

“A study on outsourcing billing services in Finland”

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For the attention of Nicholas Dacre**

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Chapter 1: Introduction

The research question in this dissertation is: “To what extent does literature on the benefits of outsourcing billing match the information gained from companies in Finland and would these companies in fact benefit from outsourcing billing?”

This dissertation will look at the disadvantages and advantages of outsourcing billing as they are expressed in the relevant academic literature and articles in the Finnish media. The purpose of the research question is to identify a literature gap that exists between the two sides, the academic literature and the case study, as the questions look at the differences and then compare which side is more right in the discussion or whether the both sides agree.

The hypothesis of the case study is that people will have varied opinions on outsourcing billing but mostly the response will be positive as outsourcing cuts costs and offers multiple benefits to some companies. This hypothesis is based on the assumption that there has been a rise in the demand for outsourcing since the financial crisis has put a lot of companies into a position where they need to cut costs in all areas of business. Furthermore, as Finnish media has actively discussed outsourcing and it has been a “hot topic”, companies may have felt more intrigued to look into the option of outsourcing billing. The continuous discussion on outsourcing overall has probably had a positive effect on companies’ interest in business process outsourcing.

The purpose of the dissertation is to investigate what type of literature exists on the benefits of outsourcing billing and compare it with what companies think about outsourcing billing. Furthermore, the objective then is to calculate the cost of producing one bill based on the data for each of the companies in the case study. The formula calculates the cost of producing one bill based on the size of the company, the number of staff, staff expenses and the number of bills, collection bills and interest bills that they send out yearly. The

purpose of this formula along with the academic literature and relevant articles in the Finnish media is that they can then together suggest to what extent companies can benefit from outsourcing billing and whether the companies are aware of the benefits.

The significance of this dissertation is that it fills a literature gap that exists in the current literature on outsourcing billing, as this dissertation will investigate to what extent the literature actually matches with the companies' attitudes and willingness towards outsourcing billings. This dissertation is also significant as it shows new areas of research that it will open up. Relevant articles in the Finnish media have been looked at in order to gain a deeper understanding of the current atmosphere surrounding outsourcing billing in Finland.

The division of the literature review into themes enables the literature review to be more comprehensive and locates the different arguments within the academic literature. The themes all represent ideas on how outsourcing can help companies achieve certain benefits, such as customer satisfaction, examples of which are the articles written by Pekka Virolainen (2005) and Raija Hallikainen (2009). Such articles are used in comparison to what has been discovered through the case study. Other aspects shown by the literature in terms of outsourcing billing include benefits, costs, disadvantages, growth of outsourcing and how outsourcing has improved the cash flow and procedures of companies.

The literature review also shows how outsourcing should be implemented in order for it to be successful. This enables a comparison between the companies already using outsourcing billing in the case study as the companies have mentioned whether they have been happy with the service or not. Agency theory has been used to describe the relationship that exists between the client company and the outsourcing company. Agency theory thus provides a way of understanding the decision-making process which companies go through when deciding whether or not to outsource an aspect of their company process.

Finnish sources are also important in this dissertation since the case study will be Finland-focused. Other non-Finnish resources have also been beneficial as they provide a broader view of outsourcing billing. As outsourcing billing is more common in some countries than in Finland, other sources help in showing why it is so and how Finnish companies could also benefit from it. Furthermore, the sources enable this dissertation to show a picture of what the situation could be like in Finland later if outsourcing grows and becomes more of an everyday aspect of a company.

The conclusion will show that wholesale companies in Finland are a larger customer base for outsourcing billing than transport companies. Transport companies did not feel that billing was a great concern for them whereas 25% of wholesale companies mentioned possibly outsourcing billing in the future. Overall the wholesale companies were more positive towards looking for better ways of organising their billing.

Transport companies were of the opinion that they were not spending a lot of hours on invoicing and it might be easier to do everything yourself without the use of outsourcing. Customer care was also a concern since some companies were afraid that outsourcing might affect their customer service in a negative way.

Companies also seemed to think that outsourcing is in fact expensive and this view can be because of many reasons, which will be discussed later on in this dissertation.

The links that have been made with the articles and the case study will also be explained in order to show the relevance of the articles. The problems encountered when researching for the dissertation will also be made clear. The literature review will identify a research gap in the present literature and the data collection will present a solution for filling in the missing research. The further areas of research that could be pursued will also be presented. The other areas of research could potentially promote the findings made by the case study.

This introduction has described will the focus of the dissertation in question and explained the purpose, aims and reasons for writing it. The introduction has also explained the order in which the dissertation has been

presented and the conclusions that have been drawn from it. The next chapter will look at the relevant academic literature and articles in the Finnish media discussing this topic.

Chapter 2: Literature Review

To what extent does literature on the benefits of outsourcing billing match the information gained from companies in Finland and would these companies in fact benefit from outsourcing billing?

The topic of billing in terms of outsourcing is quite narrow-focused and due to this reason secondary research has been quite hard to find as it is often off-topic. Most authors tend to discuss outsourcing as a general topic whereas this dissertation will focus on outsourcing operations management, more specifically billing. This dissertation is focused on outsourcing billing in Finland, however sources from Finland as well as other countries are being used as secondary research in order to gain a deeper understanding and insight into to the topic.

In the secondary research, three main themes of debate have been identified. They will be listed below with the relevant theory and topics in the Finnish media that support the themes. The aim of this dissertation is to compare these statements and theory with what transport and wholesale companies in Finland think about outsourcing billing in practice. All the Finnish sources used are from newspapers and magazines in the field of business and economics and have been used to show the current atmosphere in Finland.

2.1 Theme One: “Companies should not outsource billing.”

Raija Hallikainen (2009), states that a company is very likely to fail with its outsourcing results if the only goal in outsourcing is profit. Outi Kokko (2010) agrees to some extent as she argues that in order for a company to actually save money with outsourcing, procedures within the organization need to be changed as outsourcing is implemented. The attitude towards outsourcing is fairly negative in both articles. It is true that outsourcing can be harmful if it is not being executed correctly and if, for example, the client is not aware enough of how the outsourcing company is handling their billing. However, both Kokko and Hallikainen fail

to mention the fact that when outsourcing is implemented correctly it can save a company a lot of time and money and effort as employees can focus on more pressing matters at hand. Outsourcing can also be an easier option for a company since hiring their own employees often costs them a lot of money.

Pekka Virolainen (2005), states that 80% of outsourcing agreements have to be renegotiated during the time that the contract is valid. This is largely due to the inflexibility of the contracts. He refers to the research of Gartner (2009), as does Tuomas Karvonen (2005) who states that 80% of outsourcing processes also fail within the first three years if they are undertaken solely for the purpose of cutting back costs. The latter article would suggest that companies need to see outsourcing billing as a way of developing the service itself instead of merely as a way of cutting costs. This relates directly to my research question as the benefits of outsourcing billing procedures do not merely lay in cutting costs but there are other advantages as well.

The research of Gartner (2009) applies to this dissertation as it discusses the fact that outsourcing will grow despite the economic slowdown in the world. The research also states that because companies are now more dependent on cutting costs rather than focusing on value, outsourcing will continue to be more attractive to companies. Companies that are facing a downturn in their financial status can use the help of outsourcing by transferring billing services to another company to receive their money back faster from clients (Martins, 2011). As organizations are implementing changes in their structure in order to survive with the money they have, new ways of structuring the money cycle are being introduced. The primary research in this dissertation will then look at whether this type of change is being implemented in Finland and if so, to what extent.

Agency theory can also be used to describe the sometimes difficult relationship that can exist between a client and an outsourcing company. Agent theory refers to a relationship where a principal, in this case the client, hires on an agent, in this case the outsourcing company, for a service and relies on the agent to make

decisions on their behalf (Malonis 2000). The outsourcing company and its client could face problems if the client was to outsource its billing services to the outsourcing company and their aims were different. As can be argued through Malonis' (2000) description of agency theory, the client would also be dependent on the agent's reporting to them and would not necessarily know everything that the agent is pursuing on their behalf.

However, since the underlying objective for both parties would be to make profit, the parties would have a common interest and could create competitive advantage if the outsourcing were executed in the right manner. As Wright argues (2010), reputation and prestige are very important to outsourcing companies as they can show that the company is dedicated to putting in the maximum amount of effort. The public image of the company that is outsourcing some of its processes can also suffer as people can lose their jobs as a result of the decision to outsource.

Despite the promotion of outsourcing billing, many companies fail to recognize the possibilities, in outsourcing some of their business. Individuals can view outsourcing as too difficult. It can be easier to do everything in-house but there are positives to outsourcing as well. Outsourcing billing can also be viewed as a privacy issue since company customer bases are given into the hands of another company (Trapasso 2011). However, since the Finnish billing companies discussed in this dissertation are solely focused on billing, the assumption is that they are qualified to handle this type of discreet information since they are continuously doing so and attracting customers. Even so, such companies can also be accused of breaching security (Griedman 2005) and companies need to be aware of such issues when implementing business process outsourcing. Managers should also demand specific security for the client records so that the client feels secure.

In the end the client of the principal does not really know how many stages the bill goes through before it reaches the client with the name of the outsourcing company. The idea of outsourcing companies is that they specialize in certain skills and by outsourcing companies get access to these skills (Martins 2011). However, in order for outsourcing to be successful managers should supervise the ongoing projects and their progress. Managers could also intervene in the process if they felt that the methods used or the results obtained were not of the standard they were looking for. The company's own employees know the customers and the company methods better than the outsourcing company, which can affect the level of the service they provide.

The responsibilities given to the outsourcing company cause problems since if there were to be any problems such as missing accounts or laundered money it would be unclear who was actually responsible. In the first instance most likely the blame would be focused on the outsourcing company. However, there have been cases in the past where the debate has not been easy to solve. A recent example of this is the Gulf of Mexico oil spill, where BP attempted to blame their outsourcing contractor for the disaster. Hennigan (2010), states that the executives of BP, Transocean and Halliburton all seemed to be of the opinion that by bringing in people from outside to do the job for them, the responsibility of the results was lifted off them. The public image of the companies has suffered because of the disaster even though they hired other employees to do the job for them, says Hennigan. This case shows that even if a company outsources some of its processes, the processes are still tied to the company name and the outsourcing company represents the company. Companies should therefore be careful with the decision to outsource, especially if they feel that there are a lot of risks involved. However, there are risks with hiring your own employees to do the job as well and often the outsourcing company would bare a higher responsibility for any mistakes made than the company's own employee.

2.2 Theme Two: “Companies should outsource billing.”

The second theme seems to be more dominant in the Finnish press right now. Articles in magazines, newspapers and online have, for the most part, discussed outsourcing billing in a positive light. Pathology Service's (2006) article discusses considerations companies should make when deciding on the best billing practices. The second theme is quite dominating in this article, as it states that the most low-cost service is not always the best one. The decision making process is however not solely dependent on the low cost that the company hopes to obtain but also on the other implications of transferring a part of the company's handling of finances to another company. Outsourcing billing can also be used as a means of making the process faster as outsourcing companies can sometimes promise and provide faster service than the employees doing the service in-house (Martins 2011). This could be because they can focus on just the one process and complete it on time and with the demands of the company. Billing outsourcing companies usually manage their procedures and systems more effectively than standard companies since that is what they specialise in.

Savon MediaCenter Oy's report (2009) on Ernst & Young's research on billing argues that companies can save 10-20% by outsourcing if the outsourcing is implemented in the right way. The report also states that 31% of companies are considering outsourcing in their service sector. This would imply that there is a demand for outsourcing billing and companies can indeed benefit from it. The personalized service given to customers by a company can indeed change if a company outsources its billing but the kind of treatment that a customer has been used to before outsourcing can also be learned by the outsourcing company over time. Similarly, the company would also face a problem if an employee were to resign or take a leave of absence, which implies that this could be overcome with outsourcing as well.

The two largest outsourcing billing companies in Finland are Lindorff and Intrum Justitia. Jenni Virtanen, (2008), states that collection companies have become more aggressive and faster with their collection letters

largely due to the fact that they have grown more and more in the entire sector of outsourcing billing. Virtanen also interviews Tapio Vuojärvi from Lindorff, who says that Lindorff's customer base has grown lately and their database now consists of 10% of Finland's population whereas before it was 7% (Virtanen 2008). Likewise to the previous article, this article shows the increased demand for outsourcing billing as well. As many companies are also now merging together, it makes sense to outsource financial accounting processes as it can save both time and money (Linder 2005).

The decision to outsource in the case of billing depends largely on the number of bills and the type of clients that a company has. If the company only has a couple of clients that they bill a couple of times a year, it might not make sense to outsource billing. However, if those couple of clients are exceptionally difficult and do not comply with the payment conditions, an interference by a third party might be beneficial for the company. Again, the handling of mechanical functions by an outsourcing company can save the client time, money and effort and thus it can benefit smaller companies too (Alleva 2004).

The research found in Finnish newspapers and magazines has discussed promoted outsourcing billing to some extent. However, there is a significant research gap in said media about the actual customer satisfaction in this service and whether customers are actually buying it. The research found discusses how outsourcing billing can benefit companies and what new forms of it have been entering the market. The research found has failed to provide a mention of what customers actually currently want their billing procedures to be like and what they feel can be improved in their current way of handling the procedures. This research gap is significant in terms of this dissertation as the quantitative research of this dissertation will investigate this issue. It is important because encouraging and promoting outsourcing billing in Finnish media can be influenced by outsourcing companies that want to promote their services. The case study would also be beneficial because the issue between benefits versus costs reduction can be looked at in order

to find out if people would actually pay more in order to save time and staff, or whether the decision to outsource a service is solely dependent on the fact that it is or has to be cheaper.

Sanchez (2010) states that managers have recently become more comfortable in using business process outsourcing and this can be due to previous successes in using outsourcing models. Outsourcing can also help in better managing the consolidation of business processes and help in moving company towards higher value-added services (Sako 2006). However, the decision to outsource should not be made only based on experience since inexperienced managers could copy outsourcing models that are being used in other possibly rival companies and implement them in their company, possibly causing the outsourcing model to fail.

Sanchez's claim can be counter-argued with the fact that outsourcing billing services can cause customer relationships to become less personal and if a company has already established customer relationships that have lasted for, for example, 20 years, those customers might discourage change and the company might risk those relationships if they were to suddenly change and become more impersonal. Lots of companies still handle their billing services via telephone or e-mail and if the companies were to suddenly change into letters received from billing firms, customers might not value the change and easiness of that the same way Sanchez says the company would.

Outsourcing companies should show the executives of their possible client company how much money they would be able to save by using their processes. The outsourcing company should also be able to show how their processes would benefit the client company in non-cost related terms. This way the executives could then make an informed decision of whether it makes sense to outsource billing, taking into account both the cost and the benefits.

Sanchez (2010) also mentions the increase in outsourcing such aspects of the company as market research, business intelligence and risk management, which require analytical thinking and competitive knowledge. These areas can be more risky to outsource than billing since they can be more costly and more wide-spread. However, Sanchez's research fails to note that billing is itself an area of risk management as it deals with clients that might become harmful to the cash flow of the company at some point. Whether an outsourcing company would be better equipped to deal with such customers is a matter of debate and depends on the companies in question. However, it can be easier for the a large billing outsourcing company to represent, for example, a small firm that might have to otherwise go through several steps in order to receive its money.

Credit Management's (2010) article discusses the fact that outsourcing has grown in popularity because of its ability for innovation, improving customer relationships, achieving cost control and economies of scale and competitive advantage. However, outsourcing can also damage customer relationships if customers are very used to the way processes have been handled before and if the company is only dealing with a couple of clients, the response to outsourcing might depend on their reaction. Outsourcing can also be costly if a company does not send out a lot of bills and therefore does not spend a lot of money on organizing billing.

However, Credit Management's (2010) article also states that problems with the company's customers rejecting the transition into outsourcing can be avoided by using a relationship manager or an internal account manager who communicates directly with the outsourcing company and project managers who are in charge of making the transition easier for customers.

Credit Management's (2010) article also highlights the fact that the transition from paper billing to electronic billing can be easier if a company uses an outsourcing company as the employees of the company do not then have to adapt to the change. As the use of electronic billing will probably increase in the future, so might be the case with outsourcing billing procedures as well. Credit Management's article also mentions

that it can actually be easier to customers to transition to electronic billing because they will then receive their invoice in a format that can then be easily uploaded into their account systems which means that no data will have to be manually entered. From a client's point of view this does seem easier but many small firms probably still have clients that file accounts manually. However, as technology develops and firms grow the need for manual systems should disappear within time.

Prete (1998) supports this theory by stating that United Illuminating, an electricity distributor, transitioned into electronic billing in order to make the appearance and the design of the bill seem friendlier to customers, making annual savings of \$250,000, which consisted of costs for postage, equipment, space and labour.

Prete states that the cost of producing each bill was reduced by more than 50 per cent, which would imply that the transition benefited the company but does not mention customer satisfaction. Credit Management's (2010) article also states that by transitioning into an already establishing infrastructure, client companies can benefit from the fact that the outsourcing company will probably be constantly implementing changes as technology develops and further advancing their services. The outsourcing company will already have a specific input and way of organizing the electronic billing, which makes it easier for the company to move their processes into the already existing equation, says Credit Management (2010).

2.3 Theme Three: "Companies should outsource parts of their billing."

This third theme looks at the way in which outsourcing collection has improved the cash flow of companies to some extent. ACP Internist's (2010) article is neutral and it discusses the lack of use of outsourcing in smaller companies and why this makes sense. However, as Alleva's (2004) research shows, smaller companies can benefit from outsourcing billing too. For some companies, the decision of whether or not to outsource billing comes down to whether the benefits outweigh the costs. However, it can also be a

decision of whether the time saved is more valuable than the actual costs saved and this is an individual decision of each company.

Ralph Gregory (Hutchison 2004) mentions that his company has outsourced the processing of checks and direct deposits as it more cost-effective and the company's personnel can thus focus more on other aspects of their business. As Hutchison states, it can be beneficial for a company to try out outsourcing their billing by first outsourcing, for example, collection letters to enable to company to see how much their costs are cut and whether their cycle of finances coming in becomes faster. Since in Finland outsourcing billing has not really taken off yet completely except for larger companies, there is room for development in this area.

Outsourcing billing has become a regular topic in the media during the past five years, which has made way for changes in operations management in the field of billing. Even if a company does not want to outsource their entire billing process, there are ways of making the process easier for them, such as outsourcing interest bills and collection letters.

Conclusion to the literature review

Even though this dissertation focuses specifically on Finland, journals and articles from other countries have been used as well. They are relevant since outsourcing is growing everywhere and in for example the UK outsourcing grew over 20% in between the years of 1999 to 2006, and there was also a growth in employment by 20 percent (Sako 2006). Outsourcing billing services in Finland can be beneficial and productivity can increase.

Other financial parts of a company's cycle of money that can be outsourced include accounts payables and salaries (Sanchez 2010). Outsourcing these parts can save the company money and make the process more efficient, states Sanchez. Sanchez also supports this dissertation's argument of outsourcing not being just the

means to saving money but also to greater efficiency. Sanchez (2010) mentions an example where “a global automaker outsourced its global accounts payables process doubling its on-time-payments and generating more than \$400,000 in annual savings by avoiding the cost of late payments”. As has been stated before, it can be easier for especially smaller companies with less staff to get their accounts receivables back faster if they have contracted their billing to an outsourcing company. Sanchez (2010) also mentions that “process efficiency gains combined with reduced labour costs can generate from 20% to 40% savings”. In the course of this dissertation this claim will be tested by using a formula to calculate how much producing one bill costs through employing a company’s own staff to be in charge of billing and this number can then be compared to Sanchez’s 20-40% claim of savings.

Each company looking to outsource their billing should go through their billing cycle and look at what could be done better (Wright 2010). It can help the identify flaws in their current strategy, such as unnecessary staff expenses or delays in the cycle of money, such as sending out bills too late. This cleaning out process can help with the decision of whether to outsource the process or not as it can show easy fixes to the problems and the process might not benefit from outsourcing at all. However, there are companies that could benefit from outsourcing their billing as there might be problems that cannot be fixed easily and that keep appearing throughout the process (Wright 2010). Overworked staff that is in charge of a lot of things could also be a nuisance to the whole process and might affect the process negatively. In a lot of smaller companies there are employees that are in charge of multiple aspects of the company at the same time and can benefit from dividing up the responsibilities. In these smaller companies with very little billing, it could also be beneficial in some cases to give the responsibility of billing to just one employee in order to create smaller room for error.

Even so, employees might be negatively influenced by the decision to outsource any process in a company, since they might feel that they are under-appreciated and that responsibilities are taken away from them for a

reason other than cost-reduction. Outsourcing can be a difficult change in a company as it requires a lot of people to self-adapt and accept the decision. Sanchez (2010) also argues that “key talent” in a company could leave if it were to be unhappy with the decision to outsource. In terms of customer relationships this would pose a large problem as some customers might be used to working with a specific individual, or furthermore, handling their billing with a certain employee.

This chapter has looked at the literature in reference to the topic of this dissertation in terms of three themes: those sources that support outsourcing billing, those that do not and those that are in between the two extremes. The next chapter will explain the research methods that have been taken in order to complete a research on billing procedures in Finland.

Chapter Three: Research Methodology

1. Research approach

This dissertation will use a quantitative research approach. This approach was chosen because this type of data is best understood when there is a pattern to it and the pattern can be achieved through numerous respondents (Garner 2009, page 69). The questionnaire has been designed to be sent people in charge of billing in wholesale and transport companies, such as financial managers. This research will help in analyzing this topic more in depth as the research deals with the companies in practice instead of theory.

The aim of this research was to find out the attitudes companies have towards outsourcing billing, how aware financial managers are of the specific figures and aspects of their billing and the concerns companies have for the future development of their billing system. Furthermore, the objective was also to find out what companies are willing to change in their billing system and how they wish to do it. The employees in charge of billing were interviewed on various topics, such as what their current billing system is like and whether they are happy with it. This gave a better understanding of what the best solution for that specific company might be. Very basic questions such as the number of bills they send out each year were also included in the questionnaire.

2. Data sources

In this research 474 companies in the transport and wholesale business were interviewed. The companies were chosen using Fonecta Inoa, a Finnish Internet service which provides information on companies. The number of respondents is high because the response rate was much higher than expected. 128 of the interviews were conducted on the transport industry and 346 on the wholesale industry.

As can be seen by the divide, more wholesale companies answered the questionnaire than transport companies. This could be due to disinterest or the fact that the wholesale companies were usually of a larger size than the transport companies and could potentially be more interested in such topic as they maybe had considered outsourcing before. The transport companies were interviewed first and then followed by the wholesale companies.

Wholesale and transport companies have been treated as separate groups and the results for both are demonstrated in separate graphs and diagrams. This was done so that the results could indicate which types of companies were more likely to benefit from outsourcing and which not. Due to the unexpected large response rate to the questionnaire, the companies within either wholesale and transport companies were divided into groups based on their turnover so that the average results for each turnover group could be calculated.

The division of the companies into groups based on their turnover is beneficial because it lays out a common ground for this large amount of data and as Karlsson (2002, p. 154) states, there is a need for common terminology in terms of the meaning of variables and their operationalization. In terms of sample size (Karlsson, 2002, p. 165), the sample size in this case was originally supposed to be smaller but the large number of respondents lead the division based on turnover. Sampling errors could have caused the sample to not represent the correct population of the companies (Karlsson, 2002, p. 162). However, in this case the aim to keep the companies representing the topic the correct way was the reason why the decision was made to focus on companies within two specific industries. This way the margin of error became smaller.

3. Data collection method

The respondents were contacted over the phone as well but mostly via e-mail, where they were able to respond to the questions using an online form. The easy, simple and quick way of using the online form

could have contributed to the fact that there were so many respondents. The e-mail was usually sent to a common company information address, where it was then passed on to the appropriate person.

Selecting the right questions to ask is important in order for the questionnaire not to seem intimidating, states McNeil (2005, p. 110). This questionnaire was thus designed to appear friendly and the respondents were informed that it was for a student's dissertation. The questionnaire should also acknowledge the limits of the respondents (McNeil, 2005, p. 111). In this case companies were very unaware of the answer to the question of the cost of producing one bill for their company. However, this cost was then later calculated for them and e-mailed to them as feedback and as a thank you for participating in the survey. As the right language is important to use in a questionnaire (McNeil, 2005, p. 110), the questionnaire was designed as friendly, easy-going and simple to fill in. As McNeil (2005, p. 111) states that quantitative research should aim to take about 15-20 minutes to fill in, the questionnaire was also designed as fast to fill in and took approximately 20 minutes to complete.

4. Data analysis

Excel has been used to create the tables and graphs of the data as it is a great tool for these type of simple calculations included. The handling of large quantities of data was also easy with Excel. As I was comfortable with my skills with Excel and do not have as advanced skills with SPSS, Excel was chosen as the tool for this dissertation. Therefore instead of learning a new tool I was able to focus more on the analysis itself. Even though Excel is not as powerful as SPSS and more fine-tuning in terms of typing in the formulas was needed, the data could still be handled appropriately and effectively. The division of the companies into their turnover groups was quite manual as each company column had to be separately selected and inserted into the right group. However, this was the only part of basics that was very time-consuming and overall the process with Excel was successful.

Pie charts, graphs and tables have been used to illustrate the data. According to Taylor (2008, p. 129), eye-catching reports can be made with Excel quickly and easily, which was the case with this dissertation as the graphs and pie charts are simple but present the information clearly. The tables have been used to present the data again in order to make it clearer for the reader. Pie charts have been used in the simpler questions.

The advantages of this type of research are that the data collected is easy to interpret, easy to collect and provides a clear overall look into the topic. A clear advantage is also the feedback that was promised and e-mailed to the respondents after their response as it might have motivated the people to respond. A disadvantage is that most people responded via e-mail and probably left out statements they might have made on the phone. Another disadvantage and a major limitation of this research is the fact that the research concerns outsourcing billing and the people in charge of billing were probably somewhat against it since it can possibly risk their jobs. However, even despite the disadvantages the questionnaire received a much higher number of respondents than expected, which indicates that the companies saw it as beneficial and worth of their time. Another disadvantage of this type of research is that in the e-mail survey it was easier for companies to not answer every question if they did not know the answer, whereas on the phone it was easier to explain the question more clearly in order to possibly enable the respondents to answer it. However, even in such cases the answer was sometimes an estimate, which can also be a limitation of the case study.

Another limitation is that as some companies were reluctant to mention their turnover, some of the figures were found using Fonecta Inoa. Most of the figures mentioned by the company representative were estimates, although some individuals did check the actual figure from their files. Had the interviewers interviewed only the CEOs of the companies, the figures might have been more accurate. However, usually the interviewee was the employee in charge of invoicing, which meant that the figures on the number of invoices and so on, were more accurate than the actual financial questions. Many interviewees also

mentioned that questions on turnover or sales receivables were not their area of expertise. The interviewees not aware of these figures were also sometimes very reluctant to estimate them.

This chapter has explained the research methods that have been used to collect and compile information from transport and wholesale companies in Finland concerning their billing systems. This chapter has highlighted the process of collecting the data, the decisions that were made once it turned out that there were a larger number of respondents than expected, the ways in which the data has been handled and the disadvantages, advantages and limitations of the research methods used. The next chapter will present and analyse the data collected and interpreted and compare it with the literature that has been discussed in chapter two. The next chapter will also discuss which results were different between the two groups of the transport and wholesale companies and what may be the reasons for the differences. The next chapter will highlight the most important results by presenting them within the chapter, whereas the secondary results have been explained in the chapter and the graphs, tables and pie charts in relation to those have been included as appendices.

Chapter Four: Data Collection

The questionnaire started with a basic question on the company turnover as it was then easier for the questionnaire to show a picture of the companies' size as a whole. The frequency of each turnover range in the transport and wholesale companies can be seen in Euros in Appendix 1 (p. 44). The numbers mentioned were often estimates, although some individuals did check the actual figure from their files.

The companies interviewed in this report were transport companies involved in truck transport and wholesale companies. In comparison to the wholesale companies, the transport companies were mostly small companies. This ultimately meant that not a great amount of invoicing occurred but the invoices that were sent out were large. Also, these transport companies used accounts where a customer's invoices were done in a bulk so that the cost of sending out an invoice was not as high.

The number of invoices sent by the transport and wholesale companies can be seen in Appendix 2 (p. 45). The invoices were generally sent to corporations, not individuals. This was mostly due to the fact that corporations tend to need transport and wholesale services more. In the case of the transport services, most companies had not calculated the number of bills being sent out because the numbers were so small. Therefore the answers given to this question were often estimates. Compared to the transport companies, much more companies were aware of how many invoices they send out and not as many answers were estimates.

The information on the amount of invoices sent yearly enabled the calculation of the cost of producing one bill with set values for each company, such as staff expenses and mailing expenses. The cost of producing one invoice was calculated for the wholesale companies after the transport companies had responded to the questionnaire since it showed that the transport companies did not know the production cost at all. Guesses

varied from 20 cents to 10 Euros. The formula used shows that the cost varied from 7€ to 26€ in averages. It therefore seems that the companies underestimate the cost of producing one invoice and the cost of their own effort.

The formula used to calculate the cost of producing one bill can be seen below:

Figure 1: Formula used to calculate the cost of producing one bill

Number of invoices sent yearly	1 000	
Calculation for the cost of producing one bill		
Postage charge per bill	0,560	
Equipment expenses	0,056	
Staff expenses		
Time spent on invoicing (%)	0,20	*
Staff expenses for each person in charge of billing	40 000	
Invoicing expenses per year		
Staff expenses	8000	**
Postage expenses	560	***
Equipment expenses (printing, paper, envelope etc.)	56	****
	8616	*****
Cost of producing one bill	<u>8,62</u>	*****

*Calculated through the number of hours percentually spent on invoicing in a month divided by 150 hours. 150 hours is based

on the fact that if a person works in invoicing full-time, they will be working 37,5 hours per week, ie. 150 hours a month.

**Formula used: time spent on invoicing x staff expenses for each person in charge of billing

***Formula used: number of invoices sent yearly x postage charge per bill

****Formula used: number of invoices sent yearly x equipment expenses

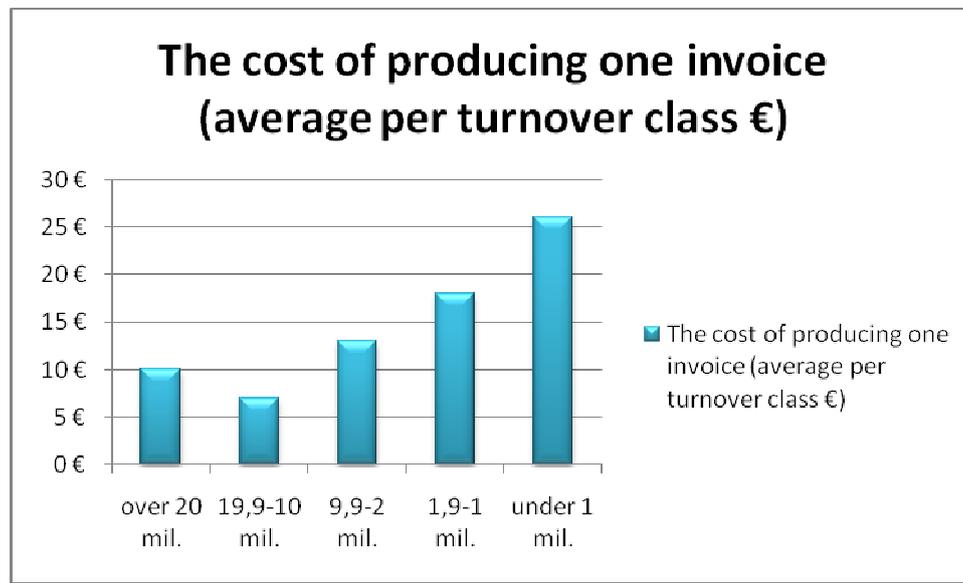
*****Formula used: staff expenses, postage expenses and equipment expenses added together

*****Formula used: invoicing expenses per year divided by number of invoices sent yearly

Figure 2: Table showing the cost of producing one invoice (average per turnover class €)

Turnover range	over 20 mil.	19,9-10 mil.	9,9-2 mil.	1,9-1 mil.	under 1 mil.
The cost of producing one invoice (average per turnover class €)	10 €	7 €	13 €	18 €	26 €

Figure 3: A bar chart showing the cost of producing one invoice (average per turnover class €)



This calculation showed various values ranging from 7€ to 28€. Sanchez’s (2010) statement about outsourcing billing leading to 20-40% savings is therefore quite contradictory since companies who spend 7€ on producing one bill would probably not make any savings by outsourcing. Karvonen (2005) and Hallikainen (2009) are also challenged by the results since the results imply that outsourcing does not always create profit. Companies were also asked whether they knew the price of producing one bill in their company and almost no one did. This would imply that because the companies were not aware of the cost of producing an invoice, they were not aware of some of the benefits of outsourcing.

The highest turnover ranges probably had the cheaper production cost because they are bigger, send out more invoices and have the capacity to be more effective and cut costs or were already using outsourcing. A limitation of this formula was that the formula requires the percentage of time spent on invoicing and the people interviewed on the phone seemed to find it hard to answer this. The same problem could be seen in the e-mail answers. This seems to be an area where serious underestimation of an individual's own work can be seen. Almost everyone answered that they have less than one person handling invoicing, in other words 0,1%, 0,2% or 0,05%. When asked how long it takes to conduct invoicing, people tended to answer 15 minutes a day or even 15 minutes a week, which could be an underestimation.

As Savon MediaCenter Oy's report (2009) on Ernst & Young's research on billing argues that companies can save 10-20% by outsourcing if the outsourcing is implemented in the right way, these results on the cost of producing one bill imply that some of the results could be lower with outsourcing. Since 7€ is still a quite low price, the companies with the higher results would be more likely to benefit from outsourcing. Prete (1998) also mentions that in the case of United Illuminating, the cost of producing each bill was reduced by more than 50 per cent, which shows that companies can indeed lower the cost.

The representatives of transport companies also seemed to have the idea that outsourcing billing is easier but it is expensive. This idea disagrees with Hallikainen (2009) since she mentions that the only goal in outsourcing can be profit and in this case companies seemed to think it was expensive. From the point of view of the transport companies it seemed as though the main goal was the possible easiness of outsourcing. Karvonen (2005) also relates outsourcing directly to cutting back costs, which disagrees with the results of the data concerning transport companies. However, both authors conclude that it is not wise for the creation of profit to be the only pursuit in outsourcing.

Gartner's research (2009), states that companies are more focused on cutting costs than adding value due to the recent economic crisis. Both of these aspects seem to be challenged by the case study since the transport companies were more interested in making things easier and smoother, rather than adding value or cutting costs. In comparison to the transport companies, the wholesale companies were significantly larger. This ultimately meant more invoices, reminder letters, collection and interest bills were sent, which could imply that these companies would also benefit from the easiness of outsourcing.

As theme three of the literature review supported the outsourcing of only parts of a company's billing cycle, the companies were enquired on the number of reminders, collection letters and interest bills they send in order to see whether they would even have the need to outsource those parts of their billing procedures. The number of reminders sent by the transport companies can be seen in Appendix 3 (p. 46) and by the wholesale companies in Appendix 4 (p. 47). Reminders were generally not needed among the transport companies since the customers of the companies interviewed tended to be reliable. The customers often had a long-standing relationship with the company. However, there were exceptions of course and a few interviewees mentioned that in the current economic situation it has been much harder to receive your money back from customers.

A general view among the transport companies was that it is easier to remind a customer over the phone than by a letter, especially since the customers rarely paid the 5€ reminder fee. This would imply that these companies might not benefit from outsourcing reminder letters. However, reminders were used a lot among the wholesale companies. Generally letters were sent out and fees were sometimes used but in this case it was also common for the customers to not pay the reminder fee. The percentage of reminders when compared with the total amount of bills was definitely the highest among the companies with turnover of 20 to 10 million Euros. As can be seen from Appendix 3 and 4 (pages, more reminders were sent in relation to

the amount of invoices than in the case of the transport companies. It is quite surprising that the smallest percentage occurred in the highest turnover range.

The total amount of collection needed by all the companies were also compared with the amount of invoices sent yearly. The amount of collection needed by the transport companies can be seen in Appendix 5 (p. 48) and by the wholesale companies in Appendix 6 (p. 49). There was generally no need to send collection letters among the transport companies. The turnover range of 1,9-1 million Euros needed to use collection the most. Wholesale companies used collection more. The lowest turnover range used collection the most and the highest turnover range used collection the least. Again, this would imply that wholesale companies would benefit more from outsourcing collection since transport companies did not use a lot of collection.

The total amount of interest bills sent by all the companies were also compared with the amount of invoices sent yearly. Compared to reminders, even less interest bills were sent. The number of interest bills sent by the transport companies can be seen in Appendix 7 (p. 50) and by the wholesale companies in Appendix 8 (p. 51). The turnover range of 9,9-2 million Euros sent the most interest bills of the transport companies. The turnover range of 1,9-1 million Euros sent the most reminders of the wholesale companies. Overall, the numbers of reminders sent in both industries were quite low when compared to the total number of invoices. This would imply that there was limited need for the use of outsourcing in billing. However, since handling reminders and customers that are not paying their bills as fast as they should be can be difficult, the companies might benefit from having someone else with these straining issues.

In terms of interest bills and collection, the representatives of the companies sometimes seemed unaware of the exact numbers, which could be a reason for the 0,0% of both. Barely any companies were aware of the amount of profit they receive from overdue interests, which implies that the profit received might have not been very significant or that customers were not paying the interest rate but rather the original amount.

Use of outsourcing in invoicing was not common among the transport companies since the companies interviewed were quite small and did not have to invoice a lot. ACP Internist's (2010) on the lack of outsourcing in smaller companies is therefore supported by the data on the small numbers of invoices, reminders, collection and interest bills in small transport companies. However, Alleva's (2004) research shows that small companies can benefit from outsourcing as well and OK Perintä, Svea Perintä and Intrum Justitia were indeed sometimes used for collection even in the transport companies. Some of the companies mentioned that because of the finance crisis it had been harder to get their money back from customers. These results are supported Virtanen's (2008) statement about the increase in outsourcing billing and how the collection companies have had to become more aggressive in collecting money back. A very small segment of the companies had outsourced their invoices to the Finnish mailing company Itella.

Among the wholesale companies, collection companies were generally used and Lindorff, Intrum Justitia and Svea Perintä were the most common ones. Virtanen's (2008) statement about the growing need for collection companies is also supported by these results as they show that collection companies are popular. Hutchison (2004) and Sanchez (2010) both mention the effectiveness of having outsourced specific parts of billing, which is also supported by these results. Many companies had ongoing outsourcing contracts with collection companies but some companies used them only when needed. This would imply that Hutchison's (2004) suggestion of outsourcing only for example, checks and direct deposits would be beneficial as some companies were already using this technique. Itella was used in invoicing a lot and electronic billing worked often in conjunction with Itella as well.

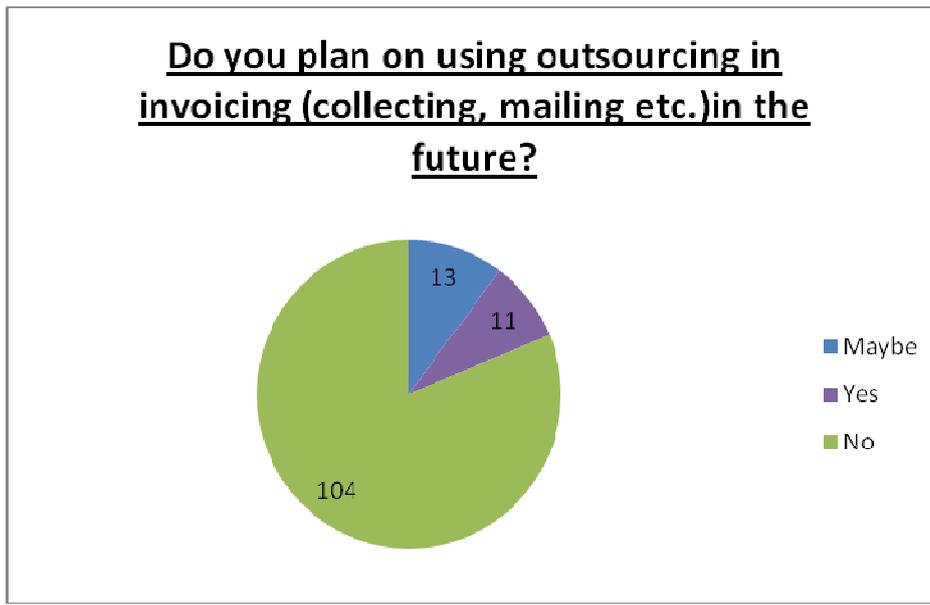
Many companies mentioned wanting to use electronic billing in the future. This supports Credit Management's (2010) statement about electronic billing probably increasing as outsourcing grows. Prete's (1998) statements about how electronic billing has been beneficial for a company are also supported by this survey as people seemed open to the possibility of transitioning to it, even if not necessarily through

outsourcing. The problem among many of these companies was the small size of the company, as it can then be too expensive for them to change their old systems. Any problems mentioned were mostly to do with the companies' information systems. However, some wholesale companies mentioned that there had been problems in launching electronic invoicing and that it was not working as well as it should. This contradicts Prete's (1998) statement as it shows that the successfulness of launching electronic billing depends on a number of issues.

Many of the transport companies mentioned that everything was working well the way it was. However, many also mentioned that in the future, changes might possibly happen. Some of the wholesale companies mentioned that there was room for improvement concerning invoicing programs, electronic billing, collection and in general getting their money back faster. These results support the use of outsourcing since as Kokko (2010) states, changes need to be implemented in order for outsourcing to be successful and as some of these companies wanted to make changes, it would imply that they could be candidates for outsourcing. Agency theory also supports this problem since the outsourcing company would be implementing changes and acting on behalf of the principal, ie. the client, which might cause problems with customer service.

Since the interviewees were the people in charge of billing, the limitation was that they might be more inclined towards not making changes since their jobs might be affected. As Sanchez (2010) states, key talent in the company could decide to leave as a result of the decision to outsource. Since some of the companies were unwilling to make changes, it could support Sanchez's claim as some employees might find it hard to adapt to the changes and leave.

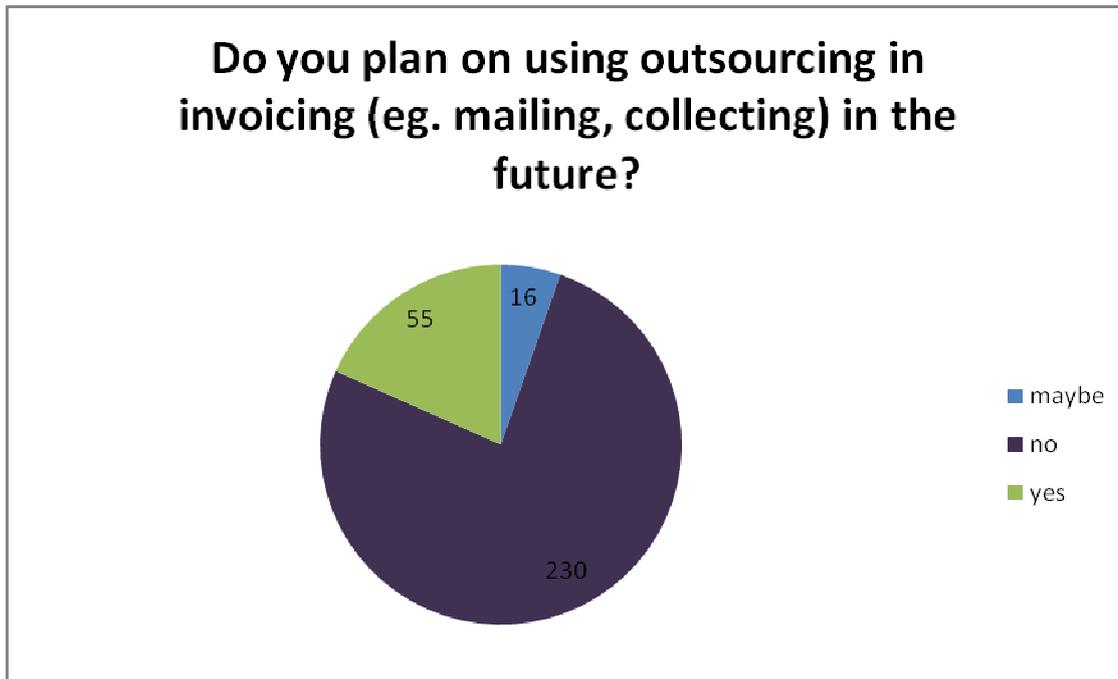
Figure 4. Possible future use of outsourcing in invoicing in transport companies



As can be seen in the graph above, the majority did not plan on making changes. However, almost everyone who was currently using outsourcing in invoicing, planned to do so in the future.

Ultimately, most did not see a reason for using outsourcing in invoicing because invoicing was done to such a small extent that it was not a concern for them. Due to the price of outsourcing invoicing, the money spent would more or less be a loss for the transport companies, as the hours being spent on invoicing were not high. The common idea seemed to be that in small companies it is easier not to outsource since the current billing procedures were working well. Sako (2006) suggests that outsourcing can lead to more value-added services, which in this case would suggest that these companies could improve their procedures.

Figure 5: Possible future use of outsourcing in invoicing in wholesale companies



As can be seen in the graph above, there was certainly a bigger customer base for outsourcing billing in wholesale companies than compared to the transport companies. An approximate 25% of wholesale companies answered yes or maybe to possibly using outsourcing in billing in the future whereas the transport companies seemed mostly disinterested in doing so. As Savon Mediacyter Oy's report (2009) states that 31% of companies are considering outsourcing in the service sector, these results support the claim. Trapasso's (2011) expressed concerns about outsourcing as a privacy issue were not mentioned as an obstacle to outsourcing or a current concern for companies using outsourcing. This is a good example of a question where not all the companies have answered since only 301 out of 346 wholesale companies have answered this question.

Figure 6: Possible future changes to the companies invoicing programs in transport companies

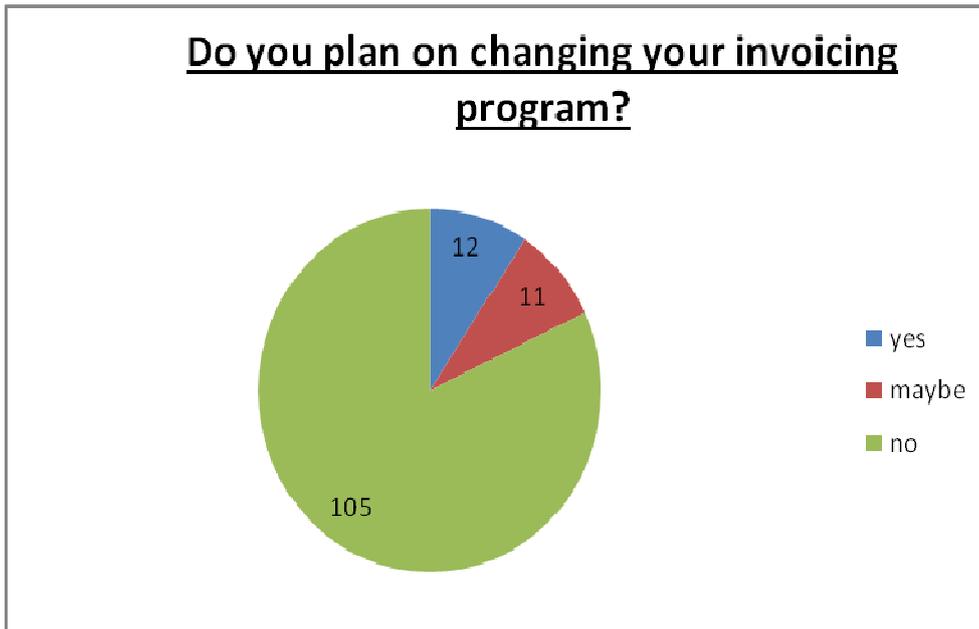
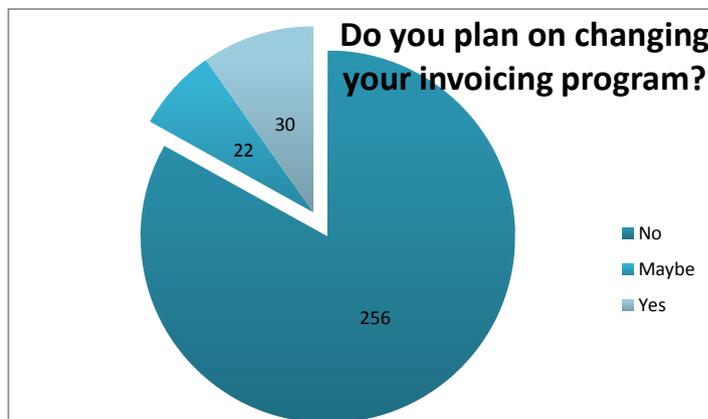


Figure 7: Possible future changes to the companies invoicing programs in wholesale companies



Many companies mentioned wanting to change their programs. However, some of these companies were part of a franchise and mentioned that because of that, changing their program was not their decision. There was some room for change in the wholesale companies since an approximate 20% answered yes or maybe to

changing their invoicing program in the future. This implies that companies are looking for better ways of invoicing. Instead of changing their invoicing program, companies could maybe look into outsourcing as an option.

Some of the companies mentioned that the decision to outsource was not only dependent on cost but also on customer satisfaction. As Hennigan (2010) states, the public image could suffer as a result of using other people to do the work of another company. Virolainen's (2005) statement that 80% of outsourcing have to be renegotiated could be related to a number of the results of this case study but also relates to customer service since companies could be unhappy with the level of customer service outsourcing companies have offered to their clients. However, Credit Management's (2010) article says that customer service can also improve through the use of outsourcing, which is evident in the difference in the way companies in this case study have seen outsourcing as either beneficial or problematic in terms of customer service.

Chapter Five: Conclusion

Ultimately, it seems as though wholesale companies in Finland are more favourable towards outsourcing than transport companies in Finland. The main reason for this view seemed to be that the transport companies were mostly smaller and of the opinion that billing was not a major concern for them because not a lot of it was executed in the first place. The common view among the transport companies was not that the hours spend on billing were not high, which would imply that the money that they would spend on outsourcing would be more of a loss in terms of cost. Another shared opinion was that it can be easier to do everything yourself without the use of outsourcing. The changes outsourcing would have on customer service were also a concern for a lot of companies, which is a matter that is offered to debate by the literature review.

Furthermore, a common quite misguided view was that outsourcing was expensive instead of the usual idea that it actually cut costs. This view shows a gap in the knowledge that companies have of outsourcing and could be the result of a number of things such as negative media, here say, bad past experiences, lack of promotion or common misconceptions. This was not the only area of the study where knowledge was limited since questions on overdue interest, internal interest rate and information system charges were also mostly left unanswered.

The data on the wholesale companies would suggest that when companies become bigger, the use of outsourcing is more likely and more favorable since an approximate 25% answered yes or maybe to possibly using outsourcing in billing in the future and an approximate 20% answered yes or maybe to changing their invoicing program in the future. Overall the wholesale companies seemed positive towards change as many mentioned problems with their information systems and were planning to change into another one, which proves that companies are looking for a better way of organising their billing.

As the cost of producing one bill formula showed bill production prices ranging from 7€ to 28€, it can be determined that outsourcing billing does not always benefit a company cost-wise since companies who spend 7€ on producing one bill would probably not make any savings by outsourcing. However, there are other benefits from outsourcing that the company might be deprived of if they chose not to outsource. Furthermore, since the companies mostly not aware of their cost of producing an bill, they were necessarily not aware of some of the benefits of outsourcing.

As companies mentioned wanting to change certain aspects of their billing process, companies could consider outsourcing billing as a part of these changes. However, the hypothesis of this dissertation was challenged by the data analysis since companies were much more negative towards outsourcing billing as was expected since for example the transport companies did not really want to outsource their billing at all even though they were welcoming changes in other areas of their billing, such as their information systems. Since companies were mostly unaware of the cost of producing one bill, their misconceptions about the cost of outsourcing can be understood. The formula on the cost of producing one bill then showed that the cost was varied but some of the companies could indeed save money as the costs were quite high.

Organizations should apply the knowledge and talent within the company to fix the current problems in their billing procedures. If the problem were a specific one, such as a problem with the billing program used, the company could change the program or look at outsourcing as an option. However, there are risks in changing the program as it can be costly and could still remain ineffective if the problems with it were related to the way in which the organization has decided to create its bills. Outsourcing billing can be costly as well but the risks in it can be far less than in for example advertising or marketing research as billing is simpler and results can be expected and somewhat known beforehand. In marketing research, the results might be completely different to what was expected and an advertising campaign might be rejected by consumers and

not produce the profit margin expected. Furthermore, outsourcing billing can also open up new positions and ventures within the company as employees that had had to previously focus some of their work on billing could focus on other responsibilities. Even so, redundancies could happen if the workforce that had been dedicated to billing were of a high quantity.

This dissertation is significant as it challenges the ideas and concepts on outsourcing billing in the Finnish media as the representatives of transport companies were clearly not on the same level when it came to the willingness to outsource billing. Even though wholesale companies were more willing to consider outsourcing in billing in the future, the 25% that answered yes or maybe to this is not a very high number. The research clearly showed that a majority of wholesale and transport companies in Finland had a lack of interest towards outsourcing in billing and the general attitude was rather negative. The calculations made on the numbers of interest bills, collection and reminders sent also show that the majority might not benefit from outsourcing these procedures as they did not form a significant part of the companies' daily activities as they were not done to such a large extent compared to the invoices. This dissertation is also significant as it gave the companies feedback and showed them their cost of producing one bill, which can enable them to determine which one is more beneficial, outsourcing billing or doing it in-house.

A future area of research based on this topic could be to investigate why there is a lack of willingness to outsource. The areas that could be considered at fault are for example lack of promotion, misguided ideas about outsourcing and unwillingness to pursue changes. It could also be investigate whether this is more of a matter of customers being happy with the way things are now or whether outsourcing has become an option that companies do not necessarily consider as a solution. Other further areas of research could be why are financial managers unaware of certain figures, how well do they know their cash flow and problems with their procedures. Customer satisfaction with outsourcing in general could also be further investigated based on the conclusions that have been drawn in this dissertation on the companies already using outsourcing in

parts of their billing. It could also be investigated whether it would be easy for companies to improve the cost of producing one bill without outsourcing billing and what they policies they could implement in order to do so.

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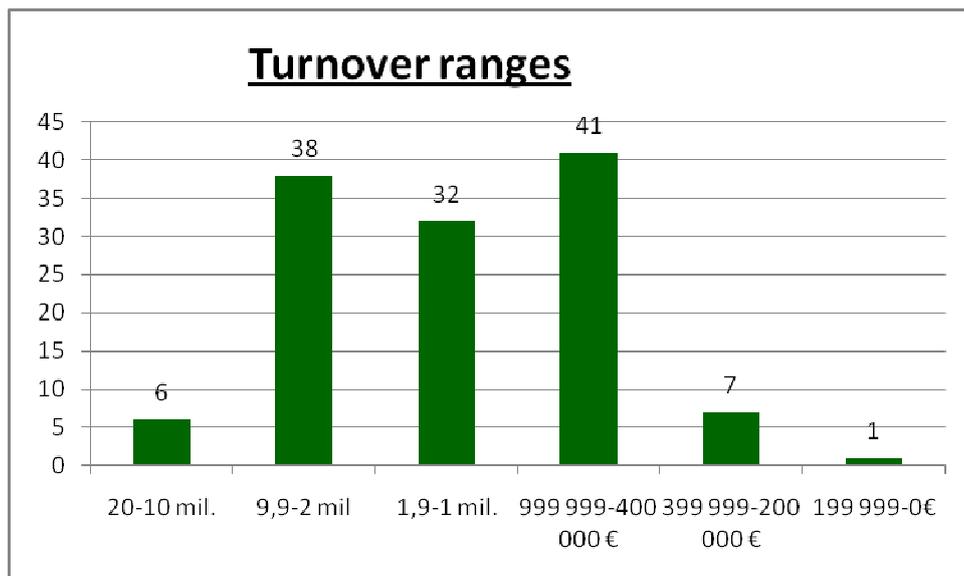
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Appendix 1: Turnover groups in transport and wholesale companies

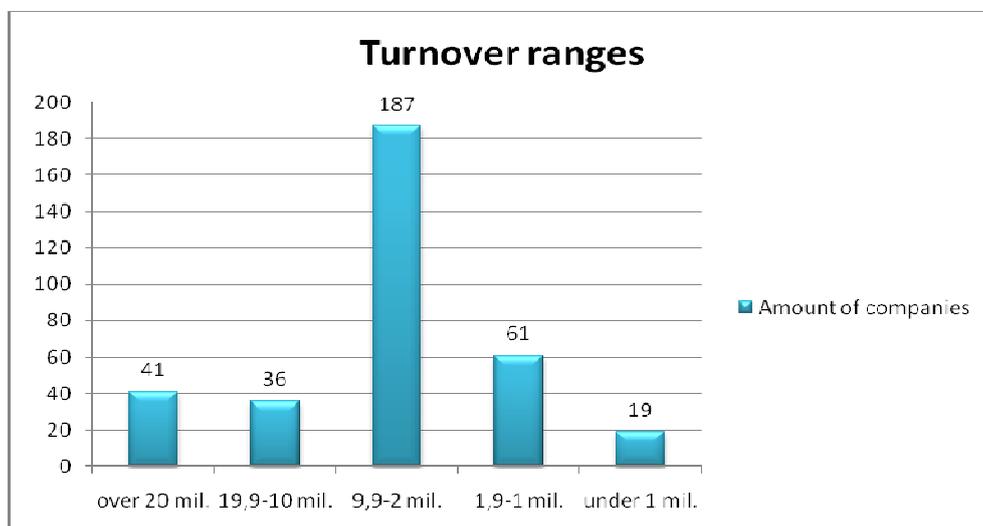
Transport companies

Turnover ranges	20-10 mil.	9,9-2 mil.	1,9-1 mil.	999 999-400 000 €	399 999-200 000 €	199 999-0€	Unknown
Amount of companies	6	38	32	41	7	1	3



Wholesale Companies

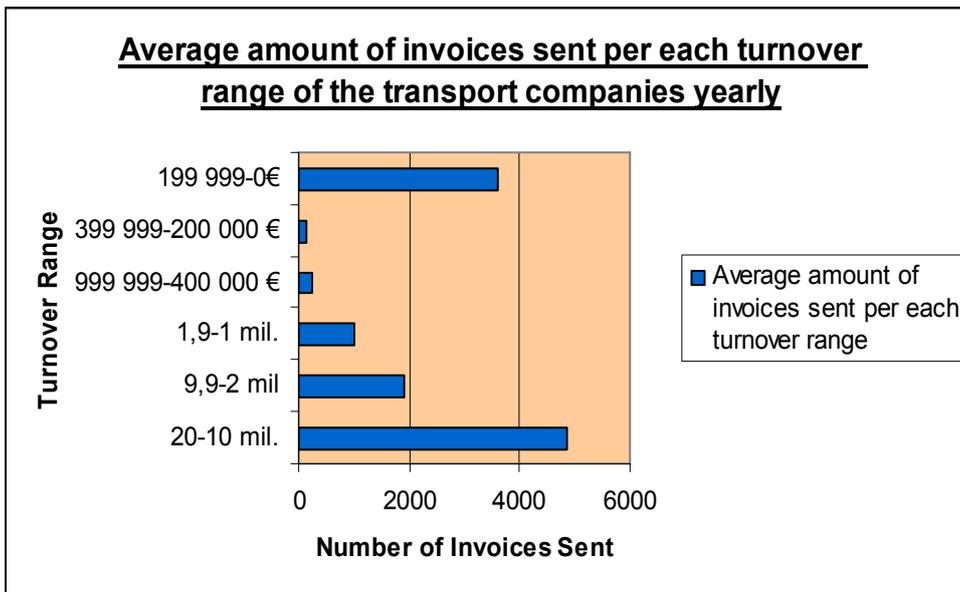
Turnover range	over 20 mil.	19,9-10 mil.	9,9-2 mil.	1,9-1 mil.	under 1 mil.
Amount of companies	41	36	187	61	19



Appendix 2: Number of invoices sent by transport and wholesale companies

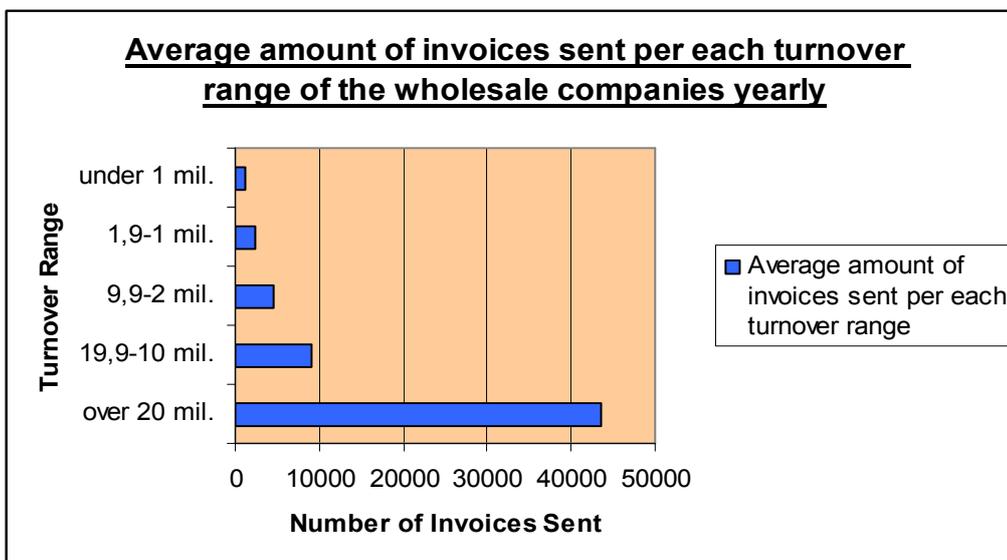
Transport companies

Turnover range	20-10 mil.	9,9-2 mil.	1,9-1 mil.	999 999-400 000 €	399 999-200 000 €	199 999-0€
Average amount of invoices sent per each turnover range	4860	1898	1002	238	139	3600



Wholesale companies

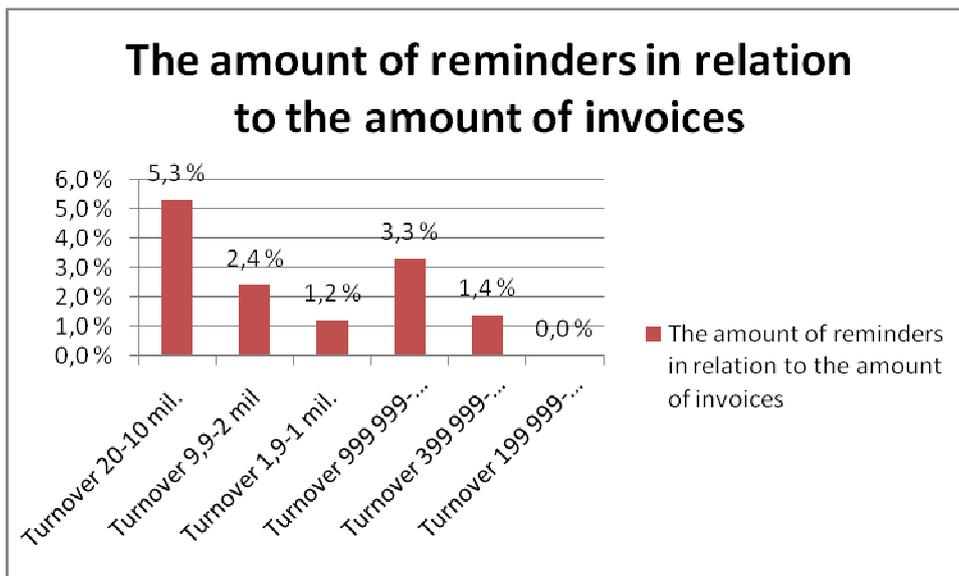
Turnover range	over 20 mil.	19,9-10 mil.	9,9-2 mil.	1,9-1 mil.	under 1 mil.
Average amount of invoices sent per each turnover range	43463	9033	4641	2358	1274



Appendix 3: Number of reminders sent by transport companies

Turnover range	Turnover 20-10 mil.	Turnover 9,9-2 mil	Turnover 1,9-1 mil.	Turnover 999 999-400 000 €	Turnover 399 999-200 000 €	Turnover 199 999-0€ or unknown
Total amount of reminders sent by all the companies	1280	1659	327	310	13	0
Total amount of invoices sent by all the companies	24300	68087	27607	9528	961	5749

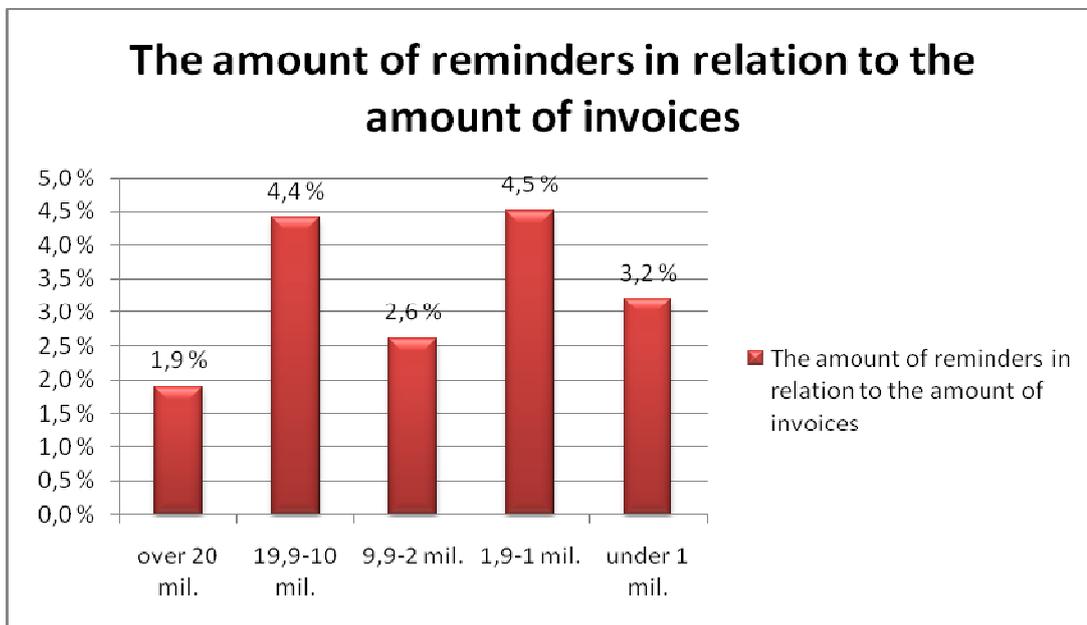
Turnover range	Turnover 20-10 mil.	Turnover 9,9-2 mil	Turnover 1,9-1 mil.	Turnover 999 999-400 000 €	Turnover 399 999-200 000 €	Turnover 199 999-0€ or unknown
The amount of reminders in relation to the amount of invoices	5,3 %	2,4 %	1,2 %	3,3 %	1,4 %	0,0 %



Appendix 4: Number of reminders sent by wholesale companies

Turnover range	over 20 mil.	19,9-10 mil.	9,9-2 mil.	1,9-1 mil.	under 1 mil.
Total amount of reminders sent by all the companies	56822	28314	44515	12318	1462
Total amount of invoices sent by all the companies	2970975	649652	1695170	273220	45824

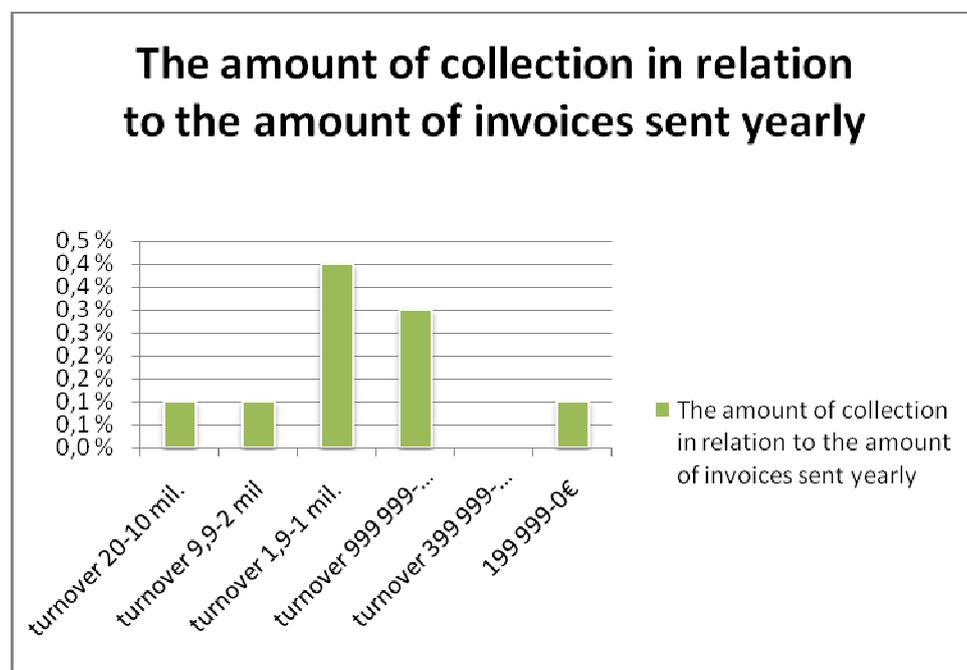
Turnover range	over 20 mil.	19,9-10 mil.	9,9-2 mil.	1,9-1 mil.	under 1 mil.
The amount of reminders in relation to the amount of invoices	1,90 %	4,40 %	2,60 %	4,50 %	3,20 %



Appendix 5: Amount of collection sent by transport companies

Turnover range	turnover 20-10 mil.	turnover 9,9-2 mil	turnover 1,9-1 mil.	turnover 999 999- 400 000 €	turnover 399 999- 200 000 €	199 999- 0€
The amount of collection done by all the companies yearly	17	72	110	18	0	10
The amount of bills sent by all the companies yearly	24300	68087	27607	9528	961	5749

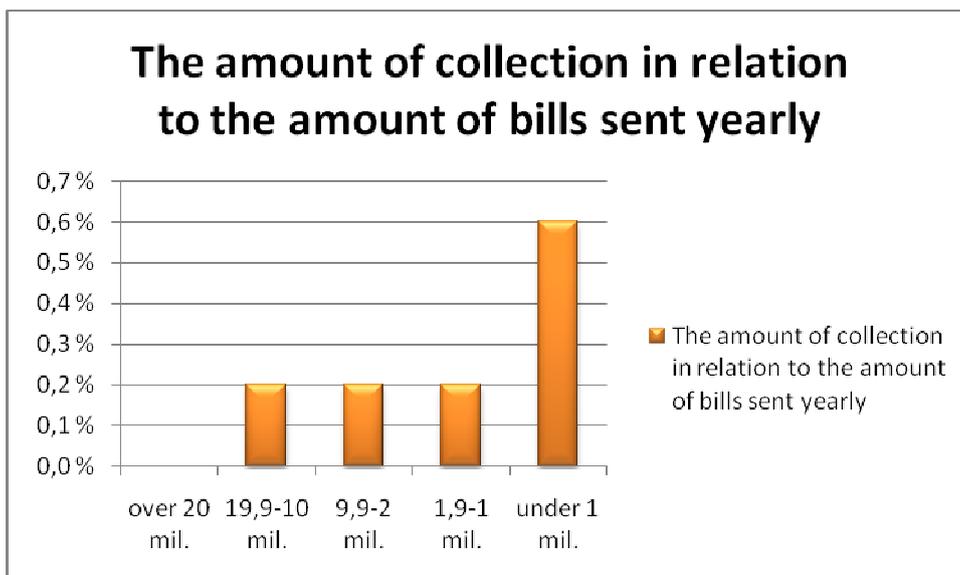
Turnover range	turnover 20-10 mil.	turnover 9,9-2 mil	turnover 1,9-1 mil.	turnover 999 999- 400 000 €	turnover 399 999- 200 000 €	199 999- 0€
The amount of collection in relation to the amount of bills sent yearly	0,1 %	0,1 %	0,4 %	0,3 %	0,0 %	0,1 %



Appendix 6: Amount of collection sent by wholesale companies

Turnover range	over 20 mil.	19,9-10 mil.	9,9-2 mil.	1,9-1 mil.	under 1 mil.
The amount of collection done by all the companies yearly	1235	1100	2578	966	253
The amount of bills sent by all the companies yearly	2 970 975	649 652	1 695 170	273 220	45 824

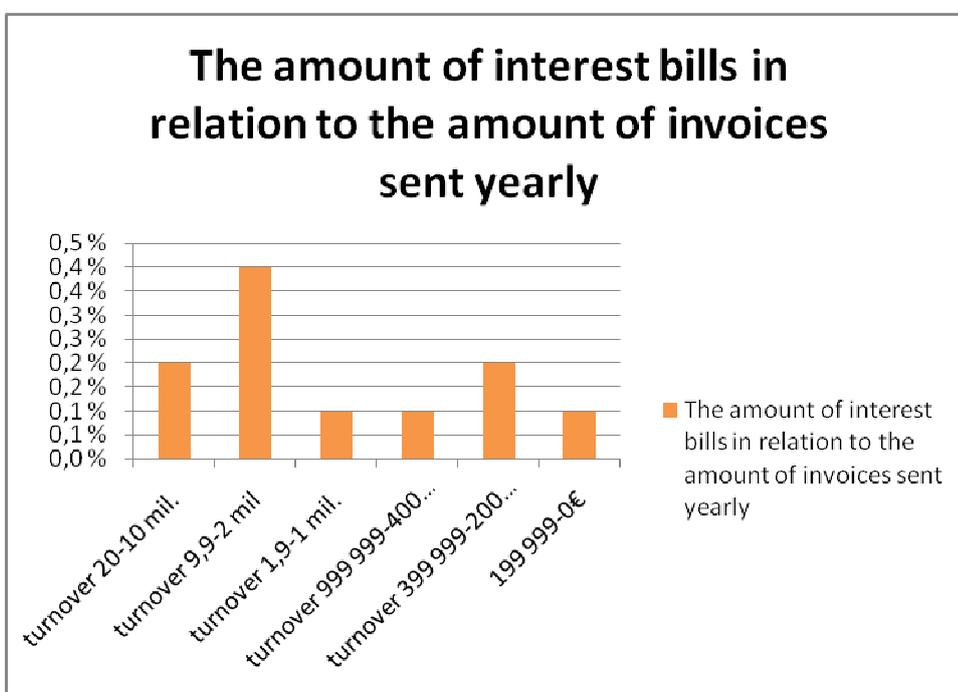
Turnover range	over 20 mil.	19,9-10 mil.	9,9-2 mil.	1,9-1 mil.	under 1 mil.
The amount of collection in relation to the amount of bills sent yearly	0,0 %	0,2 %	0,2 %	0,2 %	0,6 %



Appendix 7: Number of interest bills sent by transport companies

Turnover range	turnover 20-10 mil.	turnover 9,9-2 mil	turnover 1,9-1 mil.	turnover 999 999- 400 000 €	turnover 399 999- 200 000 €	199 999-0€
The amount of interest bills sent by all the companies yearly	42	263	27	28	2	8
The amount of invoices sent by all the companies yearly	24300	68087	27607	9528	961	5749

Turnover range	turnover 20-10 mil.	turnover 9,9-2 mil	turnover 1,9-1 mil.	turnover 999 999- 400 000 €	turnover 399 999- 200 000 €	199 999- 0€
The amount of interest bills in relation to the amount of invoices sent yearly	0,2 %	0,4 %	0,1 %	0,1 %	0,2 %	0,1 %



Appendix 8: Number of interest bills sent by wholesale companies

Turnover range	over 20 mil.	19,9-10 mil.	9,9-2 mil.	1,9-1 mil.	under 1 mil.
The amount of interest bills sent by all the companies yearly	3996	9669	12064	966	253
The amount of invoices sent by all the companies yearly	2 970 975	649 652	1 695 170	273 220	45 824

Turnover range	over 20 mil.	19,9-10 mil.	9,9-2 mil.	1,9-1 mil.	under 1 mil.
The amount of interest bills in relation to the amount of bills sent yearly	0,1 %	1,5 %	0,7 %	0,4 %	0,1 %

