dimension Profile Comparison: World Average.

In summary I present my own deductions, assumptions and opinions concerning the theoretical links concerning the Cultural Dimensions of Hofstede, its index scores and the deduced characteristics of the predefined regions or cultural clusters, and the sales process. Therefore, giving me a tool or aid that aims to show – theoretically – how the differences in culture between societies would affect the specific sales activities (defined as the MPM) in the ABB DA sales unit's sales process. The measure of how narrow the spread of the index scores are in relation to the averages is, of course, a measure of the reliability of the regional cultural characteristics derived from its average index scores and as mentioned before these deductions might not be very reliable because of the wide ranging index scores. But as stated before it could be possible to see quite significant differences within a cultural group itself. Therefore, it is again important to state that, even though there does exist some strong cultural characteristics within this Region or cultural cluster, it is always essential to consider the individual's point of view or values before making assumptions about his or her behaviour and the reasoning behind it. The model that will be derived from this study will take all of this into account and used accordingly.

These links, or expected effects of the links will now be used as background or reference points when analyzing the data gathered from the survey. I will compare my findings of the survey to the expected effects of the cultural dimensions on the sales process to deduce any similarities or differences that would then either support or not support the trends in the ABB DA sales unit's sales data of current, and expected or preferred activity towards the regions.

The breakdown of the world or global averages for the respective Cultural Dimension index scores can be found in Appendix 1.

## 2.9 The Data of this study

The data – regarded as the observations collected to analyze later – involved in this study consists of data in both the quantitative and qualitative forms. Also, both primary and secondary data will be used in analysis to come to certain research conclusions. [Blaikie: p15]

The difference between quantitative data and qualitative data are sometimes difficult to see. Quantitative data are considered the data that has to do with numbers – the analysis of these data will involve the mathematical calculations done on the collected data as to come to some kind of answer that produces some kind of measure – number or figure – that can then in turn either be compared to another number from another analysis, or discussed as to bring the meaning of the number and its significance to light. [Miles & Huberman: p9] [Blaikie: p20-21]

Qualitative data, on the other hand, has to do with words – the data collected are usually in the form of people’s feelings, opinions or experiences (observations) and can thus not be calculated in mathematical formulas as to produce a number, but the opinions can be analyzed as to show a trend or inclination towards something. This trend or inclination can then be discussed or formulated in a way as to come to some kind of research conclusion. [Miles & Huberman: p9] [Blaikie: p20-21]

It starts to become complicated when the two forms of data overlap because of the fact that the data are collected in such a way that, for instance the opinions of people are counted and then analyzed with mathematical calculations as to be able to discover relationships with other datasets. Even though the division seems very complicated, it does have its effect on the way the data is collected and the way it is analyzed. Many arguments dispute the existence of a division between these two forms. Some argue that all data are qualitative (a “raw” experience is concerted into either words or numbers), but for the purpose of this study it remains to be seen. [Miles & Huberman: p9]

Just like the different forms of the data will ultimately describe the ways in which the data will be collected and analyzed, we also need to look at the distinction made between the different types of data that exists. Data are divided in to three types depending on the means or collection or distance from the phenomenon. This notion of distance can be described by the steps the researcher or analyst is removed from the “raw” data or initial observation of the data. [Blaikie: p18]

Primary data are gathered by a researcher that is responsible for the initial design of the study, the collection of the data, its analysis and the reporting of the findings concerning the data. The researcher is in direct contact with the researched issue or source and thus has the advantage of being in control over the method of generation of the data and the analysis of the data, and also of being in a position to judge the quality of the data. [Blaikie: p18]

Secondary data are the data that have already been gathered by someone else for some other general or specific research purpose or project and exist in some kind of database. The source might be the same, but the researcher is one step removed from the source of the data. The analysis of this data is called secondary analysis. There are clear advantages of doing research using this type of data, like the savings in time and effort in the collecting of the data, but there are also disadvantages; the purpose of the gathering of the initial data may differ from the purpose of the secondary researcher or analyst, especially in the case of a previous research project, the data may be old and not applicable anymore, the data may be coded or presented in a difficult form, and it might be possible that there will be missing data when considering the fact that the current areas of interest of the researcher and the initial researcher’s area of interest don’t overlap completely. [Blaikie: p18-19]

Tertiary data have been analyzed by either the researcher who generated them or an analyst of secondary data. The raw data will thus not be available anymore, but only the results of the analysis. [Blaikie: p18-19]

Of course it is important to know what kind of data you want to collect and in what form, but the methods involved in the gathering of the right data for the right research depends primarily on the aim and objectives of the study. Depending on the forms or types of the data needed for analysis and the aims or expectations of the study as well as the analysis of the data, one or more of the methods of gathering data (or observations) can be used. They include, amongst others:

- Behaviour observation checklists
- Knowledge tests
- Opinion surveys
- Performance tests
- Delphi Techniques
- Q-sorting
- Self-rating
- Questionnaires
- Time series
- Case studies
- Individual interviews
- Group interviews
- Wear and Tear observations

- Physical evidence
- Panels and hearings
- Existing records
- Logs and Journals
- Simulations
- Advisory or advocate teams
- Judicial reviews

[The Ohio State University: p 17]

After the collection of the data we need to look at the analysis of the data. There is a wide spectrum of methods available, both quantitative and qualitative. As mentioned above quantitative analysis refers to the analysis of collected data that is or will be soon converted into the form of numbers, while qualitative analysis refers to the process involving the analysis of data in the form of words and will remain in this form throughout the analysis. [Blaikie: p47]

Quantitative methods of data analysis can be divided into four main types:

- Univariate descriptive analysis – concerned with summarizing the characteristics of some phenomenon in terms of certain variables.
- Bivariate descriptive analysis – concerned with describing the form and strength of relationships between variables and also comparing the characteristics of the same variables in different populations or different variables in the same population.

Explanatory descriptive analysis – concerned with trying to establish the direction and strength of influence between variables.

Inferential descriptive analysis – concerned with estimating whether the characteristics or relationships shown by a sample, or differences between samples, could be expected to exist in the population or populations from which the sample was randomly drawn – this procedure allows the generalization of sample statistics to the population parameters.[Blaikie: p47-48]

During this study, as will be shown later, I will be analyzing primary qualitative data gathered from an electronic survey to supplement, and compare to the secondary quantitative data gathered from the database of the ABB DA sales unit. All the data will be analyzed using one or more of the abovementioned quantitative methods of data analysis and therefore, for the sake of keeping this thesis concise, I will not discuss qualitative methods of data analysis.



### **3 THE RESEARCH STUDY**

In the interest of clarity I will summarize the goals and expectations of the study according to the thesis sections above.

Within the boundaries of this research study I will attempt to present my ideas and findings as concise as possible and by doing so attempt to convey a clear message to the reader concerning my research study. As mentioned in the introduction and problem statement section of this thesis I will be investigating the effect of culture on the sales process within a global company. I will be doing this by looking at the sales process and breaking it up into fewer and better defined phases. The activities within these phases will be counted and the volumes compared. The activities toward different cultural groups would then be analyzed and compared.

From a theoretical perspective certain activities would be expected to be higher or lower in volume than the global average for the specific phase in the sales process as dictated by literature and common and logical deduction of the literature for a specific region. This theoretically expected activity has been analyzed in the theoretical part of this thesis and can therefore be used as the background to the rest of the study. It will be used to compare with the results from the survey as to create a measure of the influence of culture on the sales process within ABB DA sales unit and indicate the possible similarities between the theoretically expected activities and the actual activities within the sales process. This will also indicate if there is an influence that can be contributed to culture or not.

The survey will investigate the expected activities towards the specific regions or markets from the point of view of the ABB employees in the specific regions or markets working within the local ABB setup that is supported by the ABB DA sales unit in Vaasa, Finland regarding specific products.

This gathered information will then be used to compare with trends that were found, or not found in the activities of the past (the period between 2006 and 2009). When comparing the trends in activities I will keep the theoretically expected activity as the platform of comparison and use it to make adjustments to the current trends within the scope of the global company activity profile and help the Area Marketing Managers by creating a tool that would assist them in strategic planning and make their activity profiles towards specific markets or regions and countries more streamline and cost effective.

### **3.1 Presentation of the Research Material**

#### **3.1.1 Initial (secondary) data**

The initial data was gathered from an Excel-Worksheet containing all the activities of the Area Marketing Managers working from the office in Vaasa, as well as the ones working from offices in other places around the world. This worksheet contained around two and a half thousand entries and constituted the database of activities for the ABB DA sales unit for the period starting at the beginning of 2006 and ending at the end of 2008. As the year 2009 is not yet complete it was not considered for this study.

The database contained detailed information about the specific activities and their descriptions and to whom they were made. The information was gathered initially as a way of keeping record of activities by Area Marketing Managers within their designated markets or regions and countries and has not yet been used for any other purpose than recordkeeping.

First of all, I had to evaluate and analyze the past activities of the Area Marketing Managers as to be able to compare them to any other information gathered later. Because my investigation into the activities of the Area Marketing Managers within the sales process required me to classify the activities into the Major Points of Measurement within the sales process it was also required of me to categorize the activities manually into the five

MPM as mentioned earlier in the theoretical part of this thesis. That was the only way of getting the activities ordered and categorized to my needs as they were of a quite wide ranging nature and not in the form I needed them to be. Fortunately the actions were very well described in the database and thus the categorizing could be done fairly easily.

The data contained in the ABB DA database is of a qualitative nature and therefore it took a lot of time reading, classifying and counting the different actions made by the Area Marketing Managers. The actions and the different types of actions could then be compared easier as they were converted from qualitative data to quantitative data and represented volumes of activity within a certain action category and region or market.

The categorization of these activities of the Area Marketing Managers will make their handling much easier later when they will be used to create a key activity ratio model for specific cultural groups. To make this key activity ratio model easier understandable and useable it was better to limit the phases in the sales process and, thus the MPM were limited to five phases or steps.

After the activities within the database were counted and categorized I formulated activity ratio models or profiles for different countries bases on the idea of a ratio-model that consists of a ratio of five percentages representing the five different MPM in the sales process and the weight each MPM carries within the sales process as a percentage of the whole – the total volume of activity towards a specific region or market (i.e. XX%:XX%:XX%:XX%:XX%).

The further categorization of the countries into cultural clusters brought me closer to defining specific cultural activity profiles. The ratio-models for the defined cultural groups came from the creation of the cultural clusters for this study.

The cultural clusters, as defined earlier, are characterized by the fact that the countries clustered together all exhibit similar cultural traits and therefore can be grouped together as a bigger cultural group and used when comparing cultures and the effects of cultures on many aspects of life of which the sales process is just one. This led me to using the cultural dimensions of Hofstede and the dimension index scores and theoretically classifying countries according to the five dimensions – countries with similar dimensional scores would be categorized together in the eight different cultural clusters as described in the theoretical part of the thesis above. The activity ratio models were also formulated for each of the cultural clusters as to facilitate the ability for comparison between the clusters on the different levels of study within the scope of this thesis. [Blaikie: p48]

In summary I can say that my initial data of the secondary type – even though it was gathered initially for a different purpose – was found to be helpful in my process of data mining (a process of secondary data analysis that aims to find or discover valuable trends and/or relationships within secondary data, for instance like the data contained in the ABB DA database). The analysis and categorizing of Hofstede's cultural dimension index scores was another secondary data analysis process and even though the reasons for the initial gathering of the data and my research study has common threads it is also clearly secondary data acquisition and proved very helpful in my aims for this research study.

The cultural dimension index scores gathered by Geert Hofstede and published in the many books he has written is used extensively by many individuals and organizations globally when dealing with intercultural issues or studies and comparing behaviour of individuals within these cultural groups.

So, from the abovementioned processes I have formulated activity ratio-models (activity profiles) for the eight cultural clusters as well as, cultural dimension profiles for the eight cultural clusters as discussed earlier.

### **3.1.2 Latter Gathered (primary) data**

After the process of data mining was completed and the different models formulated from the secondary data, as mentioned above, it became important to know how the gathered information was interpreted in practice. Meaning – how is the activity ratio-models for the different cultural clusters seen from the point of view of the individuals within the markets or regions and how accurate are the dimensions as formulated by Hofstede within the realm of the global company ABB and then specifically ABB DA.

The best way of getting the perspective from the regions or markets and the local ABB sales personnel – whom I thought would know best what the perspective and feeling was within a specific region or market concerning the product ABB DA Finland was supporting in their regions or markets, was by way of personal interviews, but as there would have been close to a thousand potential interviewees I decided to use the method of an internet web-based survey to ask the questions I needed answered as to clarify the perspective of the local ABB sales personnel within the regions or markets that are supported by ABB DA Finland. The survey was in essence a questionnaire that was sent to the targeted respondents via the internet and their electronic mail accounts. The survey is connected to a central server that collects the responses to be viewed and analyzed after the survey has been completed and then automatically closed after an allotted time period. For this survey I used the internet based survey tool used by ABB DA sales unit supplied from Digium Oy ([www.digium.fi](http://www.digium.fi)). The information gathered when using this tool to construct surveys and analyze the responses is essential in developing market intelligence within

the sales unit and the marketing communications department connected to the DA sales unit.

Eventually, I directed my survey to a targeted response audience of 610 ABB employees that are either directly or indirectly supported by ABB DA Finland in their tasks of selling and/or using DA products within their particular regions or markets globally.

I decided to publish the survey and keep it open for a period of two weeks. Some of the members of the marketing communications team in the ABB DA unit mentioned to me by that a response rate of about 20 percent would be expected for this type of survey as this was the average number of responses they were getting for similar surveys in the past.

The survey was published on the centralized server on the 2nd of December 2009 and the electronic mail invitations were attached to the accompanying letter that was sent to all the six hundred and ten (610) targeted respondents. I did receive a couple of bounce backs over the next few hours, and tried to correct incorrect spelling of electronic mail addresses as good as I could and resent the invitations. The survey was intended to run until the 16th of December 2009 with reminders sent out on the 7th and the 14th of December 2009. The reminders consisted of the original letter of invitation to partake in the survey and a message reminding the targeted respondents that have not responded yet to do so before the cut-off date of the 16th of December 2009.

On the 16th of December 2009 I viewed the results of the survey and saw that there was a respondent count of 151. It was mentioned to me that I might get a few more respondents if I extend the survey period for another day or two to compensate for the great difference in time in some between some of the regions and markets I targeted. So, I sent out another reminder stating that the deadline for the survey would be extended for another two days until the 18th of December 2009. This seemed to work, because by the time I requested the final results of the survey from the centralized

server on the 21st of December 2009 I had a respondent count of 182 out of the original 610 (Response rate of 29,8%).

### **3.2 Presentation of the Research study (data and the analysis of the data)**

#### **3.2.1 Secondary data analysis**

The analysis of the secondary data used in this study can be divided into two parts. Firstly, the analysis of the data contained in the ABB DA database describing the activities of the Area Marketing Managers towards their specific regions or markets in the world, and then secondly the analysis of the data gathered by Geert Hofstede in his research into the differences in culture within the organizational setting. Both datasets contained quantitative data that described qualitative findings or data and therefore made the interpretation easier as it presented amounts and volumes that could be compared and used in calculations in my attempts to deduce certain conclusions from the datasets.

The ABB DA database of activities for the period beginning at the start of 2006 and ending at the end of 2008 contained close to 2400 entries of wide-ranging activities the Area Marketing Managers were involved in or had initiated in the attempt to support the sales functions within the sales process in their designated regions or markets. My initial task was to reclassify these actions into clearer and more understandable phases within the sales process and count the amounts or volumes of certain actions within these classifications. This would make the actions within the sales process more understandable and had to be done to show the volumes of the actions within the classifications which would then indicate the intensity of the different activity types within the sales process phases.

Because of the fact that there are so many different elements to the sales process and that it differs from company to company, and from product to product, it was important to reclassify the activities of the ABB DA Area Marketing Managers into phases of the sales process that would be general

enough in nature so that it could be compared to other sales processes outside the boundaries or limitations of this study. I chose the five phases so that there would be minimum overlapping of activities and the actions of the Area Marketing Managers could easily be classified into clearly defined stages or phases of the sales process. These stages or phases have been defined and discussed earlier in the theoretical section of this thesis.

After the MPM were defined and the activities classified within them the task lay with counting the specific activities within the MPM for every country that the Area Marketing Managers support. This process eventually showed the MPM as percentages of total volumes of activities of the Area Marketing Managers towards each specific country – a ratio-model of activity for the periods 2006, 2007 and 2008. Data from 2009 was not used as it did not represent a full year of activity and therefore the chance that it would have misrepresented the data in the final conclusions would have been quite high.

Next the five Cultural Dimensions of Hofstede were analyzed and the scores for each of the countries ABB DA Area Marketing Managers support through their activities was analyzed as to produce a cultural dimension profile for each of the involved countries. Because of the fact that there were so many countries (64), I decided to group the countries into cultural groups showing similar cultural characteristics based on the Cultural Dimension Index scores – countries showing similarities in their cultural dimension profiles would be grouped together into cultural clusters. This would make the task of comparing different cultures easier and maybe more reliable as the representation of characteristics within these cultural clusters would come from more than one source and yes, there would be a degree of variation within the group, but in my opinion the strength of the similarities would outweigh this strongly.

The cultural clusters were formulated and I had eight cultural clusters defined, each with an average cultural dimension profile – derived from the



representative countries within the cultural cluster. A world average cultural profile was derived from the average of the cultural dimension profiles of the involved countries and this would then be used as the platform or standard for analyzing the different cultural clusters and indicating the strongest defining cultural characteristics within the specific cultural cluster. Now it would be able to compare the eight different cultures or cultural groups on the basis of their Cultural Dimension Scores.

The next step was now to use the eight cultural clusters and the countries they represent and classify the activity ratio models or profiles in a similar way. This would mean that every cultural cluster would have a cultural dimension profile together with a set of cultural characteristics defined and determined by the cultural dimension profile, as well as a regional specific activity ratio model or profile that is derived from the average of the country activity profiles of the involved countries within the cultural cluster. Now it should be possible to come to some kind of deductions by analyzing the cultural dimension profiles and the activity profiles of the different cultural clusters and comparing them to the other cultural clusters. The analysis of the cultural dimension profiles should show an expected profile of activity based on cultural characteristics exhibited by the cultural cluster and this will be compared to the actual activity profile for the specific cultural cluster. Then, the expected activity ratio model or profile derived from the survey of the people working for ABB within the regions or markets supported by ABB DA Area Marketing Managers.

A comparison will also be made later in this study between what type and volume of activity is expected on the grounds of culture within the cultural clusters and the type and volume of activity expected from the supported regions or markets. The major differences and similarities will help in the formulation of an activity ratio-model or tool that can be used when the Area Marketing Manager needs to plan a sales or marketing strategy or plan for the region or market he/she is supporting. The tool would be able to indicate in which of the five steps or phases (MPM) within the sales

process the Area Marketing Manager would need to adjust to make the most of the available resources and be most efficient and cost effective within the Area Marketing Manager's designated region or market.

### **3.2.2 Data from the survey (primary data)**

The data from the survey is of primary type as I gathered it from the survey I initially designed. The collected data was withdrawn from the centralized server in the form of an Excel-worksheet and the data contained in it included all the answers from all the questions I put to the respondents in the web-based survey. Please see Appendix for the complete survey and graphic report on the responses. The survey and the findings from it will now be presented and discussed as to show and highlight relevant and important findings of this survey within the context of this study and the purpose and aims of this thesis

### **3.2.3 Background to the Survey**

The selection of the subjects involved in the study:

The potential respondents

This study involves the ABB DA sales unit in Vaasa, Finland and the people that the Area Marketing Managers support in their daily tasks that involve the marketing, selling and supporting of the products produced in the factory in Vaasa. These people operate in almost all countries and regions or markets around the world. Their opinions were seen as the most valuable as they would be influenced by the market and environment they work in. For this reason I targeted them for the survey as I wanted reliable opinions from as many different sources in the regions or markets to ultimately see the effect culture has on the sales process within these different regions or markets.

The potential respondents were chosen from a list of all ABB employees globally. They were all connected to ABB DA Finland either directly or indirectly, but all, at the end of the day, would be able to give an opinion concerning their needs or requirements from the Area Marketing Managers from the factory in Vaasa regarding their activities towards the regions or markets they support.

Initially it seemed like there would be over a thousand potential respondents, but getting rid of certain of the divisions that are not directly involved with ABB DA Finland business the number came down to 610. The Area Marketing Managers had helped me identify the regions and markets to target with the survey, as well as the people within certain divisions and sales units that have a direct or indirect link to the business done by the ABB DA sales unit in Vaasa, Finland and also would know their market and environment well enough to be able to answer the questions objectively and give reliable information.

### The Countries / Regions

As mentioned before ABB is a global company and does business in most regions or markets in the world. Their aim, like all global companies, is to develop their business within markets where they see potential for growth and an increase of market share. This potential could be focused in one country or many within a region or market and thus it is important for global companies to keep these countries, regions or markets under the spotlight at all times and depending on the risk invest just that little bit more resources in the correct way as to deliver on this potential and optimize their return on investment.

ABB DA Finland also has their spotlight on a few countries that they see as high priority to develop their business in. These countries have been divided into two priority classifications (Priority 1 and 2 countries).

In my grouping of countries with similar cultural characteristics into the eight cultural clusters it happened so that at least one of the Priority 1 countries fell within each of the cultural clusters. The Priority 2 countries were also spread quite equally between the clusters. This is not very important from a cultural point of view, but from a business perspective and the formulation of the activity profile tool it becomes very important to know how the culture within these countries that are focused upon, will influence the sales process within their markets.

#### **3.2.4 Aim of the analysis**

During the analysis of the data gathered from the survey I would expect to find certain relationships between the elements of the study that have been discussed earlier.

From a cultural perspective I would expect to find clear differences between the expected activities required from the Area Marketing Managers towards the different regions or markets contained within in each of the cultural clusters. Thus, I would also expect to see differences in the expected activity between different cultural clusters

This phenomenon will then need to be compared for similarity to the different theoretically expected trends of sales process activity within the cultural clusters that was derived from the theoretical deductions made from the Cultural Dimensions of Hofstede and their index scores for the involved countries within the particular cultural clusters. Similarities would indicate that there is a connection between the Area Marketing Managers'

sales process activities and the cultural cluster and the culture contained within it.

The activity profiles created from the Area Marketing Managers' actual sales process activities supporting their designated markets will be compared to the expected activity profiles formulated from the survey responses. This would then have to be compared for similar differences in the actual activity during the 2006 to 2008 period towards the different cultural clusters.

I would expect to find certain differences, but more similarities between the elements or MPM in the sales process. As ABB is a big company and as found in many big companies there are certain organizational structures that define or try to dictate activity within a certain organizational culture. The reasons for this might be unique to each company, but it might influence activity more than one might expect initially – meaning that sales process activity within an organization might be restrained between minimum and maximum parameters regarding resources and its areas of investment.

### **3.3 The Building of the Activity Ratio Adjustment Model**

The Activity Ratio Adjustment Model will be formulated by comparing the differences and similarities between the activity ratio models or profiles gathered from the analysis of the survey responses and the activity ratio models or profiles compiled from the Area Marketing Managers' activities during the period 2006-2008. The global company activity ratio model or profile will be used as a template or standard baseline, as this will represent the company culture or organizational culture's sales process overall activity ratio model or profile for the ABB DA sales unit. Of course, there probably does exist more precise or complicated models developed by many authors that aim to describe the perfect sales process and the elements thereof, but this activity ratio model or profile describes the actual ratios of sales process activity for the ABB DA sales unit's Area

Marketing Managers towards the particular regions or markets they support.

The amount of variation from this template or standard baseline (upwards or positive variation and downwards or negative variation) to create a channel of sales process activity or Modified Sales Funnel like the graphical representation shows will be dictated by the executive management as they decide the measure of total resources available within a certain region or market. This maximum and minimum measure would then be the guide for the Area Marketing Manager to adjust his/her current sales process activity profile to the required or proposed profile derived from the responses of the survey.

Yes, this is only a guide and yes, there might be a lot of variation within the particular cultural clusters, but I believe this tool or model can be used to adjust the volume or intensity of a certain type of sales process activity as to fit better to the involved region or market's culture and the business behaviour within this region or market.

### **3.4 The Survey**

Within the context of the study and the aims of the thesis it was deemed necessary to gather some vital primary data concerning the sales process activities of the Area Marketing Managers within ABB DA Finland. The information attained from the analysis of the data gathered from the survey would shine a light on the expected sales process activities from the perspective of the people in the regions or markets the Area Marketing Managers support in their sales process activities. This market intelligence could then be vital in the planning and strategizing towards particular regions or markets and the specific countries within them. It will indicate focus points within the sales process and guide the Area Marketing Manag-

ers in effectively and efficiently utilizing their available resources in supporting the region or market designated to them.

#### **3.4.1 Structure and design of the survey**

The survey was designed to gather data concerning specific steps or phases within the sales process (the MPM as defined and discussed earlier). I attempted to structure the survey in such a way as to lead the respondent to analyze, in his/her own mind, each MPM separately and then after he/she has gone through these sections and given his/her opinion concerning the related MPM, the respondent would then give his/her overall impression of the sales process and the MPM within it. This would be in the form of a sales process activity ratio-model that they feel would fit their market best. The respondents would propose a certain ratio of the five different MPM in the sales process and indicate the volume of one MPM in relation to the other MPM from their perspective. The different sections related to the specific MPM would be handled on separate web-pages as the respondent goes through the web-based survey.

As these respondents are from different cultural backgrounds it would be a good way of looking at the possible effects the cultural background the respondents represented would have on their responses to the questions.

#### **3.4.2 The “Welcome”-page**

On the first page or “Welcome”-page the respondents are welcomed and introduced to the survey and the aim and importance of the survey is explained to them. This was done in such a way as to make the respondent feel important and to make him feel like he/she will be making a difference by completing the survey. I do admit that I did assume a position of a project manager as at the time I was in the process of doing other non-specific projects within ABB DA Finland, and as Mr. Sixten Holm was the highest ranking manager connected to my study I got his permission to in-

clude his name on my survey to add to the importance of the survey and the market intelligence that would be gathered from it. I appreciate his support.

### **3.4.3 The “General information” (about the respondent) page**

On this page my aim was to separate the respondents into the particular countries and regions or markets they represent by using the cultural clusters as a template grouping. The question asked the respondent to indicate the country he/she represented and therefore made it possible to identify a response and link it to a specific country. Also on this page I attempted to measure the level of the respondents' position within the ABB global organization. I asked the respondent to indicate his/her position in the organization as either 'Top Management', 'Management' or 'Non-Management'. This would give me some kind of indication of the weight the respondents carry within the organization and the reliability of their responses concerning the business environments and markets they find themselves in and thus represent.

### **3.4.4 “Strategic Planning”-page**

As the MPM Strategic Planning is the first MPM in the sales process it would also be the first MPM to be investigated. In this section of the survey the focus was on the emphasis that should be placed on the 'Strategic Planning' done within the markets the respondents represent compared to the current situation and to what extent the Area Marketing Managers should be involved in this planning process in their particular markets. The extent to which the factory should be involved with this strategic planning process in the markets was also questioned.

### **3.4.5 “Presenting”-page**

On this page of the survey the questions were directed towards the emphasis that should be placed on 'Presenting' activities within the particular



markets compared to the current situation, and to what extent the factory or ABB DA Finland office should be involved.

As the Area Marketing Managers' major task is to support the sales process activities within his/her designated market it would be important to know from the locals' perspective what the presenting activities would be that would benefit most from the Area Marketing Manager involvement. Also the measure of the current responsibility for the presenting activities within a particular market currently and in the future was questioned from the perspective of the respondent.

#### **3.4.6 “Negotiating”-page**

This was the page where the focus was shifted to the next MPM in the sales process, namely ‘Negotiating’. Here the emphasis put on the negotiating activities within the sales process in the particular markets were questioned and again the respondents were asked to indicate specific negotiating situations that would benefit most from the involvement of the ABB DA Finland Area Marketing Managers. The measure of the current responsibility for the negotiating activities within a particular market currently and in the future was questioned from the perspective of the respondent.

#### **3.4.7 “Training & Educating”-page**

Training and educating is a very important aspect of the business done by the ABB DA sales unit as their product is a complicated one and takes some kind of competency to operate and therefore also to sell. This page of the survey is dedicated to investigate the emphasis placed on the training and educating in the particular markets towards the people involved with the marketing, selling and distribution, and support of the ABB DA products in particular markets. The respondents were also asked to indicate specific training and educating situations within the particular markets that would benefit from the involvement of the Area Marketing Managers.

Also the nature of the training and educating activities and the measure of responsibility for training and educating activities was questioned and asked to be indicated by the respondents.

#### **3.4.8 “Customer Customer Relationship Management”-page**

Maybe one of the most important, if not the most important aspect of the sales process is the management of the company-customer relationship. On this page of the survey the respondent is asked to indicate the need for customer Customer Relationship Management in his/her market and who has been taking responsibility for it and who should be taking responsibility for it.

#### **3.4.9 “Overall Activities”-page**

On the last page of the survey the respondent is asked to indicate his/her preference for overall sales process activity within his/her market and then asked to formulate a sales process activity profile of the activity ratio's that he/she would like to see or expect to see in his/her market. The company sales process activity profile that was formulated from the activity lists of the Area Marketing Managers over the study period (2006-2008) was given as an example of what has been done globally at the moment and thus I was asking the respondent to indicate the changes he/she would expect to be made to the sales process MPM as to satisfy the requirements of the markets they represent. Then the respondent was asked to indicate whom the responsibility has been put on for the overall sales process activities and on whom the responsibilities should be put on in the future from their point of view.

### **3.5 Analysis of the Gathered Data**

#### **3.5.1 Restrictions concerning the data**

The data used from the action lists contained the activities of the Area Marketing Managers over three years (2006, 2007 and 2008) and was lim-

ited to these three years. This period was chosen as the most reliable period of time concerning the sales process activities as there have been many personnel changes in the ABB DA sales unit and this period has been the most stable and therefore, many or all personal preferences in sales process activities would be minimized.

The potential respondents were limited to the employees of ABB that were connected directly or indirectly to ABB DA Finland.

The countries which were used as inclusions in the creation of the cultural clusters were chosen according to the responses from the survey. Only the countries from where there was a response to the survey were included in the study. Therefore when the words “global” or “world” averages are used, it only represents these countries to which the study is limited.

### **3.5.2 What was done? And how?**

The available data from the research done by Geert Hofstede had to be looked at and converted into a format that could be used within the realm of this study. This meant that Hofstede’s Cultural Dimension Index Scores would need to be used as a guide for dividing the countries represented in this study into groups. The specific countries involved would be chosen on the basis of the activities of the Area Marketing Managers towards the specific countries. Thus, one of the limitations of the study would come into play, as only the countries that would be represented in all facets of the study would be included.

It was a straight forward process of collecting the five different Cultural Dimension Index scores for the countries involved in the study by way of the fact that there had been activities recorded towards these countries in the period between 2006 and 2009. This would then lead to the creation of a Cultural Dimension profile for each of the countries and thus present the cultural dimensional characteristics of each of the countries in the form of a graphical profile.

These cultural dimension profiles were very useful in the division of the involved countries into Cultural Clusters as defined in the theoretical part of this thesis – clusters of countries that display similar cultural characteristics – and in this case based on the similarity in profiles created by the analysis of the Cultural Dimension Index Scores gathered from Geert Hofstede's research.

Now, these different groups or clusters of likeminded and similar cultural orientation countries and the people they represent would make the rest of the study easier as they would form the platform from where comparisons can be made and the differences between these clusters and the cultures they represent can be highlighted and analyzed.

Also, for the purpose of this study the data gathered from the action lists had to be converted into a better understandable and logic format. The data contained in the database could be filtered and some groupings made, but it was very difficult to obtain any useful information from it as it was only a list of actions performed by certain Area Marketing Managers and the descriptions of these various actions towards the specific countries within their specific regions or markets. The available data had to be ordered or categorized in some way.

I did this by defining the five major points of measurement in the sales process and then re-categorizing the existing activities in the database into these five categories (Strategic Planning, Presenting, Negotiating, Training & Educating, and Customer Relationship Management). This made it much easier to analyze any trends that do exist in the collected data within these categories of the sales process and between the involved regions or markets. The data gathered from the ABB DA sales unit database was then re-categorized and presented as the volumes of the sales process activities for each of the specific countries. The countries would then also be divided into the cultural clusters as discussed earlier and thus the activities could be counted per region or cluster. The activities were converted

into percentages of the total activities as there were differences in the total volumes between the regions and thus would be difficult to compare in that format. The result was that a sales process activity profile for the period between 2006 and 2009 was formulated to be compared and analyzed further.

Data from the survey was also divided according to the cultural cluster the respondents' home countries or markets fell under. This made it possible to be able to analyze the data and formulate conclusions concerning the effects of culture on the sales process by starting with a look at the past activity profile for the period 2006-2008.

The possible differences and similarities between the activity profiles of the cultural clusters from this period and activity profiles and other trends discovered from the analysis of the survey's observations and findings would have to be highlighted and then compared with what would be the expected norm according to the theoretical work Hofstede compiled.

The analysis of the data gathered from the survey would then need to be compared to the theoretically proposed activity profiles I deduced from the research Hofstede had done and by using his Cultural Dimension Index Score averages for the particular cultural clusters as a guide to attempting to forecast the behaviour of the people within the different cultural clusters and thus – in a way – highlight the differences between cultures and their activities within the sales process.

My theoretical deductions made from the perspectives of the Cultural Dimensions of Hofstede would suggest certain changes that would need to be made in the sales process activity profile (during the past period 2006-2008) for a specific cultural cluster for the profile to “fit” the specific culture with the focus on certain elements within the sales process activities (the MPM). This theoretical “fit” would mean that the right volume or volume ratio of activities would be aimed towards the markets within the cultural cluster. The best volume ratio of sales process activities in the

form of an adjusted sales activity profile for the cultural cluster would guide the Area Marketing Managers in making strategic decisions about the application of resources and how to divide them within the sales process as to make the sales process as effective or efficient as possible.

Similarly the findings and analysis of the survey would also want to make certain suggestions about the adjustment of the sales process activity profiles. By comparing these suggestions with the theoretical suggestions from my theoretical deductions made from the perspectives of the Cultural Dimensions of Hofstede should form the basis of the test for reliability of the data gathered from the survey by the so called theoretical standard that is the Hofstede research and vice versa. The data from the survey gets tested for reliability – how reliable or relevant is it to be used as a guideline for the differences in culture within the cultural clusters, and the research of Hofstede gets tested against a similar research survey than his which was published for the first time in 1980 in his book *Culture's Consequences*. The data might be old, yes, but the question does arise of how relevant it is to ABB as an organization in 2009 and beyond. Therefore it would be interesting to see if and how the perceptions of people working in a global company have changed. The analysis of this phenomenon might be the topic of another study, but as a theoretical comparison it should show the reliability and relevance of the data involved.

In the next section the findings or observations from the gathering of the three different data sources will be shown as well as the analysis of all the data will be described in more detail.

### **3.5.3 When was it done?**

My work officially started on the 1st September 2009 when I started my thesis working period in the ABB DA Vaasa office. This period lasted until the end of December 2009 and was dominated by the theoretical part of this study as well as the analysis of the secondary data and the survey. The survey was published via the internet web based server between the 1st

December 2009 and 18th December 2009. I then started my practical working experience for ABB DA in another office. My practical working experience period lasted three months during which time little time was spent working on this study.

I then again started working on this study at the beginning of April 2010 and was appointed as trainee at the beginning of May 2010. This period also gave me enough time to get a large amount of the work done analyzing the collected data required for this study.

### **3.6 Initial information from the survey**

When the final responses from the respondents of the survey was pulled from the centralized web server it showed the following:

- The survey was completed by respondents in 55 of the 91 countries the potential respondents represented in the eight cultural clusters.
- The respondent count was 182 out of a possible 610, which meant that the survey had a response rate of 29.8%.
- Out of the 182 respondents 15 (8.24%) represented the Top Management level, 96 (52.75%) represented the Management level and 71 (39.01%) represented the Non-management level.

The complete and detailed representation of the responses and observations of the survey is available as appendix... It is categorized by cultural cluster as well as by the sales process' MPM. There is also a category where the respondent was asked to give his/her opinion concerning the overall sales process activities of the Area Marketing Managers. The sales process activity profile that is suggested here by the respondents from the specific cultural clusters is the profile that will be used as the sales process activity profile that will be compared to the sales process activity profile

for the period 2006-2008. The responses to the other questions per cultural cluster and sales process MPM will be used to analyze and compare with the suggested theoretical adjustments from the deductions made from the perspective of the Cultural Dimensions of Hofstede.

### **3.7 Statistical Findings (or Observations) from the survey and secondary data's analysis**

Please refer to Appendix 4 for the presentation of the secondary data from the ABB DA sales unit's activity database as divided per region or market according to the cultural cluster division made earlier.

In the interest of keeping to the structure of the collected data, I will now discuss the findings from the analysis of the ABB DA database data as well as the observations from the survey made per cultural cluster. The comparison of the two theoretical deduction profiles (the suggested adjustments regarding the sales process activity profile for the 2006-2008 period formulated from the sales process activity profile derived from the survey and, and the suggested adjustments formulated by the deductions made from the cultural dimensions of Hofstede) will also be included per region or market in the cultural clusters.

As before the detail for six of the cultural clusters have been added as Appendix 3. The world average is shown as reference.

#### **3.7.1 South American Countries**

Analysis of Sales Process Activity Profiles

##### **i. Strategic Planning**

As can be seen from the attached appendix showing the responses as percentages of the total amount of responses there is a clear need for more planning to be done in the future as the respondents are asking for more planning activity as well as an increase in the re-



sponsibility taken by ABB DA Finland for the planning activities in this cultural cluster and the markets included in it.

ii. Presenting

When looking at the responses of the respondents concerning this MPM it is clear that there is a definite tendency towards a need for more presenting activities and especially in the areas of Demonstrations (36%), Introduction Seminars (32%), and Product Launches (21%), the feeling is that these areas would benefit from the involvement of ABB DA Finland. There is also a feeling that the current responsibility balance should move from the current 62% to 42,9% in the future. This means a balance that was initially leaning towards the local ABB office to where the balance leans towards the ABB DA Finland office.

iii. Negotiating

The responses show that there is a definite need for more negotiating to be done in this cultural cluster's markets. The spread of focal areas shows that ABB DA Finland is needed in all cases of importance. The responsibility balance for negotiating activities also shows a change from 64,7% to 51,1% - shifting the responsibility from the local ABB office to a more balanced position.

iv. Training & Educating

In the South American cluster there is a need for a lot more training to be done of similar commercial and technical nature volumes. Also the feeling is that more responsibility should be taken by ABB DA Finland for the training and educating activities in the markets within this cultural cluster. The focal areas are quite non-specific, but there is a slight focus required on New Product Training.

## v. Customer Relationship Management

According to the respondents there exists a strong need for more customer relationship management activities to be done in the markets within this cultural cluster. A slight change in the responsibility balance is also expected where ABB DA Finland takes on more of the responsibilities for these activities.

## vi. Overall Activities

According to the responses there does exist a need for more overall sales process activity in the markets contained within this cultural cluster as well as a shift of responsibility from the local ABB office towards ABB DA Finland. The focal areas for ABB DA Finland's involvement are Introduction of New Specifications, Strategic Important Cases, and Highly Technical Demanding Cases.

## vii. Proposed Sales Process Activity Profile

Strategic Planning:	17,2%
Presenting:	29,2%
Negotiating:	17,9%
Training & Educating:	18,4%
Customer Relationship Management:	17,4%

## viii. Sales Process Activity profile for 2006-2008

Strategic Planning:	25%
Presenting:	40,6%
Negotiating:	3,5%
Training & Educating:	2,5%

Customer Relationship Management: 28,3%

### 3.7.2 English-Speaking Countries

#### Analysis of Sales Process Activity Profiles

##### i. Strategic Planning

Again there is a strong need for planning to be done as the responses indicate a strong balance towards the need for more planning activity. Also a greater responsibility for the planning activities is needed by the cultural cluster and the markets it represents.

##### ii. Presenting

In this MPM there is a strong feeling that there is a need for more presenting activities to be done in this cultural cluster's markets. There is also a strong feeling that the current situation is sufficient, but the responsibility balance for presenting activities would also like to move ever so slightly from 64,4% to 59,9%. Thus the responsibility of the local ABB office should decrease as the responsibilities of the ABB DA Finland office increases slightly. The areas that was felt would benefit most from ABB DA Finland's direct involvement was Exhibitions (21%), Demonstrations (21%) and Product Launches (34%).

##### iii. Negotiating

A general increase in negotiating is needed with a slightly higher focus on Highly Technical Demanding Cases (28%) and Strategic Important Cases (23%). A slight shift in the responsibility balance is thought to be necessary, even though the balance still stays in the local ABB office's favour (from 61,1% to 59,7%).

iv. Training & Educating

Here there the responses show a very strong need for technical training and a bigger shift in responsibility towards ABB DA Finland in the responsibility balance for training and educating activities in these markets. New Product Training is an area of Focus for ABB DA Finland.

v. Customer Relationship Management

In the markets contained within this cultural cluster there is a need for more customer relationship management activities in general and the emphasis placed on the activities by ABB DA Finland. A shift in the responsibility for these activities is also expected – shift towards ABB DA Finland.

vi. Overall Activities

According to the responses there does exist a strong need for more overall sales process activity in the markets contained within this cultural cluster, even though there is a good percentage of the respondents that would like the current situation to continue, as well as a shift of responsibility from the local ABB office towards ABB DA Finland. The focal areas for ABB DA Finland's involvement are quite non-specific apart from the Highly Technical Demanding Cases that might need special attention within these markets.

vii. Proposed Sales Process Activity Profile

Strategic Planning:	24,6%
Presenting:	29,5%
Negotiating:	12,1%
Training & Educating:	21,9%

	Customer Relationship Management:	14,2%
viii.	Sales Process Activity profile for 2006-2008	
	Strategic Planning:	31,1%
	Presenting:	18,6%
	Negotiating:	14,1%
	Training & Educating:	10,4%
	Customer Relationship Management:	25,2%

### 3.7.3 Global or World (overall) Averages

The Global Averages refer to the averages of all the volumes or other measurements concerning the countries involved in this study. Therefore the word “Global” or “World” does not refer to all countries, globally, but only the ones that are involved in this study. The countries that are involved in this study are the ones that were represented by the respondents in the survey. This process of eliminating certain countries from the study does seem strange, but for the purpose of this study and for the reliability and relevance of the comparisons made between analyzed data it was important to limit the countries in such a way. The data that was gathered and used in the formulation of the different profiles and deductions therefore need to be from the same countries as to be able to compare them – comparing apples with apples. It is also a measure that represents the company as a whole and therefore is also referred to as the “Company Profiles”

The findings or observations of the survey, when looked at it from the point of view of the global perspective, as described above, shows that there is a general need for an increase of activity towards the regions or

markets contained within the cultural clusters. Even though this tendency is non-specific apart from the extra strong need for an increase in the Training & Educating MPM, there are definite differences between the Area Marketing Managers' sales process activity profiles during the period 2006-2008 and the proposed sales process activity profiles gathered from the survey. These differences will be discussed and analyzed later in this study.

The following is the representation of the company sales process activity profile for the period 2006-2008 and the proposed company sales process activity profile gathered from the survey in 2009. Both of these profiles are the averages of the involved countries' profiles and do not represent the global picture, as discussed earlier.

i. Proposed Company Sales Process Activity Profile

Strategic Planning:	20,4%
Presenting:	28%
Negotiating:	16,4%
Training & Educating:	10,5%
Customer Relationship Management:	15,3%

ii. Company Sales Process Activity profile for 2006-2008

Strategic Planning:	26,3%
Presenting:	29,9%
Negotiating:	17,1%
Training & Educating:	19,2%
Customer Relationship Management:	16,2%

### 3.8 Changes in the formulated profiles

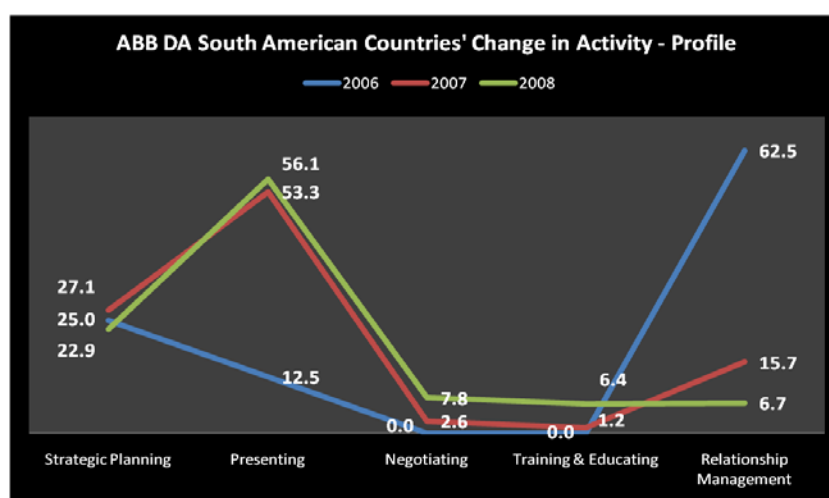
The formulated activity profiles from the data gathered from the ABB DA Finland database for the period 2006-2008 as well as the data gathered from the thesis in 2009 that tested the feeling of the global markets and produced proposed profiles of activity that would be expected from the Area Marketing Managers towards the regions or markets they support within certain cultural clusters.

In the following section I will discuss the changes in sales process activity profiles for each of the cultural clusters and attempt to show the suggested changes that need to be made to the profiles in each of the cultural clusters' markets in order to streamline the sales process activities by making the process more efficient and cost effective.

Again as before the detailed explanations for six of the involved cultural clusters is shown in Appendix 5. The world average is shown as reference.

#### 3.8.1 South American Countries

##### i. Changes in profile



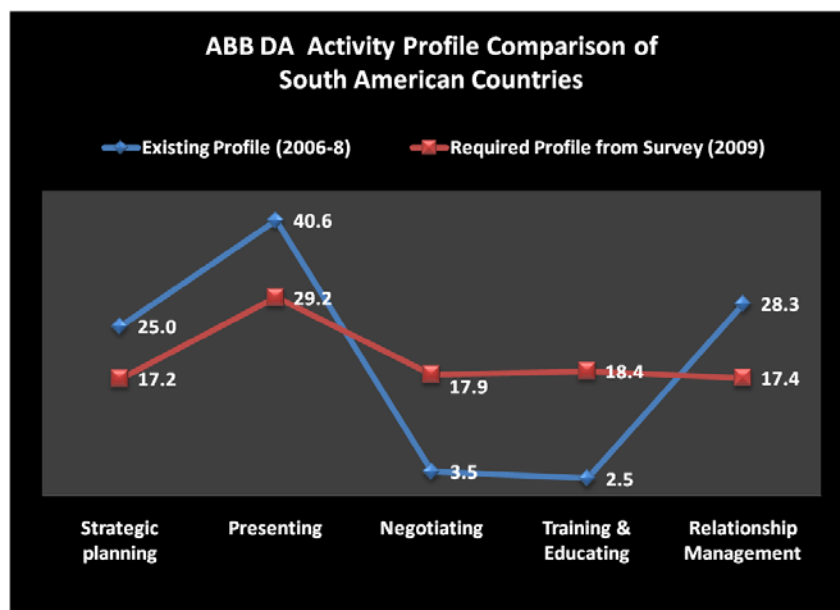
**Figure 10.** ABB DA South American Countries' Change in Activity-Profile

As can be seen above in the graphic representation of the sales process activity profiles as percentages of the total volume of activities for the South American cluster for the years 2006, 2007 and 2008, the differences in the profiles are quite significant between the 2006 profile and the other two profiles. The 2007 and 2008 profiles are closely related and even though the differences might be relatively big – almost 9% in the MPM for Relationship Management, the overall profile is similar and thus can be seen as a trend for the two years in question.

Even though the 2006 profile lacks the volume percentage in the Presenting MPM and is way higher in the Relationship Management MPM the basic shape of the profile tends to follow the trend of the other two profiles. The average profile for the study period can be seen in the graphic depiction below as it is compared to the sales process activity profile gathered from the 2009 survey of the cultural clusters.

The respondents in the region or markets contained within the South American cultural cluster (also, the respondents representing the other cultural clusters) were asked to propose a sales process activity profile (by dividing the total sales process activities between the MPM so the best ratio was achieved), that would best represent the need for certain sales process activities performed in support of the market in the cluster by the particular Area Marketing Manager and in what relation to each other these activities represented by the MPM are required.





**Figure 11.** ABB DA Activity Profile Comparison of South American Countries

As we can see there are clear differences in the two depicted profiles. It would seem that the existing profile (for the period 2006-2008) shows big variations in the activity ratios within the profile, while the proposed profile (from the 2009 survey) shows a more streamline and less variant profile. In practice this means that there would be needs for increases in some of the MPM ratios and decreases in others.

The differences can be described as follows. Three of the MPM in the proposed profile are represented by percentages that are below those of the existing profile and two are above the existing profile. The MPM Strategic Planning in the proposed profile is 7,8 percentage points lower than this MPM in the existing profile; Presenting in the proposed profile is 11,4 percentage points below this MPM in the existing profile; Negotiating in the proposed profile is 14,4 percentage points above this MPM in the existing profile; Training & Educating in the proposed profile is 15,9 percentage points above this MPM in the existing profile and; the MPM Customer Relationship Management in the proposed profile is 10,9 percentage points below this MPM in the existing profile.

The suggested adjustments derived from the above mentioned differences between the proposed and existing sales process activity profiles are discussed in the next section.

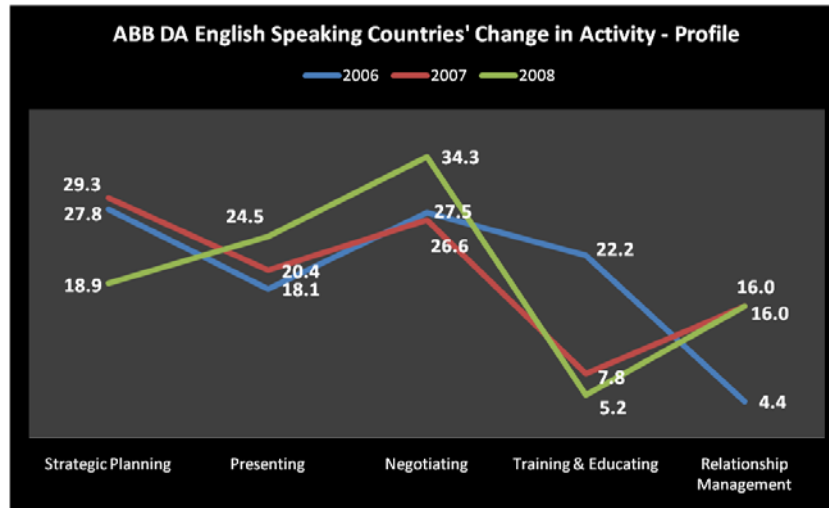
ii. Suggested adjustments

According to the information gathered in the 2009 survey of the ABB employees working in the different regions or markets contained within the particular cultural clusters the following suggestions can be made to the sales process activity profile in order to bring the current or existing profile (derived from the analysis of data in the ABB DA sales unit's database of activity of the Area Marketing Managers towards the regions or markets they support). These suggestions would lead to the redistribution of available resources within the sales process and thus attempt to streamline the process within this particular cultural cluster and the markets contained in it. The process should theoretically be more efficient and therefore also more cost effective. The Area Marketing Managers can then use the sales process activity ratio model that is thus formulated by these suggestions as a guide when planning his/her sales and marketing strategies towards the particular region or markets he/she supports.

For the South American cultural cluster the suggestions are as follows. According to the survey it is shown that there exists a need for an overall increase in the activities of the Area Marketing Manager in the markets within this cluster and thus the overall volume of activity should be increased within the limits of the resources of the Area Marketing Manager, but the ratios of the division of the resources between the different stages or phases of the sales process would show a suggested decrease in the focus towards Strategic Planning, Presenting and Customer Relationship Management compared to what has been done during the period 2006-2008. An increase would be suggested in the activity ratios of the Negotiating and Training & Educating stages or phases of the sales process.

### 3.8.2 English-Speaking Countries

#### i. Changes in profile

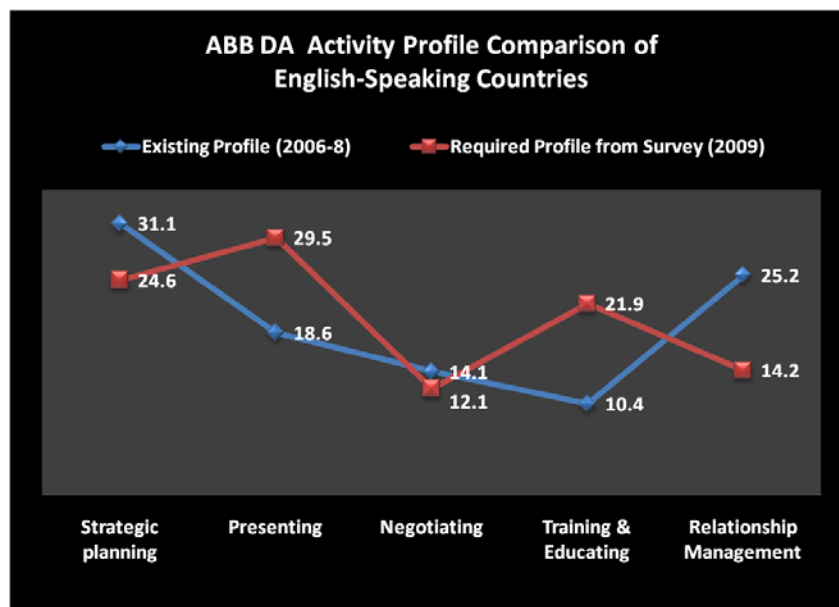


**Figure 12.** ABB DA English-Speaking Countries' Change in Activity-Profile

As can be seen above in the graphic representation of the sales process activity profiles as percentages of the total volume of activities for the English Speaking cluster for the years 2006, 2007 and 2008, the differences in the profiles are not so significant between the three profiles. The 2006 and 2007 profiles are closely related and even though there was a big drop in the amount of training and educating done in this cluster's markets that continued into 2008. The drop in the Training & Educating MPM was the biggest change in the three year period with a drop of 14,4 percentage points between 2006 and 2007. The other big changes were in the MPM for Strategic Planning and Relationship Management that showed changes of 10,4 (2007-2008) and 11,6 (2006-2007) percentage points respectively. Even though there are some big changes that occurred during the study period, the overall profile does show some form of a trend and as such the average of these profiles should be reliable as a profile of sales process activity by the Area Marketing Manager supporting this cluster's and its markets.

The MPM for presenting had stayed quite stable within a range of 6,4 percentage points, as did the MPM for Negotiating with a range of 7,7 percentage points during the study period.

Represented in the graph below is the comparison of the existing sales process activity profile (for the period 2006-2008) to the sales process activity profile as proposed by the respondents of the 2009 survey. It shows how the respondents in the markets within the cultural cluster feel the sales process activity should be divided as to better 'fit' their markets and help develop business and the market share of ABB in these markets.



**Figure 13.** ABB DA Activity Profile Comparison of English-Speaking Countries

From the graphic depiction of the existing and proposed profiles it is clear that the two profiles differ quite a lot and that the differences are in some cases quite large. The differences can be described as follows. Two of the MPM in the proposed profile are represented by percentages that are below those of the existing profile and two are above the existing profile. The difference between the MPM Negotiating for the two profiles is only 2 percentage points and can thus be regarded as similar. The MPM Strategic Planning in the proposed profile is 6,5 percentage points lower than this

MPM in the existing profile; Presenting in the proposed profile is 10,9 percentage points above this MPM in the existing profile; Training & Educating in the proposed profile is 11,5 percentage points above this MPM in the existing profile and; the MPM Customer Relationship Management in the proposed profile is 11 percentage points below this MPM in the existing profile.

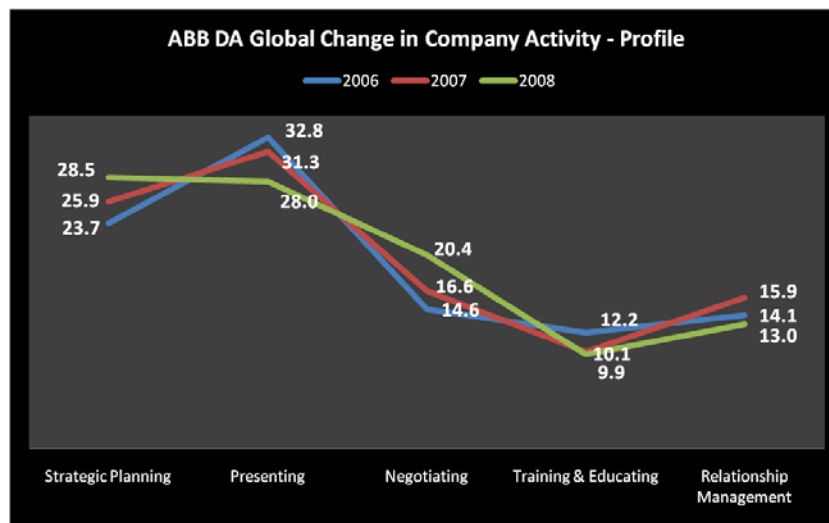
The suggested adjustments derived from the above mentioned differences between the proposed and existing sales process activity profiles are discussed in the next section.

ii. Suggested adjustments

For the English-Speaking cultural cluster the suggestions are as follows. According to the survey it is shown that there exists a need for an overall increase in the activities of the Area Marketing Manager in the markets within this cluster and thus the overall volume of activity should be increased within the limits of the resources of the Area Marketing Manager, but the ratios of the division of the resources between the different stages or phases of the sales process would show a suggested decrease in the focus towards Strategic Planning, and Customer Relationship Management compared to what has been done during the period 2006-2008. An increase would be suggested in the activity ratios of the Presenting and the Training & Educating stages or phases of the sales process.

### **3.8.3 World or global Average**

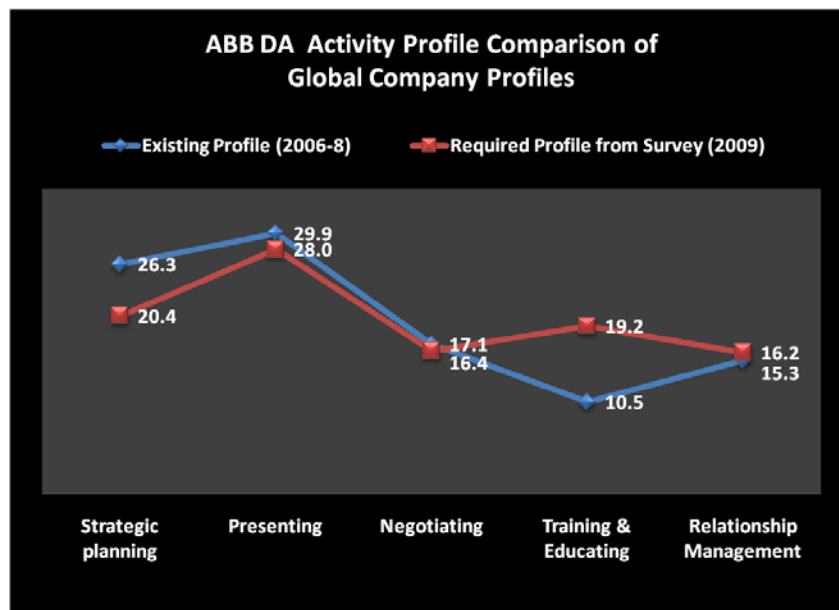
i. Changes in profile



**Figure 14.** ABB DA Global Change in Company Activity-Profile

Above is a depiction of the variation or change in the total activities of the involved countries contained within the cultural clusters and the 2009 survey. The company sales process activity profiles for the years 2006, 2007 and 2008 are showed and as can be seen there is minimal variation between the different profiles. There is a definite trend that can be seen and this could be the effect of a strong company or organizational culture that expects activities, sometimes, according to certain guidelines or unchanged ways of doing things over a long period of time that becomes the unwritten rule or regulation dictating activities in so many areas of business.

The variations or ranges of change within the three profiles can be seen as follows. The MPM of Strategic Planning change was 4,8 percentage points; Presenting was 4,8 percentage points; Negotiating was 5,8 percentage points; Training & Educating was 2,3 percentage points and; Customer Relationship Management was 2,9 percentage points.



**Figure 15.** ABB DA Activity Profile Comparison of Global Company Profiles.

From the graphic depiction of the comparison between the existing and proposed profiles for the Global Company it is clear that the two profiles are showing definite trends in the values of the MPM within the proposed and existing sales process activity profiles – apart from the one major difference in the MPM of Training & Educating. The changes are minimal in all but one MPM and can be described as follows. The MPM of Strategic Planning in the proposed profile's (2009 survey) is 5,9 percentage points below the existing profile (2006-2008). The MPM of Presenting in the proposed profile is 1,9 percentage points above this MPM in the existing profile. The proposed profile's MPM of Negotiating showed a percentage that was 0,7 percentage point below the existing profile's MPM; Training & Educating was 8,7 percentage points above and the MPM of Customer Relationship Management was 0,9 percentage point below the existing profile's percentage for the corresponding MPM.

The suggested adjustments derived from the above mentioned differences between the proposed and existing sales process activity profiles are discussed in the next section.

ii. Suggested adjustments

For the Global Company the suggestions are as follows. According to the survey it is shown that there exists a need for an overall increase in the activities of the Area Marketing Manager in the markets within the involved countries and thus the overall volume of activity should be increased within the limits of the resources of the Area Marketing Manager, but the ratios of the division of the resources between the different stages or phases of the sales process in these markets within this cultural cluster would suggest that there be an increase in the focus put on Training & Educating done by the Area Marketing Managers when supporting their markets within the involved countries globally. There is a small suggestion that the focus towards Strategic Planning done by the Area Marketing Manager in the markets he/she supports would be suggested to decrease.

The sales process activities represented by the MPM in these profiles would be suggested to remain in the same focus as before, but as the survey suggested there should be an increase in the total amount or volume of activities being done towards the markets regarding the sales process. Thus, the suggestion would be to increase the volumes of all sales process activities, but to adjust the ratios as to satisfy the need for increased or decreased focus on certain MPM and the need for an investment in increased resources into the sales process activities.

### **3.9 Comparison tests with the Cultural Dimensions of Hofstede**

As we come closer to knowing what the effect, if any, of culture is on the sales process in a global company, the process of comparing findings from all the sources comes to its last stage. In this stage I will compare the suggested adjustments to the existing sales process activity profile (formulated from the 2006-2008 activity lists in the ABB DA database) for the cultural clusters (per cultural cluster as discussed earlier) to the expected behaviour



within the sales process MPM as derived from the research done by Geert Hofstede in formulating his five Cultural Dimensions.

The analysis of the sales process activity profiles have already shown that there are noticeable differences between these profiles from the different cultural clusters, but the question still remains if these differences can be predicted by culture. The predictions that need to be made will be in the form of adjustable sales process activity profiles that would be used as models or tools to guide the Area Marketing Managers in their sales process activities. The reliability of these predictions would then be supported, or not, by the research done by Hofstede and point out specific focal points within the sales process that would need to be adjusted from a cultural perspective. Of course, there is going to be other factors that have an influence on the markets and the people in them, as discussed earlier in this thesis, but at least the proposed model could and, hopefully would be used when considering all sources of market intelligence when planning and strategizing.

### **3.10 The value of the comparison tests in this study**

This process of comparison will have a dual purpose. In the first place, it would aim to validate the data and formulated suggestions derived from my research done into the database of the ABB DA database. This validation will be achieved if the suggestions for adjustments formulated from the comparison of existing (2006-2008) and proposed (2009 survey) sales activity profiles are similar to the expected behaviour derived from the Hofstede Cultural Dimensions, therefore the research done by Hofstede done earlier to formulate the cultural dimensions will support the findings of my 2009 survey. The second purpose, if I might be so bold, is the validation of the Hofstede research and the relevance and applicability of it in today's business world. The Hofstede research was first published in 1980 and therefore it might be a bit dated and opinions or interpretations regarding certain aspects of his research might not be as clear cut as it was then.

The aim of the adjustments that would be formulated in the model or tool would aim to streamline the sales process activities and by doing so making the process of supporting markets within specific cultural clusters easier, more efficient and cost effective. Today, in the current economic environment it is very important to keep all unnecessary costs as low as possible and in a business like the business the ABB DA sales unit is involved in where Area Marketing Managers are travelling the world, literally, it becomes even more important to know what is really necessary and what is not. The streamlining of the sales process activities within the designated markets would help considerably to maximize the effect of the right sales process activities at the right time towards the right markets within the different cultural clusters.

### **3.11 Process of the comparison tests**

The comparisons between the suggested adjustments to the Area Marketing Managers' sales process activity profiles will be made by cultural cluster and presented as such. As it will be a process of identifying similarities and differences, these will be the aspects I focus on. The suggested adjustments and expected behaviour have been formulated earlier in the thesis and I will only be referring to the particular sections for reference.

A table of expected highs and lows of the MPM according to Hofstede's Cultural Dimension Index scores has been formulated and is the first point of reference in the process of deducing the theoretically expected behaviour within the sales process regarding the activity volume ratios of the MPM. It will also be used as reference to identify certain trends or predict the focus of a certain activity type within a certain country within a particular cultural cluster with certain Cultural Dimension Index scores.

		Cultural Dimensions of Hofstede				
		High PDI	High IDV	High MAS	High UAI	High LTO
Major Points of Measure- ment (MPM) in the Sales Process	Strategic Planning	↓	↓	↓	↓	↑
	Presenting	↓	↓	↓	↑	↑
	Negotiating	↑	↓	↓	↓	↑
	Training and Education	↓	↓	↓	↑	↑
	Customer Relationship Management	↓	↓	↓	↓	↑

**Figure 16.** Summary of expected changes in the MPM in the sales process according to the Cultural Dimensions of Hofstede

The table above suggests that within a country, market or cultural cluster with a certain Cultural Dimension index score people should exhibit certain behaviour regarding the MPM in the sales process. The table shows the expected volumes in sales process activity divided into the MPM for scoring highly relative to the world average within the Cultural Dimension Index scoring system. For scoring low compared to the World average the opposites of the abovementioned expected volumes are used.

For instance, in a country or cultural cluster with a high scoring PDI (Power Distance Index) it would be expected that there would be a need for less activity in the Strategic Planning MPM (from the table) when considering the average amount of Strategic Planning that is done or has been done in the country, market or cultural cluster, or even globally. So when considering the range of the Strategic Planning activity volumes around the average of the total Strategic Planning activity done the expected volume of activity would be below the company average, but still within the maximum negative variation below this average.

If there is a case where a cultural cluster's existing (2006-2008) sales process activity profile shows that the MPM of Strategic Planning is above the proposed (2009 survey) sales process activity profile, while the expected

volumes (according to Hofstede's Cultural Dimensions) show it to be below the average (company average from the company sales process activity profile), it could indicate that there was too much focus being put on this MPM within the existing sales process activity profile ratios and the suggestion would be to decrease the volumes within the context of the sales process activity profile's ratios for that cultural cluster. The focus will be decreased on that MPM and the MPM that need to be focused on more should be compensated with the resources. Of course the adjustment within the adjustment model or tool of the activity volume ratios will be done in increments as a major change could be too drastic for the market or the Area Marketing Manager to handle in one go. That is why the suggested model would be adjustable and not fixed as to allow for these incremental changes.

The model or tool indicating the adjustments that need to be made within the cultural cluster's sales process activity profile ratios would be different for each cultural cluster and would be seen as a guide to helping the Area Marketing Manager adjusting his ratios of activity in such a way that the maximum result is achieved from the most effective amount of activities and use of resources.

Next, I will compare the theoretically expected behaviour of the cultural clusters with their proposed sales process activity profile adjustments to see if there are any similarities or differences in these phenomena. The more similarities that can be found would mean that the theory of cultural differences and the behaviour of people in practice are still relevant and therefore could be predicted by some basic and logical deductions based on the knowledge of cultural differences. The similarities would also point to the significance of the adjustments proposed by the 2009 survey, just as the theoretical background to the behaviour would support the proposed adjustments; on the other hand, the differences would point to the fact that there are other factors affecting the differences in the sales process activity profiles between cultural clusters.

The process will involve the analysis of the abovementioned table according to each cultural cluster and the tendency (high, low or average) of the Cultural Dimensions' index scores for each of the dimensions. This will produce expected tendencies for the cultural clusters within the specific cultural dimensions that can be related to specific tendencies in the MPM as shown in the table above. These expected levels of the MPM within minimum and maximum variations of the average company sales process activity profile will be compared to the proposed cluster sales process activity profile adjustments gathered from the 2009 survey, that were in turn compared to the existing cluster sales process activity profiles obtained from the ABB DA database analysis. The final proposed changes per MPM from the existing cluster sales process activity profile (in the form of a model or tool) will then be judged for the relevance of the change or adjustment according to the comparison above.

It is also very important to remember that this study is restricted to ABB DA and therefore I am using ABB DA's company existing (2006-2008) sales process activity profile (average of all countries involved in this study) as the standard against which I will make deductions and suggestions concerning the cultural dimensions of Hofstede, because within this particular business environment and according to the product that ABB DA has to offer the shape or composition of the sales process activity profile is unique to ABB DA sales unit globally. Hofstede's research involved the IBM Company and there is a possibility that there exist certain constraints or limitations when attempting to use his findings and comparing them to the findings within a different global company with a different background and way of operating.

### **3.12 The comparisons**

Again the details of the remaining six cultural clusters are added as an appendix (Appendix 6). The world average will be shown in the text here.

### 3.12.1 South American cluster

According to the deductions made from the Hofstede Cultural dimensions (see appendix for the calculations) it can be seen that there would be an expectation that within this cluster the MPM of Strategic Planning would be close to the existing cluster sales process activity average (from the 2006-2008 database analysis) for this MPM in the sales process. The MPM of Presenting is expected to be strong above the existing average (+2); Negotiating is similarly expected to be strong above the existing average (+2); as is Training & Educating expected to be strong above the existing average (+2) and; Customer Relationship Management is expected to be close to the existing cluster average.

From the differences between the proposed (2009 survey) and the existing (2006-2008) sales process activity profiles for this cultural cluster we see that there is a proposed decrease in the MPM volume for Strategic Planning; a proposed decrease in Presenting; a proposed high increase in Negotiating; a proposed high increase in Training & Educating and; a proposed decrease in Customer Relationship Management from the existing cluster's sales activity profile.

From a cultural point of view each MPM needs to be examined to be able to discover similarities or differences that would be in support or not of the cultural influence on the behaviour of the individuals within this cultural cluster. The observations are presented as follows:

#### Strategic Planning:

- The expected level is close to the existing average (the company sales process activity profile) (26,3%).
- It is proposed that the existing cluster MPM be decreased (from 25,0% to 17,2%).

- Thus, the expected level MPM and the proposed adjustment of the MPM do not correspond easily.

#### Presenting

- The expected level is above the existing average (the company sales process activity profile) (29,9%).
- It is proposed that the existing cluster MPM be decreased (from 40,6% to 29,2%).
- Thus, the expected level MPM and the proposed adjustment of the MPM can correspond.

#### Negotiating

- The expected level is above the existing average (the company sales process activity profile) (17,1%).
- It is proposed that the existing cluster MPM be increased (from 3,5% to 17,9%).
- Thus, the expected level MPM and the proposed adjustment of the MPM can possibly correspond.

#### Training & Educating

- The expected level is above the existing average (the company sales process activity profile) (10,5%).
- It is proposed that the existing cluster MPM be increased (from 2,5% to 18,4%).
- Thus, the expected level MPM and the proposed adjustment of the MPM can correspond.

#### Customer Relationship Management

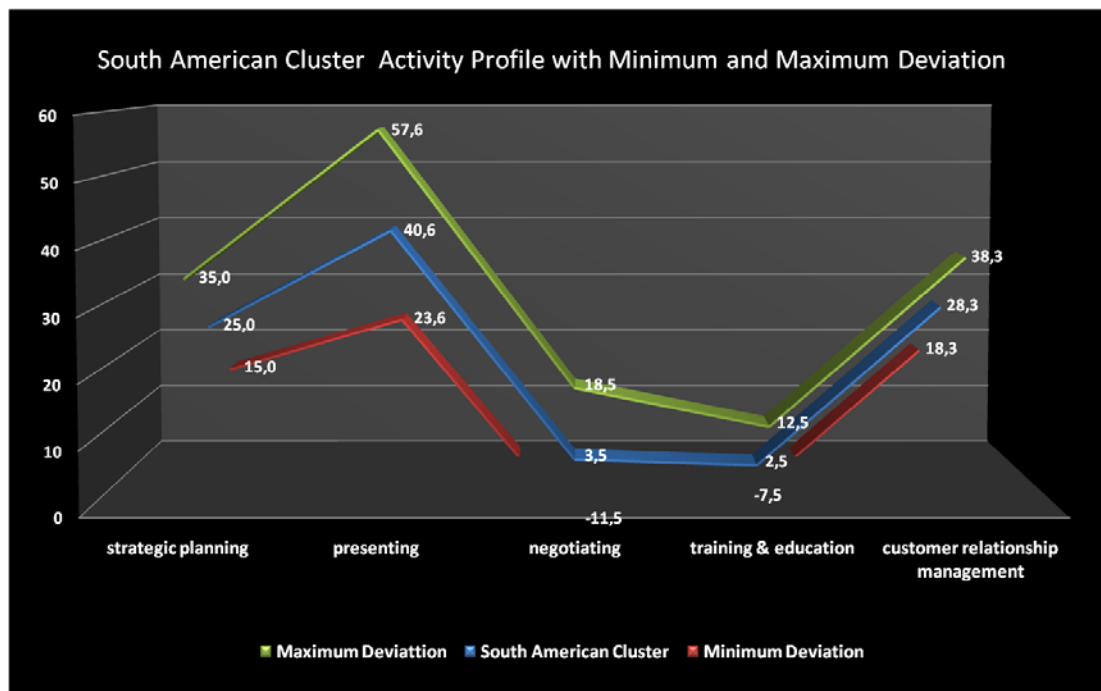
- The expected level is close to the existing average (the company sales process activity profile) (15,3%).
- It is proposed that the existing cluster MPM be decreased (from 28,3% to 17,4%).
- Thus, the expected level MPM and the proposed adjustment of the MPM can possibly correspond.

It must be noted that the above changes in MPM are merely indications of possible ranges of movements or adjustments, and because of the big variations within the cultural clusters' cultural parameters and personal variations the possibilities of correspondence of the expected levels and proposed adjustments can be loosely accepted.

It can be seen that the theoretical expectations seemed to be similar to the proposed levels of the MPM within the sales process of this cluster and therefore I could use it as support for the suggested adjustments to the existing cluster sales process activity profile with respect to this cluster.

When looking at these phenomena from the point of view of the standard for this cluster which is the existing cluster sales process activity profile (a profile consisting of the averages of all sales process activities done by the Area Marketing Manager in supporting all countries and markets involved in this study within the defined cultural cluster), we see the following:





**Figure 17.** South American Cluster Activity Profile with minimum and maximum deviation.

The blue line represents the existing cluster sales process activity profile together with the maximum (red) and minimum (green) variation from the average that is the existing company sales process activity profile.

The adjustments that will be suggested next will indicate where and to what extent adjustments should be made to the existing cluster sales process activity profile in order to attempt to understand this cultural cluster better and adapt his/her activities within the sales process to the behaviour of the people involved in the markets within the cluster and by doing this conforming to the behaviour expected of the Area Marketing Manager in this cluster. This should ultimately lead to a streamlining of the sales process and a saving in costs, and even better, a development of the markets and increased market share within the cluster.

The suggested adjustments to the existing cluster sales process activity profile is presented as follows:

For the South American cluster I suggest that focus on the MPM of Negotiating and Training & Educating be increased while the focus on the MPM of Strategic Planning, Presenting and Customer Relationship Management be decreased. This might be difficult to change in one go as there was also a need for an overall increase in the volume of activity within the sales process done by the Area Marketing Managers. This means that the total volume needs to increase, but still the ratios within the profile need to be taken into account.

The adjustments can now be made by the Area Marketing Manager by adjusting his/her existing cluster sales process activity profile by using the proposed cluster sales process activity as a goal to strive towards and then increase and decrease the respective MPM ratios incrementally within the maximum and minimum variation allowed by resource constraints or any other limitations. The most important thing is that the resources be divided according to the new adjusted profile and introduced into use when developing strategies for marketing and sales activities within his/her cultural cluster and the markets he/she supports.

A later follow up of this study would be to repeat the survey and see if needs were satisfied and if there was a change in expenditure or results obtained from these different markets within the cultural clusters.

### **3.12.2 English-Speaking cluster**

According to the deductions made from the Hofstede Cultural dimensions (see appendix for the calculations) it can be seen that there would be certain expectations that within this cluster. The MPM of Strategic Planning's level would be expected to be weak below (-0,5) the existing cluster sales process activity average (from the 2006-2008 database analysis) for this MPM in the sales process. The MPM of Presenting is expected to be strong below the existing average (-2,5); Negotiating is similarly expected to be strong below

the existing average (-2,5); as is Training & Educating expected to be strong above the existing average (-2,5) and; Customer Relationship Management is expected to be weak below (-0,5) the existing cluster average.

From the differences between the proposed (2009 survey) and the existing (2006-2008) sales process activity profiles for this cultural cluster we see that there is a proposed decrease in the MPM volume for Strategic Planning; a proposed high increase in Presenting; a proposed unchanged MPM of Negotiating; a proposed high increase in Training and Educating and; a proposed decrease in Customer Relationship Management from the existing cluster's sales activity profile.

From a cultural point of view each MPM needs to be examined to be able to discover similarities or differences that would be in support or not of the cultural influence on the behaviour of the individuals within this cultural cluster. The observations are presented as follows:

#### Strategic Planning:

- The expected level is slightly below the existing average (the company sales process activity profile) (26,3%).
- It is proposed that the existing cluster MPM be decreased (from 31,1% to 24,6%).
- Thus, the expected level MPM and the proposed adjustment of the MPM do correspond easily.

#### Presenting

- The expected level is well below the existing average (the company sales process activity profile) (29,9%).
- It is proposed that the existing cluster MPM be increased (from 18,6% to 29,5%).

- Thus, the expected level MPM and the proposed adjustment of the MPM can possibly correspond.

#### Negotiating

- The expected level is well below the existing average (the company sales process activity profile) (17,1%).
- It is proposed that the existing cluster MPM be decreased (from 14,1% to 12,1%).
- Thus, the expected level MPM and the proposed adjustment of the MPM can possibly correspond.

#### Training & Educating

- The expected level is well below the existing average (the company sales process activity profile) (10,5%).
- It is proposed that the existing cluster MPM be increased (from 10,4% to 21,9%).
- Thus, the expected level MPM and the proposed adjustment of the MPM cannot easily correspond.

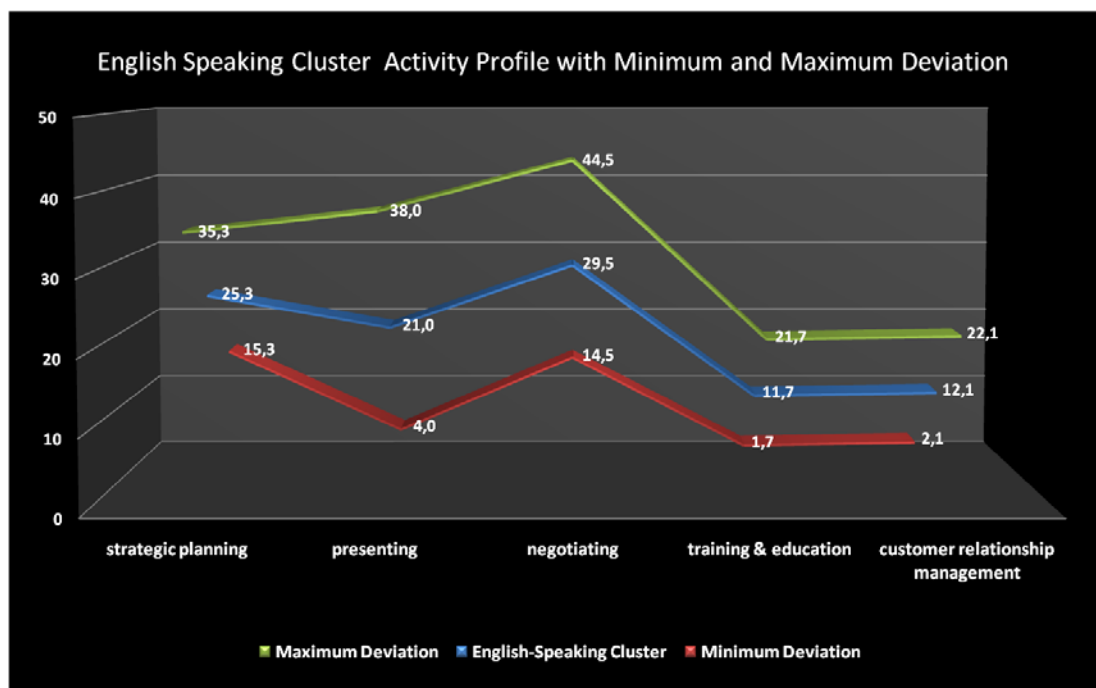
#### Customer Relationship Management

- The expected level is slightly below the existing average (the company sales process activity profile) (15,3%).
- It is proposed that the existing cluster MPM be decreased (from 25,2% to 14,2%).
- Thus, the expected level MPM and the proposed adjustment of the MPM can possibly correspond.

It must be noted that the above changes in MPM are merely indications of possible ranges of movements or adjustments, and because of the big variations within the cultural clusters' cultural parameters and personal variations the possibilities of correspondence of the expected levels and proposed adjustments can be loosely accepted.

From a cultural point of view it can be seen that the theoretical expectations are not in line with the proposed levels of the MPM within the sales process of this cluster and therefore I could not use it as support for the suggested adjustments to the existing cluster sales process activity profile with respect to this cluster.

When looking at these phenomena from the point of view of the standard for this cluster which is the existing cluster sales process activity profile (a profile consisting of the averages of all sales process activities done by the Area Marketing Manager in supporting all countries and markets involved in this study within the defined cultural cluster), we see the following:



**Figure 18.** English-Speaking Cluster Activity Profile with minimum and maximum deviation.

The blue line represents the existing cluster sales process activity profile together with the maximum (red) and minimum (green) variation from the average that is the existing company sales process activity profile.

The suggested adjustments to the existing cluster sales process activity profile is presented as follows:

For the English-Speaking cluster I suggest that focus on the MPM of Presenting and Training & Educating be increased while the focus on the MPM of Strategic Planning and Customer Relationship Management be decreased. The MPM of Negotiating is proposed not to change. This might be difficult to change in one go as there was also a need for an overall increase in the volume of activity within the sales process done by the Area Marketing Managers. This means that the total volume needs to increase, but still the ratios within the profile need to be taken into account.

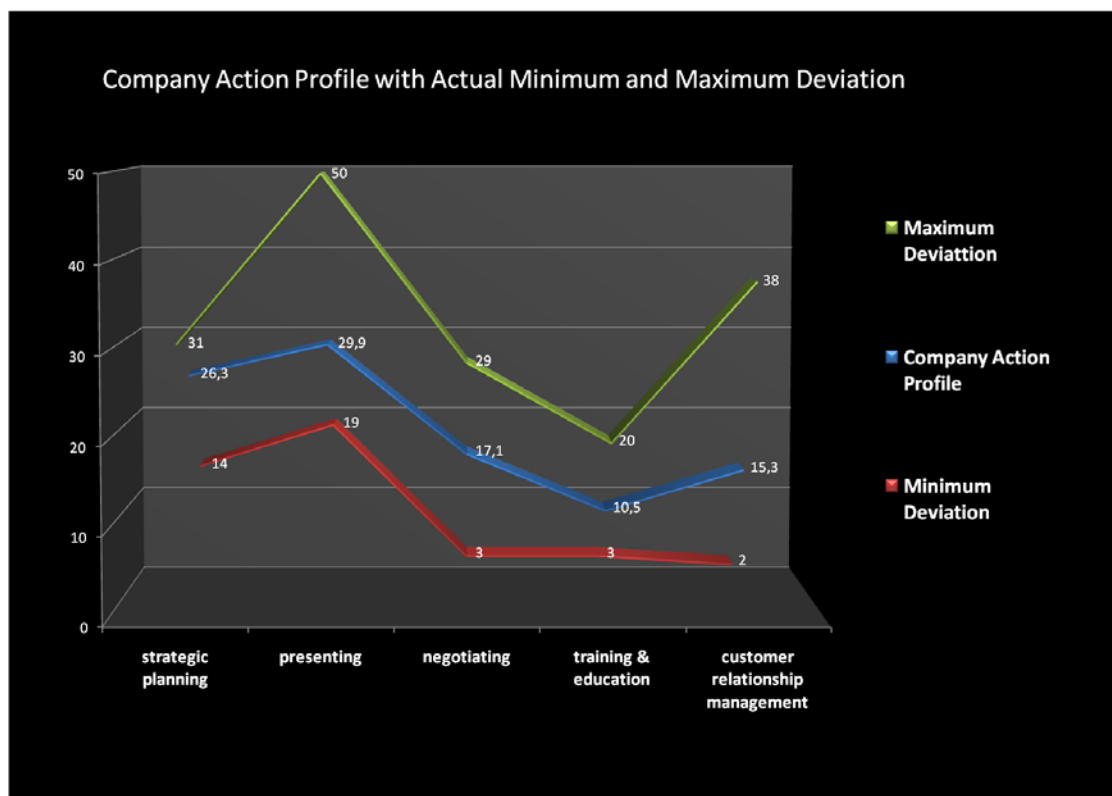
The adjustments can now be made by the Area Marketing Manager by adjusting his/her existing cluster sales process activity profile by using the

proposed cluster sales process activity as a goal to strive towards and then increase and decrease the respective MPM ratios incrementally within the maximum and minimum variation allowed by resource constraints or any other limitations. The most important thing is that the resources be divided according to the new adjusted profile and introduced into use when developing strategies for marketing and sales activities within his/her cultural cluster and the markets he/she supports.

### **3.12.3 General remarks**

All the comparisons have been made and the similarities and differences between the expected levels of the MPM in the sales process and the proposed adjustments of the existing cultural cluster sales process activity profiles have been identified. It might seem like the similarities outweigh the differences. But, another thing I should mention and make clear is that even though I did use actual numbers and amounts, volumes, percentages and averages, the comparison between these elements should not be seen as concise, but as a potential topic of another thesis.

The precise way in which culture influences the sales process was not touched. My aim was to answer the question if culture and the differences in culture affect the sales process. My answer will come later, but first I need to help the Area Marketing Managers in the ABB DA sales unit to adjust their clusters' or markets' sales process activity profiles by putting together the model or tool that will describe the adjustments and guide them when developing strategies towards the markets they support.



**Figure 19.** Company Activity Profile with actual minimum and maximum deviation.

### 3.13 Formulating of the adjustment model for each cultural cluster

The idea behind the formulating of the adjustment models for the involved cultural clusters is to provide the AMMs in the ABB DA Sales team, that support the sales process within the markets of these cultural clusters, with some kind of a guide to help them adjust the levels of activity within the activity ratio profile of the MPM as to reach a optimum level or ratio of activity level for the specific markets. This should help the AMM plan and divide his resources better towards his markets and therefore be more productive and cost effective in his travels and activities within the sales process measured by the MPM.

The tables in appendix 7 show how the current activity profiles for each of the cultural clusters (measured between 2006 and 2008) and the proposed



profiles suggested by the survey responses (2009). The differences between the two activity profiles are shown and then according to the amount of resources available and the experience of the AMM he can then choose how much the adjustment would be. This is measured in percentage change of the difference between the profiles and in the table below this is shown as a new or adjusted profile.

Depending on how big a change the market and the culture within the market can handle the AMM adjusts his profile and this can be done gradually with a five percent (5%) change or a little stronger with a forty five percent (45%) change or even a seventy five percent change towards the proposed profile from the survey.

A follow-up survey later on would then be able to say if the change was good or if the differences between current and suggested profiles are similar. Thus proving if there was an improvement in the effectiveness of the business that was done, or not, hopefully.

The accompanying graphs show how the differences between the current and the proposed activity profiles and then also there is an indication of a mild thirty percent change that would be implemented for each of the specific cultural clusters. The graph shows the difference between the two activity profiles and then indicates the points within the MPM that the profiles should be adjusted to proactively to optimize the AMM's time and to guide him in such a manner as to do business more culturally sensitive and correct and by doing so optimizing his business returns.

## 4 CONCLUSIONS AND RECOMMENDATIONS

In conclusion I can say that culture does have an effect on the sales process within a global company like ABB. The process of getting to that conclusion has been a long one and I would suspect that this would not be the last thesis about the subject. Culture and the differences in culture has fascinated many individuals for a long time and the smaller the global village gets the more important and wide ranging the effects of these differences in culture become. Yes, there has been a lot of talk about the convergence of cultures and the phenomenon where the differences between different cultures become fuzzy as the media becomes global, the internet floods the airways and people are always on the go searching for new and wonderful places, but this phenomenon is, in my opinion limited to the people who actually have contact with the world outside the culture in question. The small percentage that adopts small traits from neighbouring or other strong cultures will always have – I believe – remnants of the culture that made them who they are and thus possess traits that separate them from others.

This thesis started out trying to prove that there was some kind of pattern in the activity profiles of the Area Marketing Managers working in the ABB DA sales unit Vaasa, Finland. This was shown, as well as the similarities between the expected activity profiles (from the survey) and the predicted profiles of activity produced from the deductions of the Cultural Dimensions of Hofstede. Therefore, without being too bold I would say that this study could be used as support for the work done by Hofstede, when it was intended to serve as theoretical support for my findings in this study.

The similarities in the companies that participated in the two studies (ABB and IBM) support this claim. This two-way support of the two studies can be the starting point of further study I'm sure, but enough said at this stage.

I am a person with a certain cultural background and my own cultural profile living and working in a country that has a different cultural profile – and I see the differences every day. I am thankful for what I have learned about

culture and the differences between countries, and regions of the world. It has made me a richer person and as I come into contact with people from different backgrounds every day I can now understand their perspectives and know why they behave the way that they do. I can even predict their behaviour to a certain extent and this I would think is an advantage in the world of international business today and in the future.

I have tried not to make too many conclusions in this thesis as the most important conclusions come in the form of the model or tool I devised for the small group of people in the ABB DA sales unit in Vaasa, Finland as they support their markets and play an ever-increasing role in the sales process within these markets and try to make do with the available resources and activities within their sales process.

The practical application of my model I have described and the effects it had on the results attained by the ABB DA sales unit will remain to be seen and might be the topic of another thesis. I am glad I could help and possibly clear the path of a lot of obstacles to intercultural relationships and business success within ABB.

I thank everybody that assisted me in writing this thesis.

Thank you

## 5 APPENDIX

### 5.1 Appendix 1

		<b>PDI</b>	<b>IDV</b>	<b>MAS</b>	<b>UAI</b>	<b>LTO</b>
South American Countries	Argentina	49	46	56	86	
	Brazil	69	38	49	76	65
	Chile	63	23	28	86	
	Colombia	67	13	64	80	
	Ecuador	78	8	63	67	
	Mexico	81	30	69	82	
	Peru	64	16	42	87	
	Uruguay	61	36	38	100	
	Venezuela	81	12	73	76	
		regional average:	<b>68.1</b>	<b>24.7</b>	<b>53.6</b>	<b>82.2</b>
	world average difference:	↗ 13.1	↘ -18.3	↘ 3.6	↗ 18.2	↗ 20.0

		<b>PDI</b>	<b>IDV</b>	<b>MAS</b>	<b>UAI</b>	<b>LTO</b>	
English-speaking Countries	Australia	36	90	61	51	31	
	Canada	39	80	52	48	23	
	Ireland	28	70	68	35		
	New Zealand	22	79	58	49	30	
	South Africa	49	65	63	49		
	United Kingdom	35	89	66	35	25	
	United States of America	40	91	62	46	29	
		regional average:	<b>35.6</b>	<b>80.6</b>	<b>61.4</b>	<b>44.7</b>	<b>27.6</b>
		world average difference:	↘ -19.4	↗ 37.6	↗ 11.4	↘ -19.3	↘ -17.4

		<b>PDI</b>	<b>IDV</b>	<b>MAS</b>	<b>UAI</b>	<b>LTO</b>
Asian Countries	China	80	20	66	30	118
	Indonesia	78	14	46	48	
	Japan	54	46	95	92	80
	Malaysia	104	26	50	36	
	Philippines	94	32	64	44	19
	Singapore	74	20	48	8	48
	South Korea	60	18	39	85	75
	Taiwan	58	17	45	69	87
	Thailand	64	20	34	64	56
	Vietnam	70	20	46	54	16
		regional average:	<b>73.6</b>	<b>23.3</b>	<b>53.3</b>	<b>53.0</b>
	world average difference:	↗ 18.6	↘ -19.7	↘ 3.3	↘ -11.0	↗ 17.4

		<b>PDI</b>	<b>IDV</b>	<b>MAS</b>	<b>UAI</b>	<b>LTO</b>
Mediterranean Countries	France	68	71	43	86	
	Greece	60	35	57	112	
	Israel	13	54	47	81	
	Italy	50	76	70	75	
	Malta	56	59	47	96	
	Portugal	63	27	31	104	
	Spain	57	51	42	86	
	Turkey	66	37	45	85	
		regional average:	<b>54.1</b>	<b>51.3</b>	<b>47.8</b>	<b>90.6</b>
	world average difference:	↘ -0.9	↗ 8.3	↘ -2.3	↗ 26.6	↘ -45.0

		<b>PDI</b>	<b>IDV</b>	<b>MAS</b>	<b>UAI</b>	<b>LTO</b>
Eastern European Countries	Belarus (Russia)					
	Bulgaria	70	30	40	85	
	Czech Republic	57	58	57	74	13
	Estonia	40	60	30	60	
	Hungary	46	80	88	82	50
	Kazakhstan (Russia)					
	Latvia (Russia)					
	Lithuania (Russia)					
	Poland	68	60	64	93	32
	Romania	90	30	42	90	
	Russia	93	39	36	95	
	Slovakia	104	52	110	51	38
	Ukraine (Russia)					
		regional average:	<b>71.0</b>	<b>51.1</b>	<b>58.4</b>	<b>78.8</b>
	world average difference:	↗ 16.0	↗ 8.1	↗ 8.4	↗ 14.8	↘ -11.8

		<b>PDI</b>	<b>IDV</b>	<b>MAS</b>	<b>UAI</b>	<b>LTO</b>
Scandinavian Countries	Finland	33	63	26	59	
	Sweden	31	71	5	29	33
	Norway	31	69	8	50	20
	Denmark	18	74	16	23	
		regional average:	<b>33.3</b>	<b>56.0</b>	<b>20.3</b>	<b>42.4</b>
	world average difference:	↘ -21.7	↗ 13.0	↘ -29.7	↘ -21.6	↘ -26.4

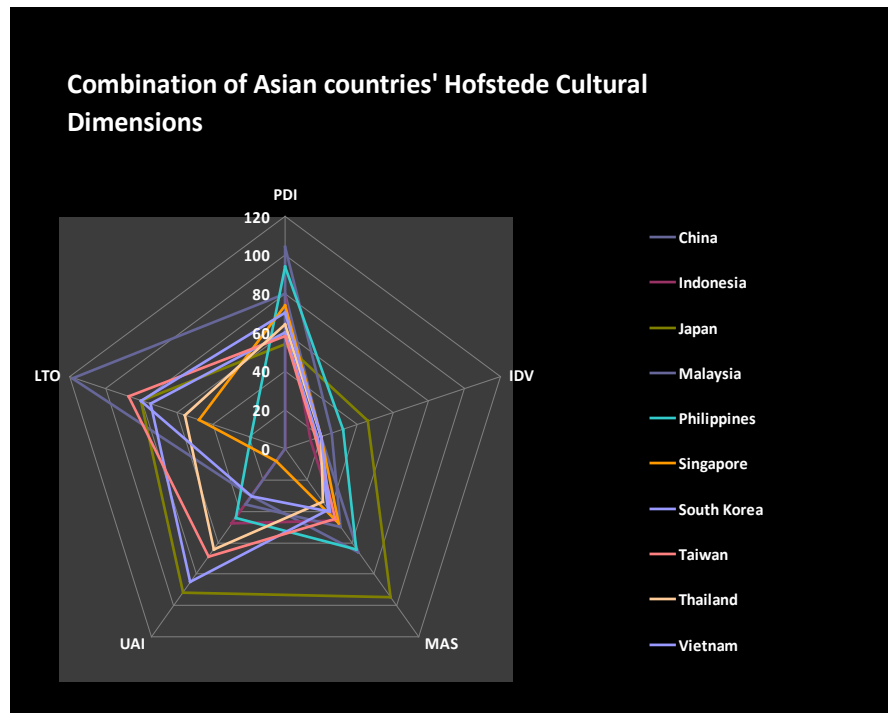
		<b>PDI</b>	<b>IDV</b>	<b>MAS</b>	<b>UAI</b>	<b>LTO</b>
Central European Countries	Austria	11	55	79	70	
	Belgium	65	75	54	94	
	Germany	35	67	66	65	31
	Luxemburg	40	60	50	70	
	Netherlands	38	80	14	53	44
	Switzerland	34	68	70	58	
		regional average:	<b>37.2</b>	<b>67.5</b>	<b>55.5</b>	<b>68.3</b>
	world average difference:	↘ -17.8	↗ 24.5	↗ 5.5	↗ 4.3	↗ -7.5

		<b>PDI</b>	<b>IDV</b>	<b>MAS</b>	<b>UAI</b>	<b>LTO</b>
Arab World Countries	Egypt					
	Iraq					
	Kuwait					
	Lebanon					
	Libya					
	Saudi Arabia					
	United Arab Emirates					
	regional average:	<b>80.0</b>	<b>38.0</b>	<b>52.0</b>	<b>68.0</b>	
	world average difference:	↑ 25.0	→ -5.0	→ 2.0	→ 4.0	↓ -45.0

		<b>PDI</b>	<b>IDV</b>	<b>MAS</b>	<b>UAI</b>	<b>LTO</b>
World Average		<b>55.0</b>	<b>43.0</b>	<b>50.0</b>	<b>64.0</b>	<b>45.0</b>

## 5.2 Appendix 2

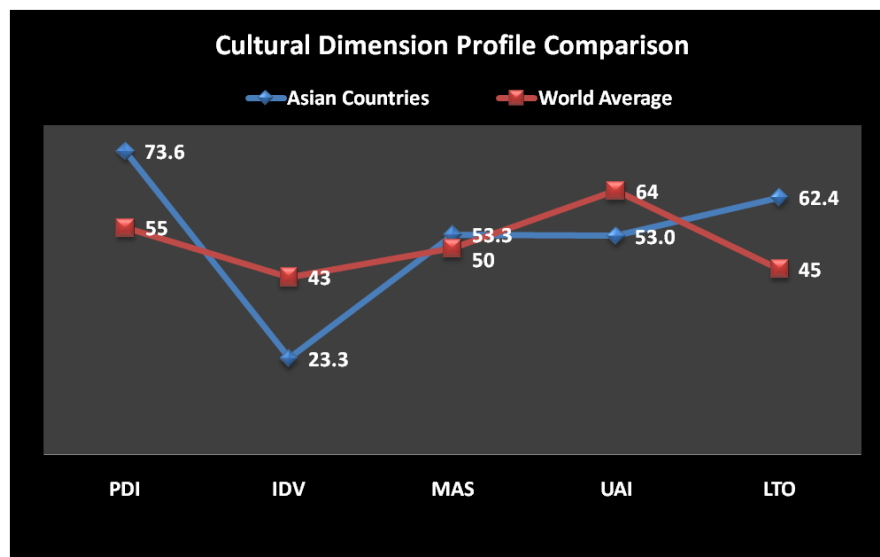
### 5.2.1 Region C (Asian Countries)



Countries: China, Indonesia, Japan, Malaysia, Philippines, Singapore, South Korea, Taiwan, Thailand, Vietnam

This is a very interesting region or cultural cluster as it can be seen that in general in this region there are strong power distance index (PDI) scores between 54 and 104, with an average of 73,6, as well as strong long term orientation index (LTO) scores of between 19 and 118, with an average of 70,4. Very low individualism index (IDV) scores between 14 and 46, with an average of 23,3 point towards a strong collectivistic society. The uncertainty avoidance index shows a very wide spread of scores between 8 and 92, with a quite neutral average of 50,6. The masculinity index (MAS) shows a closer spread of scores between 34 and 66, with an average of 41,6 (excluding the score of Japan). But, when including the exception of Japan which has a very high MAS score of 95, we see a change in the av-

erage for this dimension from 41,6 to 53.3 – from feminine to quite neutral. [Hofstede 2005: p43-44, 78-79, 120-121, 168-169, 211]



The Asian Region or cultural cluster can in summary be seen as one characterized by strong Power Distance (with an average index score of 18.6 above the world average) and Long Term Orientation (with an average index score of 17.4 above the world average). A very weak Individualism (19.7 points below the world average) points towards strong Collectivism within the region and there is also a weak-positive Uncertainty Avoidance present (11 points above the world average). The Masculinity versus Femininity dimension shows an index average that leans towards masculinity (3.3 points above the world average), but as shown above when Japan's strong MAS score gets added to the dimension the picture changed a bit. I would therefore see Japan as an exception in this dimension and its strong Masculinity and the effects it would have on the sales process should be kept in mind when developing a marketing or sales strategy towards the Asian Region or cultural cluster.

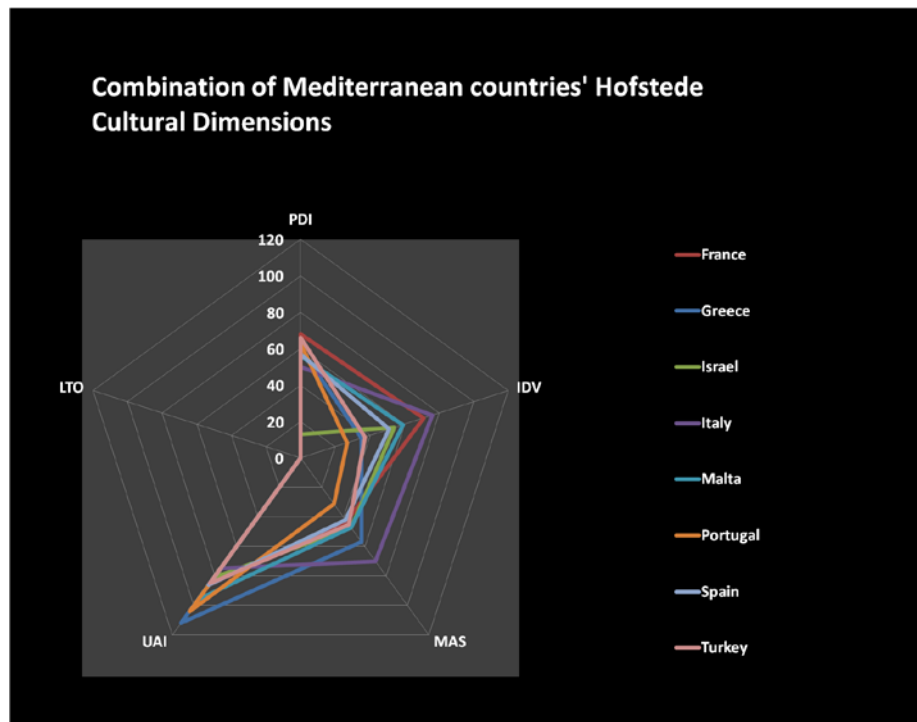
In summary this region could be seen as one that values relationships within the group, which has a quite strong cohesion and there exists a strong sense of respect for position. Uncertainty can be tolerated as there is



a strong long term orientation and people would look to the future and long term success.

The breakdown of the involved countries and their respective Cultural Dimension index scores in this cultural cluster can be found in Appendix 1.

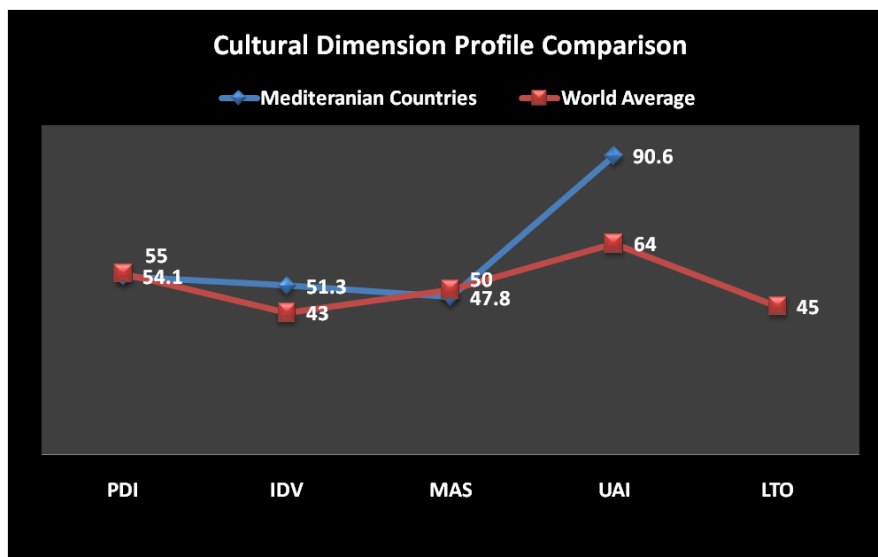
### 5.2.2 Region D (Mediterranean Countries)



Countries: France, Greece, Israel, Italy, Malta, Portugal, Spain, Turkey

As none of these countries in this cultural cluster was involved in the later study regarding the long term orientation dimension (LTO), it does make for a strange looking plotted graph. Here it is clear to see that there are strong uncertainty avoidance index (UAI) scores with a narrow spread – between 75 and 112, with an average of 90.6. This is a very strong score average and could be the dominating cultural dimension for this cultural cluster or Region. The power distance index (PDI) also seems quite strong with a narrow spread of the individual country index scores between 50 and 68, with an average of 60 – but here we also have another exception where Israel is represented with a score of 13 that brings the average down to 54.1. This is still a good score, but relatively one of this cluster's stronger dimension index scores. The individualism index (IDV) scores and masculinity index (MAS) scores for the countries in this cluster are quite widely spread. For the IDV it is between 27 and 76, with an average of 51.3 that is quite neutral for this dimension and similarly the MAS

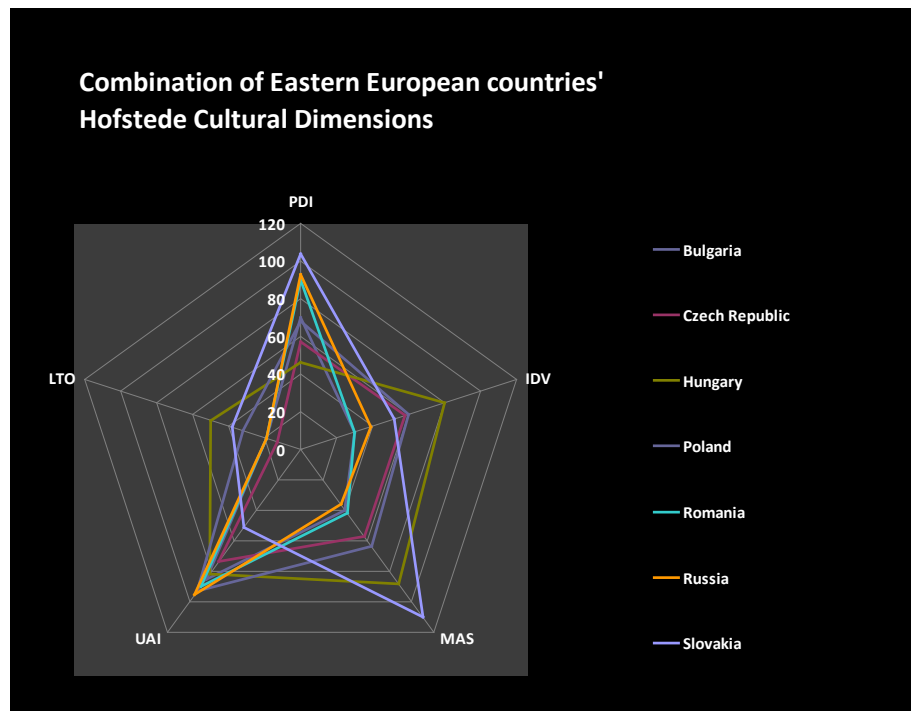
scores fall between 31 and 70, with an average of 47.8 – a quite neutral score. [Hofstede 2005: p43-44, 78-79, 120-121, 168-169, 211]



As mentioned above the Uncertainty Avoidance Index scores of the Region or cultural cluster dominates over the other dimensions as the relatively strong Power Distance exists – despite the strong exception of Israel – in this society that is quite neutrally towards the comparisons of Individualism versus Collectivism and Masculism versus Feminism.

The breakdown of the involved countries and their respective Cultural Dimension index scores in this cultural cluster can be found in Appendix 1.

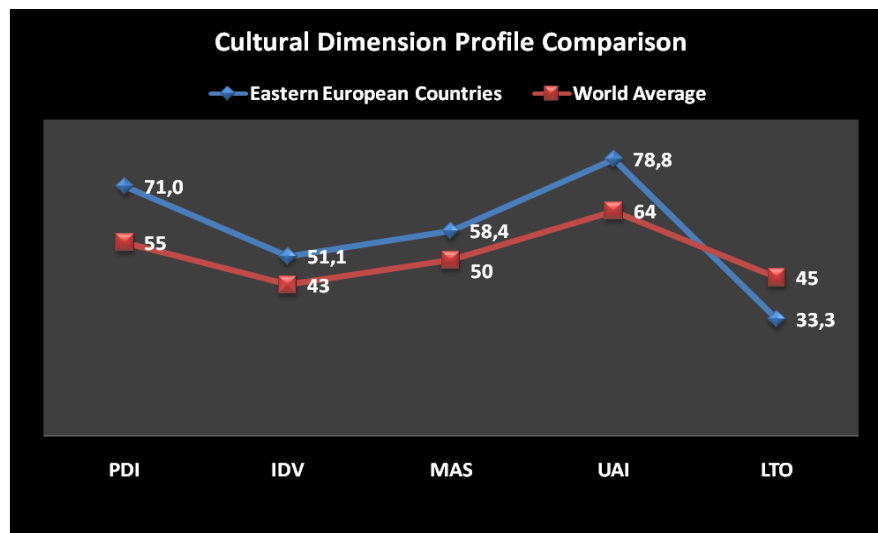
### 5.2.3 Region E (Eastern European Countries)



Countries: Bulgaria, Czech Republic, Hungary, Poland, Romania, Russia, Slovakia

In this region or cultural cluster we find a mixed bag of index scores that show quite strong averages, but that have very widely spread differences in scores that may make the classification of specific cultural characteristics according to the cultural dimensions of Hofstede unreliable to a certain degree. It is hard to say which of the five dimensions pulls the strongest weight in this cluster's analysis, but the uncertainty avoidance index (UAI) with scores between 51 and 95 and an average of 78.8 edges out the power distance index (PDI) scores of between 40 and 104, with an average of 71. A similar scenario can be seen in the index scores of masculinity (MAS) and individuality (IDV). The masculinity index (MAS) scores are between 30 and 110, with an average of 58.4 that tilts the scale slightly towards the more masculine side of the comparison scale with femininity, while the individuality index (IDV) scores are between 30 and 80, with an average of 51.1 that keeps the comparison scale quite balanced and neutral

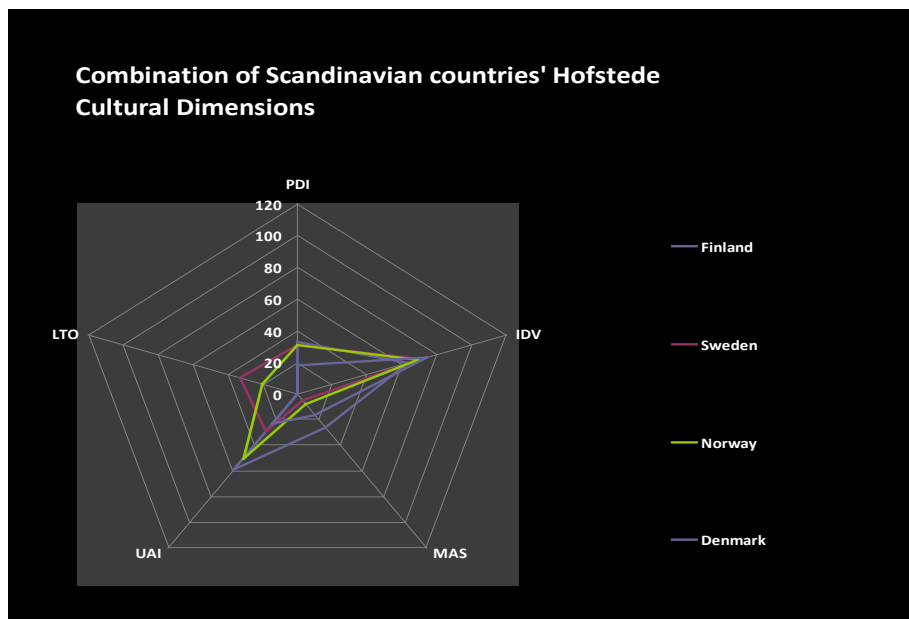
between individuality and collectivism. The countries that were involved in the later study into long term orientation (LTO) scored index scores between 13 and 50, with an average of 27.1 which is very low for this dimension. [Hofstede 2005: p43-44, 78-79, 120-121, 168-169, 211]



Thus, even though the deduced cultural characteristics of this Region or cultural cluster might not be very reliable because of its widely spread index scores, but the averages of these index scores do make strong comments concerning the cultural characteristics of this Region or cultural cluster and the countries and peoples within it. Therefore, I can make the deduction that this Region can be characterized by a high Power Distance and strong sense of Uncertainty Avoidance. There is a very weak Long Term Orientation within the Region and quite neutral balances between Masculinity and Femininity, as well as between Individualism and Collectivism.

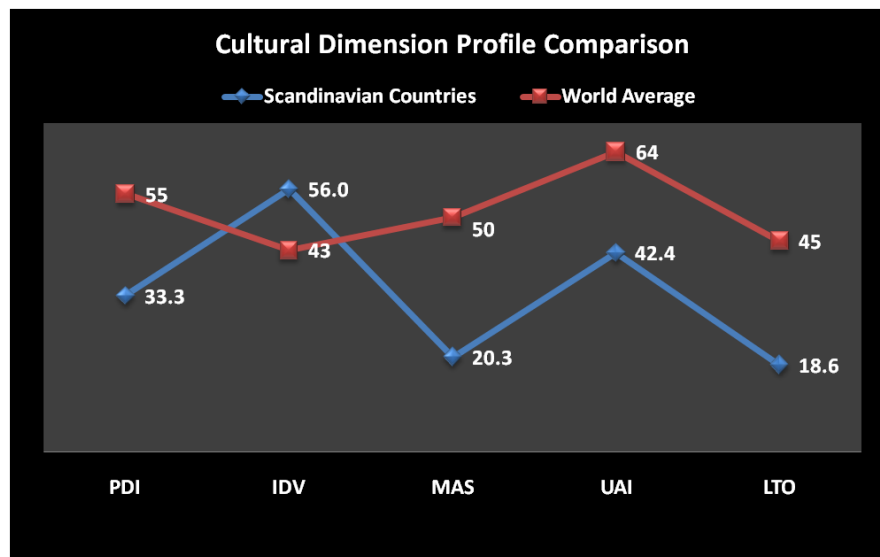
The breakdown of the involved countries and their respective Cultural Dimension index scores in this cultural cluster can be found in Appendix 1.

### 5.2.4 Region F (Scandinavian Countries)



Countries: Denmark, Finland, Norway, Sweden

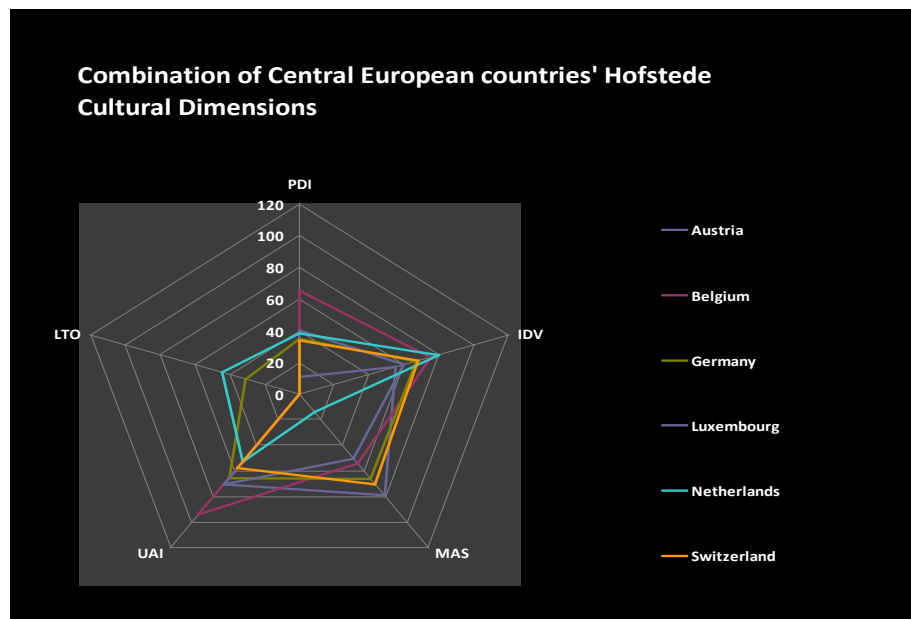
The strongest cultural dimension index scoring seems to be in the dimension of individualism versus collectivism, where the index (IDV) scores are between 63 and 74, with an average of 69.3 that is quite high. The uncertainty avoidance index (UAI) scores are between 23 and 59, with an average of 40.3 – relatively low. The power distance index (PDI) scores are between 18 and 33, with an average of 28.3. Similarly low, the long term orientation index (LTO) scores are between 20 and 33 – for the countries that were involved in this later study into this specific dimension. The average of these index scores is 26.5 – a weak score average. The masculinity index (MAS) scores are between 5 and 26, with an average of 13.8, which is weak, but means the balance of the comparison scale leans strongly towards femininity. The index scores in this region or cultural cluster have a quite narrow spread and will therefore make the deduction of the cultural characteristics for this region or cultural cluster more reliable. [Hofstede 2005: p43-44, 78-79, 120-121, 168-169, 211]



This Region or cultural cluster is characterized by a strong sense of Femininity and Individuality, while the society displays a low Power Distance and low Long Term Orientation. There is, though, a sense of Uncertainty Avoidance, but not significantly so.

The breakdown of the involved countries and their respective Cultural Dimension index scores in this cultural cluster can be found in Appendix 1.

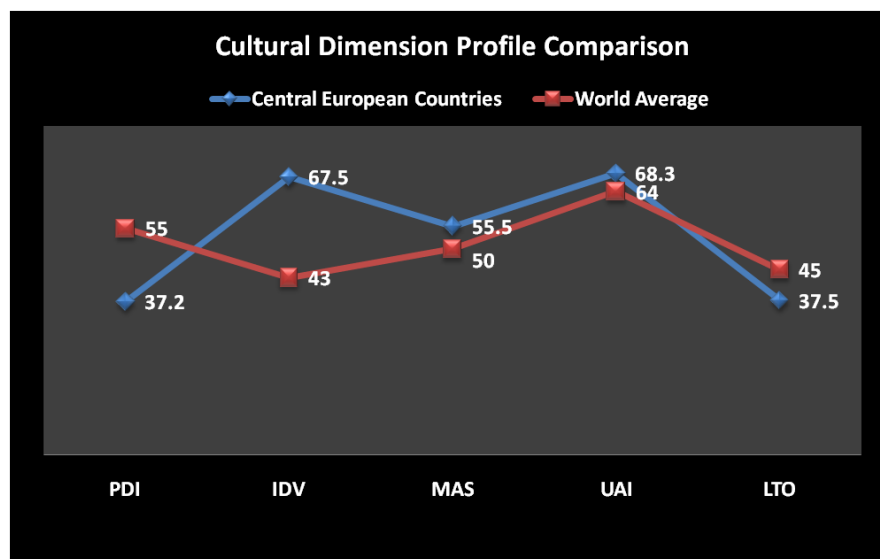
### 5.2.5 Region G (Central European Countries)



Countries: Austria, Belgium, Germany, Luxembourg, Netherlands, Switzerland

Within this region or cultural cluster the uncertainty avoidance index (UAI) scores and the individualism index (IDV) scores seem to be strong. The UAI scores for the countries included in this region or cultural cluster are between 53 and 94, with an average of 68.3 and the IDV scores are between 55 and 80, with an average of 67.5. The masculinity index (MAS) scores are between 50 and 79, with an average of 63.8, but considering the exceptionally weak MAS score of the Netherlands of 14 the average is brought down to 55.5 which is still tipping the comparison scale between masculinity and femininity slightly towards the masculine side, but maybe just not as much. The power distance index (PDI) scores are quite widely spread between 11 and 65, with a low average of 37.2. Not many countries in this region were involved in the study concerning long term orientation, and so, weak long term orientation index (LTO) scores between 31 and 44, with an average of 37.5 is shown. [Hofstede 2005: p43-44, 78-79, 120-121, 168-169, 211]

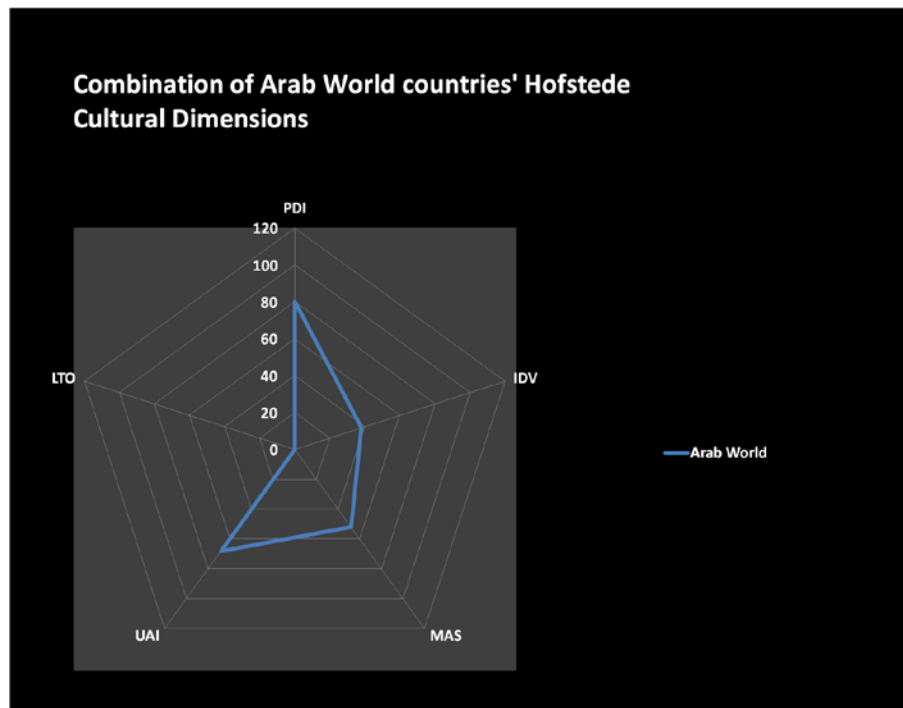




High Uncertainty Avoidance is shown in this strong Individualistic and Masculine Region or cultural cluster. An exception does exist in the form of the strong Feminine characteristics shown by the Netherlands, though. This Region also shows a low Power Distance and low Long Term Orientation.

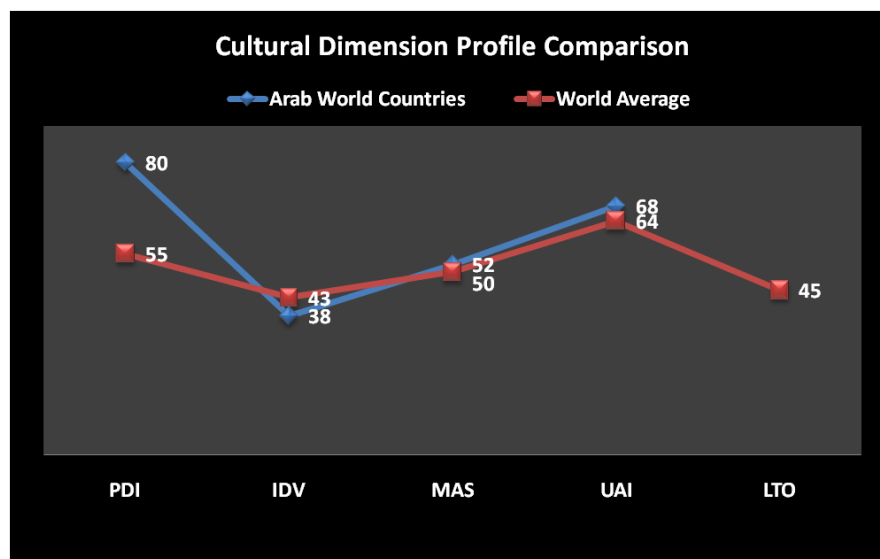
The breakdown of the involved countries and their respective Cultural Dimension index scores in this cultural cluster can be found in Appendix 1.

### 5.2.6 Region H (Arabian World)



Countries: Egypt, Iraq, Kuwait, Lebanon, Libya, Saudi Arabia, United Arab Emirates (U.A.E.)

The countries in this cultural cluster collectively show a high power distance index (PDI) score of 80, as well as, a relatively high uncertainty avoidance index (UAI) score of 68. The masculinity index (MAS) score is a relatively neutral 52. The score that was recorded for the individualism index (IDV) was 38 and indicates a strong collectivistic society. [Hofstede 2005: p43-44, 78-79, 120-121, 168-169, 211]



The Arab World, when seen as a cultural cluster or region is characterized by strong Power Distance and Uncertainty Avoidance. This shows that the society is more likely to will follow a system that does not allow significant upward mobility of its citizens. They are very rule bound with many laws, regulations and control to reduce the uncertainty of the future. This stems in a way from the strong Muslim faith within this cultural cluster that has a significant effect on the culture of the people in this region. It will therefore also have a strong influence on the way women are treated and how their rights are limited.

The breakdown of the involved countries and their respective Cultural Dimension index scores in this cultural cluster can be found in Appendix 1.

## 5.3 Appendix 3

### 5.3.1 Asian Countries

#### Analysis of Sales Process Activity Profiles

##### i. Strategic Planning

The need for an increase in the planning activities in this market is strong and even though there is quite a few respondents that would like to keep the level the same the biggest majority would like an increase in the level compared to the current situation. There is a need for an increase of the responsibility taken by ABB DA Finland for the planning activities.

##### ii. Presenting

The respondents to the survey showed by their responses that there is a very strong need for more presenting activities. Here the responsibility balance for presenting activities almost stays the same with a very small movement towards the ABB DA Finland office (from 55,4% to 53,1%). The areas that would benefit most with ABB DA Finland's direct involvement were Demonstrations (34%), Introduction Seminars (28%) and Product Launches (25%)

##### iii. Negotiating

Again a general increase is needed, but with a need for slightly more local ABB responsibility when negotiating (a shift from 48,1% to 49,3%). The focal areas are also quite non-specific.

##### iv. Training & Educating

A very strong need for technical training and educating is present with the focus on New Product Training and Application

Training. The responsibility balance also has a shift towards the local ABB office.

v. Customer Relationship Management

In the markets contained within this Asian cultural cluster there is a need for more customer relationship management activities in general and the emphasis placed on the activities by ABB DA Finland is not expected to change much. A shift in the responsibility for these activities is expected though – a shift towards ABB DA Finland.

vi. Overall Activities

According to the responses of the survey there does exist a need for more overall sales process activity in the markets contained within this cultural cluster as well as a very slight shift on responsibility from the local ABB office towards ABB DA Finland. The focal areas for ABB DA Finland's involvement are High Potential Customers, Strategic Important Cases, and Highly Technical Demanding Cases.

vii. Proposed Sales Process Activity Profile

Strategic Planning:	22%
Presenting:	24,4%
Negotiating:	17,5%
Training & Educating:	14,6%
Customer Relationship Management:	19,8%

viii. Sales Process Activity profile for 2006-2008

Strategic Planning:	25,3%
---------------------	-------

Presenting:	21%
Negotiating:	29,4%
Training & Educating:	11,7%
Customer Relationship Management:	12,1%

### 5.3.2 Mediterranean Countries

#### Analysis of Sales Process Activity Profiles

##### i. Strategic Planning

Again there are strong percentages of the respondents that would like the situation to stay the same, but as in the other cultural clusters the majority has responded in favour of an increase in the volume of planning to be done in their cultural cluster and the responsibility taken by ABB DA Finland for the planning activities in these markets.

##### ii. Presenting

Even though in this cultural cluster there is a feeling that there is a need for the increase of the amount of presenting done, but that the current situation of responsibility balance should stay virtually the same (a change from 53,6% to 53,2%). The areas where involvement from ABB DA Finland is needed are Demonstrations (35%), Introduction Seminars (33%), and Product Launches (24%).

##### iii. Negotiating

In the markets within this cultural cluster there seems to be a need for more negotiating activity, but the trend is not as pro-

nounced as described in the other clusters. The focal areas for ABB DA Finland involvement are non-specific and the responsibility balance requires a shift from 57,8% to 51,6%.

iv. Training & Educating

A strong need for technical training and educating is present with the focus on New Product Training. The responsibility balance also shows a shift towards ABB DA Finland.

v. Customer Relationship Management

In the markets contained within this cultural cluster there is a need for both more customer relationship management activities in general and the emphasis placed on the activities by ABB DA Finland. There is also quite a strong response for the current situation to continue. A shift in the responsibility for these activities is also expected – shift towards ABB DA Finland, but still leaning towards the responsibilities of the local ABB offices.

vi. Overall Activities

According to the responses there does exist a strong need for more overall sales process activity in the markets contained within this cultural cluster as well as a shift on responsibility from the local ABB office towards ABB DA Finland. The focal areas for ABB DA Finland's involvement are non-specific.

vii. Proposed Sales Process Activity Profile

Strategic Planning: 17,9%

Presenting: 30,4%

Negotiating: 13,3%

Training & Educating: 23,9%

Customer Relationship Management: 13,9%

viii. Sales Process Activity profile for 2006-2008

Strategic Planning: 30,3%

Presenting: 29,6%

Negotiating: 17,8%

Training & Educating: 16,9%

Customer Relationship Management: 4,4%

### 5.3.3 Eastern European Countries

#### Analysis of Sales Process Activity Profiles

i. Strategic Planning

Even though the balance is not as strongly inclined to lean towards the need for more planning activities in this cultural cluster there is a significant percentage of the respondents that would like to see the increase in planning activity in their cultural cluster and the markets it includes together with the need for an increase in the responsibility taken by ABB DA Finland for the planning activities in this cultural cluster.

ii. Presenting

Again, in this cultural cluster there is also a feeling that there is a need for more presenting even though it is not as strong as in other cultural clusters. The responsibility balance shows a slight change from the 71,3% strong Local responsibility to a



still strong 70,8%. The focal areas for ABB DA Finland's involvement were Product Launches (39%), Demonstrations (27%), and Introduction Seminars (20%).

iii. Negotiating

The feeling that there is a need for more negotiating activity from ABB DA Finland is again present, but not as strongly as described in other markets. The focal areas are Strategic Important Cases (31%) and Highly Technical Demanding Cases (27%). The balance of responsibility is also strongly balanced to the local ABB's side, but there is a need for it to shift a little to ABB DA Finland's side, but still keep the strongest responsibility for the negotiating with the local ABB office (shift from 71,1% to 63,7%).

iv. Training & Educating

Again a very strong need for technical training and educating activities in these markets exist with the focus on New Product Training. An increase in the responsibilities of the ABB DA Finland office is required also.

v. Customer Relationship Management

In the markets contained within this cultural cluster there is a need for both more customer relationship management activities in general and a stronger emphasis placed on the activities by ABB DA Finland. The responses also show a large number of respondents feeling that the current situation should remain intact. A very slight shift in the responsibility for these activities is also expected – shift towards ABB DA Finland.

vi. Overall Activities

According to the responses there does exist a need for more overall sales process activity in the markets contained within this cultural cluster as well as a shift on responsibility from the local ABB office towards ABB DA Finland, even though the responsibility still leans towards the local ABB office. The focal areas for ABB DA Finland's involvement are non-specific.

vii. Proposed Sales Process Activity Profile

Strategic Planning:	16,3%
Presenting:	26,8%
Negotiating:	17,7%
Training & Educating:	25,1%
Customer Relationship Management:	17%

viii. Sales Process Activity profile for 2006-2008

Strategic Planning:	30,1%
Presenting:	35,5%
Negotiating:	19%
Training & Educating:	6,1%
Customer Relationship Management:	4,6%

### 5.3.4 Scandinavian Countries

#### Analysis of Sales Process Activity Profiles

i. Strategic Planning

Here also the inclination is towards an increase in the volume of planning activity in this cultural cluster, but there are a bigger percentage of the respondents that feel that less planning activity is needed in their markets, as well as the amount of responsibility that should be taken by ABB DA Finland for the planning activities.

ii. Presenting

In this cultural cluster there is a very clear need for more presenting to be done, but a slightly less involvement needed from the ABB DA Finland office than the previous cultural cluster. The change in responsibility balance also only changes slightly from 55,9% to 53,3% and the focal areas for ABB DA Finland in these markets are Product Launches (39%), Demonstrations (27%), and Introduction Seminars (20%).

iii. Negotiating

Again there is a need for an increase in the negotiating activities, but the balance is quite slight here, as is the emphasis on the negotiating activities done by ABB DA Finland. One focal area for ABB DA Finland's involvement stand out – the involvement of the ABB DA Finland in the Highly Technical Demanding Cases (30%). The local ABB would also like to shift some of the responsibility for negotiating activities to ABB DA Finland as they would like to see a shift from 61,6% to 54,4%.

iv. Training & Educating

Also here there is shown to be a strong need for technical training and again the focal area being New Product Training. A slight shift in the responsibilities is expected towards ABB DA Finland.

## v. Customer Relationship Management

In the markets contained within this the Scandinavian cultural cluster there is a need for more customer relationship management activities in general as well as the emphasis placed on the activities done by ABB DA Finland. Quite many respondents feel the current situation is acceptable. A shift in the responsibility for these activities is also expected – shift towards ABB DA Finland.

## vi. Overall Activities

According to the responses there does exist a need for more overall sales process activity in the markets contained within this cultural cluster as well as a shift on responsibility from the local ABB office towards ABB DA Finland. The focal area for ABB DA Finland's involvement is Highly Technical Demanding Cases within this cultural cluster.

## vii. Proposed Sales Process Activity Profile

Strategic Planning:	21,5%
Presenting:	32,3%
Negotiating:	15,4%
Training & Educating:	16,9%
Customer Relationship Management:	13,1%

## viii. Sales Process Activity profile for 2006-2008

Strategic Planning:	14%
Presenting:	50,4%
Negotiating:	16,7%

Training & Educating: 11,1%

Customer Relationship Management: 7,8%

### 5.3.5 Central European Countries

#### Analysis of Sales Process Activity Profiles

##### i. Strategic Planning

Like in the other cultural clusters there is a strong lean towards the need of more planning activity in this cultural cluster. There is also a feeling that there should be an increase in the responsibility taken by ABB DA Finland for the planning activities in the markets.

##### ii. Presenting

In this cultural cluster there seems to be a good balance between the need for more and less presenting within the markets. There was also a strong response for the need to keep the current status quo regarding the volume of presenting that would be needed in the markets. The major focal areas for ABB DA Finland here would be in the areas of Introduction Seminars (38%) and Product Launches (38%). The responsibility balance also shows a slight shift towards the increase of the responsibility of the ABB DA Finland office for the presenting done in the Central European markets

##### iii. Negotiating

Here we see for the first time the need for less emphasis on the negotiating done by ABB DA Finland in the Central European markets. There is though a need for more negotiating activities

and the two focal areas are Highly Technical Demanding Cases (33%) and Strategic Important Cases (40%). The responsibility balance also shows a shift towards ABB DA Finland taking more responsibility, but the locals still carry most of that responsibility. The shift is from 79,4% to 74,3%.

iv. Training & Educating

A need for technical training is shown that is not as strong as in other markets and cultural clusters, but nevertheless still a strong need. The focal areas for ABB DA Finland's involvement are New Product Training and Application Training.

v. Customer Relationship Management

In the markets contained within this cultural cluster there is a strong need for more customer relationship management activities in general and the emphasis placed on the activities by ABB DA Finland. A shift in the responsibility for these activities is also expected – shift towards ABB DA Finland.

vi. Overall Activities

According to the responses there does exist a need for more overall sales process activity in the markets contained within this cultural cluster, even though there is a significant amount of responses that would like the current situation to continue, as well as a shift on responsibility from the local ABB office towards ABB DA Finland. The responsibility balance still leans towards the local ABB office. The focal areas for ABB DA Finland's involvement are Strategic Important Cases and Highly Technical Demanding Cases.

vii. Proposed Sales Process Activity Profile

Strategic Planning:	25%
Presenting:	26,7%
Negotiating:	21,7%
Training & Educating:	10%
Customer Relationship Management:	16,7%

viii. Sales Process Activity profile for 2006-2008

Strategic Planning:	24%
Presenting:	30%
Negotiating:	24%
Training & Educating:	20%
Customer Relationship Management:	2%

### 5.3.6 Arab World Countries

#### Analysis of Sales Process Activity Profiles

i. Strategic Planning

A strong need is shown for more planning activities in the markets that are included in this cultural cluster and there is also a need for an increase in the responsibility taken by ABB DA Finland for the planning responsibilities in these markets.

ii. Presenting

The Arab World shows a need for more presenting and even though the only two areas were prominent there was also a very

slight shift in the responsibility balance between the local ABB office and ABB DA Finland (from 46,4% to 44,6%) – the balance still stays with ABB DA Finland.

iii. Negotiating

In the Arab World's markets there exists the need for more negotiating to be done and more emphasis put on the negotiating done by ABB DA Finland. The focal areas are quite non-specific and the balance in responsibility only changes very slightly from 54,7% to 52%.

iv. Training & Educating

Here there exists a very strong need for training and educating activities with a lot more emphasis on the activities done by ABB DA Finland, but the nature of the training and education seems to be balanced between commercial and technical training with the focal areas being New Product Training, End-User Training and Application Training. The responsibility balance that is slightly in the favour of ABB DA Finland is expected to maintain its current situation.

v. Customer Relationship Management

In the markets contained within the Arab World's cultural cluster there is a definite need for more customer relationship management activities in general and the emphasis placed on the activities by ABB DA Finland. There are also some responses that would like the current status quo to be kept. A shift in the responsibility for these activities is also expected – shift towards ABB DA Finland.

vi. Overall Activities



According to the responses there does exist a need for more overall sales process activity in the markets contained within this cultural cluster as well as a shift on responsibility from the local ABB office towards ABB DA Finland. The focal areas for ABB DA Finland's involvement are non-specific for these markets within this cultural cluster.

vii. Proposed Sales Process Activity Profile

Strategic Planning:	20,8%
Presenting:	26,3%
Negotiating:	25,8%
Training & Educating:	12,8%
Customer Relationship Management:	14,2%

viii. Sales Process Activity profile for 2006-2008

Strategic Planning:	31,3%
Presenting:	13,3%
Negotiating:	12,9%
Training & Educating:	4,7%
Customer Relationship Management:	28,3%

## 5.4 Appendix 4

### South American Countries Strategic Planning

- a. How much planning should be done in general in your market compared to the current situation?
- b. How much emphasis should be placed on Business planning? (planning of business processes and related issues)
- c. How much emphasis should be placed on Marketing planning? (planning of market and strategic processes and related issues)
- d. How much should FIPPMV/DA be involved in the planning activities in your market?
- e. How much responsibility should be taken by ABB DA Finland in the planning activities in your market?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	20%	73%	7%	0%	0%
b.	0%	93%	7%	0%	0%
c.	20%	60%	20%	0%	0%
d.	20%	60%	13%	7%	0%
e.	7%	73%	13%	7%	0%

### South American Countries Presenting

- a. How much presenting should be done in general in your market compared to the current situation?
- b. How much emphasis should be placed on the presenting activities done by FIPPMV/DA in your market?
- c. How much should FIPPMV/DA be involved in the presenting activities in your market?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	20%	67%	13%	0%	0%
b.	7%	80%	7%	7%	0%
c.	27%	67%	7%	0%	0%

Choose presenting activities that you feel would value most from FIPPMV/DA's direct involvement. You can choose up to 2 options.

Exhibitions	7%
Demonstrations	36%
Introduction Seminars	32%
Product Launches	21%
Other	4%

What is the current responsibility taken locally in the presenting activities compared to FIPPMV/DA?

Current responsibility	62%
Desired responsibility	42.9%

How would you like to see the responsibility taken locally in the presenting activities compared to FIPPMV/DA?

### South American Countries Negotiating

- a. How much negotiating should be done in general in your market compared to the current situation?
- b. How much emphasis should be placed on the negotiating activities done by FIPPMV/DA in your market?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	27%	60%	13%	0%	0%
b.	13%	67%	13%	7%	0%

Choose negotiating activity types that you think would most require FIPPMV/DA involvement at some or other level. You can choose up to 3 options.

Highly Technical Demanding Cases	25%
Predefined High Priority Customers - VIP (Current and Future)	18%
New Customers	13%
High Potential Customers (Current and Future)	20%
Strategic Important Cases (Current and Future)	25%

What is the current responsibility taken locally in the negotiating activities compared to ABB FIPPMV/DA?

Current responsibility	64.7%
Desired responsibility	51.1%

How would you like to see the responsibility taken locally in the negotiating activities compared to FIPPMV/DA?

South American Countries  
Training & Educating

- a. How much training and educating should be done in general in your market compared to the current situation?  
b. How much training and educating should be done by FIPPMV/DA in your country or region towards your regional office as well as your country and region's customers?

A Lot More	More	Less	A Lot Less	Not Sure
33%	60%	7%	0%	0%
33%	53%	7%	0%	7%

Choose the most important training and educating activity types that would need representation from FIPPMV/DA. You can choose up to 2 options.

New Product Training	28%
Training Seminars	14%
Training of New Employees	17%
Competence Evaluation and Training of Employees	14%
End-user training	10%
Application Training	17%

- How do you see the balance in the nature of the required training from FIPPMV/DA towards your market?  
What is the current responsibility taken locally in the training and educating activities compared to FIPPMV/DA?  
How would you like to see the responsibility taken locally in the training and educating activities compared to FIPPMV/DA?

49.7%
58.1%
48.7%

South American Countries  
Customer Relationship Management

- a. How much customer relationship activities should be done in general in your market compared to the current situation?  
b. How much emphasis should be placed on the customer relationship activities done by FIPPMV/DA in your market?

A Lot More	More	Less	A Lot Less	Not Sure
53%	47%	0%	0%	0%
27%	60%	13%	0%	0%

- What is the current responsibility taken locally in the customer relationship activities compared to FIPPMV/DA?  
How would you like to see the responsibility taken locally in the customer relationship activities compared to FIPPMV/DA?

57.1%
52.9%

South American Countries  
Overall Activity

- a. How much overall activity would you like to see (as a total volume of activity) from FIPPMV/DA in your market?  
b. How much emphasis should be placed on the overall activities done by FIPPMV/DA in your market within the sales process?

A Lot More	More	Less	A Lot Less	Not Sure
13%	67%	20%	0%	0%
7%	73%	13%	7%	0%

According to collected data a global average profile of activities has been defined. What would you expect the ratio's to be in your country or region? (i.e. how would you distribute the resources according to the variables - considering your market and other influences?) The global averages are shown in brackets (with a total of 100%).

Planning (26%)	17.2%
Presenting (33%)	29.2%
Negotiating (17%)	17.9%
Training & Educating (10%)	18.4%
Customer Relationship Management (14%)	17.4%

Out of the following cases which do you see as the most important to have an FIPPMV/DA representative present (Activity type is irrelevant)? You can choose up to 3 choices.

Highly Technical Demanding Cases	23%
Predefined High Priority Customers (Current or Future)	10%
New Customers	5%
High Potential Customers (Current or Future)	15%
Strategic Important Cases (Current or Future)	23%
Introduction of New Specifications to Established Customers	25%

- How would you describe the current balance between the involvement of the local office and FIPPMV/DA towards the end customers in your country or region?  
How would you like to see the balance between the involvement of the regional or country office and FIPPMV/DA towards the end customers in your country or region?

53.7%
47.9%

English-Speaking Countries  
Strategic Planning

- a. How much planning should be done in general in your market compared to the current situation?
- b. How much emphasis should be placed on Business planning? (planning of business processes and related issues)
- c. How much emphasis should be placed on Marketing planning? (planning of market and strategic processes and related issues)
- d. How much should FIPPMV/DA be involved in the planning activities in your market?
- e. How much responsibility should be taken by ABB DA Finland in the planning activities in your market?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	28%	66%	3%	0%	3%
b.	10%	79%	3%	0%	7%
c.	24%	69%	3%	0%	3%
d.	17%	52%	14%	0%	17%
e.	10%	48%	21%	0%	21%

English-Speaking Countries  
Presenting

- a. How much presenting should be done in general in your market compared to the current situation?
- b. How much emphasis should be placed on the presenting activities done by FIPPMV/DA in your market?
- c. How much should FIPPMV/DA be involved in the presenting activities in your market?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	28%	62%	0%	0%	10%
b.	17%	48%	17%	0%	17%
c.	10%	62%	10%	0%	17%

Choose presenting activities that you feel would value most from FIPPMV/DA's direct involvement. You can choose up to 2 options.

Exhibition	21%
Demonstrations	21%
Introduction Seminars	13%
Product Launches	34%
Other	11%

What is the current responsibility taken locally in the presenting activities compared to FIPPMV/DA?

64.4%
-------

How would you like to see the responsibility taken locally in the presenting activities compared to FIPPMV/DA?

59.9%
-------

English-Speaking Countries  
Negotiating

- a. How much negotiating should be done in general in your market compared to the current situation?
- b. How much emphasis should be placed on the negotiating activities done by FIPPMV/DA in your market?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	14%	76%	3%	0%	7%
b.	17%	48%	14%	3%	17%

Choose negotiating activity types that you think would most require FIPPMV/DA involvement at some or other level. You can choose up to 3 options.

Highly Technical Demanding Cases	0.28125
Predefined High Priority Customers - VIP (Current and Future)	0.125
New Customers	0.140625
High Potential Customers (Current and Future)	0.21875
Strategic Important Cases (Current and Future)	0.234375

What is the current responsibility taken locally in the negotiating activities compared to ABB FIPPMV/DA?

61.1%
-------

How would you like to see the responsibility taken locally in the negotiating activities compared to FIPPMV/DA?

59.7%
-------

English-Speaking Countries  
Training & Educating

- a. How much training and educating should be done in general in your market compared to the current situation?  
b. How much training and educating should be done by FIPPMV/DA in your country or region towards your regional office as well as your country and region's customers?

A Lot More	More	Less	A Lot Less	Not Sure
41%	52%	0%	0%	7%
28%	62%	0%	0%	10%

Choose the most important training and educating activity types that would need representation from FIPPMV/DA. You can choose up to 2 options.

New Product Training	37%
Training Seminars	17%
Training of New Employees	6%
Competence Evaluation and Training of Employees	6%
End-user training	15%
Application Training	19%

- How do you see the balance in the nature of the required training from FIPPMV/DA towards your market?  
What is the current responsibility taken locally in the training and educating activities compared to FIPPMV/DA?  
How would you like to see the responsibility taken locally in the training and educating activities compared to FIPPMV/DA?

64.9%
67.3%
50.4%

English-Speaking Countries  
Customer Relationship Management

- a. How much customer relationship activities should be done in general in your market compared to the current situation?  
b. How much emphasis should be placed on the customer relationship activities done by FIPPMV/DA in your market?

A Lot More	More	Less	A Lot Less	Not Sure
24%	69%	0%	0%	7%
10%	55%	21%	0%	14%

- What is the current responsibility taken locally in the customer relationship activities compared to FIPPMV/DA?  
How would you like to see the responsibility taken locally in the customer relationship activities compared to FIPPMV/DA?

70.3%
64.6%

English-Speaking Countries  
Overall Activity

- a. How much overall activity would you like to see (as a total volume of activity) from FIPPMV/DA in your market?  
b. How much emphasis should be placed on the overall activities done by FIPPMV/DA in your market within the sales process?

A Lot More	More	Less	A Lot Less	Not Sure
7%	72%	7%	0%	14%
7%	59%	24%	0%	10%

According to collected data a global average profile of activities has been defined. What would you expect the ratio's to be in your country or region? (i.e. how would you distribute the resources according to the variables - considering your market and other influences?) The global averages are shown in brackets (with a total of 100%).

Planning (26%)	24.6%
Presenting (33%)	29.5%
Negotiating (17%)	12.1%
Training & Educating (10%)	21.9%
Customer Relationship Management (14%)	14.2%

Out of the following cases which do you see as the most important to have an FIPPMV/DA representative present (Activity type is irrelevant)? You can choose up to 3 choices.

Highly Technical Demanding Cases	30%
Predefined High Priority Customers (Current or Future)	13%
New Customers	12%
High Potential Customers (Current or Future)	16%
Strategic Important Cases (Current or Future)	17%
Introduction of New Specifications to Established Customers	9%
Other	3%

- How would you describe the current balance between the involvement of the local office and FIPPMV/DA towards the end customers in your country or region?  
How would you like to see the balance between the involvement of the regional or country office and FIPPMV/DA towards the end customers in your country or region?

67.9%
64%

Asian Countries  
Strategic Planning

- a. How much planning should be done in general in your market compared to the current situation?
- b. How much emphasis should be placed on Business planning? (planning of business processes and related issues)
- c. How much emphasis should be placed on Marketing planning? (planning of market and strategic processes and related issues)
- d. How much should FIPPMV/DA be involved in the planning activities in your market?
- e. How much responsibility should be taken by ABB DA Finland in the planning activities in your market?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	7%	76%	10%	3%	3%
b.	7%	72%	10%	3%	7%
c.	17%	66%	7%	3%	7%
d.	14%	55%	24%	3%	3%
e.	14%	66%	17%	7%	3%

Asian Countries  
Presenting

- a. How much presenting should be done in general in your market compared to the current situation?
- b. How much emphasis should be placed on the presenting activities done by FIPPMV/DA in your market?
- c. How much should FIPPMV/DA be involved in the presenting activities in your market?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	17%	69%	10%	0%	3%
b.	10%	66%	17%	3%	3%
c.	10%	59%	28%	0%	3%

Choose presenting activities that you feel would value most from FIPPMV/DA's direct involvement. You can choose up to 2 options.

Exhibition	11%
Demonstrations	34%
Introduction Seminars	28%
Product Launches	25%
Other	2%

What is the current responsibility taken locally in the presenting activities compared to FIPPMV/DA?

55.4%
53.1%

How would you like to see the responsibility taken locally in the presenting activities compared to FIPPMV/DA?

Asian Countries  
Negotiating

- a. How much negotiating should be done in general in your market compared to the current situation?
- b. How much emphasis should be placed on the negotiating activities done by FIPPMV/DA in your market?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	24%	52%	21%	0%	3%
b.	17%	45%	21%	10%	7%

Choose negotiating activity types that you think would most require FIPPMV/DA involvement at some or other level. You can choose up to 3 options.

Highly Technical Demanding Cases	22%
Predefined High Priority Customers - VIP (Current and Future)	18%
New Customers	10%
High Potential Customers (Current and Future)	24%
Strategic Important Cases (Current and Future)	27%

What is the current responsibility taken locally in the negotiating activities compared to ABB FIPPMV/DA?

48.1%
49.3%

How would you like to see the responsibility taken locally in the negotiating activities compared to FIPPMV/DA?

Asian Countries  
Training & Educating

- a. How much training and educating should be done in general in your market compared to the current situation?  
b. How much training and educating should be done by FIPPMV/DA in your country or region towards your regional office as well as your country and region's customers?

A Lot More	More	Less	A Lot Less	Not Sure
41%	52%	0%	0%	7%
28%	62%	0%	0%	10%

Choose the most important training and educating activity types that would need representation from FIPPMV/DA. You can choose up to 2 options.

New Product Training	9%
Training Seminars	11%
Training of New Employees	4%
Competence Evaluation and Training of Employees	20%
End-user training	2%
Application Training	28%

- How do you see the balance in the nature of the required training from FIPPMV/DA towards your market?  
What is the current responsibility taken locally in the training and educating activities compared to FIPPMV/DA?  
How would you like to see the responsibility taken locally in the training and educating activities compared to FIPPMV/DA?

55.1%
45.7%
48.3%

Asian Countries  
Customer Relationship Management

- a. How much customer relationship activities should be done in general in your market compared to the current situation?  
b. How much emphasis should be placed on the customer relationship activities done by FIPPMV/DA in your market?

A Lot More	More	Less	A Lot Less	Not Sure
21%	66%	10%	0%	3%
10%	45%	31%	7%	7%

- What is the current responsibility taken locally in the customer relationship activities compared to FIPPMV/DA?  
How would you like to see the responsibility taken locally in the customer relationship activities compared to FIPPMV/DA?

55.2%
51.7%

Asian Countries  
Overall Activity

- a. How much overall activity would you like to see (as a total volume of activity) from FIPPMV/DA in your market?  
b. How much emphasis should be placed on the overall activities done by FIPPMV/DA in your market within the sales process?

A Lot More	More	Less	A Lot Less	Not Sure
10%	76%	10%	0%	3%
7%	62%	21%	3%	7%

According to collected data a global average profile of activities has been defined. What would you expect the ratio's to be in your country or region? (i.e. how would you distribute the resources according to the variables - considering your market and other influences?) The global averages are shown in brackets (with a total of 100%).

Planning (26%)	22%
Presenting (33%)	24.4%
Negotiating (17%)	17.5%
Training & Educating (10%)	14.6%
Customer Relationship Management (14%)	19.8%

Out of the following cases which do you see as the most important to have an FIPPMV/DA representative present (Activity type is irrelevant)? You can choose up to 3 choices.

Highly Technical Demanding Cases	25%
Predefined High Priority Customers (Current or Future)	14%
New Customers	5%
High Potential Customers (Current or Future)	25%
Strategic Important Cases (Current or Future)	24%
Introduction of New Specifications to Established Customers	6%

- How would you describe the current balance between the involvement of the local office and FIPPMV/DA towards the end customers in your country or region?  
How would you like to see the balance between the involvement of the regional or country office and FIPPMV/DA towards the end customers in your country or region?

48.6%
48.7%

**Mediterranean Countries  
Strategic Planning**

- a. How much planning should be done in general in your market compared to the current situation?
- b. How much emphasis should be placed on Business planning? (planning of business processes and related issues)
- c. How much emphasis should be placed on Marketing planning? (planning of market and strategic processes and related issues)
- d. How much should FIPPMV/DA be involved in the planning activities in your market?
- e. How much responsibility should be taken by ABB DA Finland in the planning activities in your market?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	16%	71%	6%	0%	6%
b.	3%	81%	6%	0%	10%
c.	13%	77%	6%	0%	3%
d.	13%	65%	13%	0%	10%
e.	10%	48%	29%	0%	13%

**Mediterranean Countries  
Presenting**

- a. How much presenting should be done in general in your market compared to the current situation?
- b. How much emphasis should be placed on the presenting activities done by FIPPMV/DA in your market?
- c. How much should FIPPMV/DA be involved in the presenting activities in your market?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	13%	71%	13%	0%	3%
b.	10%	65%	19%	0%	6%
c.	3%	61%	23%	0%	13%

Choose presenting activities that you feel would value most from FIPPMV/DA's direct involvement. You can choose up to 2 options.

Exhibition	4%
Demonstrations	35%
Introduction Seminars	33%
Product Launches	24%
Other	4%

What is the current responsibility taken locally in the presenting activities compared to FIPPMV/DA?

53.6%
53.2%

How would you like to see the responsibility taken locally in the presenting activities compared to FIPPMV/DA?

**Mediterranean Countries  
Negotiating**

- a. How much negotiating should be done in general in your market compared to the current situation?
- b. How much emphasis should be placed on the negotiating activities done by FIPPMV/DA in your market?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	0%	61%	29%	0%	10%
b.	3%	52%	29%	3%	13%

Choose negotiating activity types that you think would most require FIPPMV/DA involvement at some or other level. You can choose up to 3 options.

Highly Technical Demanding Cases	19%
Predefined High Priority Customers - VIP (Current and Future)	22%
New Customers	13%
High Potential Customers (Current and Future)	21%
Strategic Important Cases (Current and Future)	24%

What is the current responsibility taken locally in the negotiating activities compared to ABB FIPPMV/DA?

57.3%
51.6%

How would you like to see the responsibility taken locally in the negotiating activities compared to FIPPMV/DA?



Mediterranean Countries  
Training & Educating

- a. How much training and educating should be done in general in your market compared to the current situation?  
b. How much training and educating should be done by FIPPMV/DA in your country or region towards your regional office as well as your country and region's customers?

A Lot More	More	Less	A Lot Less	Not Sure
38%	55%	3%	3%	0%
28%	52%	14%	3%	3%

Choose the most important training and educating activity types that would need representation from FIPPMV/DA. You can choose up to 2 options.

New Product Training	30%
Training Seminars	18%
Training of New Employees	18%
Competence Evaluation and Training of Employees	3%
End-user training	16%
Application Training	15%

- How do you see the balance in the nature of the required training from FIPPMV/DA towards your market?  
What is the current responsibility taken locally in the training and educating activities compared to FIPPMV/DA?  
How would you like to see the responsibility taken locally in the training and educating activities compared to FIPPMV/DA?

55.3%
57.2%
52.2%

Mediterranean Countries  
Customer Relationship Management

- a. How much customer relationship activities should be done in general in your market compared to the current situation?  
b. How much emphasis should be placed on the customer relationship activities done by FIPPMV/DA in your market?

A Lot More	More	Less	A Lot Less	Not Sure
10%	74%	6%	0%	10%
3%	65%	10%	0%	23%

- What is the current responsibility taken locally in the customer relationship activities compared to FIPPMV/DA?  
How would you like to see the responsibility taken locally in the customer relationship activities compared to FIPPMV/DA?

61.7%
56.7%

Mediterranean Countries  
Overall Activity

- a. How much overall activity would you like to see (as a total volume of activity) from FIPPMV/DA in your market?  
b. How much emphasis should be placed on the overall activities done by FIPPMV/DA in your market within the sales process?

A Lot More	More	Less	A Lot Less	Not Sure
3%	84%	3%	0%	10%
3%	81%	6%	0%	10%

According to collected data a global average profile of activities has been defined. What would you expect the ratio's to be in your country or region? (i.e. how would you distribute the resources according to the variables - considering your market and other influences?) The global averages are shown in brackets (with a total of 100%).

Planning (26%)	17.9%
Presenting (33%)	30.4%
Negotiating (17%)	13.3%
Training & Educating (10%)	23.9%
Customer Relationship Management (14%)	13.9%

Out of the following cases which do you see as the most important to have an FIPPMV/DA representative present (Activity type is irrelevant)? You can choose up to 3 choices.

Highly Technical Demanding Cases	23%
Predefined High Priority Customers (Current or Future)	15%
New Customers	9%
High Potential Customers (Current or Future)	14%
Strategic Important Cases (Current or Future)	20%
Introduction of New Specifications to Established Customers	19%

- How would you describe the current balance between the involvement of the local office and FIPPMV/DA towards the end customers in your country or region?  
How would you like to see the balance between the involvement of the regional or country office and FIPPMV/DA towards the end customers in your country or region?

57.2%
51.7%

Eastern European Countries

Strategic Planning

- a. How much planning should be done in general in your market compared to the current situation?
- b. How much emphasis should be placed on Business planning? (planning of business processes and related issues)
- c. How much emphasis should be placed on Marketing planning? (planning of market and strategic processes and related issues)
- d. How much should FIPPMV/DA be involved in the planning activities in your market?
- e. How much responsibility should be taken by ABB DA Finland in the planning activities in your market?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	4%	80%	12%	0%	4%
b.	0%	76%	20%	0%	4%
c.	0%	84%	12%	0%	4%
d.	4%	64%	16%	4%	12%
e.	8%	48%	24%	8%	12%

Eastern European Countries

Presenting

- a. How much presenting should be done in general in your market compared to the current situation?
- b. How much emphasis should be placed on the presenting activities done by FIPPMV/DA in your market?
- c. How much should FIPPMV/DA be involved in the presenting activities in your market?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	20%	60%	4%	0%	16%
b.	4%	52%	28%	0%	16%
c.	4%	48%	24%	0%	24%

Choose presenting activities that you feel would value most from FIPPMV/DA's direct involvement. You can choose up to 2 options.

Exhibitions	17%
Demonstrations	26%
Introduction Seminars	24%
Product Launches	19%
Other	14%

What is the current responsibility taken locally in the presenting activities compared to FIPPMV/DA?

71.3%
70.8%

How would you like to see the responsibility taken locally in the presenting activities compared to FIPPMV/DA?

Eastern European Countries

Negotiating

- a. How much negotiating should be done in general in your market compared to the current situation?
- b. How much emphasis should be placed on the negotiating activities done by FIPPMV/DA in your market?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	8%	60%	20%	0%	12%
b.	4%	44%	24%	4%	24%

Choose negotiating activity types that you think would most require FIPPMV/DA involvement at some or other level. You can choose up to 3 options.

Highly Technical Demanding Cases	27%
Predefined High Priority Customers - VIP (Current and Future)	15%
New Customers	12%
High Potential Customers (Current and Future)	15%
Strategic Important Cases (Current and Future)	31%

What is the current responsibility taken locally in the negotiating activities compared to ABB FIPPMV/DA?

71.1%
63.7%

How would you like to see the responsibility taken locally in the negotiating activities compared to FIPPMV/DA?

Eastern European Countries

Training & Educating

- a. How much training and educating should be done in general in your market compared to the current situation?
- b. How much training and educating should be done by FIPPMV/DA in your country or region towards your regional office as well as your country and region's customers?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	20%	56%	8%	0%	16%
b.	24%	48%	16%	0%	12%

Choose the most important training and educating activity types that would need representation from FIPPMV/DA. You can choose up to 2 options.

New Product Training	43%
Training Seminars	17%
Training of New Employees	2%
Competence Evaluation and Training of Employees	13%
End-user training	9%
Application Training	17%

How do you see the balance in the nature of the required training from FIPPMV/DA towards your market?

63.7%
-------

What is the current responsibility taken locally in the training and educating activities compared to FIPPMV/DA?

67.3%
-------

How would you like to see the responsibility taken locally in the training and educating activities compared to FIPPMV/DA?

60%
-----

Eastern European Countries  
Customer Relationship Management

- a. How much customer relationship activities should be done in general in your market compared to the current situation?
- b. How much emphasis should be placed on the customer relationship activities done by FIPPMV/DA in your market?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	12%	56%	12%	0%	20%
b.	12%	44%	24%	0%	20%

- What is the current responsibility taken locally in the customer relationship activities compared to FIPPMV/DA?
- How would you like to see the responsibility taken locally in the customer relationship activities compared to FIPPMV/DA?

Current	68.8%
Desired	67.7%

Eastern European Countries  
Overall Activity

- a. How much overall activity would you like to see (as a total volume of activity) from FIPPMV/DA in your market?
- b. How much emphasis should be placed on the overall activities done by FIPPMV/DA in your market within the sales process?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	8%	84%	0%	0%	8%
b.	0%	64%	24%	0%	12%

According to collected data a global average profile of activities has been defined. What would you expect the ratio's to be in your country or region? (i.e. how would you distribute the resources according to the variables - considering your market and other influences?) The global averages are shown in brackets (with a total of 100%).

Planning (26%)	16.3%
Presenting (33%)	26.8%
Negotiating (17%)	17.7%
Training & Educating (10%)	25.1%
Customer Relationship Management (14%)	17%

- Out of the following cases which do you see as the most important to have an FIPPMV/DA representative present (Activity type is irrelevant)? You can choose up to 3 choices.

Highly Technical Demanding Cases	22%
Predefined High Priority Customers (Current or Future)	19%
New Customers	9%
High Potential Customers (Current or Future)	12%
Strategic Important Cases (Current or Future)	22%
Introduction of New Specifications to Established Customers	16%

- How would you describe the current balance between the involvement of the local office and FIPPMV/DA towards the end customers in your country or region?
- How would you like to see the balance between the involvement of the regional or country office and FIPPMV/DA towards the end customers in your country or region?

Current	68.3%
Desired	61.3%

Scandinavian Countries  
Strategic Planning

- a. How much planning should be done in general in your market compared to the current situation?
- b. How much emphasis should be placed on Business planning? (planning of business processes and related issues)
- c. How much emphasis should be placed on Marketing planning? (planning of market and strategic processes and related issues)
- d. How much should FIPPMV/DA be involved in the planning activities in your market?
- e. How much responsibility should be taken by ABB DA Finland in the planning activities in your market?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	9%	77%	9%	0%	5%
b.	14%	64%	18%	0%	5%
c.	14%	68%	14%	0%	5%
d.	0%	77%	14%	0%	9%
e.	0%	64%	23%	0%	14%

Scandinavian Countries  
Presenting

- a. How much presenting should be done in general in your market compared to the current situation?
- b. How much emphasis should be placed on the presenting activities done by FIPPMV/DA in your market?
- c. How much should FIPPMV/DA be involved in the presenting activities in your market?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	0%	95%	5%	0%	0%
b.	18%	73%	0%	0%	9%
c.	0%	64%	27%	0%	9%

Choose presenting activities that you feel would value most from FIPPMV/DA's direct involvement. You can choose up to 2 options.

Exhibition	10%
Demonstrations	27%
Introduction Seminars	20%
Product Launches	39%
Other	5%

What is the current responsibility taken locally in the presenting activities compared to FIPPMV/DA?

55.9%
-------

How would you like to see the responsibility taken locally in the presenting activities compared to FIPPMV/DA?

53.3%
-------

Scandinavian Countries  
Negotiating

- a. How much negotiating should be done in general in your market compared to the current situation?
- b. How much emphasis should be placed on the negotiating activities done by FIPPMV/DA in your market?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	5%	77%	14%	0%	5%
b.	9%	50%	27%	0%	14%

Choose negotiating activity types that you think would most require FIPPMV/DA involvement at some or other level. You can choose up to 3 options.

Highly Technical Demanding Cases	30%
Predefined High Priority Customers - VIP (Current and Future)	12%
New Customers	14%
High Potential Customers (Current and Future)	22%
Strategic Important Cases (Current and Future)	22%

What is the current responsibility taken locally in the negotiating activities compared to ABB FIPPMV/DA?

61.6%
-------

How would you like to see the responsibility taken locally in the negotiating activities compared to FIPPMV/DA?

54.4%
-------

Scandinavian Countries  
Training & Educating

- a. How much training and educating should be done in general in your market compared to the current situation?
- b. How much training and educating should be done by FIPPMV/DA in your country or region towards your regional office as well as your country and region's customers?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	23%	77%	0%	0%	0%
b.	0%	91%	5%	0%	5%

Choose the most important training and educating activity types that would need representation from FIPPMV/DA. You can choose up to 2 options.

New Product Training	39%
Training Seminars	16%
Training of New Employees	14%
Competence Evaluation and Training of Employees	5%
End-user training	18%
Application Training	9%

How do you see the balance in the nature of the required training from FIPPMV/DA towards your market?

66.7%
-------

What is the current responsibility taken locally in the training and educating activities compared to FIPPMV/DA?

49.2%
-------

How would you like to see the responsibility taken locally in the training and educating activities compared to FIPPMV/DA?

46%
-----

Scandinavian Countries  
Customer Relationship Management

- a. How much customer relationship activities should be done in general in your market compared to the current situation?
- b. How much emphasis should be placed on the customer relationship activities done by FIPPMV/DA in your market?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	9%	77%	0%	0%	14%
b.	0%	64%	27%	0%	9%

- What is the current responsibility taken locally in the customer relationship activities compared to FIPPMV/DA?
- How would you like to see the responsibility taken locally in the customer relationship activities compared to FIPPMV/DA?

Current	60.3%
Desired	53.5%

Scandinavian Countries  
Overall Activity

- a. How much overall activity would you like to see (as a total volume of activity) from FIPPMV/DA in your market?
- b. How much emphasis should be placed on the overall activities done by FIPPMV/DA in your market within the sales process?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	0%	82%	9%	0%	9%
b.	0%	73%	18%	0%	9%

According to collected data a global average profile of activities has been defined. What would you expect the ratio's to be in your country or region? (i.e. how would you distribute the resources according to the variables - considering your market and other influences?) The global averages are shown in brackets (with a total of 100%).

Planning (26%)	21.5%
Presenting (33%)	32.3%
Negotiating (17%)	15.4%
Training & Educating (10%)	16.9%
Customer Relationship Management (14%)	13.1%

- Out of the following cases which do you see as the most important to have an FIPPMV/DA representative present (Activity type is irrelevant)? You can choose up to 3 choices.

Highly Technical Demanding Cases	37%
Predefined High Priority Customers (Current or Future)	15%
New Customers	8%
High Potential Customers (Current or Future)	19%
Strategic Important Cases (Current or Future)	17%
Introduction of New Specifications to Established Customers	4%

- How would you describe the current balance between the involvement of the local office and FIPPMV/DA towards the end customers in your country or region?
- How would you like to see the balance between the involvement of the regional or country office and FIPPMV/DA towards the end customers in your country or region?

Current	56.8%
Desired	5.8%

Central European Countries  
Strategic Planning

- a. How much planning should be done in general in your market compared to the current situation?
- b. How much emphasis should be placed on Business planning? (planning of business processes and related issues)
- c. How much emphasis should be placed on Marketing planning? (planning of market and strategic processes and related issues)
- d. How much should FIPPMV/DA be involved in the planning activities in your market?
- e. How much responsibility should be taken by ABB DA Finland in the planning activities in your market?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	0%	86%	14%	0%	0%
b.	14%	71%	14%	0%	0%
c.	0%	71%	14%	0%	14%
d.	0%	71%	14%	0%	14%
e.	0%	57%	14%	0%	29%

Central European Countries  
Presenting

- a. How much presenting should be done in general in your market compared to the current situation?
- b. How much emphasis should be placed on the presenting activities done by FIPPMV/DA in your market?
- c. How much should FIPPMV/DA be involved in the presenting activities in your market?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	14%	71%	14%	0%	0%
b.	0%	57%	29%	0%	14%
c.	0%	57%	14%	0%	29%

Choose presenting activities that you feel would value most from FIPPMV/DA's direct involvement. You can choose up to 2 options.

Exhibition	8%
Demonstrations	8%
Introduction Seminars	38%
Product Launches	38%
Other	8%

What is the current responsibility taken locally in the presenting activities compared to FIPPMV/DA?

74.9%
68.7%

How would you like to see the responsibility taken locally in the presenting activities compared to FIPPMV/DA?

Central European Countries  
Negotiating

- a. How much negotiating should be done in general in your market compared to the current situation?
- b. How much emphasis should be placed on the negotiating activities done by FIPPMV/DA in your market?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	14%	43%	14%	0%	29%
b.	0%	14%	57%	0%	29%

Choose negotiating activity types that you think would most require FIPPMV/DA involvement at some or other level. You can choose up to 3 options.

Highly Technical Demanding Cases	33%
Predefined High Priority Customers - VIP (Current and Future)	7%
New Customers	7%
High Potential Customers (Current and Future)	13%
Strategic Important Cases (Current and Future)	40%

What is the current responsibility taken locally in the negotiating activities compared to ABB FIPPMV/DA?

79.4%
74.3%

How would you like to see the responsibility taken locally in the negotiating activities compared to FIPPMV/DA?

Central European Countries  
Training & Educating

- a. How much training and educating should be done in general in your market compared to the current situation?
- b. How much training and educating should be done by FIPPMV/DA in your country or region towards your regional office as well as your country and region's customers?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	29%	43%	14%	0%	14%
b.	14%	43%	29%	0%	14%

Choose the most important training and educating activity types that would need representation from FIPPMV/DA. You can choose up to 2 options.

New Product Training	46%
Training Seminars	8%
Training of New Employees	8%
Competence Evaluation and Training of Employees	8%
End-user training	8%
Application Training	23%

How do you see the balance in the nature of the required training from FIPPMV/DA towards your market?

70.3%
-------

What is the current responsibility taken locally in the training and educating activities compared to FIPPMV/DA?

68.9%
-------

How would you like to see the responsibility taken locally in the training and educating activities compared to FIPPMV/DA?

62%
-----

Central European Countries  
Customer Relationship Management

- a. How much customer relationship activities should be done in general in your market compared to the current situation?
- b. How much emphasis should be placed on the customer relationship activities done by FIPPMV/DA in your market?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	14%	86%	0%	0%	0%
b.	0%	100%	0%	0%	0%

- What is the current responsibility taken locally in the customer relationship activities compared to FIPPMV/DA?
- How would you like to see the responsibility taken locally in the customer relationship activities compared to FIPPMV/DA?

Current	70.7%
Desired	65%

Central European Countries  
Overall Activity

- a. How much overall activity would you like to see (as a total volume of activity) from FIPPMV/DA in your market?
- b. How much emphasis should be placed on the overall activities done by FIPPMV/DA in your market within the sales process?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	0%	86%	0%	0%	14%
b.	0%	57%	14%	0%	29%

According to collected data a global average profile of activities has been defined. What would you expect the ratio's to be in your country or region? (i.e. how would you distribute the resources according to the variables - considering your market and other influences?) The global averages are shown in brackets (with a total of 100%).

Planning (26%)	25%
Presenting (33%)	26.7%
Negotiating (17%)	21.7%
Training & Educating (10%)	10%
Customer Relationship Management (14%)	16.7%

- Out of the following cases which do you see as the most important to have an FIPPMV/DA representative present (Activity type is irrelevant)? You can choose up to 3 choices.

Highly Technical Demanding Cases	31%
Predefined High Priority Customers (Current or Future)	6%
New Customers	13%
High Potential Customers (Current or Future)	0%
Strategic Important Cases (Current or Future)	31%
Introduction of New Specifications to Established Customers	19%

- How would you describe the current balance between the involvement of the local office and FIPPMV/DA towards the end customers in your country or region?
- How would you like to see the balance between the involvement of the regional or country office and FIPPMV/DA towards the end customers in your country or region?

Current	74.3%
Desired	71.4%

Arab World Countries

Strategic Planning

- a. How much planning should be done in general in your market compared to the current situation?
- b. How much emphasis should be placed on Business planning? (planning of business processes and related issues)
- c. How much emphasis should be placed on Marketing planning? (planning of market and strategic processes and related issues)
- d. How much should FIPPMV/DA be involved in the planning activities in your market?
- e. How much responsibility should be taken by ABB DA Finland in the planning activities in your market?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	14%	71%	14%	0%	0%
b.	0%	100%	0%	0%	0%
c.	14%	86%	0%	0%	0%
d.	14%	57%	29%	0%	0%
e.	14%	71%	14%	0%	0%

Arab World Countries

Presenting

- a. How much presenting should be done in general in your market compared to the current situation?
- b. How much emphasis should be placed on the presenting activities done by FIPPMV/DA in your market?
- c. How much should FIPPMV/DA be involved in the presenting activities in your market?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	29%	71%	0%	0%	0%
b.	14%	57%	29%	0%	0%
c.	14%	71%	14%	0%	0%

Choose presenting activities that you feel would value most from FIPPMV/DA's direct involvement. You can choose up to 2 options.

Exhibitions	15%
Demonstrations	15%
Introduction Seminars	38%
Product Launches	23%
Other	8%

What is the current responsibility taken locally in the presenting activities compared to FIPPMV/DA?

46.4%
44.6%

How would you like to see the responsibility taken locally in the presenting activities compared to FIPPMV/DA?

Arab World Countries

Negotiating

- a. How much negotiating should be done in general in your market compared to the current situation?
- b. How much emphasis should be placed on the negotiating activities done by FIPPMV/DA in your market?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	0%	100%	0%	0%	0%
b.	14%	57%	29%	0%	0%

Choose negotiating activity types that you think would most require FIPPMV/DA involvement at some or other level. You can choose up to 3 options.

Highly Technical Demanding Cases	27%
Predefined High Priority Customers - VIP (Current and Future)	20%
New Customers	13%
High Potential Customers (Current and Future)	13%
Strategic Important Cases (Current and Future)	27%

What is the current responsibility taken locally in the negotiating activities compared to ABB FIPPMV/DA?

54.7%
52%

How would you like to see the responsibility taken locally in the negotiating activities compared to FIPPMV/DA?

Arab World Countries

Training & Educating

- a. How much training and educating should be done in general in your market compared to the current situation?
- b. How much training and educating should be done by FIPPMV/DA in your country or region towards your regional office as well as your country and region's customers?

	A Lot More	More	Less	A Lot Less	Not Sure
a.	29%	43%	14%	0%	14%
b.	29%	71%	0%	0%	0%

Choose the most important training and educating activity types that would need representation from FIPPMV/DA. You can choose up to 2 options.

New Product Training	31%
Training Seminars	8%
Training of New Employees	0%
Competence Evaluation and Training of Employees	8%
End-user training	31%
Application Training	23%

How do you see the balance in the nature of the required training from FIPPMV/DA towards your market?

43.1%
-------

What is the current responsibility taken locally in the training and educating activities compared to FIPPMV/DA?

48%
-----

How would you like to see the responsibility taken locally in the training and educating activities compared to FIPPMV/DA?

47.7%
-------



Arab World Countries  
Customer Relationship Management

- a. How much customer relationship activities should be done in general in your market compared to the current situation?  
b. How much emphasis should be placed on the customer relationship activities done by FIPPMV/DA in your market?

A Lot More	More	Less	A Lot Less	Not Sure
0%	71%	14%	0%	14%
14%	57%	29%	0%	0%

- What is the current responsibility taken locally in the customer relationship activities compared to FIPPMV/DA?  
How would you like to see the responsibility taken locally in the customer relationship activities compared to FIPPMV/DA?

44.7%
46.9%

Arab World Countries  
Overall Activity

- a. How much overall activity would you like to see (as a total volume of activity) from FIPPMV/DA in your market?  
b. How much emphasis should be placed on the overall activities done by FIPPMV/DA in your market within the sales process?

A Lot More	More	Less	A Lot Less	Not Sure
0%	71%	14%	0%	14%
0%	86%	0%	0%	14%

According to collected data a global average profile of activities has been defined. What would you expect the ratio's to be in your country or region? (i.e. how would you distribute the resources according to the variables - considering your market and other influences?) The global averages are shown in brackets (with a total of 100%).

Planning (26%)	20.8%
Presenting (33%)	26.3%
Negotiating (17%)	25.8%
Training & Educating (10%)	12.8%
Customer Relationship Management (14%)	14.2%

- Out of the following cases which do you see as the most important to have an FIPPMV/DA representative present (Activity type is irrelevant)? You can choose up to 3 choices.

Highly Technical Demanding Cases	25%
Predefined High Priority Customers (Current or Future)	19%
New Customers	6%
High Potential Customers (Current or Future)	19%
Strategic Important Cases (Current or Future)	19%
Introduction of New Specifications to Established Customers	13%

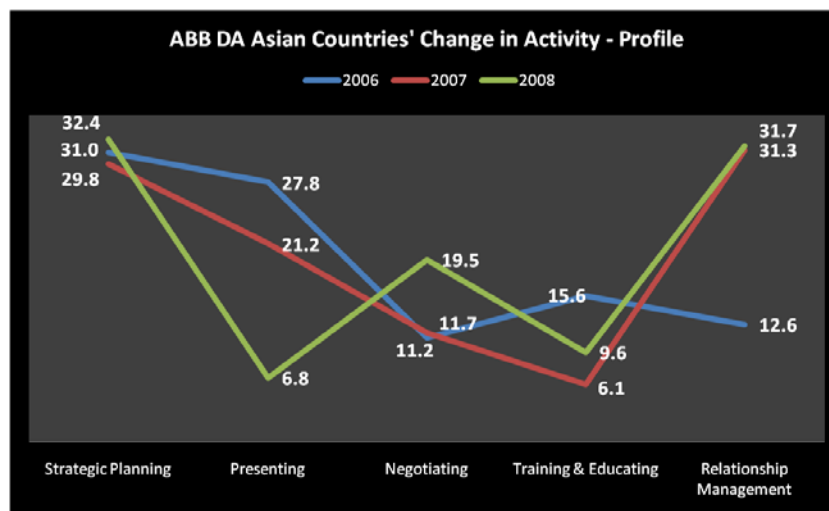
- How would you describe the current balance between the involvement of the local office and FIPPMV/DA towards the end customers in your country or region?  
How would you like to see the balance between the involvement of the regional or country office and FIPPMV/DA towards the end customers in your country or region?

44.3%
46.9%

## 5.5 Appendix 5

### 5.5.1 Asian Countries

#### i. Changes in profile

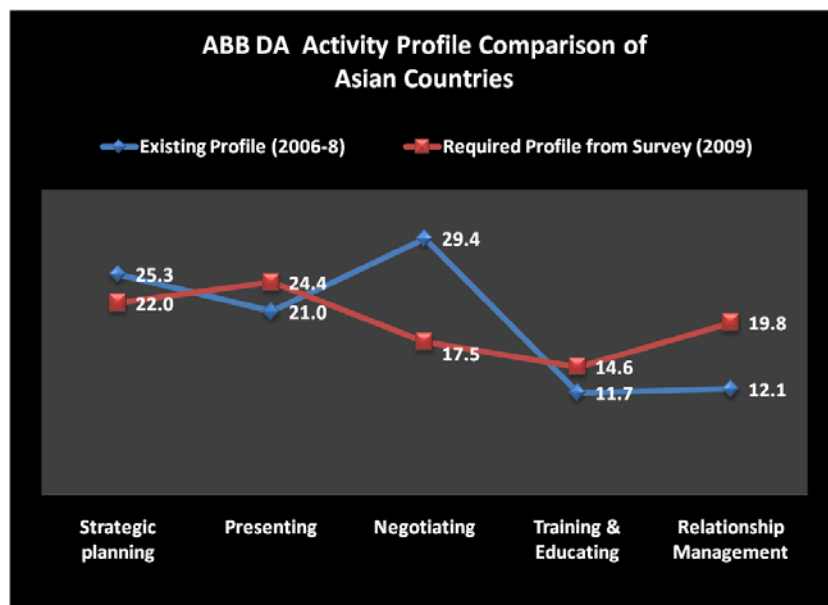


As can be seen above in the graphic representation of the sales process activity profiles as percentages of the total volume of activities for the English Speaking cluster for the years 2006, 2007 and 2008, the differences in the profiles are quite significant for some of the MPM and not so much in other MPM of the three profiles. There were many changes in the profiles for the study period. The smaller changes are seen in the MPM for Strategic Planning where the range is only 2,6 percentage points over the three years. Other changes or variations between the profiles for the three years of the study period are as follows.

The MPM for Presenting had dropped 6,6 percentage points over the first year and then a further 14,4 percentage points over the next year to show a drop of 21 percentage points over the study period. The MPM for Negotiating with a range of 8,2 percentage points during the study period only showed an increase over the period 2007-2008. The initial drop in the Training & Educating MPM for the period 2006-2007 of 9,5 percentage points was balanced out in a way by the increased again in the period 2007-2008 of 3,5 percentage points. Another big change was in the MPM

Relationship Management that showed a minimal change in the period 2007-2008 (0,4 percentage point), but this was preceded by an increase of 18,7 (2006-2007) percentage points.

A profile of sales process activity by the Area Marketing Manager supporting this cluster and its markets can be formulated from the averages of the MPM over the study period and will be compared to the profile gathered from the 2009 survey results to ascertain the perception of the needs of the particular markets within the cultural cluster and guide the Area Marketing Manager to make adjustments accordingly.



From the graphic depiction of the existing and proposed profiles it is clear that the two profiles follow a similar pattern, which is surprising considering the big variations in the profiles' MPM during the study period. The differences can be described as follows. The biggest difference is in the MPM for Negotiating where the proposed profile (2009 survey) shows an 11,9 percentage point difference from the existing profile (2006-2008). The MPM for Customer Relationship Management in the proposed profile is 7,7 percentage points above this MPM in the existing profile. The proposed profile shows smaller changes from the existing profile in the other MPM, namely, Strategic Planning is 3,3 percentage points below; Present-

ing is 3,4 percentage points above and; Training & Educating is 2,9 percentage points above the existing profile's percentage for the corresponding MPM.

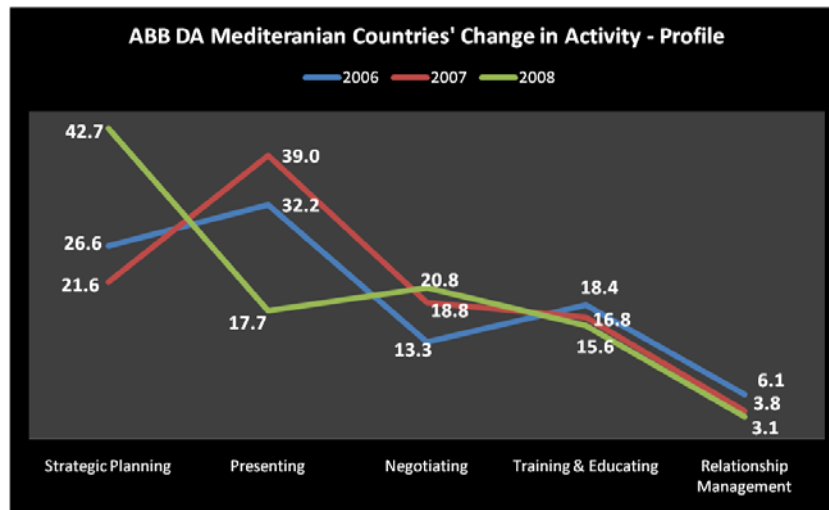
The suggested adjustments derived from the above mentioned differences between the proposed and existing sales process activity profiles are discussed in the next section.

ii. Suggested adjustments

For the Asian cultural cluster the suggestions are as follows. According to the survey it is shown that there exists a need for an overall increase in the activities of the Area Marketing Manager in the markets within this cluster and thus the overall volume of activity should be increased within the limits of the resources of the Area Marketing Manager, but the ratios of the division of the resources between the different stages or phases of the sales process would show a suggested decrease in the focus towards Negotiating done by the Area Marketing Manager in the markets he/she supports within this cluster. The MPM for Customer Relationship Management could be increased while the ratios of the other MPM in the sales process could be suggested to remain the same as there were no significant changes observed in these MPM.

## 5.5.2 Mediterranean Countries

### i. Changes in profile

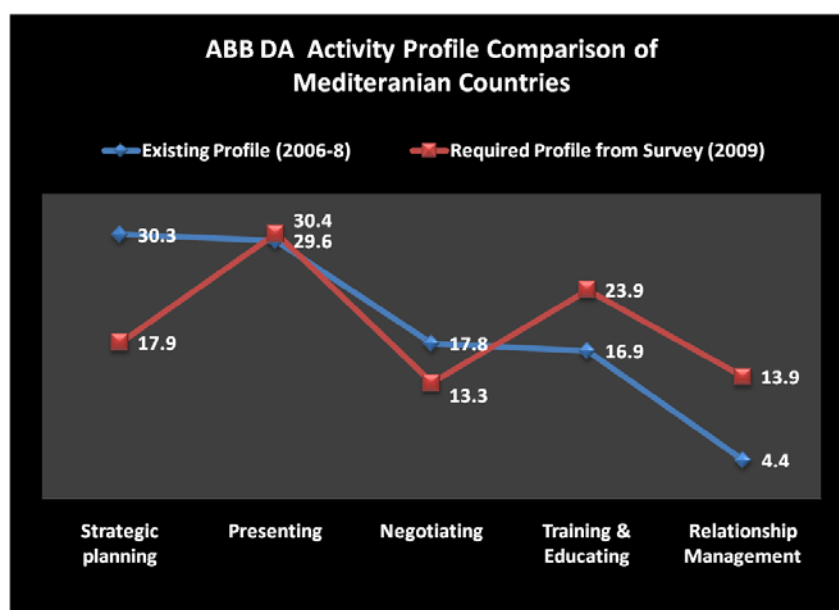


As can be seen above in the graphic representation of the sales process activity profiles as percentages of the total volume of activities for the Mediterranean cluster for the years 2006, 2007 and 2008, the differences in the profiles are quite significant for some of the MPM and not so much in other MPM of the three profiles. There were changes in the profiles during the study period, but when looking at the three profiles' graphic depiction it seems that even though there were changes the three profiles followed a similar trend. The biggest changes are seen in the MPM for Strategic Planning and in the MPM for Presenting. Strategic Planning initially decreased by 5 percentage points between 2006 and 2007 and then in the following period (2007-2008) increased by 21,1 percentage points. Likewise, Presenting showed major changes as it initially increased between 2006 and 2007 with 6,8 percentage points and then decreased by 21,3 percentage points between 2007 and 2008.

Other changes or variations between the profiles for the three years of the study period showed little change and are as follows. The MPM for Negotiating showed a range of 7,5 percentage points for the study period; Training & Educating showed a range of 2,8 during the study period and; Cus-

customer Relationship Management showed a range of change during the study period of 3 percentage points.

Again, a profile of sales process activity by the Area Marketing Manager supporting this cluster and its markets can be formulated from the averages of the MPM over the study period and will be compared to the profile gathered from the 2009 survey results to ascertain the perception of the needs of the particular markets within the cultural cluster and guide the Area Marketing Manager to make adjustments accordingly.



From the graphic depiction of the existing and proposed profiles it is clear that the two profiles tend to follow a similar pattern. The differences can be described as follows. The biggest difference is in the MPM for Strategic Planning where the proposed profile's (2009 survey) MPM is 12,4 percentage points below the existing profile (2006-2008). The MPM for Presenting in the proposed profile is a mere 0,8 percentage point above this MPM in the existing profile while the other MPM showed the following differences. The proposed profile's MPM for Negotiating showed a percentage that was 4,5 percentage points below the existing profile's; Training & Educating was 7 percentage points above and the MPM for Cus-

customer Relationship Management was 9,5 percentage points above the existing profile's percentage for the corresponding MPM.

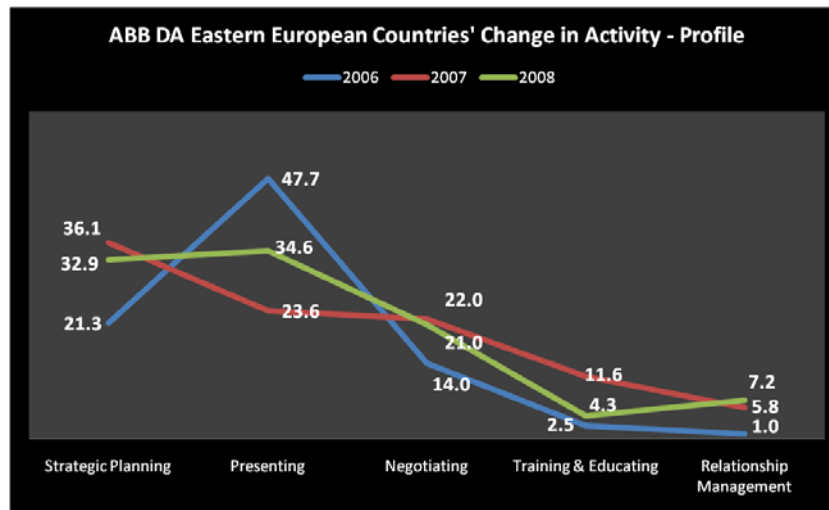
The suggested adjustments derived from the above mentioned differences between the proposed and existing sales process activity profiles are discussed in the next section.

ii. Suggested adjustments

For the Mediterranean cultural cluster the suggestions are as follows. According to the survey it is shown that there exists a need for an overall increase in the activities of the Area Marketing Manager in the markets within this cluster and thus the overall volume of activity should be increased within the limits of the resources of the Area Marketing Manager, but the ratios of the division of the resources between the different stages or phases of the sales process would show a suggested decrease in the focus towards Strategic Planning done by the Area Marketing Manager in the markets he/she supports within this cluster. The MPM of Presenting and Negotiating showed small changes and thus it could be suggested that these MPM be seen as having similar percentages and therefore having similar affects on the total activity ratio within the profile – no or minimal changes suggested for these MPM. The MPM of Training and educating as well as the MPM of Customer Relationship Management show similar differences between the proposed and existing activity profiles, and therefore it can be suggested that their ratio percentages be increased in such a way as to keep the current ratio between these two MPM similar.

### 5.5.3 Eastern European Countries

#### i. Changes in profile



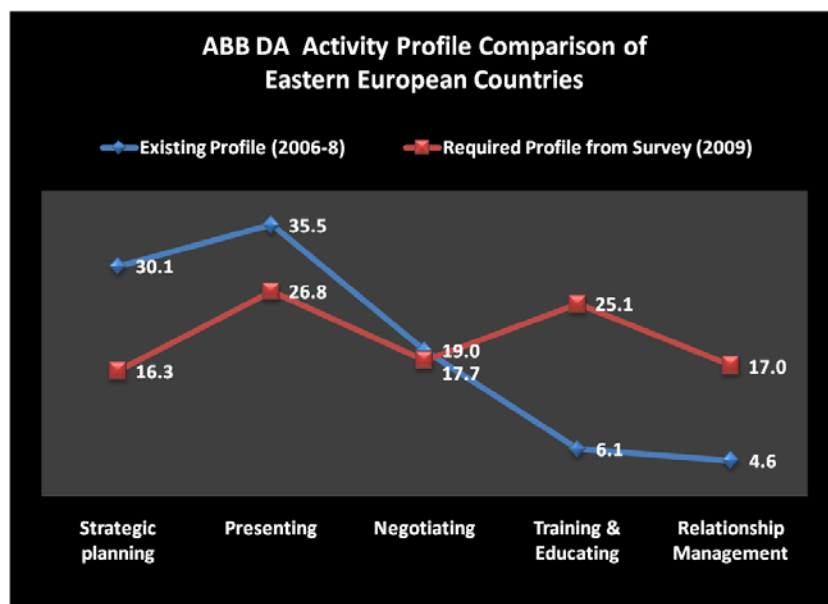
As can be seen above in the graphic representation of the sales process activity profiles as percentages of the total volume of activities for the Mediterranean cluster for the years 2006, 2007 and 2008, the differences in the profiles are quite significant for some of the MPM and not so much in the other MPM of the three profiles. There were changes in the profiles during the study period, but when looking at the three profiles' graphic depiction it seems that even though there were changes the three profiles followed a similar trend, again like seen in previous discussions of the sales process MPM. The biggest changes were seen in the MPM of Presenting and in the MPM of Strategic Planning. Presenting showed major changes as it initially decreased between 2006 and 2007 with 24,1 percentage points and then increased by 11 percentage points between 2007 and 2008. Strategic Planning, on the other hand, initially increased by 14,8 percentage points between 2006 and 2007 and then in the following period (2007-2008) decreased by 3,2 percentage points.

Other changes or variations between the profiles for the three years of the study period showed change, but not as big as the changes in the above-mentioned two MPM – they were as follows. The MPM for Negotiating



showed a range of 8 percentage points for the study period; Training & Educating showed a range of 9 during the study period and; Customer Relationship Management showed a range of change during the study period of 6,2 percentage points in total.

As before, a profile of sales process activity by the Area Marketing Manager supporting this cluster and its markets can be formulated from the averages of the MPM over the study period and will be compared to the profile gathered from the 2009 survey results to ascertain the perception of the needs of the particular markets within the cultural cluster and guide the Area Marketing Manager to make adjustments accordingly.



From the graphic depiction of the existing and proposed profiles for the Eastern European cultural cluster it is clear that the two profiles are showing big differences in the profile's MPM. The differences can be described as follows. The difference is in the MPM of Strategic Planning where the proposed profile's (2009 survey) MPM is 1,8 percentage points below the existing profile (2006-2008). The MPM for Presenting in the proposed profile is 8,7 percentage points below this MPM in the existing profile. The proposed profile's MPM of Negotiating showed a percentage that was 1,3 percentage points above the existing profile's; Training & Educating

was 19 percentage points above and the MPM of Customer Relationship Management was 12,4 percentage points above the existing profile's percentage for the corresponding MPM.

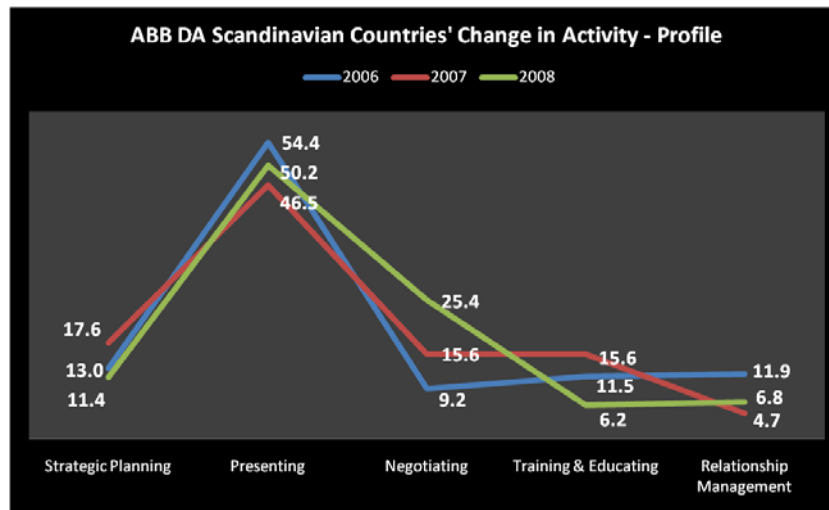
The suggested adjustments derived from the above mentioned differences between the proposed and existing sales process activity profiles are discussed in the next section.

ii. Suggested adjustments

For the Eastern European cultural cluster the suggestions are as follows. According to the survey it is shown that there exists a need for an overall increase in the activities of the Area Marketing Manager in the markets within this cluster and thus the overall volume of activity should be increased within the limits of the resources of the Area Marketing Manager, but the ratios of the division of the resources between the different stages or phases of the sales process in these markets within this cultural cluster would suggest the following. The focus towards Strategic Planning done by the Area Marketing Manager in the markets he/she supports within this cluster could be suggested to decrease, as too in the area of Presenting. The MPM of Negotiating showed small changes and thus it could be suggested that these MPM be seen as having similar percentages and therefore having similar affects on the total activity ratio within the profile – no or minimal changes suggested for this MPM. The MPM of Training and educating as well as the MPM of Customer Relationship Management show quite significant differences between the proposed and existing activity profiles, and therefore it can be suggested that the focus on both these MPM be increased.

### 5.5.4 Scandinavian Countries

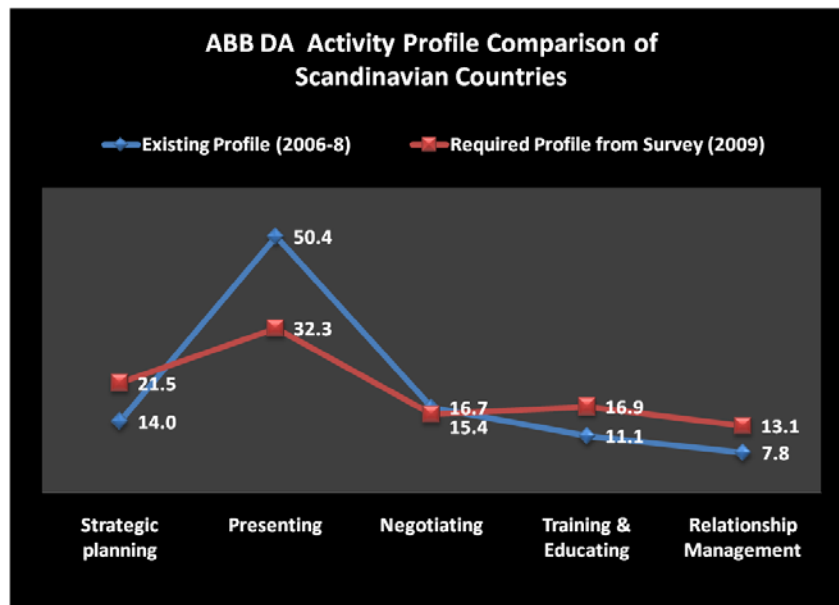
#### i. Changes in profile



As can be seen above in the graphic representation of the sales process activity profiles as percentages of the total volume of activities for the Scandinavian cluster for the years 2006, 2007 and 2008, the differences in the profiles are quite minimal throughout all three of the profiles and their MPM for the study period (2006-2008). There were small changes in the profiles during the study period, but when looking at the three profiles' graphic depiction it seems that even though there were changes the three profiles followed a very similar trend, as in the discussions of the sales process MPM previously. As all the changes were so minimal we can concentrate on the ranges and just show how narrow these ranges were. The range in the MPM of Strategic Planning during the study period was 6,2 percentage points; for Presenting it was 7,9 percentage points; for Negotiating it was 16,2 percentage points (which is quite big, but in the context of the trend that was followed in these three profiles doesn't seem that significant); for Training & Educating it was 9,4 percentage points and; for Customer Relationship Management it was 7,2 percentage points.

Again, as before, a profile of sales process activity by the Area Marketing Manager supporting this cluster and its markets can be formulated from

the averages of the MPM over the study period and will be compared to the profile gathered from the 2009 survey results to ascertain the perception of the needs of the particular markets within the cultural cluster and guide the Area Marketing Manager to make adjustments accordingly.



From the graphic depiction of the existing and proposed profiles for the Scandinavian cultural cluster it is clear that the two profiles are showing similar trends in the values of the MPM within the proposed and existing sales process activity profiles. The major and minor differences can be described as follows. The MPM of Strategic Planning in the proposed profile's (2009 survey) is 7,5 percentage points above the existing profile (2006-2008). The MPM of Presenting in the proposed profile is 18,1 percentage points below this MPM in the existing profile. The proposed profile's MPM of Negotiating showed a percentage that was 1,3 percentage points below the existing profile's MPM; Training & Educating was 5,8 percentage points above and the MPM of Customer Relationship Management was 5,3 percentage points above the existing profile's percentage for the corresponding MPM.

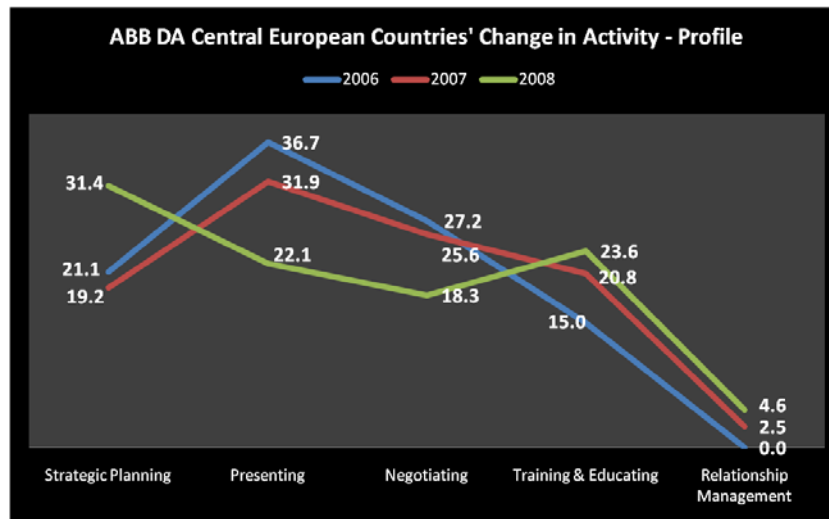
The suggested adjustments derived from the above mentioned differences between the proposed and existing sales process activity profiles are discussed in the next section.

ii. Suggested adjustments

For the Scandinavian cultural cluster the suggestions are as follows. According to the survey it is shown that there exists a need for an overall increase in the activities of the Area Marketing Manager in the markets within this cluster and thus the overall volume of activity should be increased within the limits of the resources of the Area Marketing Manager, but the ratios of the division of the resources between the different stages or phases of the sales process in these markets within this cultural cluster would suggest the following. The focus towards Presenting done by the Area Marketing Manager in the markets he/she supports within this cluster would be suggested to decrease. The other MPM showed minimal differences and therefore it could be suggested that the activities for these MPM be increased as proposed by the analysis of the 2009 survey, but in such a way that the ratios will stay as they are in the existing profile.

### 5.5.5 Central European Countries

#### i. Changes in profile



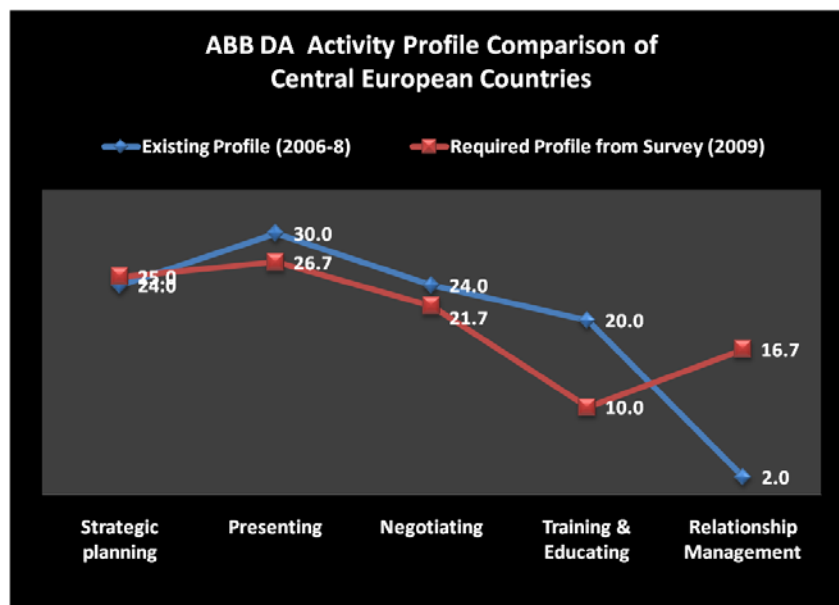
As can be seen above in the graphic representation of the sales process activity profiles as percentages of the total volume of activities for the Central European cluster for the years 2006, 2007 and 2008, the differences in the profiles are not large and throughout the study period (2006-2008) all three of the profiles tend to follow a similar trend. There were changes in all of the MPM in the sales process activity profiles during the study period.

The biggest changes were seen in the MPM for Strategic Planning and in the MPM for Presenting. Strategic Planning initially decreased by 1,9 percentage point between 2006 and 2007 and then in the following period (2007-2008) increased by 12,2 percentage points. Presenting showed changes as it initially decreased between 2006 and 2007 with 4,8 percentage points and then decreased by a further 9,8 percentage points between 2007 and 2008 for a total change of 14,6 percentage points.

Other changes or variations between the profiles for the three years of the study period showed smaller changes and are as follows. The MPM of Negotiating showed a range of 8,9 percentage points for the study period;

Training & Educating showed a range of 8,6 during the study period and; Customer Relationship Management showed a range of change during the study period of 4,6 percentage points.

Again, as before, a profile of sales process activity by the Area Marketing Manager supporting this cluster and its markets can be formulated from the averages of the MPM over the study period and will be compared to the profile gathered from the 2009 survey results to ascertain the perception of the needs of the particular markets within the cultural cluster and guide the Area Marketing Manager to make adjustments accordingly.



From the graphic depiction of the comparison between the existing and proposed profiles for the Central European cultural cluster it is clear that the two profiles are showing similar trends in the values of the MPM within the proposed and existing sales process activity profiles. The major and minor differences can be described as follows. The MPM of Strategic Planning in the proposed profile's (2009 survey) is 1 percentage point above the existing profile (2006-2008). The MPM of Presenting in the proposed profile is 3,3 percentage points below this MPM in the existing profile. The proposed profile's MPM of Negotiating showed a percentage that was 2,3 percentage points below the existing profile's MPM; Train-

ing & Educating was 10 percentage points below and the MPM of Customer Relationship Management was 14,7 percentage points above the existing profile's percentage for the corresponding MPM.

The suggested adjustments derived from the above mentioned differences between the proposed and existing sales process activity profiles are discussed in the next section.

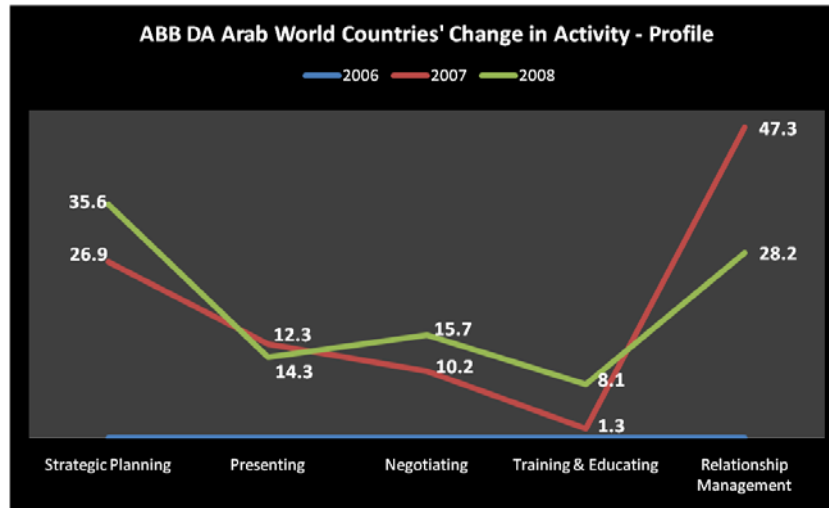
ii. Suggested adjustments

For the Central European cultural cluster the suggestions are as follows. According to the survey it is shown that there exists a need for an overall increase in the activities of the Area Marketing Manager in the markets within this cluster and thus the overall volume of activity should be increased within the limits of the resources of the Area Marketing Manager, but the ratios of the division of the resources between the different stages or phases of the sales process in these markets within this cultural cluster would suggest the following. The focus towards Training & Educating done by the Area Marketing Manager in the markets he/she supports within this cluster would be suggested to decrease. On the other hand it would be suggested that the focus on the Customer Relationship Management done by the Area Marketing Manager be increased to a large extent. The other MPM showed minimal differences and therefore it could be suggested that the activities for these MPM be increased as proposed by the analysis of the 2009 survey, but in such a way that the ratios will stay as they are in the existing profile.



## 5.5.6 Arab World Countries

### i. Changes in profile

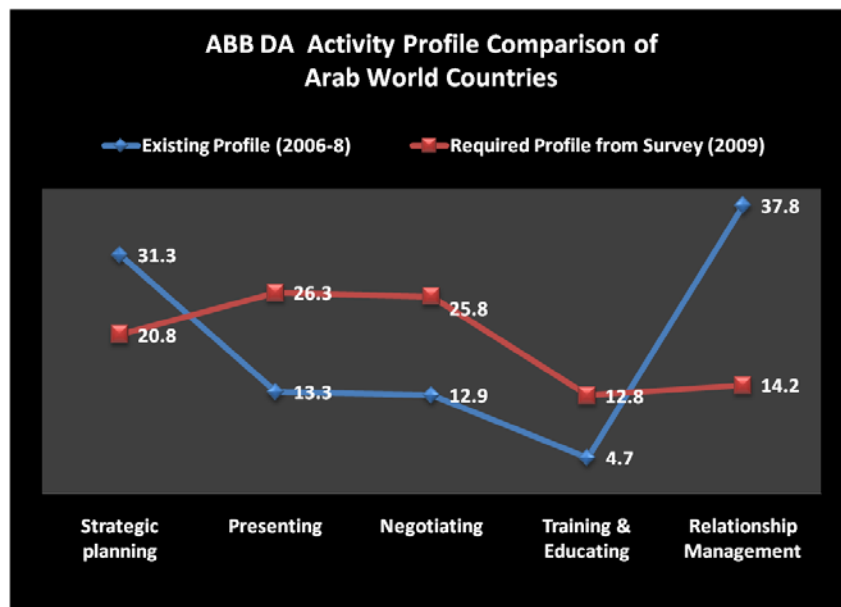


As can be seen above in the graphic representation of the sales process activity profiles as percentages of the total volume of activities for the Arab World cluster for the years 2007 and 2008, the differences in the profiles are not large – apart from the MPM of Customer Relationship Management – and throughout the study period (2006-2008) all three of the profiles tend to follow a similar trend. There were changes in all of the MPM in the sales process activity profiles during the study period.

The biggest change as mentioned before was seen in the MPM of Customer Relationship Management. The Customer Relationship Management MPM decreased by 19,1 percentage point between 2007 and 2008. Strategic Planning showed a decrease of 8,7 percentage points between 2007 and 2008. Presenting showed a decrease of 2 percentage points between 2007 and 2008; Negotiating showed a increase of 5,5 percentage points for the study period and; Training & Educating showed a increase of 6,8 during the study period.

Again, as before, a profile of sales process activity by the Area Marketing Manager supporting this cluster and its markets can be formulated from the averages of the MPM over the study period and will be compared to

the profile gathered from the 2009 survey results to ascertain the perception of the needs of the particular markets within the cultural cluster and guide the Area Marketing Manager to make adjustments accordingly.



From the graphic depiction of the comparison between the existing and proposed profiles for the Arab World cultural cluster it is clear that the two profiles are showing similar trends – apart from the two major differences in the MPM of Strategic Planning and Customer Relationship Management – in the values of the MPM within the proposed and existing sales process activity profiles. The major and minor differences can be described as follows. The MPM of Strategic Planning in the proposed profile's (2009 survey) is 10,5 percentage points below the existing profile (2006-2008). The MPM of Presenting in the proposed profile is 13 percentage points above this MPM in the existing profile. The proposed profile's MPM of Negotiating showed a percentage that was 12,9 percentage points above the existing profile's MPM; Training & Educating was 8,1 percentage points above and the MPM of Customer Relationship Management was 23,6 percentage points below the existing profile's percentage for the corresponding MPM.

The suggested adjustments derived from the above mentioned differences between the proposed and existing sales process activity profiles are discussed in the next section.

ii. Suggested adjustments

For the Arab World cultural cluster the suggestions are as follows. According to the survey it is shown that there exists a need for an overall increase in the activities of the Area Marketing Manager in the markets within this cluster and thus the overall volume of activity should be increased within the limits of the resources of the Area Marketing Manager, but the ratios of the division of the resources between the different stages or phases of the sales process in these markets within this cultural cluster would suggest the following. The focus towards Strategic Planning done by the Area Marketing Manager in the markets he/she supports within this cluster would be suggested to decrease. On the other end of the profile it would be suggested that the focus on the Customer Relationship Management done by the Area Marketing Manager also increased to a large extent. The differences the other MPM showed between the proposed and existing sales process activity profiles that their focus should all be increased.

## 5.6 Appendix 6

### 5.6.1 Asian cluster

According to the deductions made from the Hofstede Cultural dimensions (see appendix for the calculations) it can be seen that there would be an expectation that within this cluster the level of the MPM of Strategic Planning would be above (+1,5) the existing average cluster sales process activity average (from the 2006-2008 database analysis) for this MPM in the sales process. The MPM of Presenting is expected to be close to the existing average; Negotiating is expected to be strong above the existing average (+4); Training & Educating is expected to be close to the existing average and; Customer Relationship Management is expected to be above (+2) to the existing cluster average.

From the differences between the proposed (2009 survey) and the existing (2006-2008) sales process activity profiles for this cultural cluster we see that there is a proposed minimal decrease in the MPM volume for Strategic Planning; a proposed minimal increase in Presenting; a proposed high decrease in Negotiating; a proposed minimal increase in Training and Educating and; a proposed medium increase in Customer Relationship Management from the existing cluster's sales activity profile.

From a cultural point of view each MPM needs to be examined to be able to discover similarities or differences that would be in support or not of the cultural influence on the behaviour of the individuals within this cultural cluster. The observations are presented as follows:

Strategic Planning:

- The expected level is above the existing average (the company sales process activity profile) (26,3%).
- It is proposed that the existing cluster MPM be decreased (from 25,3% to 22%).

- Thus, the expected level MPM and the proposed adjustment of the MPM do not correspond easily.

#### Presenting

- The expected level is close to the existing average (the company sales process activity profile) (29,9%).
- It is proposed that the existing cluster MPM be increased (from 21% to 24,4%).
- Thus, the expected level MPM and the proposed adjustment of the MPM can not correspond easily.

#### Negotiating

- The expected level is well above the existing average (the company sales process activity profile) (17,1%).
- It is proposed that the existing cluster MPM be decreased (from 29,4% to 17,5%).
- Thus, the expected level MPM and the proposed adjustment of the MPM can possibly correspond.

#### Training & Educating

- The expected level is close to the existing average (the company sales process activity profile) (10,5%).
- It is proposed that the existing cluster MPM be increased (from 11,7% to 14,6%).
- Thus, the expected level MPM and the proposed adjustment of the MPM cannot easily correspond.

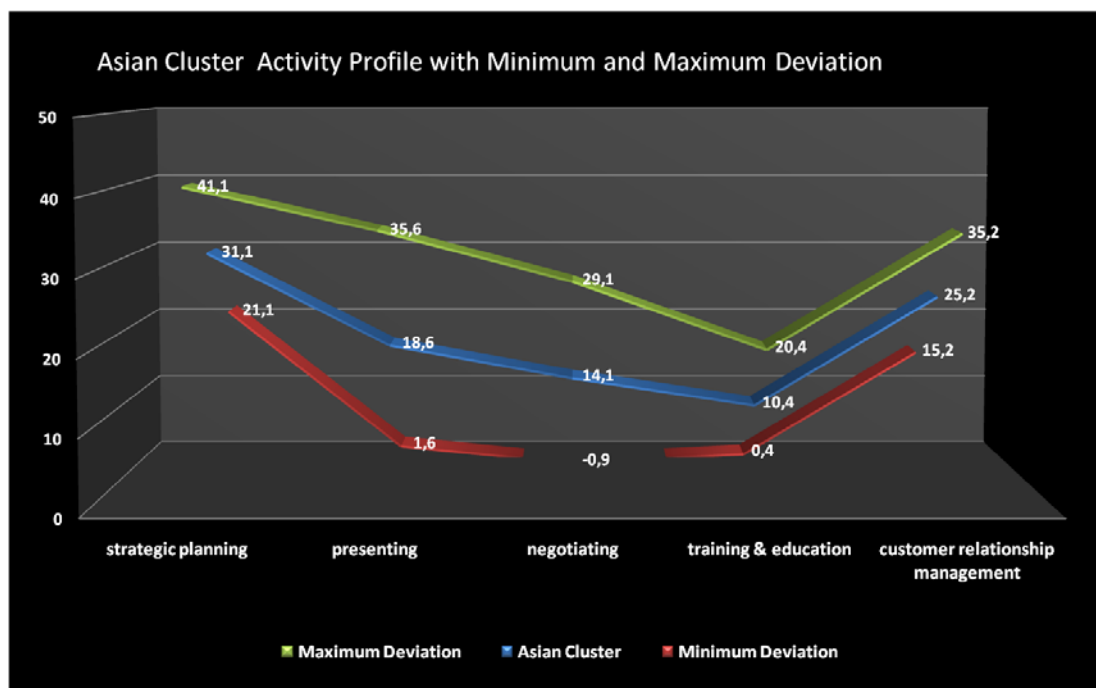
#### Customer Relationship Management

- The expected level is above the existing average (the company sales process activity profile) (15,3%).
- It is proposed that the existing cluster MPM be increased (from 12,1% to 19,8%).
- Thus, the expected level MPM and the proposed adjustment of the MPM can possibly correspond.

It must be noted that the above changes in MPM are merely indications of possible ranges of movements or adjustments, and because of the big variations within the cultural clusters' cultural parameters and personal variations the possibilities of correspondence of the expected levels and proposed adjustments can be loosely accepted.

From a cultural point of view it can be seen that the theoretical expectations are not at all similar to the proposed levels of the MPM within the sales process of this cluster and therefore I could not use it as support for the suggested adjustments to the existing cluster sales process activity profile with respect to this cluster.

When looking at these phenomena from the point of view of the standard for this cluster which is the existing cluster sales process activity profile (a profile consisting of the averages of all sales process activities done by the Area Marketing Manager in supporting all countries and markets involved in this study within the defined cultural cluster), we see the following:



The blue line represents the existing cluster sales process activity profile together with the maximum (red) and minimum (green) variation from the average that is the existing company sales process activity profile.

The adjustments that will be suggested next will indicate where and to what extent adjustments should be made to the existing cluster sales process activity profile in order to attempt to understand this cultural cluster better and adapt his/her activities within the sales process to the behaviour of the people involved in the markets within the cluster and by doing this conforming to the behaviour expected of the Area Marketing Manager in this cluster. This should ultimately lead to a streamlining of the sales process and a saving in costs, and even better, a development of the markets and increased market share within the cluster.

The suggested adjustments to the existing cluster sales process activity profile is presented as follows:

For the Asian cluster I suggest that focus on the MPM of Negotiating decrease significantly and Customer Relationship Management be increased while the focus on the MPM of Strategic Planning, Presenting and Training & Educating be kept more or less unchanged. This might be difficult to achieve in one go as there was also a need for an overall increase in the volume of activity within the sales process done by the Area Marketing Managers. This means that the total volume needs to increase, but still the ratios within the profile need to be taken into account.

The adjustments can now be made by the Area Marketing Manager by adjusting his/her existing cluster sales process activity profile by using the proposed cluster sales process activity as a goal to strive towards and then increase and decrease the respective MPM ratios incrementally within the maximum and minimum variation allowed by resource constraints or any other limitations. The most important thing is that the resources be divided according to the new adjusted profile and introduced into use when developing strategies for marketing and sales activities within his/her cultural cluster and the markets he/she supports.

### **5.6.2 Mediterranean cluster**

According to the deductions made from the Hofstede Cultural dimensions (see appendix for the calculations) it can be seen that there would be an expectation that within this cluster the MPM of Strategic Planning would be strong below (-2,5) the existing cluster sales process activity average (from the 2006-2008 database analysis) for this MPM in the sales process. The MPM of Presenting is expected to be weak below the existing average (-0,5); Negotiating is expected to be strong below the existing average (-2,5); Training & Educating is expected to be weak below the existing average (-0,5) and; Customer Relationship Management is expected to be strong below (-2,5) the existing cluster average.



From the differences between the proposed (2009 survey) and the existing (2006-2008) sales process activity profiles for this cultural cluster we see that there is a proposed high decrease in the MPM volume for Strategic Planning; a proposed unchanged Presenting; a proposed low decrease in Negotiating; a proposed medium increase in Training and Educating and; a proposed medium increase in Customer Relationship Management from the existing cluster's sales activity profile.

From a cultural point of view each MPM needs to be examined to be able to discover similarities or differences that would be in support or not of the cultural influence on the behaviour of the individuals within this cultural cluster. The observations are presented as follows:

#### Strategic Planning:

- The expected level is well below the existing average (the company sales process activity profile) (26,3%).
- It is proposed that the existing cluster MPM be decreased (from 30,3% to 17,9%).
- Thus, the expected level MPM and the proposed adjustment of the MPM can correspond easily.

#### Presenting

- The expected level is slightly below the existing average (the company sales process activity profile) (29,9%).
- It is proposed that the existing cluster MPM be increased (from 29,6% to 30,4%).
- Thus, the expected level MPM and the proposed adjustment of the MPM can possibly correspond.

#### Negotiating

- The expected level is well below the existing average (the company sales process activity profile) (17,1%).
- It is proposed that the existing cluster MPM be decreased (from 17,8% to 13,3%).
- Thus, the expected level MPM and the proposed adjustment of the MPM can possibly correspond.

#### Training & Educating

- The expected level is slightly below the existing average (the company sales process activity profile) (10,5%).
- It is proposed that the existing cluster MPM be increased (from 16,9% to 23,9%).
- Thus, the expected level MPM and the proposed adjustment of the MPM cannot easily correspond.

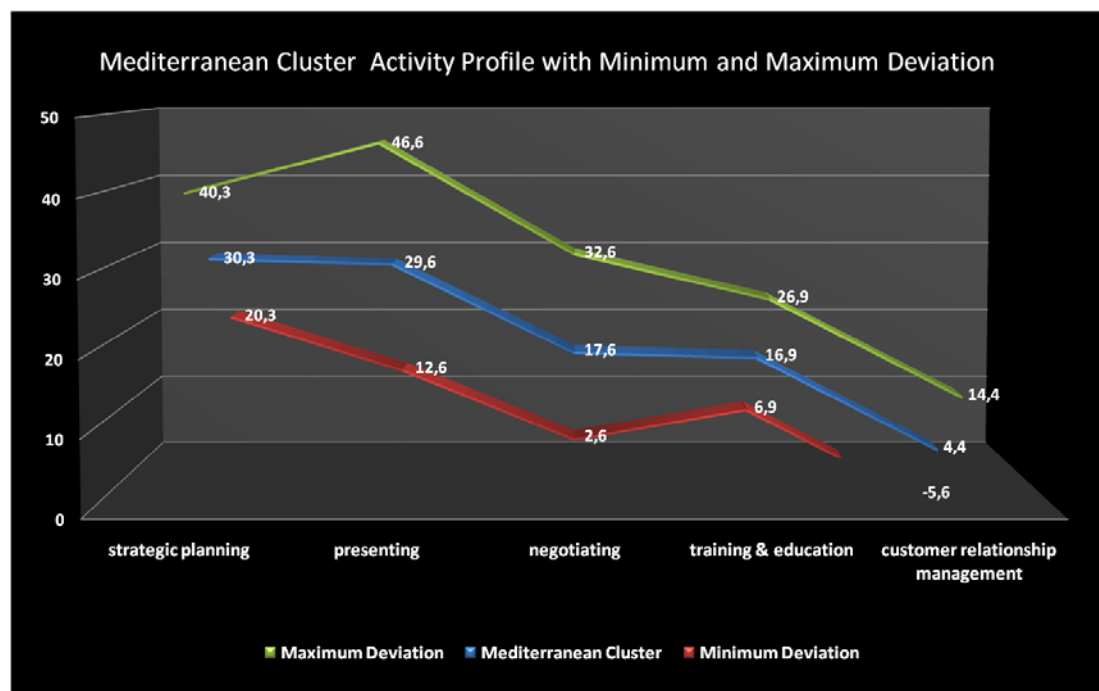
#### Customer Relationship Management

- The expected level is well below the existing average (the company sales process activity profile) (15,3%).
- It is proposed that the existing cluster MPM be increased (from 4,4% to 13,9%).
- Thus, the expected level MPM and the proposed adjustment of the MPM can possibly correspond.

It must be noted that the above changes in MPM are merely indications of possible ranges of movements or adjustments, and because of the big variations within the cultural clusters' cultural parameters and personal variations the possibilities of correspondence of the expected levels and proposed adjustments can be loosely accepted.

From a cultural point of view it can be seen that the theoretical expectations seemed to be quite different to the proposed levels of the MPM within the sales process of this cluster and therefore I could not use it as support for the suggested adjustments to the existing cluster sales process activity profile with respect to this cluster.

When looking at these phenomena from the point of view of the standard for this cluster which is the existing cluster sales process activity profile (a profile consisting of the averages of all sales process activities done by the Area Marketing Manager in supporting all countries and markets involved in this study within the defined cultural cluster), we see the following:



The blue line represents the existing cluster sales process activity profile together with the maximum (red) and minimum (green) variation from the average that is the existing company sales process activity profile.

The adjustments that will be suggested next will indicate where and to what extent adjustments should be made to the existing cluster sales process activity profile in order to attempt to understand this cultural cluster better and adapt his/her activities within the sales process to the behaviour of the people involved in the markets within the cluster and by doing this conforming to the behaviour expected of the Area Marketing Manager in this cluster. This should ultimately lead to a streamlining of the sales process and a saving in costs, and even better, a development of the markets and increased market share within the cluster.

The suggested adjustments to the existing cluster sales process activity profile is presented as follows:

For the Mediterranean cluster I suggest that focus on the MPM of Strategic Planning and Negotiating be decreased while the focus on the MPM of Training & Educating and Customer Relationship Management be decreased. Presenting would be suggested to stay unchanged. This might be difficult to achieve in one go as there was also a need for an overall increase in the volume of activity within the sales process done by the Area Marketing Managers. This means that the total volume needs to increase, but still the ratios within the profile need to be taken into account.

The adjustments can now be made by the Area Marketing Manager by adjusting his/her existing cluster sales process activity profile by using the proposed cluster sales process activity as a goal to strive towards and then increase and decrease the respective MPM ratios incrementally within the maximum and minimum variation allowed by resource constraints or any other limitations. The most important thing is that the resources be divided according to the new adjusted profile and introduced into use when developing strategies for marketing and sales activities within his/her cultural cluster and the markets he/she supports.

### 5.6.3 Eastern European cluster

According to the deductions made from the Hofstede Cultural dimensions (see appendix for the calculations) it can be seen that there would be an expectation that within this cluster the MPM of Strategic Planning would be strong below (-3) the existing cluster sales process activity average (from the 2006-2008 database analysis) for this MPM in the sales process. The MPM of Presenting is expected to be strong below the existing average (-2); Negotiating is expected to be weak below (-1) the existing average; Training & Educating expected to be strong below the existing average (-2) and; Customer Relationship Management is expected to be strong above the existing cluster average.

From the differences between the proposed (2009 survey) and the existing (2006-2008) sales process activity profiles for this cultural cluster we see that there is a proposed strong decrease in the MPM volume ratio for Strategic Planning; a proposed decrease in Presenting; a proposed unchanged Negotiating; a proposed high increase in Training and Educating and; a proposed increase in Customer Relationship Management from the existing cluster's sales activity profile.

From a cultural point of view each MPM needs to be examined to be able to discover similarities or differences that would be in support or not of the cultural influence on the behaviour of the individuals within this cultural cluster. The observations are presented as follows:

Strategic Planning:

- The expected level is well below the existing average (the company sales process activity profile) (26,3%).
- It is proposed that the existing cluster MPM be decreased (from 30,1% to 16,3%).

- Thus, the expected level MPM and the proposed adjustment of the MPM can correspond easily.

#### Presenting

- The expected level is well below the existing average (the company sales process activity profile) (29,9%).
- It is proposed that the existing cluster MPM be decreased (from 35,5% to 26,8%).
- Thus, the expected level MPM and the proposed adjustment of the MPM can possibly correspond.

#### Negotiating

- The expected level is below the existing average (the company sales process activity profile) (17,1%).
- It is proposed that the existing cluster MPM be decreased (from 19% to 17,7%).
- Thus, the expected level MPM and the proposed adjustment of the MPM cannot easily correspond.

#### Training & Educating

- The expected level is well below the existing average (the company sales process activity profile) (10,5%).
- It is proposed that the existing cluster MPM be increased (from 6,1% to 25,1%).
- Thus, the expected level MPM and the proposed adjustment of the MPM can possibly correspond.

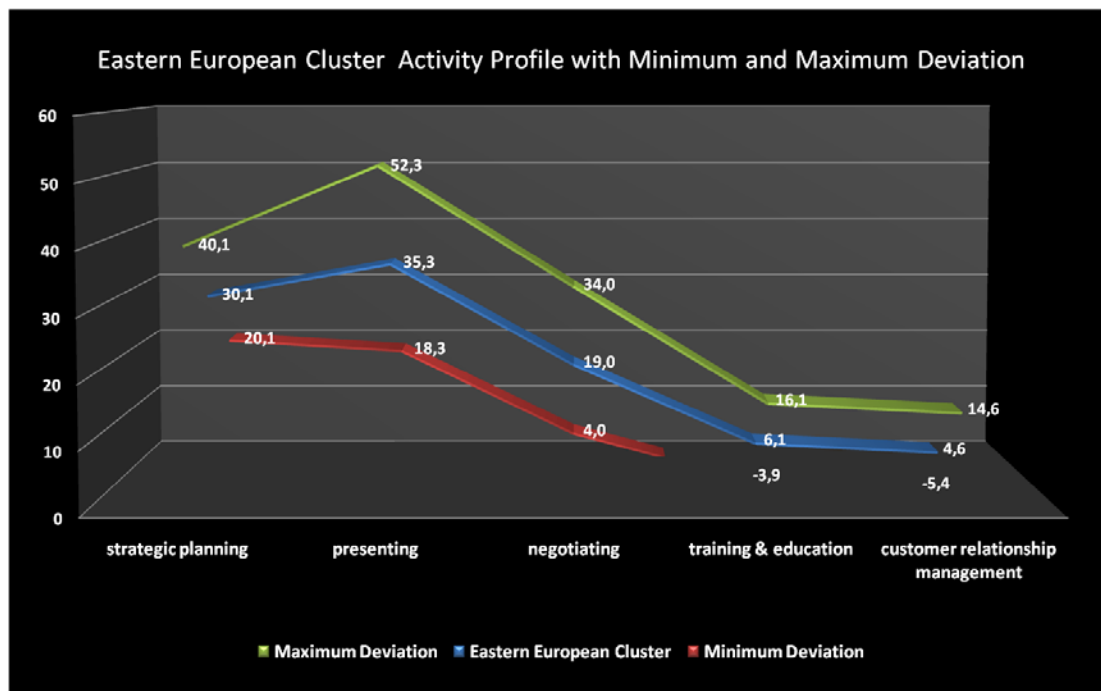
#### Customer Relationship Management

- The expected level is well below the existing average (the company sales process activity profile) (15,3%).
- It is proposed that the existing cluster MPM be increased (from 4,6% to 17%).
- Thus, the expected level MPM and the proposed adjustment of the MPM can possibly correspond.

It must be noted that the above changes in MPM are merely indications of possible ranges of movements or adjustments, and because of the big variations within the cultural clusters' cultural parameters and personal variations the possibilities of correspondence of the expected levels and proposed adjustments can be loosely accepted.

From a cultural point of view it can be seen that the theoretical expectations seemed to be similar to the proposed levels of the MPM within the sales process of this cluster and therefore I could use it as support for the suggested adjustments to the existing cluster sales process activity profile with respect to this cluster.

When looking at these phenomena from the point of view of the standard for this cluster which is the existing cluster sales process activity profile (a profile consisting of the averages of all sales process activities done by the Area Marketing Manager in supporting all countries and markets involved in this study within the defined cultural cluster), we see the following:



The blue line represents the existing cluster sales process activity profile together with the maximum (red) and minimum (green) variation from the average that is the existing company sales process activity profile.

The adjustments that will be suggested next will indicate where and to what extent adjustments should be made to the existing cluster sales process activity profile in order to attempt to understand this cultural cluster better and adapt his/her activities within the sales process to the behaviour of the people involved in the markets within the cluster and by doing this conforming to the behaviour expected of the Area Marketing Manager in this cluster. This should ultimately lead to a streamlining of the sales process and a saving in costs, and even better, a development of the markets and increased market share within the cluster.

The suggested adjustments to the existing cluster sales process activity profile is presented as follows:



For the Eastern European cluster I suggest that focus on the MPM of Training & Educating and Customer Relationship Management be increased while the focus on the MPM of Strategic Planning and Presenting be decreased. Negotiating would be suggested to stay unchanged. This might be difficult to change in one go as there was also a need for an overall increase in the volume of activity within the sales process done by the Area Marketing Managers. This means that the total volume needs to increase, but still the ratios within the profile need to be taken into account.

The adjustments can now be made by the Area Marketing Manager by adjusting his/her existing cluster sales process activity profile by using the proposed cluster sales process activity as a goal to strive towards and then increase and decrease the respective MPM ratios incrementally within the maximum and minimum variation allowed by resource constraints or any other limitations. The most important thing is that the resources be divided according to the new adjusted profile and introduced into use when developing strategies for marketing and sales activities within his/her cultural cluster and the markets he/she supports.

#### **5.6.4 Scandinavian cluster**

According to the deductions made from the Hofstede Cultural dimensions (see appendix for the calculations) it can be seen that there would be an expectation that within this cluster the MPM of Strategic Planning would be above (+1,5) the existing cluster sales process activity average (from the 2006-2008 database analysis) for this MPM in the sales process. The MPM of Presenting is expected to be weak below (-0,5) the existing average; Negotiating is similarly expected to be weak below (-0,5) the existing average; as is Training & Educating expected to be weak below (-0,5) the existing average and; Customer Relationship Management is expected to be above (+1,5) the existing cluster average.

From the differences between the proposed (2009 survey) and the existing (2006-2008) sales process activity profiles for this cultural cluster we see that there is a proposed increase in the MPM volume for Strategic Planning; a proposed high decrease in Presenting; a proposed unchanged Negotiating; a proposed small increase in Training and Educating and; a proposed small increase in Customer Relationship Management from the existing cluster's sales activity profile.

From a cultural point of view each MPM needs to be examined to be able to discover similarities or differences that would be in support or not of the cultural influence on the behaviour of the individuals within this cultural cluster. The observations are presented as follows:

#### Strategic Planning:

- The expected level is above the existing average (the company sales process activity profile) (26,3%).
- It is proposed that the existing cluster MPM be increased (from 14% to 21,5%).
- Thus, the expected level MPM and the proposed adjustment of the MPM can not correspond easily.

#### Presenting

- The expected level is slightly below the existing average (the company sales process activity profile) (29,9%).
- It is proposed that the existing cluster MPM be decreased (from 50,4% to 32,3%).
- Thus, the expected level MPM and the proposed adjustment of the MPM can not correspond easily.

#### Negotiating

- The expected level is slightly below the existing average (the company sales process activity profile) (17,1%).
- It is proposed that the existing cluster MPM be decreased (from 16,7% to 15,4%).
- Thus, the expected level MPM and the proposed adjustment of the MPM can possibly correspond.

#### Training & Educating

- The expected level is slightly below the existing average (the company sales process activity profile) (10,5%).
- It is proposed that the existing cluster MPM be increased (from 11,1% to 16,9%).
- Thus, the expected level MPM and the proposed adjustment of the MPM can not correspond easily.

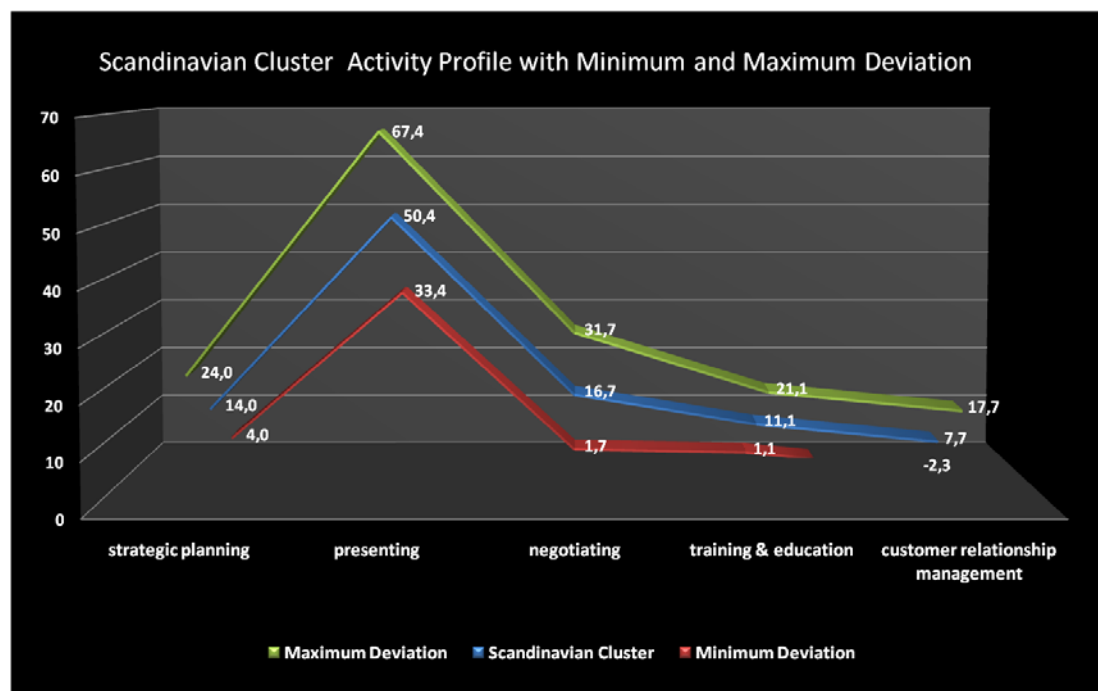
#### Customer Relationship Management

- The expected level is well above the existing average (the company sales process activity profile) (15,3%).
- It is proposed that the existing cluster MPM be decreased (from 7,8% to 13,1%).
- Thus, the expected level MPM and the proposed adjustment of the MPM cannot easily correspond.

It must be noted that the above changes in MPM are merely indications of possible ranges of movements or adjustments, and because of the big variations within the cultural clusters' cultural parameters and personal variations the possibilities of correspondence of the expected levels and proposed adjustments can be loosely accepted.

From a cultural point of view it can be seen that the theoretical expectations seemed to be similar to the proposed levels of the MPM within the sales process of this cluster and therefore I could use it as support for the suggested adjustments to the existing cluster sales process activity profile with respect to this cluster.

When looking at these phenomena from the point of view of the standard for this cluster which is the existing cluster sales process activity profile (a profile consisting of the averages of all sales process activities done by the Area Marketing Manager in supporting all countries and markets involved in this study within the defined cultural cluster), we see the following:



The blue line represents the existing cluster sales process activity profile together with the maximum (red) and minimum (green) variation from the average that is the existing company sales process activity profile.

The adjustments that will be suggested next will indicate where and to what extent adjustments should be made to the existing cluster sales process activity profile in order to attempt to understand this cultural cluster better and adapt his/her activities within the sales process to the behaviour of the people involved in the markets within the cluster and by doing this conforming to the behaviour expected of the Area Marketing Manager in this cluster. This should ultimately lead to a streamlining of the sales process and a saving in costs, and even better, a development of the markets and increased market share within the cluster.

The suggested adjustments to the existing cluster sales process activity profile is presented as follows:

For the Scandinavian cluster I suggest that the focus on the MPM of Presenting be decreased while the focus on the MPM of Strategic Planning, Training & Educating and Customer Relationship Management is increased slightly. Negotiating is suggested to stay unchanged. This might be difficult to change in one go as there was also a need for an overall increase in the volume of activity within the sales process done by the Area Marketing Managers. This means that the total volume needs to increase, but still the ratios within the profile need to be taken into account.

The adjustments can now be made by the Area Marketing Manager by adjusting his/her existing cluster sales process activity profile by using the proposed cluster sales process activity as a goal to strive towards and then increase and decrease the respective MPM ratios incrementally within the maximum and minimum variation allowed by resource constraints or any other limitations. The most important thing is that the resources be divided according to the new adjusted profile and introduced into use when developing strategies for marketing and sales activities within his/her cultural cluster and the markets he/she supports.

### 5.6.5 Central European cluster

According to the deductions made from the Hofstede Cultural dimensions (see appendix for the calculations) it can be seen that there would be an expectation that within this cluster the MPM of Strategic Planning, Presenting, Training & Educating and Customer Relationship Management would be close to the existing cluster sales process activity average (from the 2006-2008 database analysis) for this MPM in the sales process. The MPM of Negotiating is expected to be strong below (-2) the existing cluster average.

From the differences between the proposed (2009 survey) and the existing (2006-2008) sales process activity profiles for this cultural cluster we see that there is a proposed slight decrease in the MPM volume ratios for Presenting and Negotiating; a proposed decrease in Training & Educating and; a proposed high increase in Customer Relationship Management from the existing cluster's sales activity profile. Strategic Planning is suggested to stay unchanged.

From a cultural point of view each MPM needs to be examined to be able to discover similarities or differences that would be in support or not of the cultural influence on the behaviour of the individuals within this cultural cluster. The observations are presented as follows:

Strategic Planning:

- The expected level is close to the existing average (the company sales process activity profile) (26,3%).
- It is proposed that the existing cluster MPM be increased (from 24% to 25%).
- Thus, the expected level MPM and the proposed adjustment of the MPM can possibly correspond.

### Presenting

- The expected level is close to the existing average (the company sales process activity profile) (29,9%).
- It is proposed that the existing cluster MPM be decreased (from 30% to 26,7%).
- Thus, the expected level MPM and the proposed adjustment of the MPM can possibly correspond.

### Negotiating

- The expected level is well below the existing average (the company sales process activity profile) (17,1%).
- It is proposed that the existing cluster MPM be decreased (from 24% to 21,7%).
- Thus, the expected level MPM and the proposed adjustment of the MPM cannot easily correspond.

### Training & Educating

- The expected level is close to the existing average (the company sales process activity profile) (10,5%).
- It is proposed that the existing cluster MPM be decreased (from 20% to 10%).
- Thus, the expected level MPM and the proposed adjustment of the MPM can possibly correspond.

### Customer Relationship Management

- The expected level is close to the existing average (the company sales process activity profile) (15,3%).

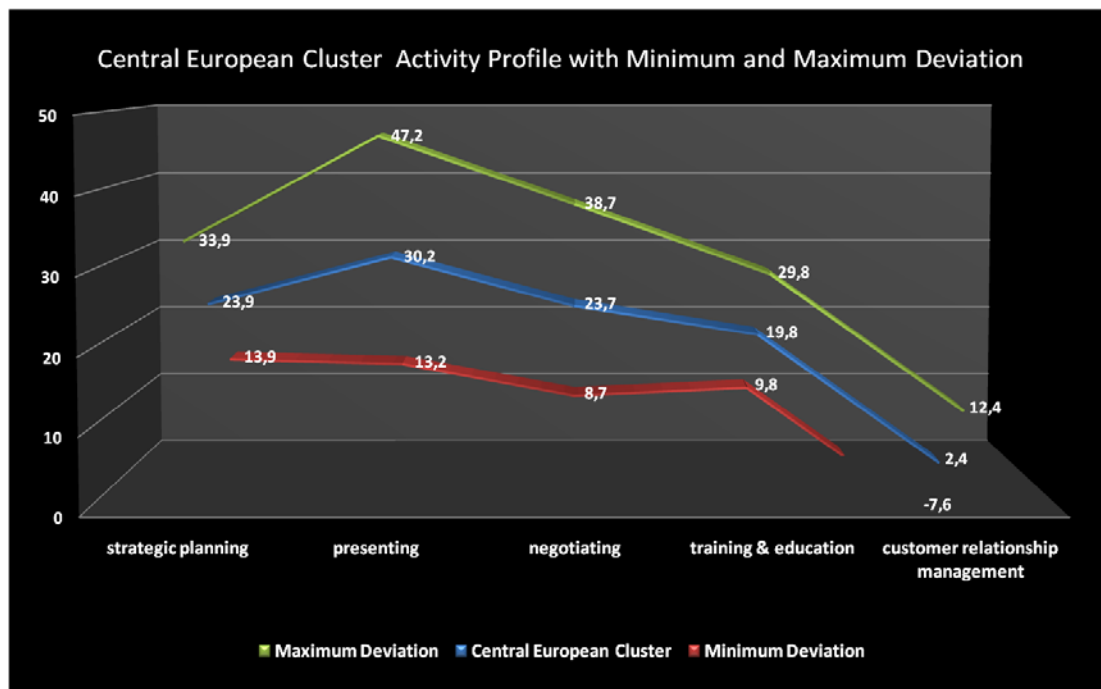
- It is proposed that the existing cluster MPM be increased (from 2% to 16,7%).
- Thus, the expected level MPM and the proposed adjustment of the MPM can easily correspond.

It must be noted that the above changes in MPM are merely indications of possible ranges of movements or adjustments, and because of the big variations within the cultural clusters' cultural parameters and personal variations the possibilities of correspondence of the expected levels and proposed adjustments can be loosely accepted.

From a cultural point of view it can be seen that the theoretical expectations seemed to be similar to the proposed levels of the MPM within the sales process of this cluster and therefore I could use it as support for the suggested adjustments to the existing cluster sales process activity profile with respect to this cluster.

When looking at these phenomena from the point of view of the standard for this cluster which is the existing cluster sales process activity profile (a profile consisting of the averages of all sales process activities done by the Area Marketing Manager in supporting all countries and markets involved in this study within the defined cultural cluster), we see the following:





The blue line represents the existing cluster sales process activity profile together with the maximum (red) and minimum (green) variation from the average that is the existing company sales process activity profile.

The adjustments that will be suggested next will indicate where and to what extent adjustments should be made to the existing cluster sales process activity profile in order to attempt to understand this cultural cluster better and adapt his/her activities within the sales process to the behaviour of the people involved in the markets within the cluster and by doing this conforming to the behaviour expected of the Area Marketing Manager in this cluster. This should ultimately lead to a streamlining of the sales process and a saving in costs, and even better, a development of the markets and increased market share within the cluster.

The suggested adjustments to the existing cluster sales process activity profile is presented as follows:

For the Central European cluster I suggest that focus on the MPM of Presenting, Negotiating and Training & Educating be decreased slightly while the focus on the MPM of Customer Relationship Management be strongly increased. This might be difficult to change in one go as there was also a need for an overall increase in the volume of activity within the sales process done by the Area Marketing Managers. This means that the total volume needs to increase, but still the ratios within the profile need to be taken into account.

The adjustments can now be made by the Area Marketing Manager by adjusting his/her existing cluster sales process activity profile by using the proposed cluster sales process activity as a goal to strive towards and then increase and decrease the respective MPM ratios incrementally within the maximum and minimum variation allowed by resource constraints or any other limitations. The most important thing is that the resources be divided according to the new adjusted profile and introduced into use when developing strategies for marketing and sales activities within his/her cultural cluster and the markets he/she supports.

#### **5.6.6 Arab World cluster**

According to the deductions made from the Hofstede Cultural dimensions (see appendix for the calculations) it can be seen that there would be an expectation that within this cluster the MPM of Negotiating would be close to the existing cluster sales process activity average (from the 2006-2008 database analysis) for this MPM in the sales process. The MPM of Strategic Planning is expected to be strong below (-2) the existing average; Presenting is similarly expected to be strong below (-2) the existing average; as is Training & Educating expected to be strong below (-2) the existing average and; Customer Relationship Management is expected to be strong below (-2) the existing cluster average.

From the differences between the proposed (2009 survey) and the existing (2006-2008) sales process activity profiles for this cultural cluster we see

that there is a proposed decrease in the MPM volume for Strategic Planning; a proposed high increase in Presenting; a proposed high increase in Negotiating; a proposed increase in Training and Educating and; a proposed high decrease in Customer Relationship Management from the existing cluster's sales activity profile.

From a cultural point of view each MPM needs to be examined to be able to discover similarities or differences that would be in support or not of the cultural influence on the behaviour of the individuals within this cultural cluster. The observations are presented as follows:

#### Strategic Planning:

- The expected level is well below the existing average (the company sales process activity profile) (26,3%).
- It is proposed that the existing cluster MPM be decreased (from 31,3% to 20,8%).
- Thus, the expected level MPM and the proposed adjustment of the MPM do correspond easily.

#### Presenting

- The expected level is well below the existing average (the company sales process activity profile) (29,9%).
- It is proposed that the existing cluster MPM be increased (from 13,3% to 26,3%).
- Thus, the expected level MPM and the proposed adjustment of the MPM can possibly correspond.

#### Negotiating

- The expected level is close to the existing average (the company sales process activity profile) (17,1%).

- It is proposed that the existing cluster MPM be increased (from 12,9% to 25,8%).
- Thus, the expected level MPM and the proposed adjustment of the MPM can correspond.

#### Training & Educating

- The expected level is well below the existing average (the company sales process activity profile) (10,5%).
- It is proposed that the existing cluster MPM be increased (from 4,7% to 12,8%).
- Thus, the expected level MPM and the proposed adjustment of the MPM can possibly correspond.

#### Customer Relationship Management

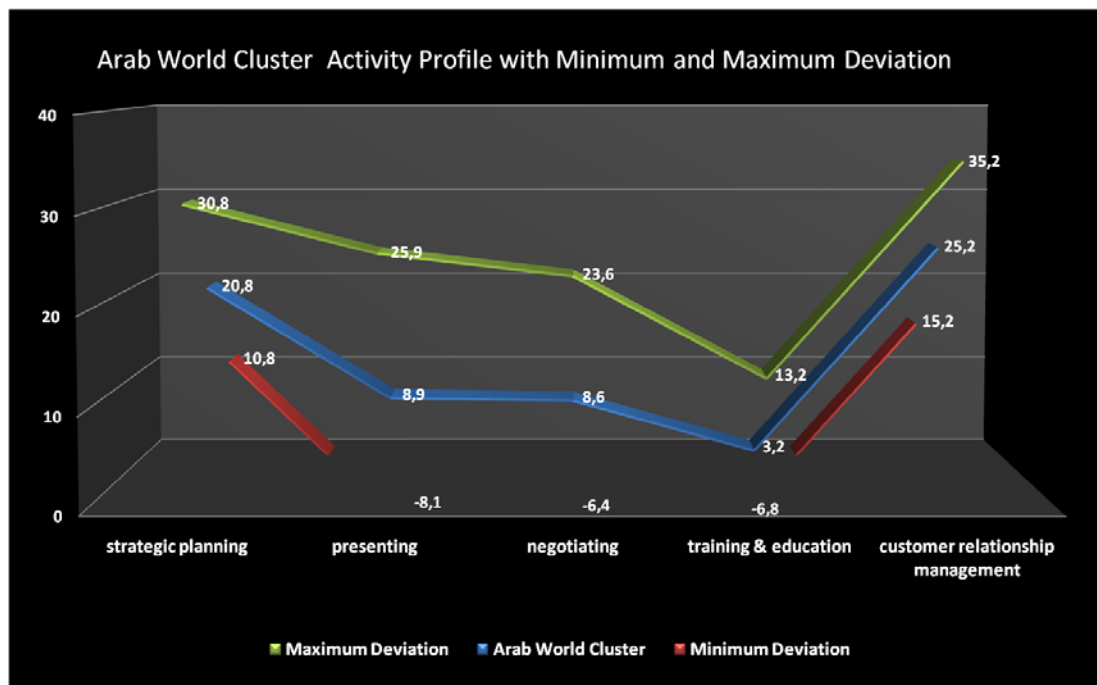
- The expected level is well below the existing average (the company sales process activity profile) (15,3%).
- It is proposed that the existing cluster MPM be decreased (from 37,8% to 14,2%).
- Thus, the expected level MPM and the proposed adjustment of the MPM can possibly correspond, but not easily.

It must be noted that the above changes in MPM are merely indications of possible ranges of movements or adjustments, and because of the big variations within the cultural clusters' cultural parameters and personal variations the possibilities of correspondence of the expected levels and proposed adjustments can be loosely accepted.

From a cultural point of view it can be seen that the theoretical expectations seemed to be similar to the proposed levels of the MPM within the sales process of this cluster and therefore I could use it as support for the

suggested adjustments to the existing cluster sales process activity profile with respect to this cluster.

When looking at these phenomena from the point of view of the standard for this cluster which is the existing cluster sales process activity profile (a profile consisting of the averages of all sales process activities done by the Area Marketing Manager in supporting all countries and markets involved in this study within the defined cultural cluster), we see the following:



The blue line represents the existing cluster sales process activity profile together with the maximum (red) and minimum (green) variation from the average that is the existing company sales process activity profile.

The adjustments that will be suggested next will indicate where and to what extent adjustments should be made to the existing cluster sales process activity profile in order to attempt to understand this cultural cluster better and adapt his/her activities within the sales process to the behaviour

of the people involved in the markets within the cluster and by doing this conforming to the behaviour expected of the Area Marketing Manager in this cluster. This should ultimately lead to a streamlining of the sales process and a saving in costs, and even better, a development of the markets and increased market share within the cluster.

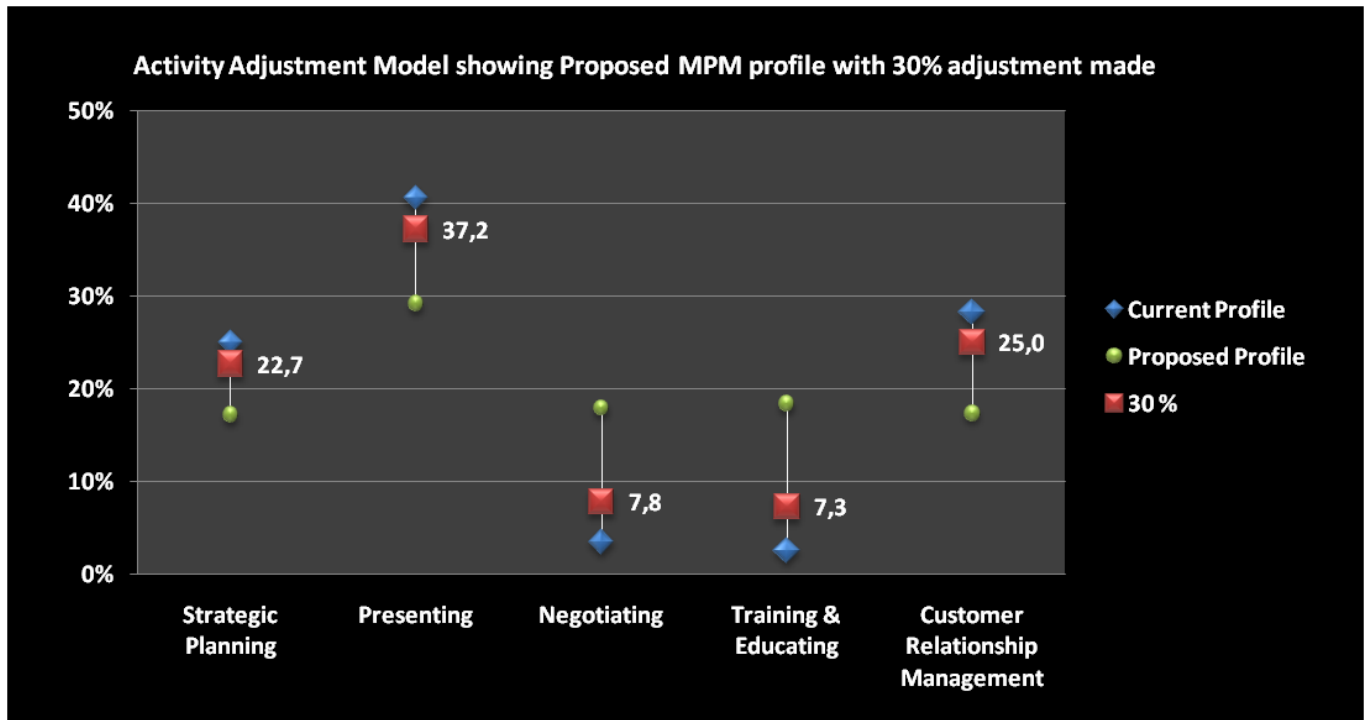
The suggested adjustments to the existing cluster sales process activity profile is presented as follows:

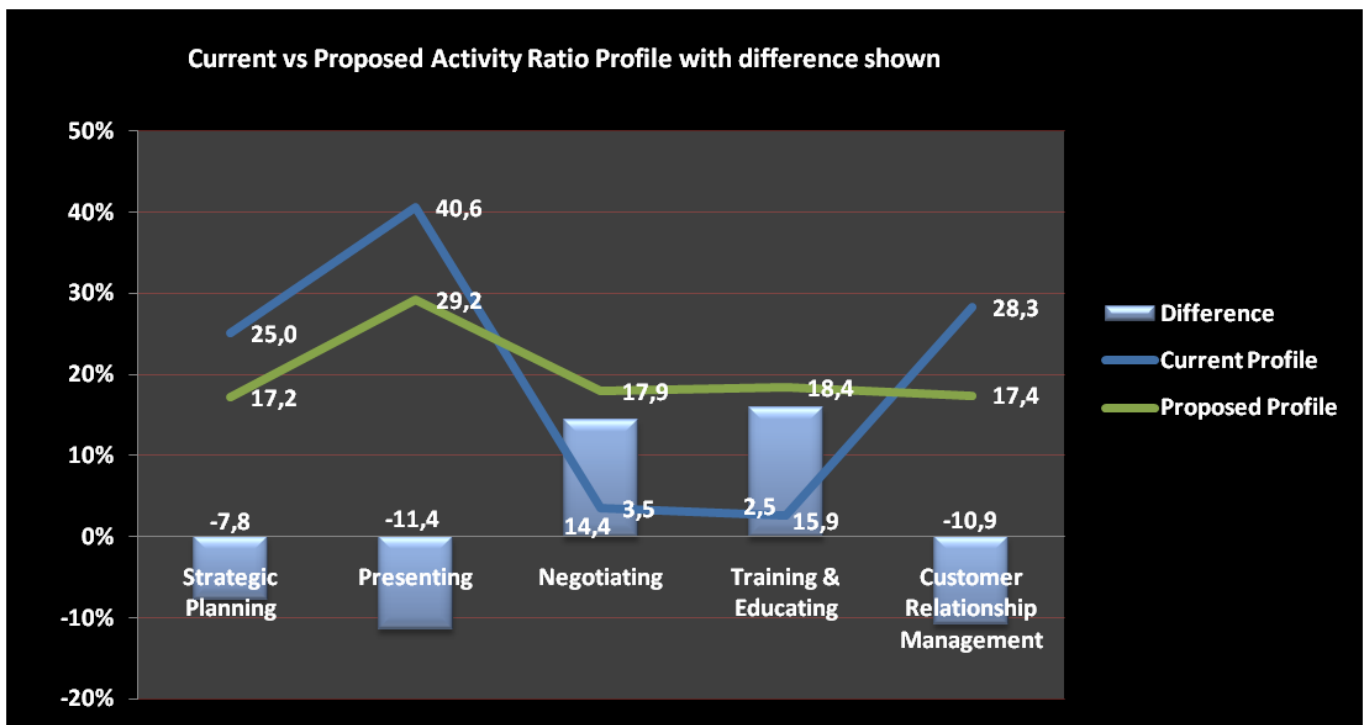
For the Arab World cluster I suggest that the focus on the MPM of Presenting, Negotiating and Training & Educating be increased while the focus on the MPM of Strategic Planning and Customer Relationship Management is decreased. This might be difficult to achieve in one go as there was also a need for an overall increase in the volume of activity within the sales process done by the Area Marketing Managers. This means that the total volume needs to increase, but still the ratios within the profile need to be taken into account.

The adjustments can now be made by the Area Marketing Manager by adjusting his/her existing cluster sales process activity profile by using the proposed cluster sales process activity as a goal to strive towards and then increase and decrease the respective MPM ratios incrementally within the maximum and minimum variation allowed by resource constraints or any other limitations. The most important thing is that the resources be divided according to the new adjusted profile and introduced into use when developing strategies for marketing and sales activities within his/her cultural cluster and the markets he/she supports.

### 5.7 Appendix 7

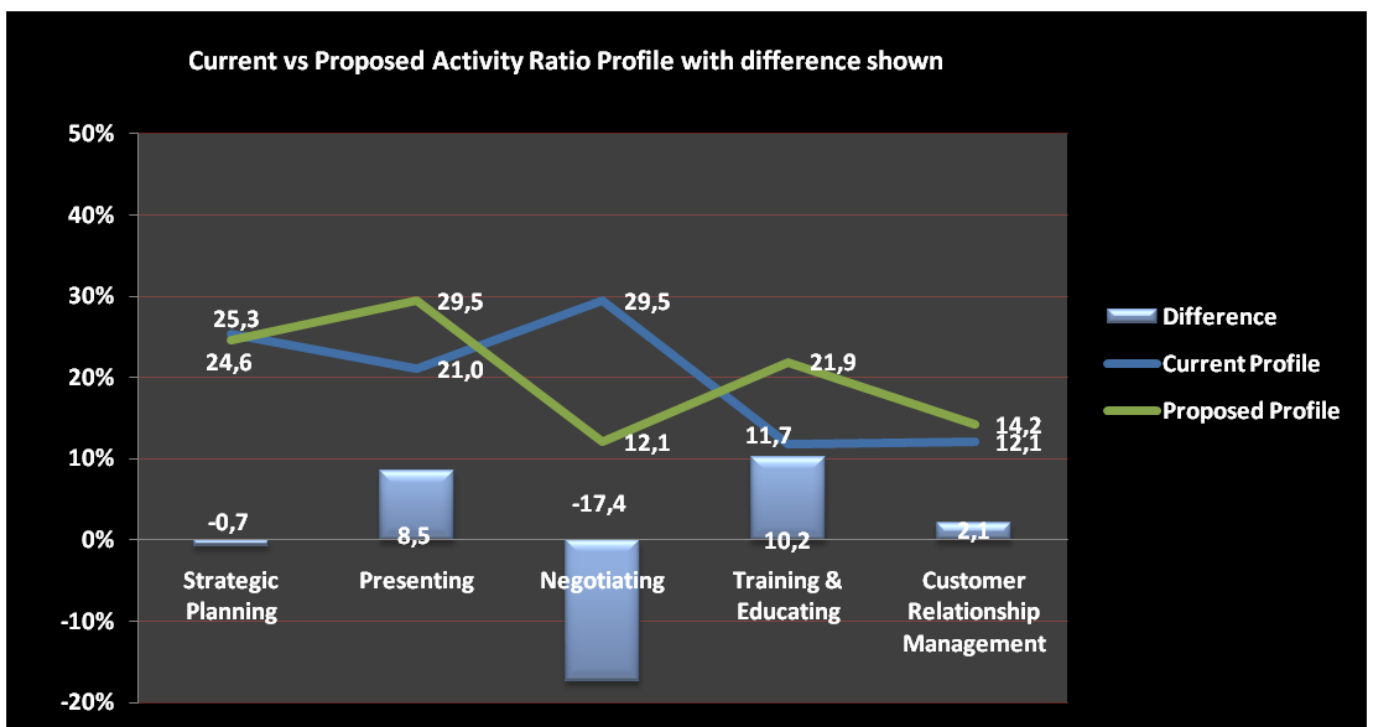
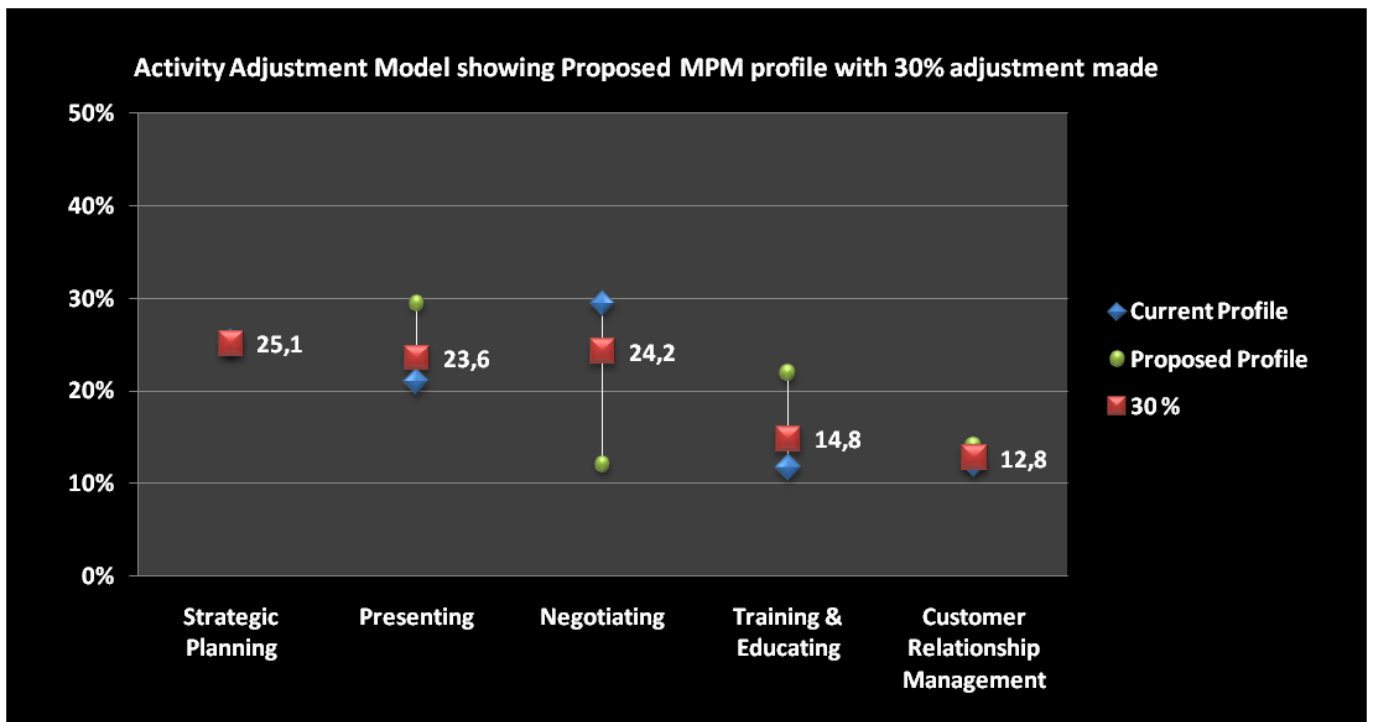
South American Cluster's Ratio Profiles of MPM				Difference	Percentage Change	75 %	60 %	45 %	30 %	15 %	7,5%	0 %
	Current Profile	Proposed Profile	75 %			60 %	45 %	30 %	15 %	7,5%	0 %	
Strategic Planning	25,0	17,2	-7,8	19,2	20,3	21,5	22,7	23,8	24,4	25,0		
Presenting	40,6	29,2	-11,4	32,1	33,8	35,5	37,2	38,9	39,8	40,6		
Negotiating	3,5	17,9	14,4	14,3	12,1	10,0	7,8	5,6	4,6	3,48		
Training & Educating	2,5	18,4	15,9	14,4	12,1	9,7	7,3	4,9	3,7	2,5		
Customer Relationship Management	28,3	17,4	-10,9	20,1	21,8	23,4	25,0	26,7	27,5	28,3		



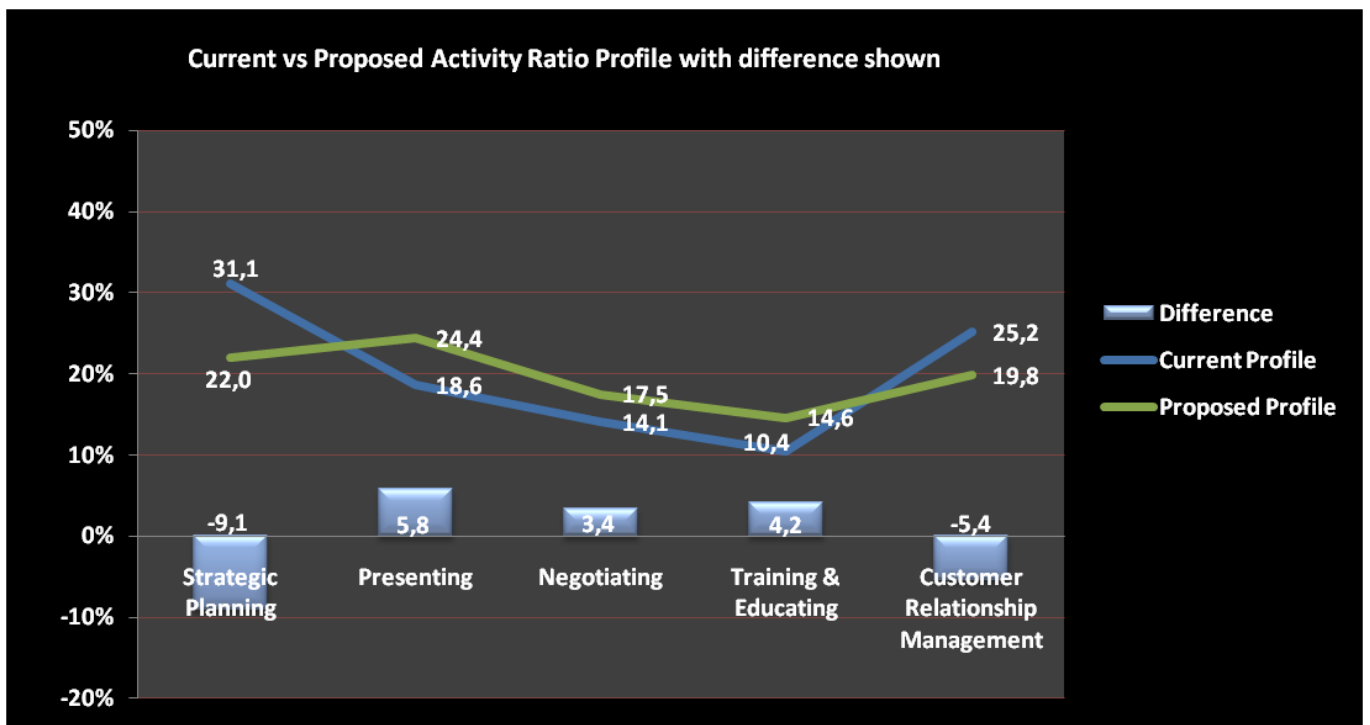
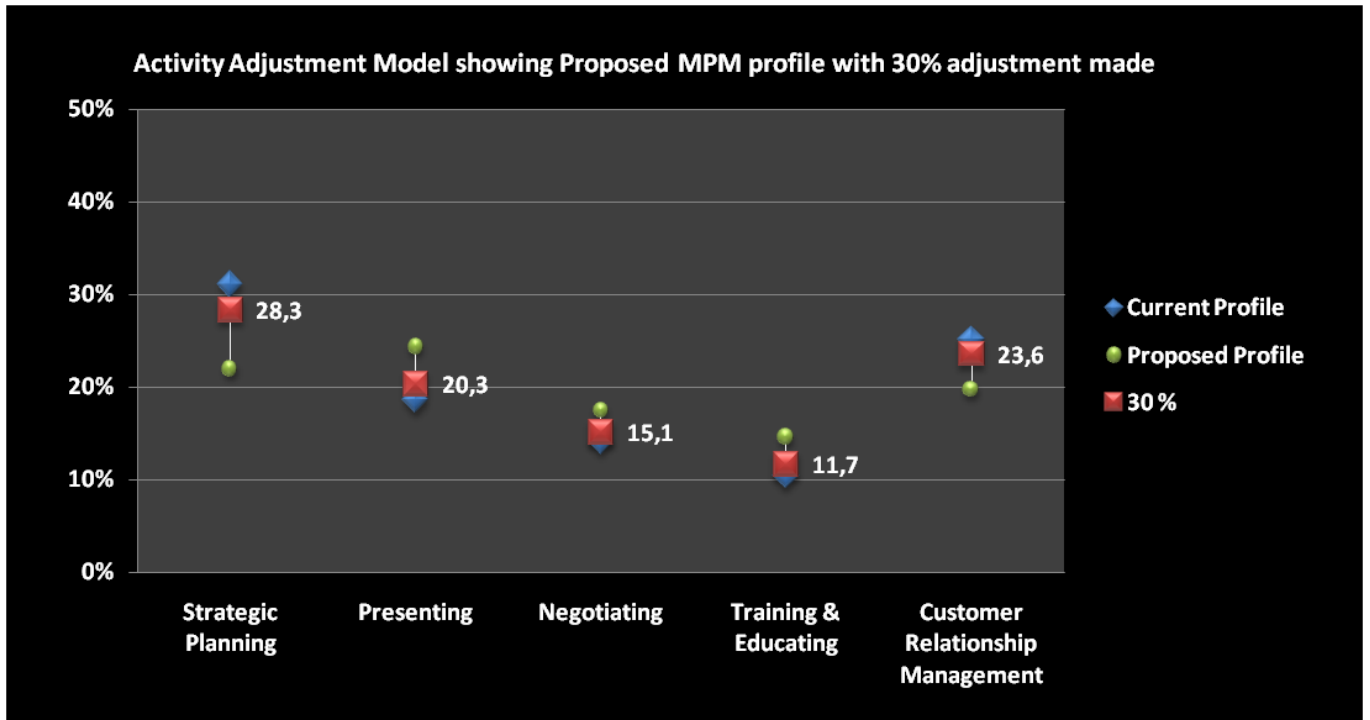




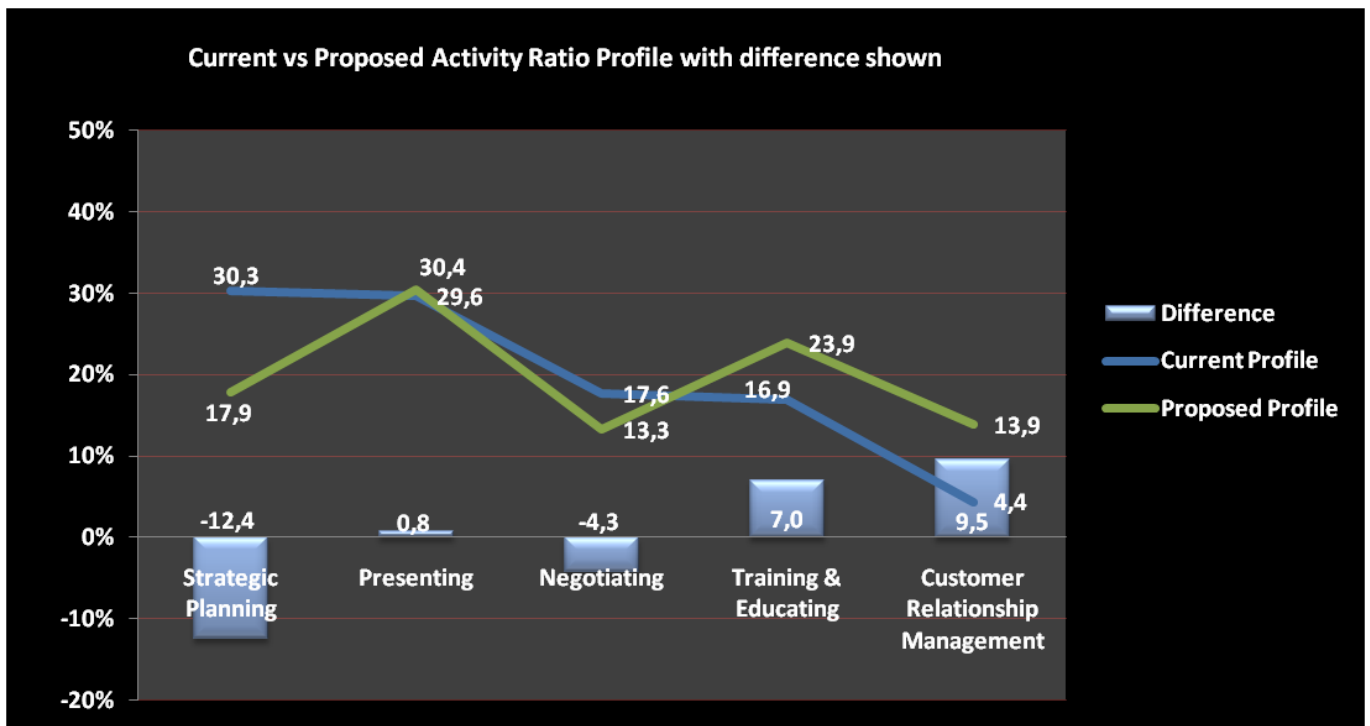
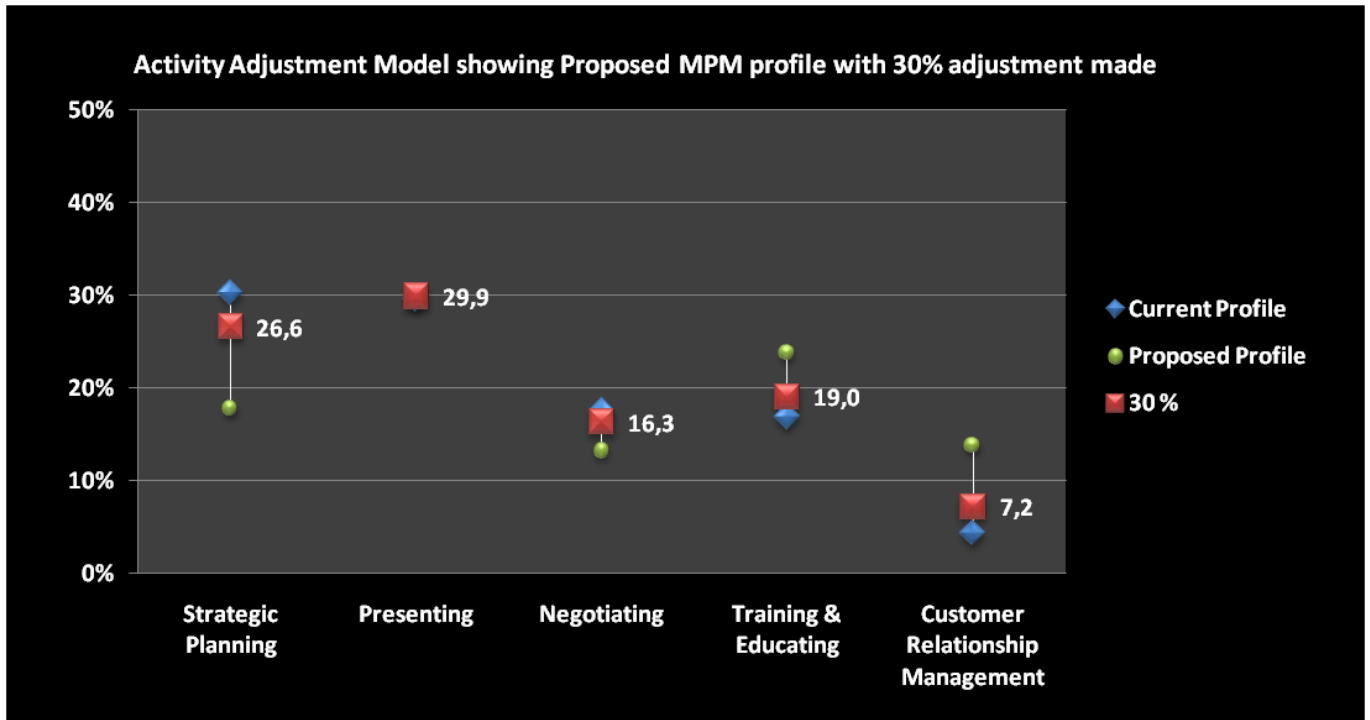
English-Speaking Cluster's Ratio Profiles of MPM				Percentage Change	75 %	60 %	45 %	30 %	15 %	7,5%	0 %
	Current Profile	Proposed Profile	Difference								
Strategic Planning	25,3	24,6	-0,7	24,8	24,9	25,0	25,1	25,2	25,3	25,3	25,3
Presenting	21,0	29,5	8,5	27,4	26,1	24,8	23,6	22,3	21,7	21,0	21,0
Negotiating	29,5	12,1	-17,4	16,4	19,0	21,6	24,2	26,8	28,1	29,5	29,5
Training & Educating	11,7	21,9	10,2	19,4	17,8	16,3	14,8	13,3	12,5	11,7	11,7
Customer Relationship Management	12,1	14,2	2,1	13,7	13,4	13,1	12,8	12,4	12,3	12,1	12,1



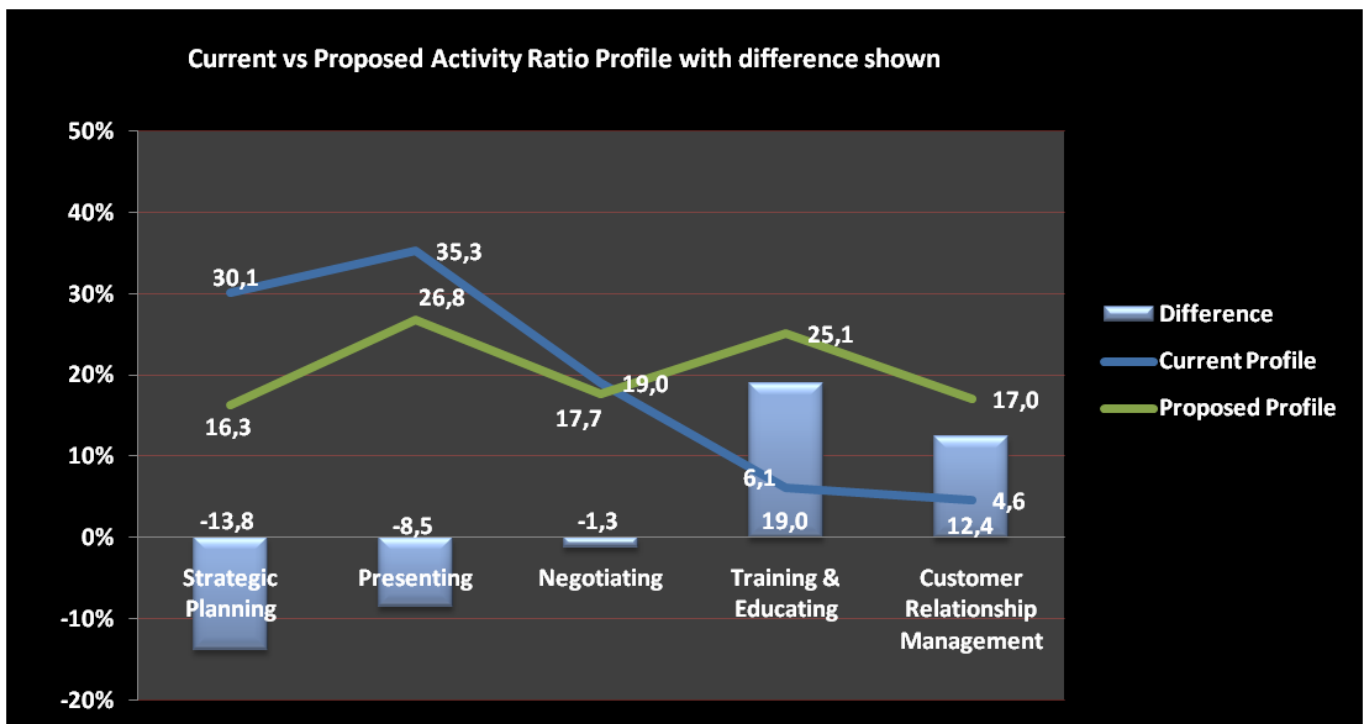
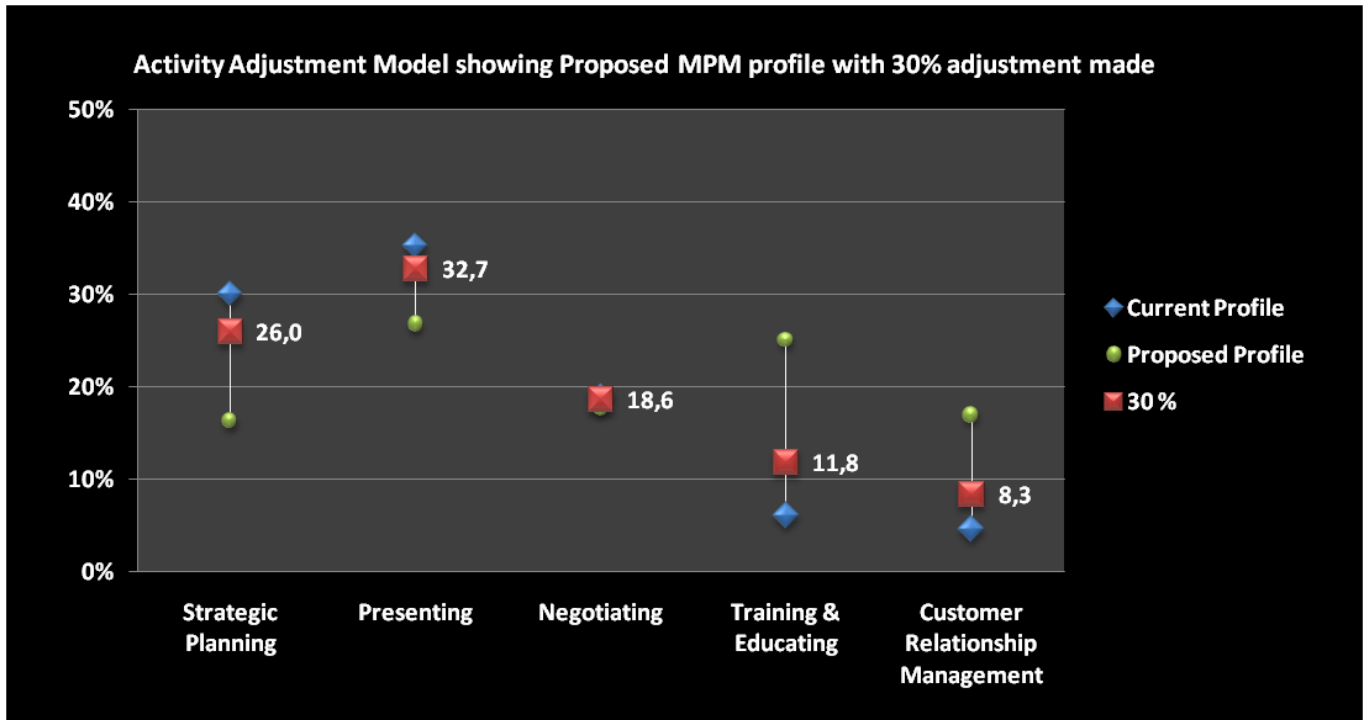
Asian Cluster's Ratio Profiles of MPM											
	Current Profile	Proposed Profile	Difference	Percentage Change	75 %	60 %	45 %	30 %	15 %	7,5%	0 %
Strategic Planning	31,1	22,0	-9,1		24,3	25,6	27,0	28,3	29,7	30,4	31,1
Presenting	18,6	24,4	5,8		22,9	22,1	21,2	20,3	19,5	19,0	18,6
Negotiating	14,1	17,5	3,4		16,7	16,1	15,6	15,1	14,6	14,4	14,1
Training & Educating	10,4	14,6	4,2		13,6	12,9	12,3	11,7	11,0	10,7	10,4
Customer Relationship Management	25,2	19,8	-5,4		21,1	22,0	22,8	23,6	24,4	24,8	25,2



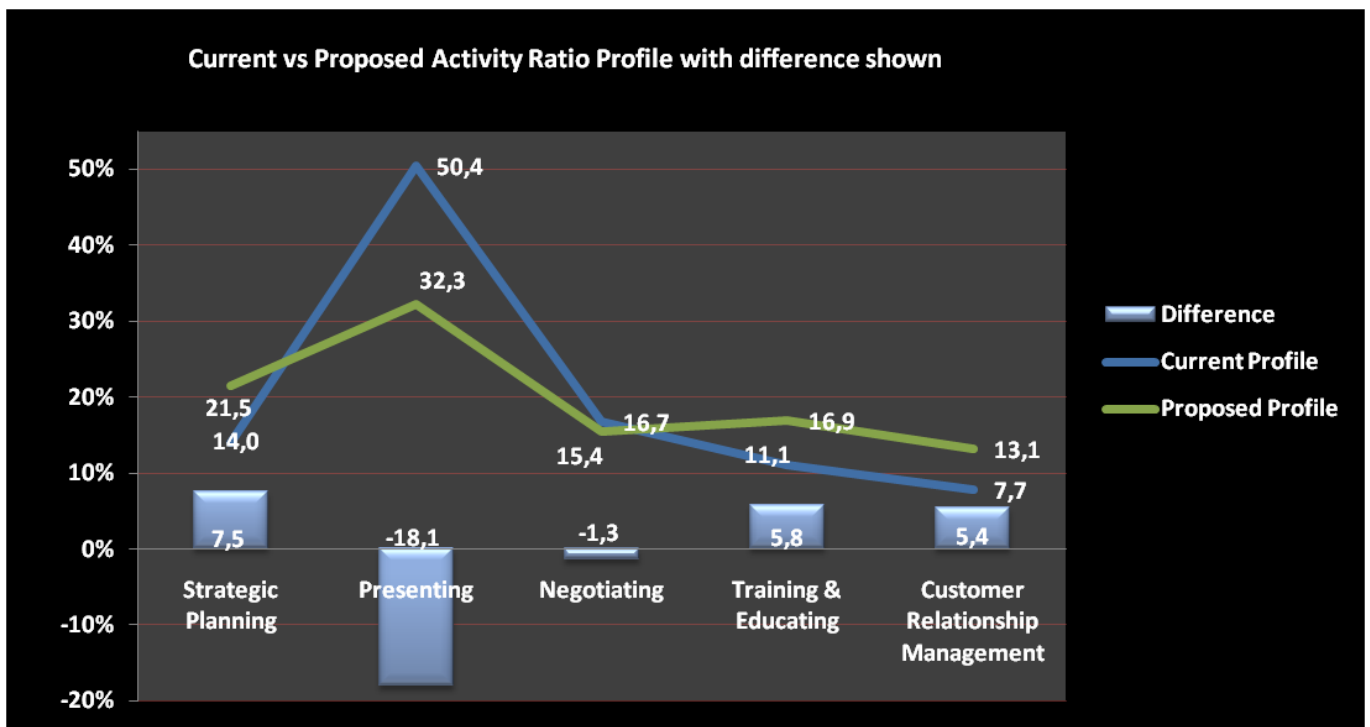
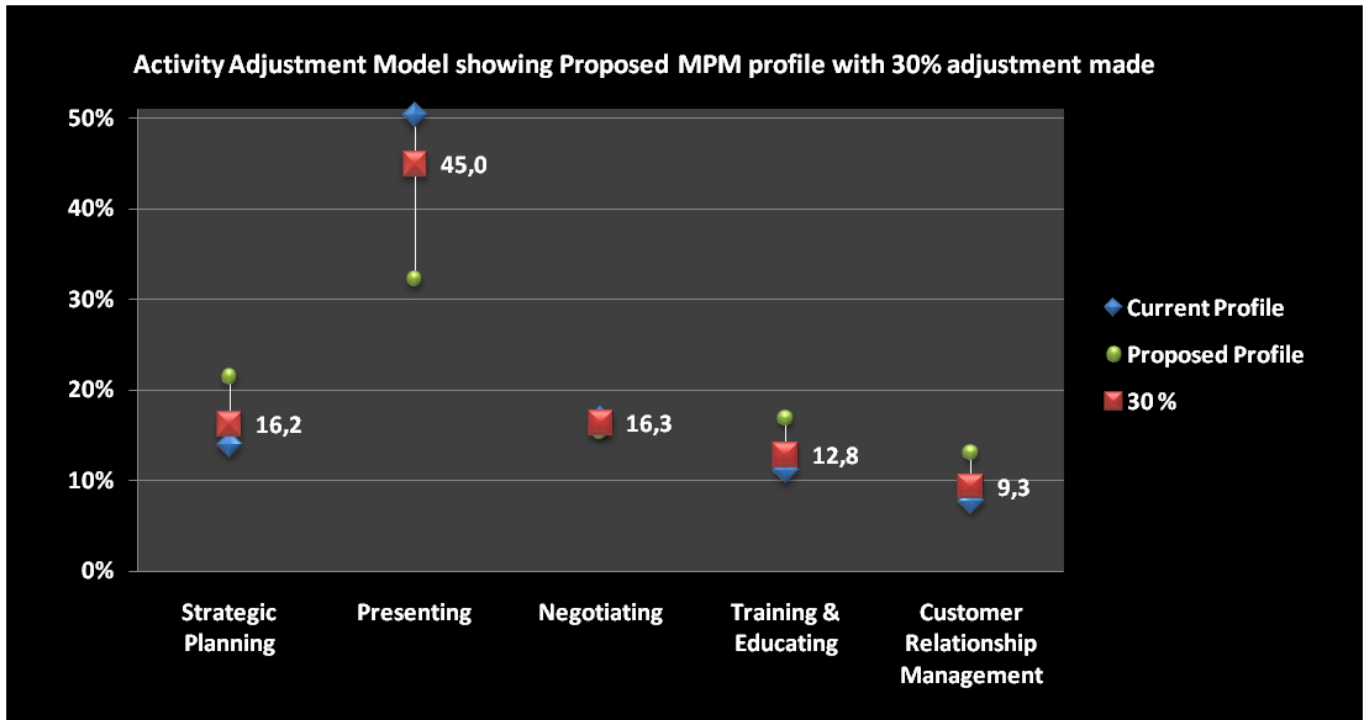
Mediterranean Cluster's Ratio Profiles of MPM											
	Current Profile	Proposed Profile	Difference	Percentage Change	75 %	60 %	45 %	30 %	15 %	7,5%	0 %
Strategic Planning	30,3	17,9	-12,4		21,0	22,9	24,7	26,6	28,5	29,4	30,3
Presenting	29,6	30,4	0,8		30,2	30,1	30,0	29,9	29,8	29,7	29,6
Negotiating	17,6	13,3	-4,3		14,4	15,0	15,7	16,3	17,0	17,3	17,6
Training & Educating	16,9	23,9	7,0		22,2	21,1	20,1	19,0	18,0	17,5	16,9
Customer Relationship Management	4,4	13,9	9,5		11,5	10,1	8,7	7,2	5,8	5,1	4,4



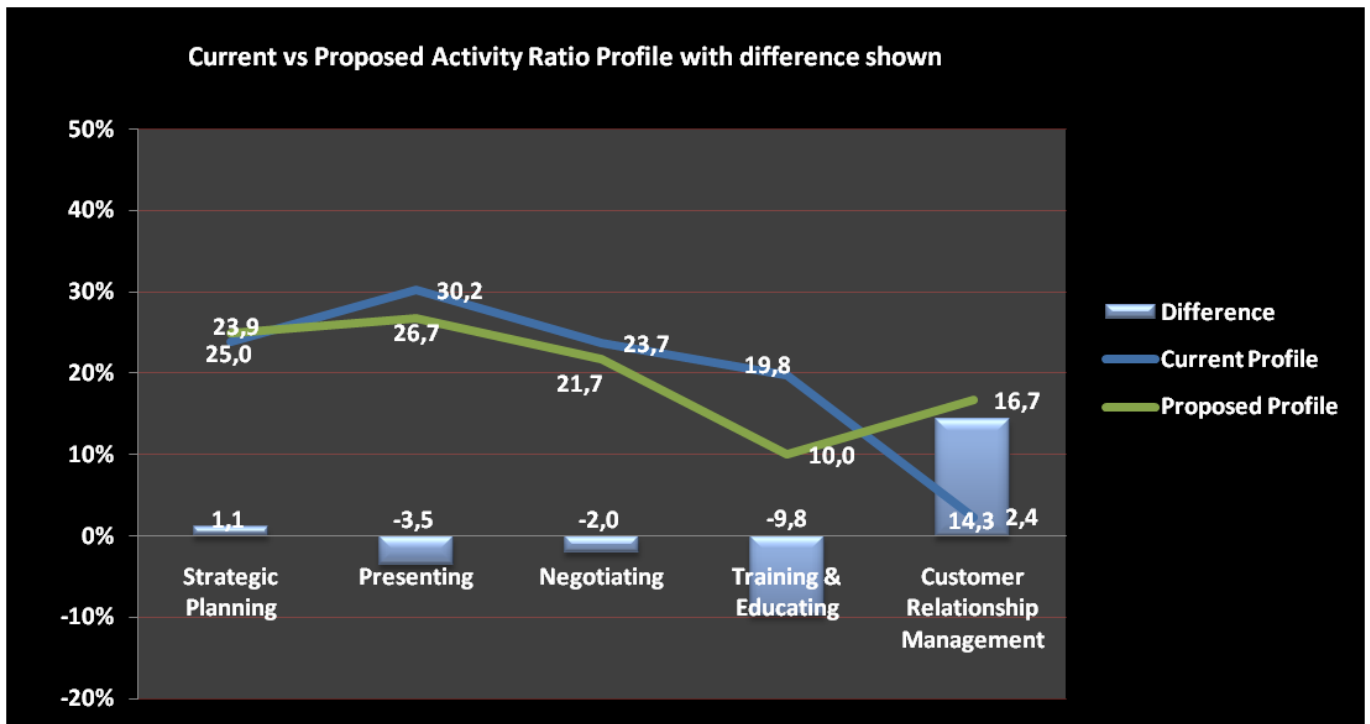
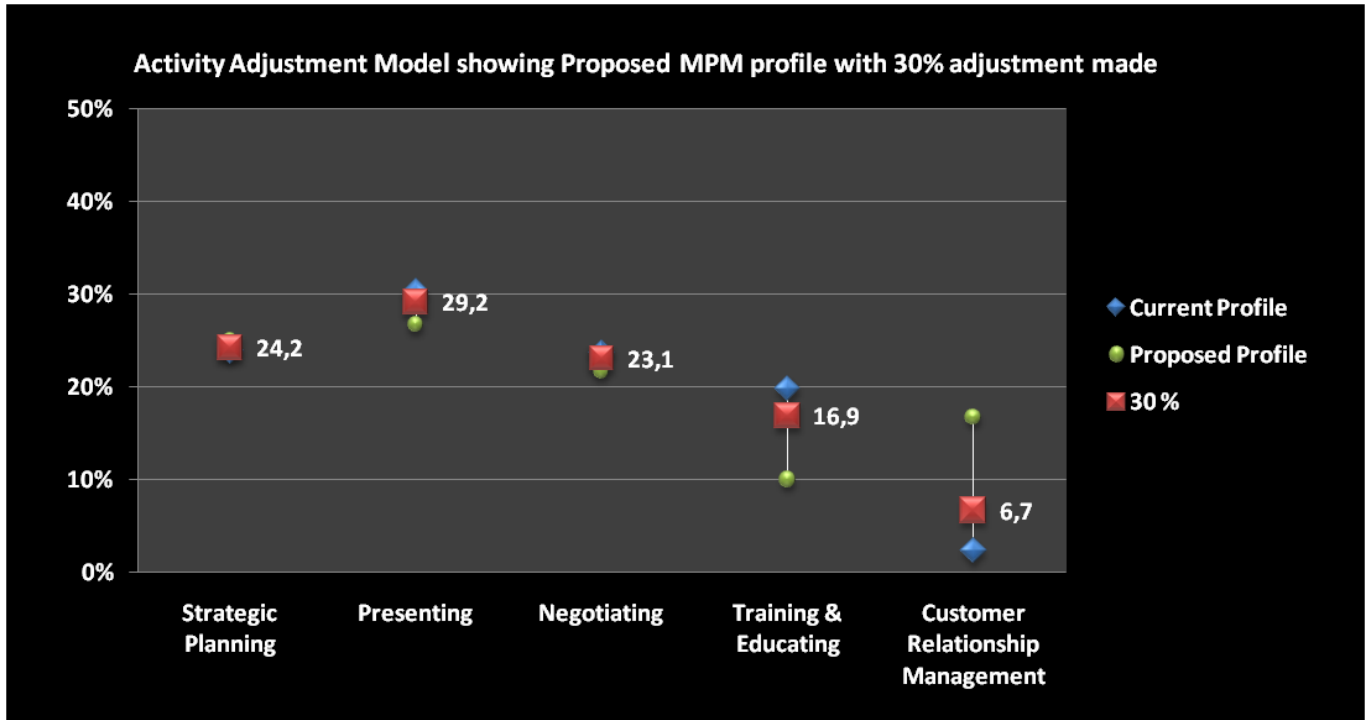
Eastern European Cluster's Ratio Profiles of MPM											
	Current Profile	Proposed Profile	Difference	Percentage Change	75 %	60 %	45 %	30 %	15 %	7,5%	0 %
Strategic Planning	30,1	16,3	-13,8		19,7	21,8	23,9	26,0	28,0	29,1	25,0
Presenting	35,3	26,8	-8,5		28,9	30,2	31,5	32,7	34,0	34,7	40,6
Negotiating	19,0	17,7	-1,3		18,0	18,2	18,4	18,6	18,8	18,9	3,48
Training & Educating	6,1	25,1	19,0		20,4	17,5	14,7	11,8	9,0	7,5	2,5
Customer Relationship Management	4,6	17,0	12,4		13,9	12,1	10,2	8,3	6,5	5,6	28,3



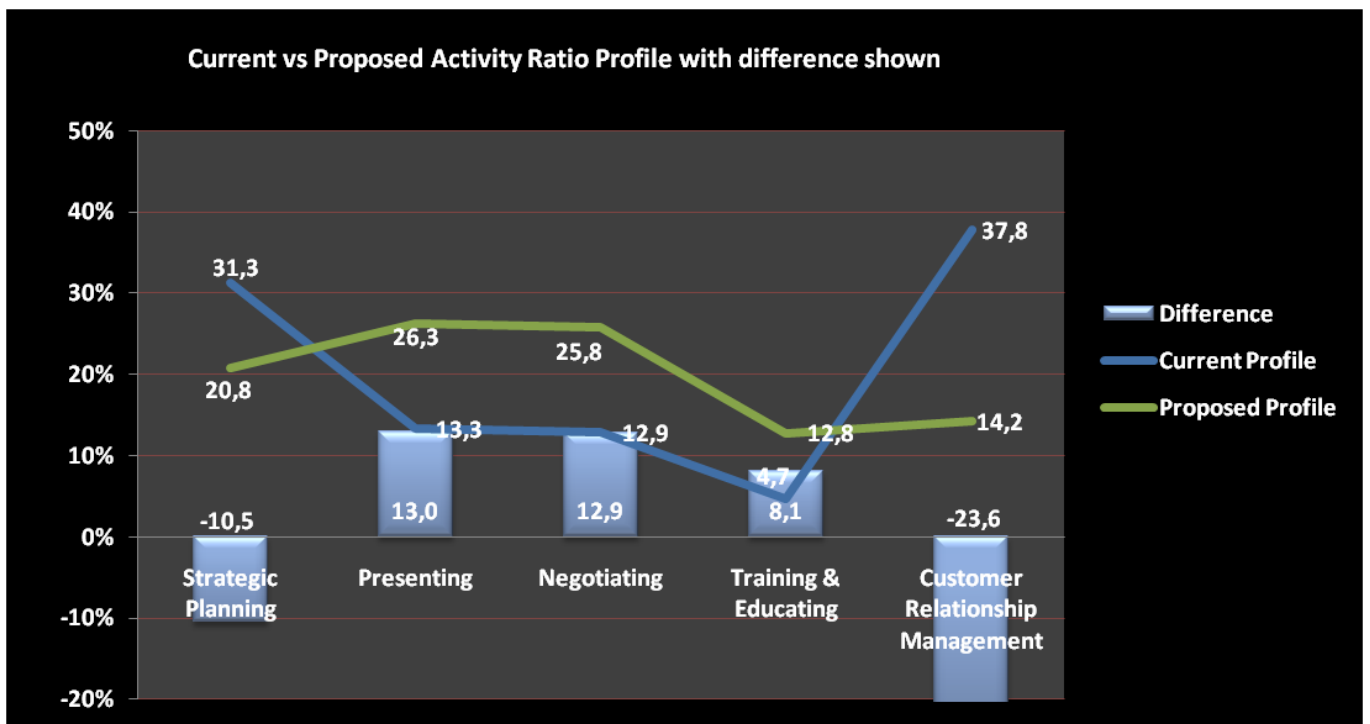
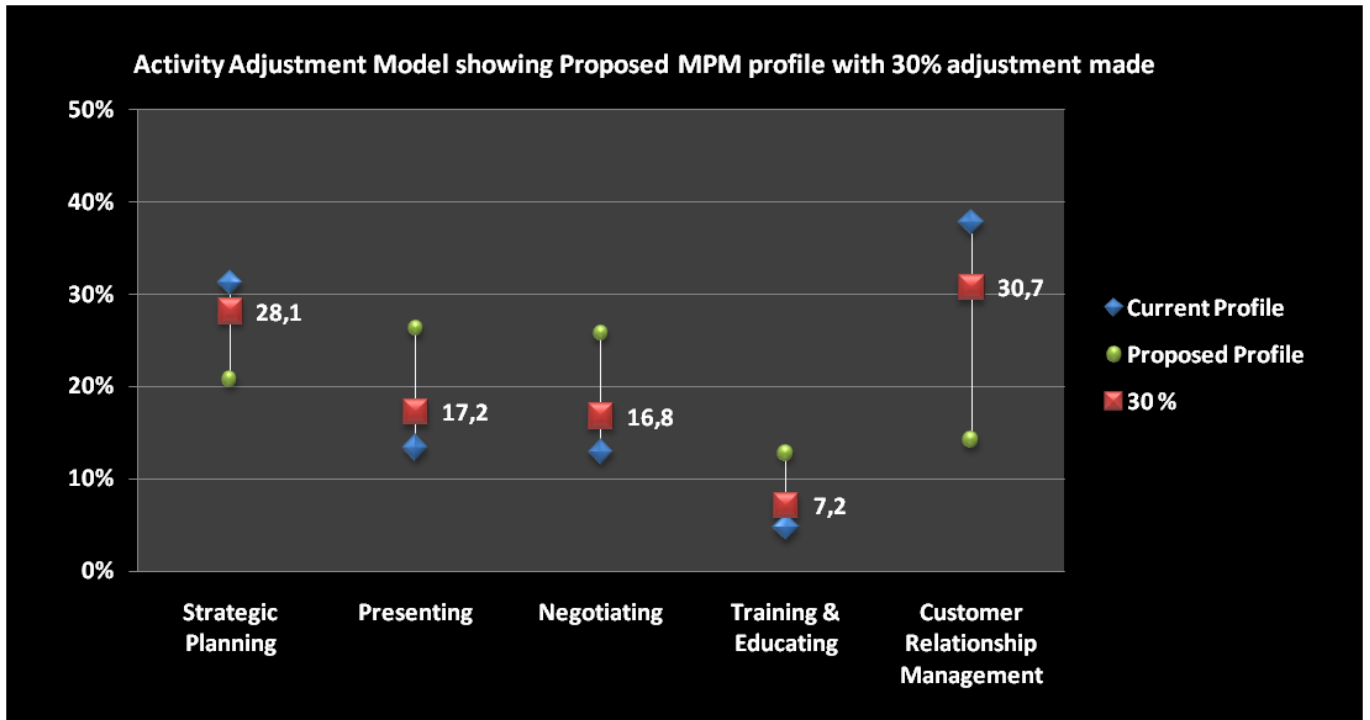
Scandinavian Cluster's Ratio Profiles of MPM											
	Current Profile	Proposed Profile	Difference	Percentage Change	75 %	60 %	45 %	30 %	15 %	7,5%	0 %
Strategic Planning	14,0	21,5	7,5		19,6	18,5	17,4	16,2	15,1	14,5	14,0
Presenting	50,4	32,3	-18,1		36,8	39,5	42,2	45,0	47,7	49,0	50,4
Negotiating	16,7	15,4	-1,3		15,7	15,9	16,1	16,3	16,5	16,6	16,7
Training & Educating	11,1	16,9	5,8		15,4	14,6	13,7	12,8	12,0	11,5	11,1
Customer Relationship Management	7,7	13,1	5,4		11,8	11,0	10,2	9,3	8,5	8,1	7,7



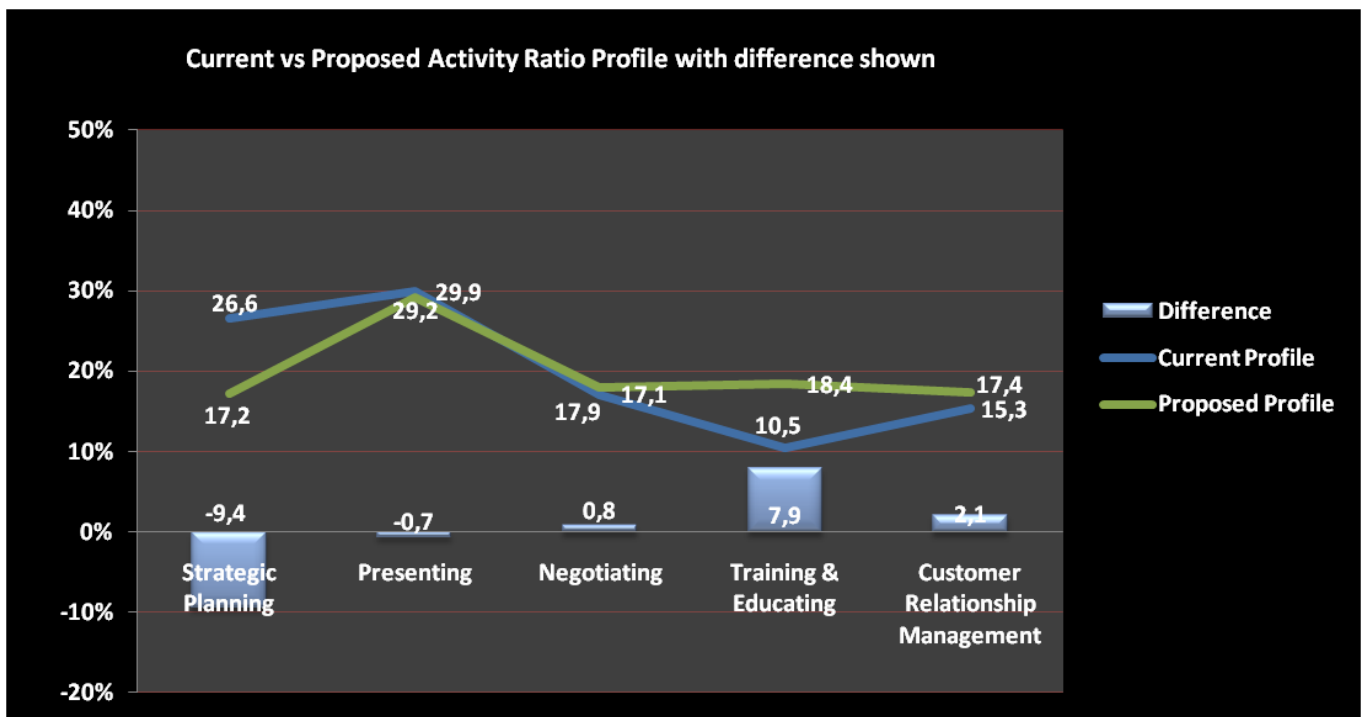
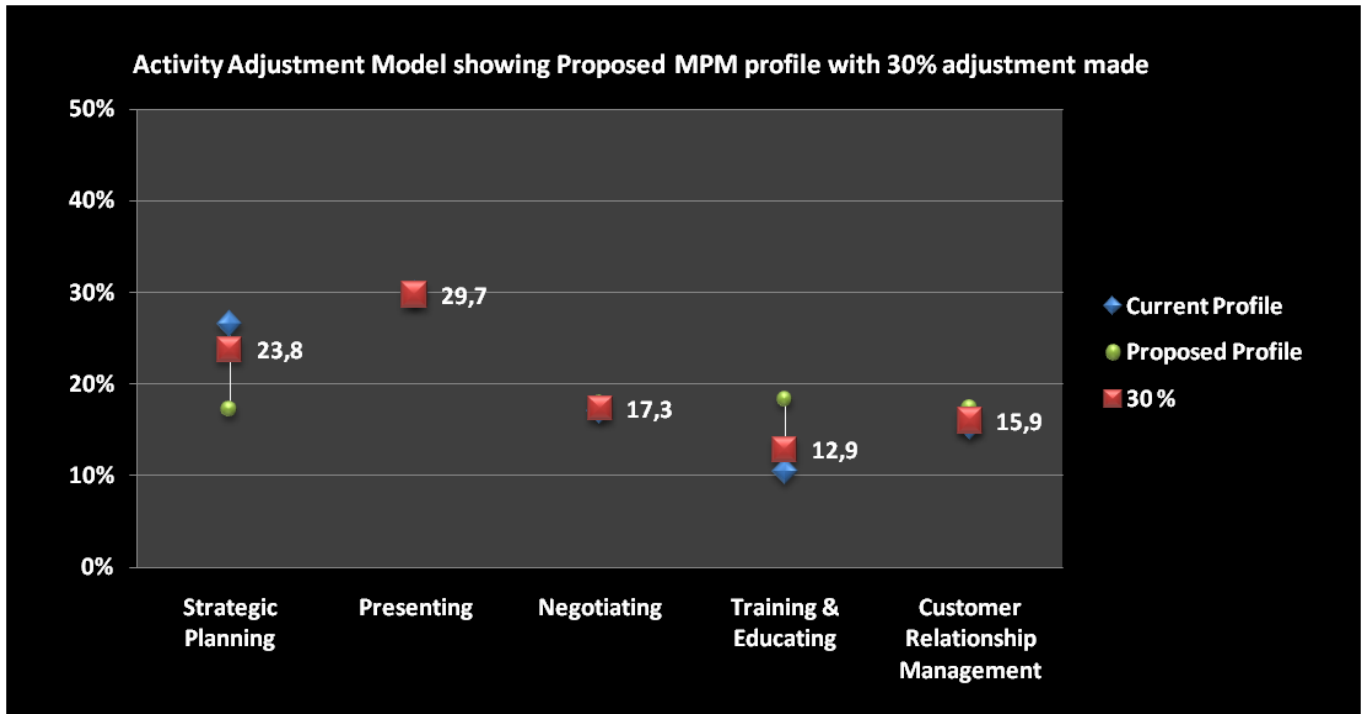
Central European Cluster's Ratio Profiles of MPM				Percentage Change	75 %	60 %	45 %	30 %	15 %	7,5%	0 %
	Current Profile	Proposed Profile	Difference								
Strategic Planning	23,9	25,0	1,1	24,7	24,6	24,4	24,2	24,1	24,0	23,9	
Presenting	30,2	26,7	-3,5	27,6	28,1	28,6	29,2	29,7	30,0	30,2	
Negotiating	23,7	21,7	-2,0	22,2	22,5	22,8	23,1	23,4	23,5	23,7	
Training & Educating	19,8	10,0	-9,8	12,5	13,9	15,4	16,9	18,3	19,1	19,8	
Customer Relationship Management	2,4	16,7	14,3	13,1	11,0	8,8	6,7	4,5	3,4	2,4	



Arab World Cluster's Ratio Profiles of MPM											
	Current Profile	Proposed Profile	Difference	Percentage Change	75 %	60 %	45 %	30 %	15 %	7,5%	0 %
Strategic Planning	31,3	20,8	-10,5		23,4	25,0	26,6	28,1	29,7	30,5	31,3
Presenting	13,3	26,3	13,0		23,1	21,1	19,2	17,2	15,3	14,3	13,3
Negotiating	12,9	25,8	12,9		22,6	20,6	18,7	16,8	14,9	13,9	12,9
Training & Educating	4,7	12,8	8,1		10,8	9,6	8,4	7,2	5,9	5,3	4,7
Customer Relationship Management	37,8	14,2	-23,6		20,1	23,6	27,2	30,7	34,2	36,0	37,8



Global Average Ratio Profiles of MPM				Percentage Change	75 %	60 %	45 %	30 %	15 %	7,5%	0 %
	Current Profile	Proposed Profile	Difference								
Strategic Planning	26,6	17,2	-9,4	19,6	21,0	22,4	23,8	25,2	25,9	26,6	
Presenting	29,9	29,2	-0,7	29,4	29,5	29,6	29,7	29,8	29,8	29,9	
Negotiating	17,1	17,9	0,8	17,7	17,6	17,5	17,3	17,2	17,2	17,1	
Training & Educating	10,5	18,4	7,9	16,4	15,2	14,1	12,9	11,7	11,1	10,5	
Customer Relationship Management	15,3	17,4	2,1	16,9	16,6	16,2	15,9	15,6	15,5	15,3	







## 6 REFERENCES

Hofstede, Geert and Hofstede, Gert Jan. 2005. *Cultures and Organizations: The Software of the Mind*. 2nd edition. USA. McGraw-Hill.

de Mooij, M., and Hofstede, G. 2002. Convergence and divergence in consumer behaviour: Implications for international retailing. *Journal of Retailing* 78: 61-69.

Griffin, Ricky W., and Pustay, Michael W. 1999. *International Business: A Managerial Perspective*, Second Edition. USA. Addison-Wesley.

Jobber, David and Lancaster, Geoff 2000. *Selling and Sales Management*. Fifth edition. London. Pearson Education Limited.

Holden, Jim 1999. *World Class Selling. The Crossroads of Customer, Sales, Marketing and Technology*. New York. John Wiley & Sons, Inc.

Beck, Terry 2000. *High Performance Selling: Advice, Tactics, and Tools: The Complete Guide to Sales Success*. Toronto. HarperCollins, Canada.

Jeannet, Jean-Pierre and Hennessey, H. David 2004. *Global Marketing Strategies*. Sixth Edition. Boston, U.S.A. Houghton Mifflin Company.

Blaikie, Norman 2003. *Analyzing Quantitative Data: From Description to Explanation*. London, UK. SAGE Publications Ltd.

Miles, Matthew B., Huberman, A. Michael 1994. *Qualitative Data Analysis: An Expanded Sourcebook*. Second Edition. London, UK. SAGE Publications Ltd.

Electronic sources:

<http://inside.abb.com>

<http://www.businessdictionary.com/definition/sales-process.html>

(date 25.01.2011: 09.42pm)

Other printed material:

ABB Annual Report 2008 (Source [www.abb.com](http://www.abb.com))

The Ohio State University Bulletin Extension: Handbook for Planning an Objective-based Evaluation. [online] [Referenced 16.12.2009]. Available in www-form: URL:<http://ohioline.osu.edu/b868/pdf/b868.pdf>.

Investopedia, A Forbes Digital Company. Dictionary. [online] [Referenced 21.4.2010]. Available in www-form: <http://www.investopedia.com/terms/g/greenfield.asp>