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The structure of HOK-Elanto's funeral service

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The structure of HOK-Elanto's funeral service

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The objective of this bachelor's thesis was to create understanding of how HOK-Elanto's funeral service is structured and how it functions in order for the organization to be able to maintain its earlier rate of expansion. The study was conducted as a case study, in which maps of the external and internal structures of the organization were generated. The final output of this thesis may be used as a planning tool for the future and the purpose of the thesis is to function as preliminary work in a larger development process, which would take place in the organization. There is a relatively small amount of research in this business area and this particular study can be justified in view of the pressure to expand in the organization. The special features of the organization, such as the fact that it is a function of a cooperative society, is one of the largest operators in this field of business and has unintentionally evolved into the current structure, make the study more unique and worthwhile.

Illustrations of the structure were created, explained and analyzed. The analysis was based on gathered information on the existing structure, summarized in the illustrations, and literature on the structural models of organizations and cooperation between businesses. The most common organizational structures are introduced, and features of these structures are then identified based on the existing structure. The principles that underlie cooperative societies are explained and also the simplified core process was introduced to clarify the whole description.

The division of risks, subcontracting and development of the organization are discussed in the thesis. Some of the current solutions are criticized as are the solutions offered in this thesis. The impact of the expansion of the organization may be solved by centralizing certain functions not currently centralized and by increasing the fluency of communication between HOK-Elanto's funeral service and subcontractors. Current and possible future bottlenecks were identified.

The research was qualitative, using participatory observation and interviews as methods. The research was also considered to be valid and reliable enough, although not replicable.

Key words funeral, organization, structure, cooperative society, subcontracting

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Tämän lopputyön tavoite oli luoda käsitys HOK-Elannon Hautauspalvelun toiminnasta ja rakenteesta, jotta kyseinen organisaatio pystyisi laajentumaan aikaisemmin koetulla tahdilla. Tämä urakka aloitettiin luomalla kartat organisaation sisäisestä ja ulkoisesta rakenteesta. Tutkimus tehtiin tapaustutkimuksena (case-study). Lopputulosta pitäisi voida käyttää työkaluna tulevaisuuden suunnittelussa ja lopputyön onkin tarkoitus toimia pohjustuksena suuremmalle kehitysprosessille. Tätä liiketoiminnan aluetta ei ole tutkittu kovinkaan paljoa ja tämä tutkimus voidaan oikeuttaa organisaation paineella laajentua. Organisaation erityispiirteet, kuten se että kyseessä on osuuskunnan toiminto, se että kyseessä on yksi alan suurimmista toimijoista ja se että nykyinen rakenne on vuosikymmenten suunnittelemattoman kehityksen tulos, tekevät tästä tutkimuksesta ainutkertaisen ja erityisen kannattavan.

Rakenteista tehtiin kuvat, ne selitettiin auki ja analysoitiin. Analyysi perustuu kuvissa tiivistettyyn tietoon, organisaatorakenteisiin ja yritysten väliseen yhteistyöhön keskittyvään kirjallisuuteen. Yleisimmät organisaation rakenteelliset mallit esitellään tekstissä ja olemassaolevasta rakenteesta tunnistetaan mallien piirteitä ja ominaisuuksia. Suurimman mahdollisen selkeyden saavuttamiseksi, myös osuuskuntatoiminnan perusteet ja organisaation ydinprosessi esitellään lukijalle.

Lopputyössä käsitellään myös riskinjakoa, alihankintaa ja organisaation kehitystä. Sekä ehdotettuja ratkaisuita ja nykyisiä toimintamalleja arvostellaan. Laajenemisen haittavaikutus organisaatioon voidaan ratkaista keskittämällä aikaisemmin keskittämättömiä toimintoja ja sujuvoittamalla kommunikaatiota HOK-Elannon Hautauspalvelun ja alihankkijoiden välillä. Nykyisistä ja mahdollisista tulevista pullonkaloista käydään myös keskustelua.

Tutkimus oli menetelmiltään kvalitatiivinen käyttäen osallistuvaa observointia ja haastatteluita tiedonkeruussa. Tutkimusta pidettiin myös riittävän luotettavana ja pätevänä, siitä huolimatta ettei se ole toistettavissa.

Avainsanat Hautajaiset, organisaatio, rakenne, osuuskunta, alihankinta

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1 Introduction

1.1 General

This topic for a thesis has been of my personal interest, due to the relatively long periods of employment for the organization in question. Viewing the operations from several points of views, according the task I was working on at the time, draw my attention to a general view on the entire operations as whole. Long traditions inside the organization, exceptional field of business and being a function of one of the biggest and most visible cooperative societies in Finland, make the research unique in the way that no other organization offers similar settings. The topic is especially interesting since the organization in question is one of the largest funeral services operating in Finland and has covered a large customer base for a long period of time in Finland's most densely populated area (Purhonen 4 April 2012). This thesis could be considered as preliminary work for a development process of larger scale in this particular organization.

Also as the writer of this thesis, I possess knowledge of some level on this specific organization, since I have been employed by both in the HOK-Elanto's funeral service as a step in for logistic coordinator in 435 and sales representative in 431, and as a hearse driver in the cooperating transportation service Hautauspalvelu Painilainen Oy. I have also worked for the previous transportation service, which was used by HOK-Elanto's funeral service (Olavi Tossavainen Oy) before Hautauspalvelu Painilainen Oy took charge of the transportation due to retirement of the previous subcontractor. The main method used for data gathering was participative observation, which was conducted during my employment by the mentioned employers.

1.2 Objective

Objective of this thesis is to map the existing network of companies in relation to HOK-Elanto's funeral service, the internal structure of HOK-Elanto's funeral service and identify the bottlenecks occurring or to be occurred when the organisation expands.

1.3 Justification of the study

According to Timo Purhonen, the study is easily justified, since a similar study has not been conducted on this particular organization or, as per his knowledge, in this field of business. All the documents on this topic are contracts and due to the small scale of operations the cooperative society has not found this kind of study worth-wile. From the organization's point of view the provided information may come useful due to expanding they have lately wit-

nessed. The information provided in this thesis report may be used as a tool when planning the future of the business. Objective overview of unmapped organization might be valuable when development is planned.

Possible outputs of this thesis project are development suggestions and a described structural map of the organization. The outputs are in a form of a written report and the utilization of the output would be in the hands of HOK-Elanto's funeral service's management as they will receive a copy of the written thesis.

1.4 The limiting factors of the study

The business models of cooperating businesses, financial flows, profit gaining structures, factors of privacy related to the business and corporate secrets are the obvious limiting factors, due to the nature of this study. However, the main limiting factor is the topic. The main focus is on the organizational structure and its development in the future. This means that the width of the topics covered needs to be artificially limited in order to maximize clarity and expediency. This report does not aim to be a hollow overview of all that there is, but a topic specific insight in undiscovered area of this particular business. These issues were agreed when ground rules of the project are agreed on in the meeting with the chain manager.

2 Knowledge base

Following literature was used in making of this thesis. They differ from the bibliography mentioned in the original research plan, because during the thesis process, the need for specific information appeared.

2.1 For describing the possible structure of the organization

For the description of the structure, mainly Bengt Karlöf's, Fredrik Helin Lövingsson's book "Om Organisation" translated into Finnish "Organisaation olemus" was used. It provided the thesis with the basics of organizational structures and their features, advantages and drawbacks. The theories introduced in this thesis were the models of functional, divisional and matrix organizations. Also the means of reviewing the organizations external part were discussed using network and virtual organization models. These models were aimed to explain the functioning of the organizations in cooperation with its internal and external parts.

2.1.1 Function based organization

The function based organization is often used, when the organization has grown so vast, that one manager or managerial group is not able to control it by their selves. The division of inside the organization is done according to the function of each part of the organization. These parts could be for example human resources and research and development. This type of organizational structure is often used by governmental institutions, hospitals and universities. The benefits of this kind of structure are ability to specialize, economies of scale, reduced internal competition and good basis for supervision and control. The most commonly experienced disadvantages are lack of customer centered approach, cultural conflicts, lack of ability to delegate responsibility for profitability, managing the managerial resources and slow reactions to changes. (Karlöf et al 2006, 22-25)

2.1.2 Division based organization

Division based organization is usually used, when the operations of the company diversifies. It is also considered as a typical structure in multinational companies. The company is divided into divisions, which each typically cover a customer group, product or a geographic area's market. The divisions are usually operating as individual SBUs (Strategic business units), however the company also often has centralized operations. These SBUs try to satisfy the specific markets, compete with rivalry, create their own business ideas and strategies, aim at profit with responsibilities and share some of the resources with the parent company. The benefits of this type of organization are ability to decentralize responsibility, fast reactions to changes, small scale benefits and better starting points for expansion. Division based organizations are known to suffer from lack of economies of scale, overlapping work, internal rivalry, problems with internal pricing, biased specialization and other issues with specialization. (Karlöf et al 2006, 26-32)

2.1.3 Matrix based organization

When one of the previously described models is perceived as inefficient due to the complexity of the tasks to be performed e.g. R&D (Research and Development) of a multinational producer of sophisticated electronic hardware, matrix based organization structure could be taken into use. Matrix based organization could be aimed to combine the area-specific knowledge with profit making profit divisions. Often the responsibility for profits and losses are also divided. (Karlöf et al 2006, 32-34)

Typical benefits from a matrix based organization are acknowledging of variety of dependencies, intensive data processing and efficient distribution of resources. Matrix based organizations often suffer from lack of responsibility which can be divided into several sub-categories.

Also failing to fully cover all the necessary dependencies inside the organization is seen as a problem. (Karlöf et al 2006, 35-37)

2.1.4 Network organization

According to Professor Henry Mintzberg from McGill University, Montreal, a principal of network organization is to work as a knot, which can be utilized to fulfill customer's needs. Management and leadership are often project based and occasional. Mintzberg also states that projects are a form of working in network organizations and it enables the employees to specify in the given subject regardless of the changing environment. The project managers are administered by a more official party, the organization's management, but on a project level the specialized teams or operators are fairly independent. Network organization is considered to be more of a mean of describing the organizations functioning and processes, rather than being an organizational structure. (Karlöf et al 2006, 38)

2.1.5 Virtual organization

A more abstract way of seeing structures and dependencies is a virtual organization, which is essentially an external structure of an organization which is used in the organization's process. The entity of several organizations is participating in one process for a shared outcome, all providing an input of their own core competence. This enables all the organizations to concentrate in their core competences and therefore efficiency is gained. This network of subcontracting and outsourcing is enabled by using advanced means of communication and organizing. By using this kind of external structure individual parties may gain synergy and mutual benefits from use of other parties. (Karlöf et al 2006, 41-42)

2.2 For describing the basics of cooperative societies

The fundamental characteristics, operating models and aims of a cooperative society were discussed according to Heikki Juutinen's, Åke Stenström's and Raimo Vuori's book "Tehokas omistajahallinto - Osuuskunnan hallintohenkilön käsikirja", which is a product of Pellervo-institution and published by Gummerus Kirjapaino in Jyväskylä in the year 2002. This was the simplest source of information I was able to find on Finnish cooperative societies. The introducing of the cooperating society as a party in business environment was considered necessary, since it is less known to the public and functions on different basis. The theoretical part used from this source was relatively short, because the book was meant to work as a guideline for cooperative societies and therefore emphasized on the practicalities. However this

book provided thorough enough overview on the concept and had a good table for underlining the differences between other forms of business operations and cooperative societies.

2.2.1 Cooperative society

As a form of business, cooperative societies are rather different when compared to more common business models. Cooperative societies usually have a large number of owners and the services provided are related to the needs of the owners. In Finland, cooperative societies usually run banking, insurance and consumer good businesses. In the insurance sector, insurance associations equal cooperative societies in the way they conduct business. In other countries cooperative societies also provide electricity, telecommunications, housing and information technology services. (Juutinen, H. & Stenström, Å. & Vuori, R. 2002, 8)

Cooperative society is a society that has unlimited number of owners. The members of cooperative society are able to name the amount of cooperative capital and it is also relatively easy to resign from. Essentially cooperative societies are administrated on democratic basis, so that every owner of the cooperative society has one vote to be used in cooperative society's meetings, but this rule can be altered if the rules of the cooperative society dictate so. The actuators of a cooperative society are cooperative society's meeting, board of directors, and auditors. In addition to these actuators, also a CEO can be named if that is found necessary. The owners of cooperative society can be in a business or customer relationship, so that he/she is the supplier of the good or service or a customer of the good or service provided by the cooperative society. (Juutinen, H. et al. 2002, 11)

2.2.2 Principles of cooperative society

The principles of the cooperative system are summoned by International Cooperative Association (ICA) in the year 1995.

1. Cooperative societies are open and voluntary organizations
2. Basic cooperative societies follow the owner/vote principle
3. Owners of the cooperative society take part equally in increasing the capital
4. Cooperative societies are independent, owner administered, democratic organizations based on independent initiative
5. Cooperative societies offer their owners, board, management and personnel a possibility for education or training
6. Cooperative societies cooperate with each other
7. Cooperative societies operate, on the means decided by the owners, to create sustainable development.

(Juutinen, H. et al. 2002, 12)

2.2.3 Differences between cooperative society and limited companies

The biggest difference to be named when comparing cooperative societies to limited companies is the main aim: the operations of a cooperative society are meant to be done so that they primarily provide the owners (acting as customers) with goods, services or other benefits. This means that profit of the investors is not considered as a target in the operations. Where a limited company is owned by the shareholders, cooperative societies are owned democratically by their owners. The democracy is emphasized, since all the owners have equally one vote instead of given amount of decision power according to the amount of owned shares. A cooperative society is also a party capable of owning its capital, where as the capital of limited companies is owned by the shareholders. Also the profits are distributed to the owners of cooperative society according to use of cooperative society's services e.g. in a form of bonus payments, not according to the amount of shares owned. The amount of owners is not preannounced either unlike in the limited companies, where the share capital is solid. Where the limited company can be taken over, a cooperative society cannot, since the cooperative society selects its owners independently. There are also differences on the legal side, since they operate according to different sets of law. (Juutinen, H. et al. 2002, 11) (Suomen yrittäjät, 2004) (Nyberg, R. & Ahola, K., 2011)

2.2.4 History in Capital area

Finland has a long history of cooperative societies and cooperative societies are relatively popular. Traditionally, Finnish cooperative societies have been divided into two major camps, other being Elanto where the funeral service function is located. Other one was Helsingin osuuskauppa (HOK) which two merged into HOK-Elanto in the year 2004. In the year 2000 Finland had over 2500 cooperative societies and number of owners totaled 5,2million which was as much the population of Finland. This can be explained with overlapping ownerships. Elanto has strong roots in capital areas cooperative society tradition and currently HOK-Elanto has over half million customer owners of HOK-Elanto and S-group 1,9 million customer owners. It was based in 1905 as reaction to strong migration to the capital area. During the more of 100 years of evolution Elanto has experienced vast changes as it has expanded and also been in a complete reorganization. Due to HOK-Elanto being a child of a rather recent merger, the entire history is a twofold story, but the function in question, HOK-Elanto's funeral service has earlier been part of HOK. (HOK-Elanto's funeral service, 2012) (S-Ryhmä, 2012)

2.3 For the part considering methodology

The methodology was discussed using two main sources. The first one is Elias M. Awad's and Hassan M. Ghaziri's international edition of the book "Knowledge management". This book was printed in 2004 by Pearson Education in New Jersey. The main use for this book was in the process of specifying the method used for data gathering and evaluation. This book also provided the thesis with one learning theory and an explanation of the nature of the data used. "Knowledge management" was discovered to be a solid and comprehensive source for information.

Other remarkable source for theory on methodology was Professor Peter Woods' material on qualitative research. This material was found online and it was used by University of Plymouth. It discussed the issue consistently and provided the thesis with explanation and features of the research method used.

2.3.1 Knowledge

The knowledge available on the organization was tacit. By tacit knowledge, the type of knowledge, which is embedded in humans by experience and jobs, is meant. (Awad et al 2004, 47)

2.3.2 Data gathering

Participatory observation was one of the main sources of this research. It is similar to on-site observation, which basically means that researcher is present on the site of work and observing, interpreting and recording expert's work and problem solving. (Awad et al 2004, 158) In participatory observation the researcher actually takes part in the organization's functions and aims to experience the events in the same way that the experts do. In practice this was conducted by being employed by the organization in different positions and on occasions. (Pearson Education, 2005) Since the participatory observation was conducted during employment of the organization neither selective bias nor intentional pointing for errors took place. The participatory observation was unintentional from the point of view of this thesis and therefore the environment with its reality and practices did not cause any problems. (Gillham 2010, 47) During the observation phase no objective was set and the observation was natural.

Among with participatory observation, also interviews were used for data gathering. Rapid prototyping method means a method where the gained knowledge is added to the following question in order to get specific and solid enough information on the topic that interview is held for. Features of this method were also used unintentionally during the "blackboarding"

with Timo Purhonen in order to get detailed enough overview of the structure. (Awad et al 2004, 149)

The rapid prototyping method was selected due to its high level interaction and low risk of failure. Since the parties to be interviewed were already familiar to the interviewer, it was considered as to most fitting and open way to gather data from the experts and it allowed access to high level of detail. The lack of guidelines as a drawback of this particular method, was managed by using some guiding questions and by the purely observatory nature of the interview. (Awad et al 2004, 149)

The way data was gathered from Timo Purhonen, could be identified as applied blackboard-ing, since the basic method was used was gathering expert(s) in one workspace and working together to solve the problem. (Awad et al 2004, 174) The template for this data gathering was a paper, on which the structural map was drawn. The details were gained using specific questions during the mapping process and follow up questions, sent via email, when describing the structure in written. The questions were open ended and the answers were explanatory and detailed. The frame of the structure was constructed on paper according to my and Purhonen's insight on the different parts of the organization.

2.3.3 Qualitative research

By qualitative research, an approach to research is meant, that focuses on natural settings, has an interest in meanings, perspectives and understanding, has an emphasis on process and has a concern with inductive analysis and grounded theory. The main methods of conducting qualitative research are observation, interviews, sampling, written materials and questionnaires. Out of these methods written materials, observation and interviews were used, due to the conditions in which the research was conducted. As a preset of the research, no hypothesis was named and there was no theory to be proven with the research. According to the Woods, the qualitative research can also work other way around and therefore try to identify the theory. The aim was to observe, record and analyze the structure that was already existing and functioning. In addition, features of theories are tried to identify. (Woods P, 2006)

2.4 For analysis

The main sources for analysis was the earlier presented theories on organizational structures and Pasi Vakaslahti's book "Jalosta liikesuhde kumppanuudeksi - alihankinnasta yhdessä tekemiseen", which was published by Talentum Media Oy in 2004. The book provided the thesis with theoretical background of networking companies and their advantages and disadvantages. It would also have been difficult to place criticism against networking organizations

and subcontracting without Vakaslahti's introduction of difficulties that networking organizations face.

The major disadvantages and points of criticism towards business partnerships and networks including subcontracting were obstacles for further choices, exclusion of options, distribution of profit, strategic defects, growing a direct competitor out of one of subcontractors, loss of knowledge, unpleasant surprises and changes occurring as time passes. Exclusion of options and loss of knowledge were the most relevant points of criticism in this particular organization. (Vakaslahti 2004, 46-55) By loss of knowledge, a situation is meant, where one of the functions is outsourced for a given reason and therefore the conduction of this function inside the organization ceases to exist. Therefore, the function specific knowledge and control on this function is diminished. This creates blind-spots to the organization as a cost of increased efficiency. (Vakaslahti 2004, 49-50) The exclusion of other options takes place usually in the situations, where it is impossible to please all the parties in the field of business. If the relationship is forced by the environment, the factors causing this force should be measured and evaluated. (Vakaslahti 2004, 47-48)

In the analysis part, and especially in the part considering development of the organization, also Bengt Karlöf et al's theories and views were used in pointing out the possible weak points and benefits of the existing organization, based on the advantages and disadvantages pointed by Karlöf et al in the description of the most common structures, as well as in introduction of zero-based approach on planning the future. Zero-based approach means planning and budgeting disregarding the burden of previous budgets and plans. Routine-like extrapolation of the trends and forecasting the future based on past might distract the management from aiming to the maximum output of the organization. (Karlöf et al 2006, 117)

2.5 Others

Apart from the earlier mentioned literature, also other literature was used in generating this thesis. The most noticeable of these was Gustav Molander's book "Matka mullan alle - kuolematyöntekijän arki", which was published by työterveyslaitos and printed by Otava Kirjapaino Oy in 2009. A large amount of detail was adapted from this book and in some cases the personal observations were confirmed from this source. For the funeral businesses in Finland, this is a remarkable and in some sense unique book and the attention it gained when being published was vast. The book mainly covers the very basics of the practical side of operations and describes the entire funeral process as whole involving all the parties from the point of death to the burial of ashes and estate inventory. Apart from this the book included some valuable historical data and basis for comparison between usual funeral service businesses in Finland and the funeral service function of cooperative society HOK-Elanto.

Also the annual report of HOK-Elanto was used, but the information gained was mainly numerical, since the funeral business appears to be considered so minor part of the operations that uncovering of further detail was not seen useful.

2.6 Case study

Case study is an approach, which was used in this thesis. As an approach it is using positivist philosophy of human sciences. A case is currently existing human activity, which can be only studied in correct context in which it merges. A case can be for example group, institution, community or industry which is studied. A case study therefore is a study which investigates more than a specific question and tries to find a range of evidence from the studied setting. (Gillham 2010, 1) A major concern of the case study approach is subjectivity, but it can be defeated if the researcher understands the observatory nature of his/her position. (Gillham 2010, 7) Case study is at its best describing an existing phenomenon. There are no dangerous effects regarding materials studied or ethical aspects to be concerned about, since those barriers are diminished by either the nature of the sample or scientific objectivity. However, the researcher will face barriers in manipulating conditions, when humans or organizations formed by humans are in question. (Gillham 2010, 3-4)

2.7 Simplified pattern of funeral process

The funeral process starts when the customer, usually a relative of the deceased, visits the sales unit of HOK-Elanto's funeral service. During that visit, all the reservations are made, schedule agreed, coffin and casket selected and stone processing needs decided on. These selections are done to an electronic form in Hauturi software and then printed out both for the customer as a checklist and for the sales representative for a guideline for further actions. Central register is contacted when the customer is still present to adjust the schedule. When the customer leaves the sales unit all the main areas are decided on and reservations are usually done. Communication between the customer and the sales representative continues, if needed for example in order to agree on details.

From there on the sales representative starts to actually fill the forms and to make written documents for the orders. He/she prints the flower orders out and faxes them to the flower shop, also transportation orders are printed to 435's logistical coordinator's printer. The casket order comes together with the transportation order so that the logistics coordinator is able to process it further. The coffin order is faxed to the supplier and the burial permit is gained and forwarded.

The logistics coordinator gathers the ordered caskets to be delivered by the transportation service, the transportation orders and the clothes of the deceased, which are sometimes brought by the customer to be dressed on the deceased in the coffin.

A representative of the transportation service visits 435 daily and collects the things mentioned above. The transportation service also brings the confirmation of the completed transportations on this visit and brings the possible jewelry and other belongings that have been with the deceased.

Transportation service's driver starts the transportation process by collecting the clothes and coffin according to the transportation order. Then he/she goes to the institution in which the deceased to be delivered is located. He puts the deceased into the coffin and dresses him/her. Usually the deceased is then delivered to an intermediate storage, where the deceased can wait for the ceremony. This storage takes usually from one day to a few weeks. On the day of the ceremony, the deceased is delivered to a church where the ceremony is organized. If the ceremony is arranged in the cemetery's facilities, the deceased is delivered there without an intermediate storage from the medical institution.

The ceremony is the point when all the made arrangements come together. Flowers, photographers, coffin, possible professional singers or players of musical instruments, memorial service arrangements and all the other arrangements are made to be conducted on this occasion.

After the ceremony, when deceased is blessed or other ceremonies are held, the relatives and other invited visitors of the ceremony move to the memorial service and the deceased is delivered to be cremated. If the ceremony is held in facilities that have a crematory, meaning some of the cemeteries or in the facilities of the Finnish cremation foundation, this delivery is not made. The funeral process is dictated by the customers or relatives orders and varies case-by-case.

The ashes of the deceased are poured in the casket that has been delivered to the crematory and then the casket is delivered to the cemetery where it is buried. The actual burial of the ashes is usually a smaller ceremony only involving the very closest relatives and the personnel of the cemetery and it usually takes place a couple of weeks after the actual ceremony. The tombstone is usually delivered afterwards by the stone processing company. Also the estate inventory services might be utilized simultaneously with the funeral process or afterwards.

The customer is billed via mail and the bonus payments are made to S-Bank accordingly. The cremation foundation and the Evangelical Lutheran Church of Finland bill the customer according to their own services provided.

3 Methodology

The methods of conducting this research are now being introduced. They can be supplemented with chapter 2's information and are mainly focused on the practical implementation of the method.

3.1 Qualitative research as a method

The use of qualitative methods is obvious since identifying trends and levels of some qualities is not that essential for the research. However, discovering details and patterns and displaying entities of these details and patterns is important in order to reach the objective of the thesis. When these entities of details and patterns are created, the whole entity is displayed in drawn form and explained. This is necessary for further analysis. No hypothesis can be named and there is no expected result. The aim of the research is to gain an understanding of the existing structure to be analyzed and possibly developed. The development objective was partially achieved, by learning by discovery. It is a method, in which the problem is explored without having earlier knowledge of the objective. (Awad et al 2004, 53)

3.2 Case study approach used in the thesis

Case study approach describes the nature of this thesis rather well, since an existing organization is observed and analyzed. The existing organization operates in a specific field of business, meaning that no good generalizations are available to be applied for this "case".

3.3 Discussions and interviews

The data gathering took place in Hakaniemi sales- and managerial unit, where the mapping of the existing structure was done. Also other main parties of the parties illustrated, were interviewed according to the issues left uncertain.

3.4 Nature of the knowledge to be gathered

The knowledge on HOK-Elanto's funeral service is nearly completely tacit, since the funeral service is only one, relatively independent, function of the cooperative society HOK-Elanto. No explicit knowledge in form of documents apart from HOK-Elanto's annual report was available. The annual report provided the thesis with numerical information on the HOK-Elanto's funeral service's scale compared to the whole cooperative society. Due to the nature of this thesis, numerical information is used only as supporting data, since the main focus is on struc-

tural issues apart from monetary flows. The explicit knowledge will be reviewed in the literature review. For this particular organization this knowledge gathering was unique, since the topic, which this thesis is about, has not been paid large attention to.

3.5 Experts used as a source of information

Timo Purhonen, chain manager of HOK-Elanto's funeral service

Timo Purhonen provided this thesis with important insight of the whole scale image on the organizational structure. He can be considered as a reliable source of information, because he is the party benefiting from the objective outcome of this thesis. He can also be considered as an ultimate source of information, since he is responsible for the management of the entire chain of funeral service units. He is employed by the unit 435 and he is the most likely source for overall view of the organization. Other employees of HOK-Elanto's funeral service are professionals in their specific tasks and their help was utilized in the data gathering as well.

Pauli Painilainen, CEO of Hautauspalvelu Painilainen Oy

Painilainen has a good overview of the field actions of the organization and, since being in a largely central position in communications and implementing stage of the customer service process, can provide the thesis with good insight on development issues. Painilainen was interviewed on 9th of May 2012 and the results of this interview were used in the development suggestions and description of the structure. The interview was based on rapid prototyping method, while having basic questions predetermined to guide the interview. The nature of the interview was informal and was mainly open discussion.

Anne Lindell

Anne Lindell, a juridical professional employed by sales unit 431, provided the thesis with first-hand insight on the operations and functions of HOK-Elanto's funeral service's estate inventory service. The structure of communications illustrated in the external and internal structures were described by her.

Keijo Inkinen, SHT-tukku Oy

Whereas Hautauspalvelu Painilainen Oy only provides services for HOK-Elanto's funeral service, SHT-Tukku Oy provides coffins and caskets for all the funeral services operating in the area. This means that HOK-Elanto's funeral service is in a customer relationship with SHT-

tukku Oy. Keijo Inkinen is the manager of the warehouse of SHT-tukku Oy, located on Meche-
lininkatu, Helsinki. This warehouse is largely used by Hautauspalvelu Painilainen Oy, as a
source of coffins and caskets. Keijo Inkinen has been observing the development from an out-
side supplier's point of view for several years and therefore can be considered as a valuable
source of information. The professionalism of Inkinen cannot be doubted, since the warehouse
he operates has one of the largest traffics in the whole field of this industry in Finland. Ink-
inen was first supposed to be interviewed, but after seeing the guide-line questions for the
interview, he preferred to use them as a questionnaire. According to Inkinen, the questions
were considered largely relevant and therefore Inkinen wanted to consult the CEO of SHT-
tukku Oy, when visiting the headquarters of the company on Friday, 19th of May 2012 in Pun-
kalaidun, Finland. By doing so, this source was converted from an independent interview to
an "announcement" of the entire company.

3.6 Interview methods used

Interviews are used as a tool for data gathering from some parties of the organization. Aim
was to use rapid prototyping method in the interview to gain information in maximal detail.
This type of interview was successfully conducted with Pauli Painilainen, the CEO of Hautaus-
palvelu Painilainen Oy.

3.7 Other data gathering methods used

The data gathering was fairly improvised, since some of the information was gained through
participatory observations and supplementary insight from the HOK-Elanto's funeral service
chain manager Timo Purhonen. The end result of this knowledge gathering session, using ap-
plied blackboarding, was drawn maps on paper, which were adjusted and recreated into elec-
tronic form using Microsoft Visio 2010.

3.8 Process phases

The thesis was conducted in several phases. The most cardinal phases were in the following
order: interview with the chain manager, mapping, description of the structure which was
mapped, analysis of the formed map and finally conclusion. During the phase, which involved
describing the existing structure, follow-up questions were formed and addressed to the chain
manager. Also interview questions were formed, for further data gathering for the analysis
part. These were addressed to two parties operating in the external structure. Also a follow
up discussion is to be arranged with Purhonen, to obtain information on details.

3.9 Mapping process

The chain manager was interviewed and a data gathering session was arranged where I did the mapping according to my personal observations. This created structure was then supplemented with the insight of the chain manager who was present. Follow-up questions were formulated during the description process of the structure and the description was supplemented with the answers. During the analysis processes, many questions were formulated and addressed to the parties related to the researched organizations parts.

No organizational maps of HOK-Elanto's funeral service have been done earlier and no publications have been published on this topic, meaning that the mapping needed to be based on tacit knowledge.

4 Organization

The existing structure has been formed according to the needs of operations, during the 58 years of existence of HOK-Elanto's funeral service. No structures introduced in the theories have been used in this process. (Purhonen 4 April 2012)

This way of operating is natural, since the HOK-Elanto's funeral service has experienced steady growth during this process and the structure has been adjusted to accommodate this growth accordingly. One of these adjustments has been outsourcing of the transportation service. Also, the operations have taken place in one geographical environment, the capital area of Finland, for a long time, so the changes in the environment need also to be taken into account. The strong development of the capital area after the Second World War has created new populations and new neighborhoods. The capital area has also experienced strong migration from other cities and the rural areas. The population of Finland has increased with over a million citizens during HOK-Elanto's funeral service's existence. Lately the growth of HOK-Elanto's funeral service has been faster than previously and therefore the current structure needs to be questioned and reviewed even though no evident defects have been spotted. The opening of the Forum 422 and Malmi 423 sales offices have occurred within a year. This rapid growth could be explained with increase in demand, which can be seen from expected changes in population of operating areas. Alone in Helsinki the amount of over 75-year-old citizens is expected to increase in all the parts of the city totaling thousands of people. (Purhonen, 4 April 2012) (Suomen virallinen tilasto (SVT), 2007) (Helsingin Kaupungin Tietokeskus, 2010)

4.1 Introduction of common organizational structures

The most important organizational structures named by Karlöf et al are functional, divisional and matrix based organizations. In addition to these, a network based organization model and a virtual organization model exists, but they are often just a way of displaying how the organization works in practice. The identification of the fiscal structure needs to be separated from the other models used, which are equally important.

4.1.1 Functional structure and HOK-Elanto's funeral service

This structure is not used by HOK-Elanto's funeral service, but some of the features of this structure have been carried to or evolved to the existing structure. If the existing organization would be divided into functional units, they would be sales functions, managerial functions and the cooperative society. This is not a clear way to display the existing structure and leaves majority of the more specific uncategorized functions invisible, regardless of their importance in the core process. The features of this type of organizational structure, that are visible, are mainly on the side of cooperative society, since their centralized functions are used by HOK-Elanto's funeral service and on the level of dividing individual tasks inside the organization without dedicating an entire unit for this purpose. This is visible in the illustration of the internal structure.

4.1.2 Division based structure and HOK-Elanto's funeral service

This type of organization is perhaps the most similar with the existing structure. If the local sales units would be considered as divisions, the existing structure would seemingly fit the description. However, HOK-Elanto's funeral service is by no mean a pure example of this structure in action. This is because there are too many centralized functions in the operations of the whole chain. The existing structure could be described as a heavily modified and refined version of the divisional structure or as a cross-breed between the functional and divisional structures. Some of the benefits can be identified from the divisional structure, such as rapid reactions to the environment, decentralized responsibility for profitability, small scale benefits and good starting points for expansion, which has been lately used by HOK-Elanto's funeral service in a form of opening new sales units in locations, where it has not been present yet. Since the structure is still strongly centralized, HOK-Elanto's funeral service has managed to avoid some of the disadvantages of this type of structure. Internal rivalry is eliminated by having a common pricing and supply. Overlapping work has been taken advantages of by centralizing the overlapping tasks into common tasks of the organization. Examples of this maneuver are the centralized casket storage 439 and centralized uses of flowers shop, circulating estate inventory personnel and transportation services. Since specialization has

not been basis for the division, but location, the specialization related problems are rather non-existent.

4.1.3 Matrix based organization and HOK-Elanto's funeral service

Matrix based organizational structure cannot be identified from the existing structure. There might be some similar dependencies between the managerial parts of the organization and the sales units, but due to the nature of the operations of the organization, these dependencies are not strong enough to establish a matrix-like structure. Also the small scale of the HOK-Elanto's funeral service, which after all employed just 39 people in 2010 (Nyberg R. et al 2011, 34), makes use of this kind of structure seemingly inefficient. The only products and services that are sold to the customers and produced by HOK-Elanto's funeral service are flower garlands, estate inventory services, banking services in the form of use of S-Bank and centralized organizing services. Other services and products are provided by subcontractors according to the orders made by HOK-Elanto's funeral service.

4.1.4 Network organization used to describe the operations of HOK-Elanto's funeral service.

I found the network organization to be a relatively good way to describe HOK-Elanto's funeral service's operations, since the basic processes are of a project-like nature and often implemented individually by the sales representative using the support of cooperating organizations and HOK-Elanto's funeral service's internal parties. The customer service delivery process is similar to a rather rapid project, which is managed by the sales representative. Sales representatives usually have numerous customer service delivery processes going on simultaneously, but the idea of a project still remains, since the projects are customer specific and usually last from one to four months. The decision making hierarchy is rather low, however the organizational managerial decisions are made by the chains management in 435. Network structure cannot be used as an only answer to HOK-Elanto's funeral service's functioning, but when used among with division based organizational structure to describe fiscal structure, rather than the process flow, it is relatively suiting for the task. If the existing internal structure is reviewed taking into account also other dimensions in addition to fiscal structure of the organization, the network organization would be one of the most accurate description.

4.2 Structural identification

Of the models introduced, one clear structure cannot be identified. This is because the organizational structure has been formed by practical needs, with no attention to organizational

theories. In order to find the features of the theories from the existing structure, the structure needs to be split into two parts: internal structure and external structure.

The internal structure, meaning the part that consists of parties that are in direct control of HOK-Elanto's funeral service, has features of both division based organization and function based organization. Some of the operations are centralized into functional units, such as unit 435, although it serves for numerous functions, and HOK-Elanto's cooperative society's functions. The third functional unit would be the sales units, but since they are separate sales units that are geographically located apart from each other, it would fall into the features of division based organization. A division based organization with centralized functions could be accurate characterization. Some of the functions are centralized inside the organization and some are centralized to common subcontractors for all the geographical divisions. Due to the geographical nature of the divisions, some divisions use their own subcontractors for more efficient logistics. Also some of the internal divisions host centralized functions: Forum 422 has the secretary of estate inventories, Kerava 432 handles the twig decoration orders of all the sales units / geographical divisions and Hakaniemi 431 hosts the chains management and other functions of the unit 435.

The operations can be described with network organization model, which was introduced earlier. The reasons for this were also explained. I was not able to find any features of the matrix based organization model from the existing structure. This must be because of the small scale and nature of the operations. Also one explanatory factor could be that since the matrix model is fairly complicated, it needs to be taken into use intentionally. The structure is not such that it would be something that a functioning organization would evolve to.

The external structure, meaning the parties that are not in the direct control of HOK-Elanto's funeral service, but independent businesses or parties that are utilized by HOK-Elanto's funeral service or have a fixed contract with HOK-Elanto's funeral service for subcontracting, can be described with virtual organization model. External networks and cooperation between several suppliers is essential for HOK-Elanto's funeral service. The virtual organization model can be considered as an accurate way of describing HOK-Elanto's external structure and use of outside parties to conduct their core process. It is evident that use of external cooperatives and parties, HOK-Elanto's funeral service is able to produce the current service at current level of quality and range. Illustration of the external structure indicates strong use of external parties and the variety of core competences which are provided to the final service which is sold by HOK-Elanto's funeral service. The communication between these parties is important and they all serve the same process and share a common goal, although viewed from several perspectives. The communications are conducted from several parts of HOK-Elanto's funeral service to the same common outside parties and in centralized manner from one part of the internal structure. Some of the parties shown in the external structure might

also be serving other businesses in the same field of business (for example coffin and casket suppliers), but some have specialized in only serving HOK-Elanto's funeral service (For example Hautauspalvelu Painilainen Oy with the transportation services). Also noticeable fact is that due to the nature of HOK-Elanto's funeral service's operations, many of the external cooperative parties are not actual business partners. Many governmental offices and offices run by congregations are used as is one foundation, The Finnish Cremation Foundation.

The borders of the internal and external structures can be identified, when the whole entity is observed from a wider perspective. The division between these two entities, in this thesis, is done according to the companies and control on other companies. HOK-Elanto's funeral service is a separate company and forms an internal structure. The external structure then shows the related businesses and parties that are utilized in HOK-Elanto's funeral service's process. Flow beginning from resources and ending to customers can be identified and the distribution of the work can be analyzed. This is called vertical integration. Horizontal integration on the other hand means what is offered to the customer. In this type of integration outsourcing and locating the production comes to question. As a rule, it is stated, that the lower the rivalry is, the higher the level of vertical and horizontal integration is on. In practice this means wider distribution of production. Outsourcing in these situations helps to gather multiple parties' core competences around one process. (Karlöf et al 2006, 98-99)

5 Description of the structure

This part explains the parties that are involved in the internal and external structures. Most important parties are described in detail and some parties are summarized into entities.

5.1 HOK-Elanto's funeral service

HOK-Elanto's funeral service differs strongly from other operators in the same field of business. Usually the funeral offices are much smaller and have just one or a few offices or sales units. Funeral offices are also most commonly family based businesses and the profession is learned from the parents and the operation of the business is often passed on to the next generation, when it is seemed suitable. Usually these kinds of funeral services handle around 400 funerals annually, which is of much smaller scale than in HOK-Elanto's funeral service. It is generally considered, that organizing less than a hundred funerals annually cannot be profitable. (Molander 2009, 60-61) However, regardless of the market share, HOK-Elanto's funeral service is not considered as an old operator in the funeral industry, since it has only existed for from 1950's. The earliest examples of funeral related businesses in Finland, date back to late 1880's, when the growing of the cities begun and the citizens were not able or willing to use more traditional means of organizing funerals. (Molander 2009, 58)

HOK-Elanto's funeral service acts as a function of the cooperative society HOK-Elanto and is meant to serve the needs of this industry of southern Finland's customer owners. The services are also provided to non-customer owners, due to the legislation. HOK-Elanto's funeral service operates in a form of 11 local sales units and offers the funerals in an all-in-one fashion, meaning that everything needed, can be provided with only one visit to the sales unit. (HOK-Elanto's funeral service, 2012) To be able to provide all this, HOK-Elanto's funeral service has a fairly complex internal structure and uses a vast variety of subcontractors and outside parties.

During the time this thesis was written also a new local unit was opened in Espoonlahti. This new unit offers sales and estate inventory service in the same manner than the other units. (HOK-Elanto's funeral service, 2012)

HOK-Elanto's funeral service is a member of Union of Finnish Funeral offices (Suomen Hautaustoimistojen liitto ry). In general this means that HOK-Elanto's funeral service has agreed to follow certain criteria of quality pointed by union and in return union provides all the members of the union with benefits related to preparation of laws and development of members operations. The union also provides new member entrepreneurs with training and currently the union has 210 member companies. Union of Finnish Funeral offices has existed since 1942 and is a member of EFFS (European Federation of Funeral Services). (Suomen Hautaustoimistojen liitto, 2012) (HOK-Elanto's funeral service, 2012) (Purhonen, 4 April 2012) (Nyberg R. et al, 2011)

5.2 HOK-Elanto's funeral service's internal structure

The difficulty in illustrating the internal structure of HOK-Elanto's funeral service shows on three different aspects, the first of which is that the structure is a result of evolution without emphasis on theories and therefore being a mixture of two different organization's structural models: function-based organization and division based organization. The second difficulty is that, although being relatively independent in its operations, HOK-Elanto's funeral service is a function of cooperative society HOK-Elanto. The existence of HOK-Elanto's funeral service is justified with the purpose of serving the demand created by the cooperative society's customer owners. This is why HOK-Elanto's funeral service is referred to as an organization instead of company. The third difficulty was in the explanation and illustration of the multiform flows inside the organization. The clarity of already fairly complex map could not be sacrificed in order to accommodate everything in one picture. This is why many of the flows are

summarized and presented as one, although in reality being individual orders of different parties.

The map of the structure would have been too big to be displayed at once, and in addition to the problem with the scale also the understanding of the structure would be difficult. I personally would display the structure in three dimensions and by doing so locating the cooperative society HOK-Elanto on z axis, since it is mainly just “hosting” the operations of HOK-Elanto’s funeral service, which is then further connected with the network of external parties.

5.2.1 Local units

In total HOK-Elanto’s funeral service consists of eleven local units, which are Hakaniemi (431), Malmi (423), Forum, Yrjönkatu (422), Töölö (430), Myyrmäki (420), Itäkeskus (437), Kerava (432), Hyvinkää (436), Leppävaara (421) Tapiola (434) and Tikkurila (433). All of these units offer customer sales of the funeral service and estate inventory. The secretary of the estate inventory services is located in Forum unit, providing the other local units with detailed extracts from the population register. The actual estate inventory can be made on site. In addition to plain sales and organizing process, the sales representatives need also to be able to adapt to the customers unfortunate status and deal with the customer’s situation with dignity. (Molander 2009, 84)

In addition to the sales units also other units exist. Unit number 435 is a management unit, which includes the management of logistics, the management of funeral office chain, human resources activities and the funeral office chain’s internal mail. These activities are located in the facilities of the Hakaniemi (431) sales unit. In addition to these activities unit 435 also includes the flower shop, which provides the garlands and other flowers available for the ceremonies organized by HOK-Elanto’s funeral service. Flower shop is located in Tukutori, Hermannin industrial estate, close to Hakaniemi and it has its own personnel. Unit 435 is also the body of HOK-Elanto’s funeral service, which is most often in contact with the cooperative society HOK-Elanto.

As HOK-Elanto’s funeral service is a part of cooperative society HOK-Elanto, also HOK-Elanto needs to be mentioned as a part of the internal structure. HOK-Elanto’s funeral service uses some of the cooperative society’s services in its casual operations. The services used are the planning and implementation of marketing, customer-owner services, facility construction and rental management, corporative management and information technology services. The services used by HOK-Elanto’s funeral service, but outsourced by HOK-Elanto are salary pay-

ment and bookkeeping including purchase and sales ledgers and they are provided by Palvelu Ässä.

For bookkeeping reasons a unit 439 was taken into use. 439 is a casket storage located in the Hakaniemi facilities and it is the unit, which records the caskets purchased into inventory and delivers them for the transportation service to be distributed to correct locations. 439 is operated by the logistics coordinator and it does not have personnel of its own. Caskets in the local units are only showpieces and they are owned by HOK-Elanto's funeral service, not by 439. Unit 439 does not employ any personnel, but is operated by the personnel of unit 435.

Coffin storage exists to ease the transportation business Hautauspalvelu Painilainen Oy's logistics and to act as a local storage for the coffin supplier Mansikkamäki Oy. The storage is located in East Pasila, where the transportation business' facilities are located. The coffins and caskets stored by Mansikkamäki Oy are owned HOK-Elanto's funeral service as inventory.

As S-Bank, a banking service offered by cooperative society HOK-Elanto, is used for bonus payments, it is also mentioned as an independent body in the described internal structure. The local units pay the bonus payments according to Hauturi software's calculations.

5.2.2 Internal communications

Traditional means of communication inside HOK-Elanto's funeral service are in heavy use by sales representatives, estate inventory and in the managerial unit 435. Email, telefax and telephone are used all together. All the sales units and managerial unit 435 have their own direct telephone numbers and telefax numbers. Telephones are connected into a ring and in sales offices, which employ numerous sales representatives, calls can be answered by the sales representative that is not occupied. Also the personnel responsible for estate inventories are able to take these calls.

Hauturi software is computer software created for internal order management. It is used by sales representatives in sales units and the logistics coordinator located in the unit 435.

5.2.3 Flow of information

According to my personal observations as a step-in for the logistics coordinator, the logistics coordinator acts as a hub for information exchange. All the transportation orders are received by the logistic coordinator.

The handbills are ordered by sales representatives and they are delivered to Töölö local unit (430) from where they are collected by Hautauspalvelu Painilainen Oy to be distributed to ceremonies. The bookkeeping of handbills ordered, delivered and collected is done with a common excel-sheet, which can be accessed by all the sales units.

Hauturi software has a template for order form and it generates the necessary documents according to the content of the form filled with customer. Hauturi also has a pool of all orders made and it uses a numbering system for the orders. The documents Hauturi produces are transportation orders, general order documents and flower orders. The flower orders are printed and faxed to the flower shop by the sales representatives in the local sales units, whereas the transportation orders are directly printed to the logistics coordinator's office from where they are forwarded to Hautauspalvelu Painilainen Oy. In some urgent cases, e.g. if the deceased is still at home and needs to be transported immediately, the transportation orders are also telefaxed to Hautauspalvelu Painilainen Oy's CEO Pauli Painilainen, who then receives the order into his email as PDF-file. This file can then be opened with a mobile device and actions can be taken with minimal delay. Hauturi software is an internal tool, which is not used by the flower shop. If some of the content, that Hauturi software produces, is needed outside HOK-Elanto's funeral service, the content is most often printed out and telefaxed to recipient. (Purhonen, follow up questions)

An internal mail system is run by managerial unit 435. In practice this means that unit 435 possesses a van, which is driven to all local sales units delivering internal mail (e.g. burial permits) from unit 435 to local units and mail from sales units to others. The described delivery is conducted as many times a week as necessary, usually from 2 to 5 times. This delivery is usually done by the personnel of unit 435, but in some cases also by unit 431's personnel. There is also an internal mail to HOK-Elanto, which is implemented using outsourcing to Loomis Oy. (Purhonen, follow up questions)

5.2.4 Flow of goods

On internal level, the flow of goods is rather small. The main flows are related to casket storage 439. Casket suppliers supply the inventory with caskets according to HOK-Elanto's funeral service's orders. The storage is used to provide the drivers with caskets, which customers have bought from the sales personnel. Actual logistics of the caskets is conducted by outside parties, meaning that the suppliers bring the caskets to Hakaniemi themselves and transportation service collects the needed caskets.

Also the flower shop (435) has logistical activities, but they take place in the same manner as the casket storage's logistics. The suppliers provide the flower shop with flowers, the flower shop produces garlands out of the provided flowers and finally the transportation service collects the garlands to be distributed to the ceremonies. The flower shop is a tenant of a flower whole seller and the flowers are delivered "to the door" of the flower shop, since they operate in the same facilities. This also enables the flower shop to use the whole seller's inventories if some item is lacking. If the funerals are arranged in the cemeteries of Tuusula, Järvenpää or Hyvinkää, the flower orders are addressed outside the organization to local flower shops e.g. Järvenpään Kukkatalo Oy and Kehäkukka Talvitie Oy, who then deliver the garlands according to orders. The same flower catalogues are used regardless of the supplier. (Purhonen, follow up questions)

The forwarding of the handbills can also be considered as a part of this topic. The handbills are ordered by all the sales units, from an agreed supplier. The supplier is usually printing house Mondia Oy, but during the summer Multiprint oy (Part of Karhupaino Corporation) is also used for this purpose, since Mondia Oy has their summer vacations then and are therefore unable to respond to the demand. The logistical part of this process is again conducted by outside parties, since the printing houses provide delivery service to Töölö (430) sales unit and from there the handbills are collected by the transportation service, Hautauspalvelu Painilainen Oy, and distributed to the ceremonies. (Purhonen 4 April 2012) (Multiprint Oy, 2012)

5.2.5 Interaction with HOK-Elanto

HOK-Elanto's funeral service is a functional part of HOK-Elanto cooperative society. This can be considered unique, since most of HOK-Elanto's functional parts have been incorporated due to financial reasons. As a part of the actual cooperative society HOK-Elanto's funeral service gains benefits from centralized functions of cooperative society. Marketing, customer-owner service, facility management, rental management, information technology services, salary payments and bookkeeping are done in centralized manner by the cooperative society. Out of these functions, salary payment and bookkeeping including purchase and sales ledgers are further outsourced to Palveluässä, which handles these operations for the entire cooperative society. (Purhonen 4 April 2012)

5.2.6 Use of S-Bank

All the sales representatives have operator's permissions to use S-Banking system. This is required, because the sales representatives record bonus payments for the customer's S-

accounts according to the purchase they have made. In the illustration, these transactions are the only link between HOK-Elanto's funeral service and S-Bank, and only monetary link of the illustration. Occasionally HOK-Elanto's funeral service also receives administrative messages from S-Bank, but I found them to be of so little relevance, that illustration of them would not be justified.

5.2.7 About the illustration

The illustration is simplified, because of clarity. The big "fancy arrows" are combined sets of communication, which include variety of orders and communication. All units order their twig decorations from Kerava local unit, which forwards the orders to an outsourced supplier. The bookkeeping is implemented in the same manner than the bookkeeping of the handbill orders.

The personnel of the estate inventory part of HOK-Elanto's funeral service circulate from local unit to another depending on demand. In the largest local units the estate inventory staff is permanent. The secretary of estate inventories is located in Forum local unit and provides all the personnel of the estate inventory with detailed extracts from population register. Neither the centralization of this operation nor the estate inventory's communication outside the organization is illustrated with drawn patterns.

During the writing of the thesis, a new unit 424 was opened in Espoonlahti and it is not displayed in the illustration. It can be added for further use of the map and it has the same basic features similar to other sales units without any centralized functions at the moment, meaning that it provides the customer with sales and estate inventories, it communicates with 435 in form of orders and to outside the organization with all the flows described for the "fancy arrow".

HOK-Elanto's funeral service's internal structure

5/16/2012

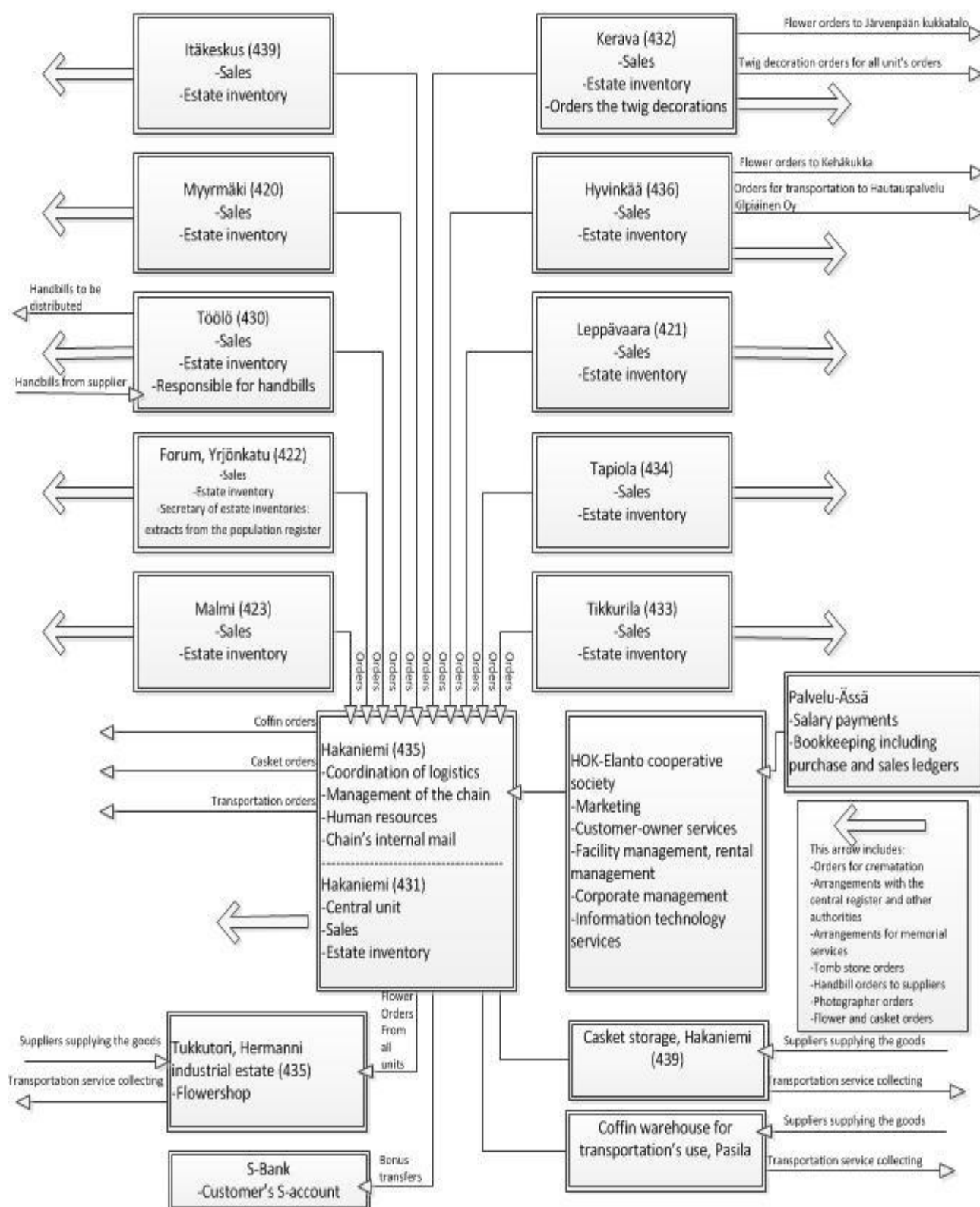


Illustration 1: HOK-Elanto's funerals service's internal structure

5.3 HOK-Elanto's funeral service's external structure

The external units as an entity consist of various subcontractors, cooperators and parties involved in the funeral process. The illustration shows these external parts in detail. Some of the illustrated parties, such as subcontractors, have monetary traffic with HOK-Elanto's funeral service; some provide the funeral service with funeral related information and permits. The volumes of information and goods traffic between the parties illustrated can be mainly seen in the amount of different flows between the parties. The frequency of the flow is not displayed. However it can be approximated according to the number of annually organized funerals by HOK-Elanto's funeral service and by the evaluation of the prevalence of the service or good provided by the external party in question.

5.3.1 External units

Central Registry of the Evangelic Lutheran Parishes of Helsinki or other regions (referred to as central register in the text)

Central register is an office run by evangelical Lutheran church of Finland. In practice this is the party, which is contacted in order to reserve the churches for the ceremonies. Central register also administrates the cemeteries, meaning that also the burial related issues are agreed with the central register. The cremations done in the local Association of evangelical church's crematories are also reserved and managed by central register. The reservations are made via phone and then verified with a written document which is faxed. While estate inventory is done, central register might also be utilized in order to get official documents on marriages and other issues related to mapping of the family structure.

The role of central register in the sales process is rather central, since they are the party announcing the available schedule according to their reservations. However, the churches are often contacted directly as well. The contacts with central register are not centralized, but are done by all the sales representatives. (Helsingin seurakuntayhtymä, 2012)

Local register office

The party to be contacted, when dealing with a non-religious or non-Lutheran family or while doing estate inventories, is the local register office. (Local Register office, 2012)

Printing house(s)

When handbills are ordered the sales representative makes an order (including the quantity and selected specifications) to printing house Mondia or Multiprint, as described in internal structure.

Supplier of twig decorations

The twig decorations are supplied by a sole trader and they are ordered in a centralized manner by Kerava 432 sales unit. The sole trader also communicates with other local units if the nature of the order is such that it is considered necessary. An example of these cases could be customers need for some specific attention to given detail of the decoration.

Stone processing companies

The customer is often rerouted to communicate directly with the stone processing company, for the order. Some tomb stones can also be bought from local sales units. The most commonly used stone processing companies are Kiviveistämö Levander Oy and Kivituote Oy. Also other stone processing companies such as Loimaan Kivi Oy (located in Loimaa) and Kivivalmiste Oy (located in Korpilahti) are used in order to fill the customer's needs. Some of the stone processing companies also enable the customer to receive bonus payments from their purchase. Some sales representatives might have different experiences from different suppliers and therefore favor some of them more than others. In some cases also tendering might be used if several suppliers are offering a similar product and the customer is searching for the lowest price. (Purhonen follow up)

Facilities for memorial services

The memorial service can be arranged in restaurants, in church's or in the cemetery's facilities, or in other locations. The facilities offered by congregation (church's and cemetery's facilities) are ordered via central register. For these ceremonies, catering services can be ordered separately from the local sales units.

Alternatively, the memorial services can be arranged in restaurant, which have facilities to host such ceremonies. HOK-Elanto's funeral service has agreements with local restaurants and their menus are available at the local sales unit. All these orders are done by the sales representatives.

Casket suppliers

Casket suppliers deliver their caskets to 439. At the moment HOK-Elanto's funeral service has numerous suppliers, and the inventory is filled with orders, usually done by the personnel of 435 by telephone. The need for different caskets is evaluated according to the orders.

Coffin suppliers

HOK-Elanto's funeral service uses coffins of SHT-Tukku Oy and Mansikkamäki Oy. The coffin orders are faxed to SHT-Tukku Oy and Mansikkamäki Oy by the sales representative of the local unit making the order. For logistical reasons, both of these suppliers have located coffins in storage close to Hautauspalvelu Painilainen Oy's facilities. This enables the drivers of Hautauspalvelu Painilainen to complete the transportations more efficiently. SHT-Tukku Oy also has their warehouse in Töölö, Helsinki, which is also used. The actual coffin orders are sent there as are the casket order for caskets supplied by SHT-Tukku Oy. (Painilainen 9 May 2012)

Finnish defense force's local office and national archives

In some cases the deceased may have served in the war, meaning that some benefits from local Association of evangelical churches may be gained. Therefore, military service of this nature needs to be confirmed. Confirmation is done by sales representatives by email or phone. In response Finnish defense force sends a written confirmation in return via telefax.

The Finnish cremation foundation

If the deceased does not belong to a congregation of the Finnish Evangelical Lutheran church, the cremation is conducted by an independent party, the Finnish Cremation Foundation. In these cases the burial permit is sent here among with the cremation order, and after the ceremony, the deceased can be cremated here. The Finnish cremation foundation also has facilities for funeral ceremonies and they can be reserved with the same order form which is filled if the use of these services is perceived necessary.

Hospitals, retirement homes and other medical and juridical institutions

The interaction between these instances and HOK-Elanto's funeral service is usually done information-wise via telefax and telephone and logistically as delivering the deceased. In some of these institutions, such as in Hjelt-Institute when autopsy is conducted by the institution, the burial permit is given to personnel of the transportation service, who then forward it to 435. Occasionally, also showing the deceased to the relatives and some minor religious ceremonies are arranged in the facilities of these institutions.

Newspapers

The obituaries are ordered from newspapers to be published. This is an automated email based ordering system, which has an electronic form which is filled with specifications of the obituary according to decisions made by the customer. Helsingin Sanomat, a Sanoma Company has provided HOK-Elanto's funeral service's sales units with catalogues of options where to choose from when ordering the obituary.

Other services

The customer is able to order also other kinds of services from HOK-Elanto's funeral service. These services include professional singers, speakers, photographers and players of musical instruments to perform in the ceremonies organized. These services are arranged via phone and these professionals usually contact the customer by themselves to agree on details.

Hautauspalvelu Painilainen Oy

I have decided to draw the transportation service as the second most central party in the illustration of external structure, since the cooperation between HOK-Elanto's funeral service and Hautauspalvelu Painilainen is close. A similar map of Hautauspalvelu Painilainen Oy's contacts with other instances could be drawn, but it would decrease the clarity of the illustration badly.

Hautauspalvelu Painilainen Oy is the only transportation service used by HOK-Elanto's funeral service, apart from Hautauspalvelu Kilpiäinen, whose services are used by Hyvinkää 436 local unit due to the location.

The transportation orders (in printed form) and the own clothes of the deceased, if so is requested by the customer, are collected from 435 by Hautauspalvelu Painilainen Oy, as are the handbills from 430 and garlands from 435's flower shop located in Hermannin industrial estate, Tukutori. Hautauspalvelu Painilainen Oy is the instance responsible for most of the external flow of goods of HOK-Elanto's funeral service as they also deliver the caskets from the storage 439 to the crematories and deliver the coffins, with and without the deceased, and caskets with and without the ashes.

Hautauspalvelu Painilainen Oy visits 435 on daily basis collecting the caskets from 439, transportation orders and clothes from 435. On these visitations the representative of Hautauspalvelu Painilainen also delivers the burial permits received from the institutions that do not

telefax the permits directly to sales representatives, the jewelry worn by the deceased and confirmations of the completed transportations. This is one of the most important events of communication between HOK-Elanto's funeral service and Hautauspalvelu Painilainen. Of longer distance transportations, that do not have pre-announced price, also a calculated bill of costs is delivered. (Painilainen 9 May 2012)

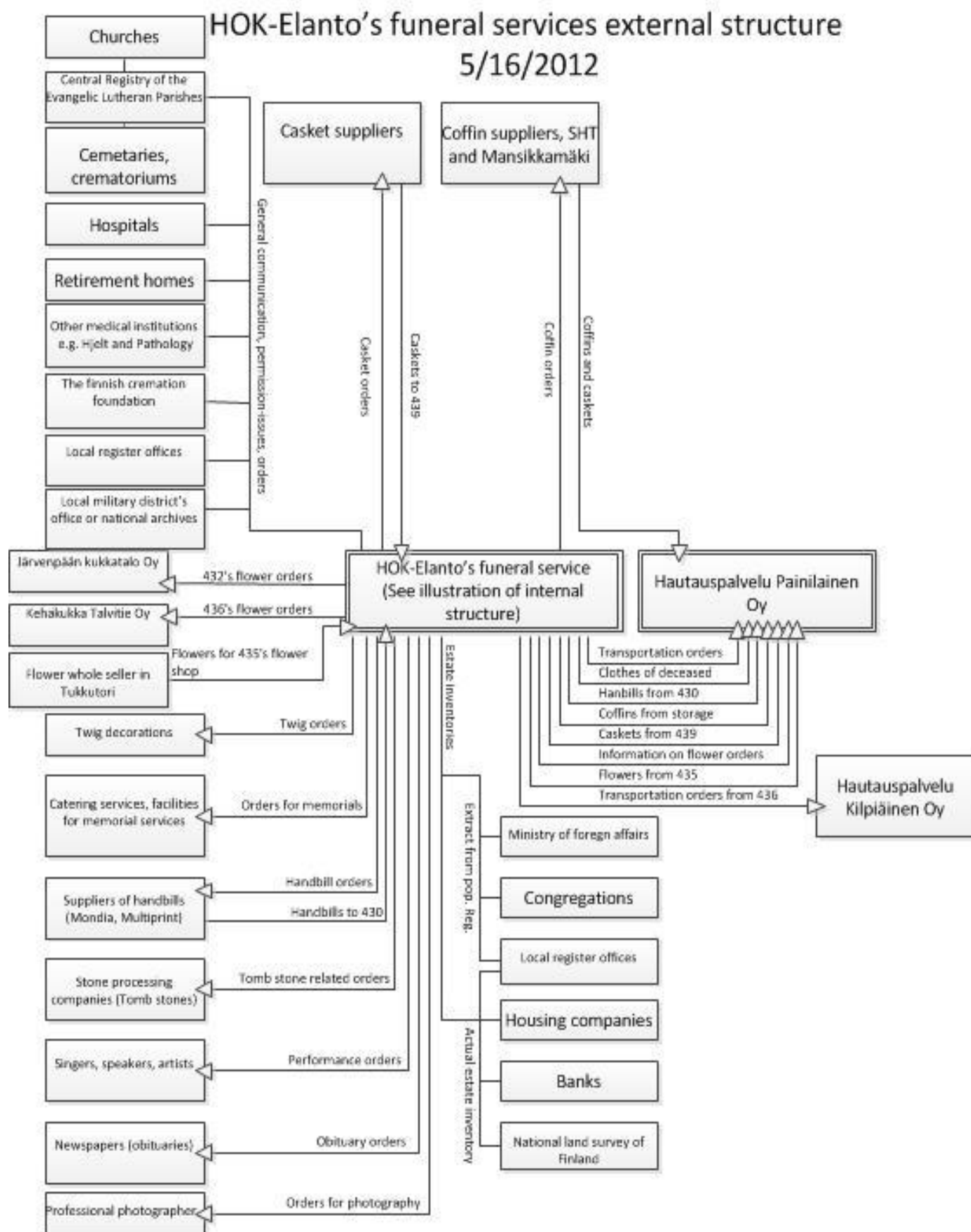


Illustration 2: HOK-Elanto's funeral service's external structure

5.3.2 External flow of information

The communications outside the organization are conducted using Telephone, telefax and email. Some of the parties to be contacted have provided HOK-Elanto's funeral service with forms, which can be easily filled and then faxed to complete the order. Local central register's and The Finnish cremation foundation's forms are perhaps most commonly used, but also stone processing companies, newspapers and catering services have provided HOK-Elanto's funeral service with similar forms.

Permission issues are relatively important in the operations of HOK-Elanto's funeral service. Especially burial permits need to be written, received and forwarded if necessary. This requires communication between HOK-Elanto's funeral service and hospitals, medical institutions and retirement homes. Burial permits are received in written form and they are delivered to sales representatives by the institutions directly via telefax or by the transportation service Hautauspalvelu Painilainen Oy. If the deceased is cremated by Evangelical Lutheran Church of Finland, in the crematories located in cemeteries, the burial permits need to be forwarded to the central register from where the permission for cremation in these crematories is granted. If the cremation is conducted by The Finnish cremation foundation, the burial permit is sent via telefax along with the cremation order form by the sales representative, when the burial permit is received. Also the practices differ between congregations and some local central registers request the burial permits to be sent directly to cemeteries and crematories. Some institutions, such as Hjelt-institution (institution providing juridical autopsies and reports on cause of death) and University of Helsinki's unit of pathology forward the burial permits written directly to central register. Often the funeral service works as a link between the medical or juridical institutions and the relatives, who are organizing the funeral as customers of the funeral service. (Molander 2009, 40) On the general level, it can be said, that the ways burial permits travel, varies depending on the instance writing it. (Ajantasainen lainsäädäntö, 1973)

Communication outside the organization is done from every unit, except the casket storage 439 and other warehouses. Due to the nature of 439 being just a tool for bookkeeping, usually the logistics coordinator from 435 does the casket orders to suppliers. Also customer is contacted from every unit except the mentioned warehouses and unit 435 due to its nature of operations. In some cases the flower shop also contacts the customer, in order to get detailed enough instructions how to prepare the garlands. (Purhonen, follow up questions)

5.3.3 External flow of goods

The goods flowing from and to HOK-Elanto's funeral service are handbills, caskets, coffins and flowers. All the other goods sold are only ordered by HOK-Elanto's funeral service to be delivered and the final delivery is conducted by the subcontractor. These goods include tombstones, twig decorations, flowers for some more separate units and obituaries. Coffins, burial clothes, garlands and caskets are handled by Hautauspalvelu Painilainen Oy, since it is the party responsible for transportation. (Purhonen 4 May 2012)

6 Analysis

After seeing how the organization is structured and understanding what factors have had an effect on the evolution of the structure, one is able to name few possible issues that the organization might be facing at the moment or in the near future. The displayed structure is a result of evolving measures taken to suit the existing environment. No clear hints of the old age of the structure are visible, since the ageing features have been gotten rid of for better efficiency. The small scale of the business, at least when compared to more systematically assembled structures, enables the functioning of the current structure. This means that the numbers of employees and sales units are relatively low and there are no major obstacles for the functioning.

The structure of HOK-Elanto's funeral service is fairly complex for a company or department of a bigger entity, in this case the cooperative society HOK-Elanto. The workload of individual operators in the divisional structure is kept reasonable adapting some of the features of functional organization. In practice this means centralizing some of the functions into a responsibility of one party.

6.1 Division of risks

Joint operations often reduce the risks carried by individual parties. However, the strengths and weaknesses of individual parties inside the organization are equalized. (Vakaslahti 2004, 34) Some of the subcontractors supplying HOK-Elanto's funeral service with their goods or services might also have other clients simultaneously (e.g. SHT-Tukku Oy), but some exist wholly to provide services for one client (e.g. Hautauspalvelu Painilainen Oy). In some cases also rivals might be working together in order to minimize risks, but operations of this nature are extremely rare in the field of funeral services. The cooperation between rivals is most often caused by practical reasons for example in such occasions, when someone deceases in the capital area, but the funerals are arranged somewhere far away. In these cases there might be logistical or other cooperation between competing funeral service providers.

It is evident, that the benefits of cooperating are gained in the form of increased sales. By cooperating with one of the biggest funeral services of Finland, by providing them with products, services or other subcontracting, the cooperator can gain market share. However, there are dependencies concerning sales volumes and pricing. This makes reaching the brake even point easier for small cooperators, in this case often sole traders. (Vakaslahti 2004, 38)

The service provided by HOK-Elanto's funeral service is often dependent on speed of the delivery, since the schedules are binding, due to several parties who are obligated to operate according to a common schedule. The justification for changes is extremely hard to find after the schedule has been agreed with the customer, by the sales representative, the organization must overcome the hindering factors that may occur. The cooperation between several subcontractors and HOK-Elanto's funeral service enables adjustments of the operation if some solution is seen to hinder the process too much. The cooperation also enables all the parties to benefit from each other's core competences without sacrifices from own efficiency. (Vakaslahti 2004, 42)

The field of funeral services can be seen as a relatively steady environment to operate. It has not changed rapidly or with large leaps during the existence of HOK-Elanto's funeral service (Timo Purhonen 4 April 2012). The funeral businesses serves one of the most fundamental needs of humans among with maternity wards, meaning that the demand is likely to exist regardless of the changes in environment. The funeral process also has strong traditions in Finland, which dictate the basic elements of the process and the demand for goods and services related to them (e.g. coffins caskets, cremations, logistics and flowers). Also the rituals and practices can be affected by those parties, whose work is related to the funeral process. This involves a vast amount of people employed by many different industries. (Molander 2009, 230) All of these circumstances mean that the agility of the organization is not that often utilized due to outside factors. However, the existing external structure, which involves multiple subcontracting parties that in some cases even have overlapping supplies, enables HOK-Elanto's funeral service to re-route the patterns and react to even rather drastic changes in supply without disturbance of the actual customer service process. The agility is gained by using subcontracting and distribution of the risks to a vaster field of business. (Vakaslahti 2004, 43)

6.2 Criticism on the external structure based on the cooperation of numerous subcontractors

Networking with outside parties often comes with disadvantages, which need to be taken into account when forming contracts and planning the operations. From the strategic point of view, one of the major disadvantages of HOK-Elanto's funeral service is the high level of de-

pendency on the subcontractors. This is said, by Pasi Vakaslahti, to diminish the core competence of the core organization and make it forget what the core organization is really doing. Network of cooperating businesses is also criticized due to natural loss of knowledge. In the functions, where efficiency and for example wider product range is gained by outsourcing, also an asset of own knowledge, control and production is lost forming blind spots for the organization. With good negotiation skills, the situation can be improved. (Vakaslahti 2004, 49) This is not necessarily seen as a major disadvantage, but it nevertheless makes the organization more hollow. An example of this kind of effect is the coffin production, which used to be conducted by HOK-Elanto's funeral service by themselves (Timo Purhonen, 18 May 2012). When this function was outsourced, the organizations internal knowledge of coffin production was lost.

Exclusion of other option may also be criticized in the model of the external structure. The subcontractors are rather small and one of them being favored by a large operator in the field might cause conflicts on the subcontractor level. Also dispose of a business relationship may become difficult, although eased by skillfully prepared contracts. However these kinds of situations are undesirable, due to the required effort and lost time. (Vakaslahti 2004, 47) They would also certainly defect the atmosphere of business operations taking place in relation with HOK-Elanto's funeral service.

This type of external structure is also criticized of other features as well, but I perceive them to have lesser importance. To mention some of them, the close network-like cooperation may cause some of the cooperators to become direct rivalry in the same field of business. This risk can be decreased with contract technical means and at the moment such development was not visible in the external structure, due to very specific nature of the functions that are outsourced. Another of this kind of disadvantages is disabling the organization to make further choices. This may be caused by labeling and creating business-cultural barriers. (Vakaslahti 2004, 46-47) This problem is not specific to HOK-Elanto's funeral service, but to the whole cooperative society, since it is more likely to be the level on which these kinds of prejudices occur.

6.3 Development thoughts

The most evident need for this organization's management is to pay attention to functioning of the organization in the future. The current structure does it rather efficiently, but structural considerations are suggested if further expansion is planned. The evolution of the organization might have become dependent of many unnecessary perspectives and factors, which might have biased the main focus from the core factors of the business. This problem has been often solved with the use of a zero-based method.

6.3.1 Expansion

The recent expansion of HOK-Elanto's funeral service could be interpreted as a trend. This will cause the development to be expansion related in the future as well. So far, the expansion has taken place in the form of increased number of sales units. The effect that this has had on the organization has so far been increased complexity of the structure and increased volumes in some of the flows illustrated in the structural maps due to the increased amount of sales.

The expansion of the HOK-Elanto's funeral service as a phenomenon is of interesting nature. The objective of the cooperative society is not to gain profit for the investors, but to provide benefits for the customer owners of the cooperative society. (Juutinen et al 2002, 8) This means fundamentally, that the expansion of the operations, in form of new units, is not justified with seeking of profit, but urge of satisfying the needs of customer owners of the cooperative society. The demand for the provided services is seemingly unlimited, due to the large size of the cooperative society. The limiting factors for more vast providence of the service are mainly practical barriers e.g. logistical distances and managerial challenges both due to increased complexity and geographical settings.

At the moment HOK-Elanto's funeral service benefits from advantages of being small. This benefit is not likely to be lost, since extreme expansion is not possible in this business environment (capital area of Finland). According to Bengt Karlöf et al (2006, 91), the benefits of being small can be utilized in high level of motivation, energetic communication, customer learning, optimized processes, efficient use of available resources and flexibility of labor unions. Also the processes and the whole picture of operations are clearer to personnel in small organizations.

The external parties and subcontractors have experienced increased volumes and therefore have had to react. Pauli Painilainen, the CEO of the transportation company Hautauspalvelu Painilainen Oy, described in the interview that during the 3 years of his operations as a major subcontractor of HOK-Elanto's funeral service he has had the need to increase the number of personnel and the amount of hearses driven daily. The biggest impact on his operations was experienced during the opening of Malmi 423 sales unit, when the volume of orders received peaked. The expansion of HOK-Elanto's funeral service has also increased the stress on the ever more vital communication system. As seen in the illustration of the external structure, the flows between Hautauspalvelu Painilainen Oy and HOK-Elanto's funeral service are centric to the process and plentiful in amount. This could be considered as a possible current or future bottleneck in the process. Due to the internal nature of Hauturi software, meaning that

it cannot be accessed by outsiders i.e. subcontractors, Hautauspalvelu Painilainen Oy has introduced a Microsoft office based database to be used by the drivers and management of Hautauspalvelu Painilainen Oy. This database is accessed via computers or in most cases via smartphones and it is updated in real time. This is a major improvement compared to the previous paper based tracking and confirmation system. The development of this database is in progress and it is currently in use only partially, meaning that perhaps one of the most important features, interface with HOK-Elanto's funeral service's logistics coordinator located in unit 435, is not yet established. This means that regular visits to 435 still take place, and according to discussions had, they would take place also if the database was fully utilized due to the evident need of close cooperation between this particular subcontractor and HOK-Elanto's funeral service. The paper based system of tracking and confirming transportations is still used on the side of the electronic system, which was introduced in early 2012. The communication between HOK-Elanto's funeral service and Hautauspalvelu Painilainen Oy has also been improved by use of email via drivers' smartphones. The reaction time for urgent changes in the field has been reduced and efficiency of the logistics improved by utilizing the most efficient forms of transportation and therefore reducing the amount of useless kilometers driven. (Painilainen 9 May 2012)

The reaction time of Hautauspalvelu Painilainen Oy has been reduced and the flexibility and amount of daily transportations increased by creation of the coffin storage in Hautauspalvelu Painilainen Oy's facilities in Pasila. This was a joint effort of both HOK-Elanto's funeral service and Hautauspalvelu Painilainen Oy, since Hautauspalvelu Painilainen Oy has actually rented the storage and HOK-Elanto's funeral service has been willing to provide the storage with an inventory possessed by them. This storage is to be connected to the newly established database for monitoring the inventory levels.

Among with the increased amounts of orders, also the prevention of defects has been under development. Although the amount of processes conducted simultaneously has increased, the quality cannot be compromised under any circumstances. This is due to the nature of the service, which allows absolutely no defects to occur and is mainly relying on word of mouth marketing and reputation gained during decades of operations. In practice the mentioned prevention of defects takes place in form of increased amount of double checking and multiple simultaneous tracking systems.

Expansion and dispersal of the operations require reliability and trust inside the organization as well from the outside parties and subcontractors. According to Painilainen, the trust perceived between all the parties is sufficient and all the parties can easily rely on other's professionalism and accuracy. As a subcontractor, strongly involved in HOK-Elanto's funeral services core process, Hautauspalvelu Painilainen Oy has undergone perhaps the most visible

changes during the past 3 years. As I have observed this development since the times of the previous, currently retired, subcontractor Olavi Tossavainen, I perceive the changes to be taken in leaps. Most of the hearses, personnel and communication system has been either renewed or strongly developed in order to meet HOK-Elanto's funeral service's needs.

Only major inversion to the outsourcing effect in the organization due to expansion is the flower shop in unit 435. Earlier the flowers for funerals were bought from an external subcontractor, Backas Puutarhakeskus, which was located in Pakkala, Vantaa, close to Backas estate, which is known for its cooperation with Elanto. The relocation of flower and garland production enabled closer communications as well as a new location in Hermanni industrial estate closer to local units and frequent travel of the transportation service. (Purhonen 4 April 2012)

6.3.2 Centralizing

If the organization is to expand with new local units, centralizing of some common functions may solve issues related to the workload of individual sales representatives. Analysis of the funeral process might bring up some overlapping activities, which could be implemented in a centralized fashion. As criticism towards centralized functions of the customer service process related functions, an important notice is that it might also isolate the sales representative from the customer service process and therefore increase the risk of defects, since the management of the process would not be so directly connected to the implementation. This risk has to be evaluated, before increasing the amount of centralized functions. It is crucial that the sales representative is able to keep up with the funeral process he/she is organizing. Actions taken to centralize some of the functions would also make the structure even more complex and possibly require rerouting of some of the current flows or creating new ones. This would not be a problem, if the structure would be monitored by the managerial bodies of the organization.

If the workload and existence of overlapping functions begin to be perceived as major hindering factor, one solution could be increasing the responsibilities of 435. This could be done by increasing the amount of personnel and facilitating some of the internally "outsourced" functions there. The managerial and logistic nature of this unit, in addition to formally including the flower shop, could also include providing other supporting functions for the whole organization. This could not be achieved with the current personnel, since they are fully occupied by the existing tasks which are explained in detail in section written about unit 435. The statement that 435 would act as a bottleneck for the process could be also tackled with internal centralizing and specializing to given tasks. However, Painilainen stated in the inter-

view on 9th of May 2012, that the management of the entire chain has coped well and precisely regardless of the expansion.

6.3.3 Bottlenecks and other problems

Unit 435's workload and fluency of communications with external parties, especially with Hautauspalvelu Painilainen Oy, may become a bottleneck when the organization expands to a critical level. The development of these communications is in progress and the issue is taken seriously to increase flexibility, decrease reaction time and host larger volumes. Overcoming this bottleneck requires closer cooperation between Hautauspalvelu Painilainen Oy and HOK-Elanto's funeral service. If the mean of communication is refined enough it could also increase efficiency of the transportation process. Hautauspalvelu Painilainen Oy is the main counterpart of this heavy flow of communication, since they are in direct influence of the core process. Other subcontractors do not necessarily experience an effect this direct, since use of their services or products vary according to the specifications of the order. Other parties, e.g. central register, serve needs of the region regardless of the operators in the field and therefore plan their capacity accordingly. Their demand figures are constant and depend on other demographic figures.

Also SHT-Tukku Oy has experienced slight increase in demand due to the expansion of HOK-Elanto's funeral service and reacted by renting more storage space. The bottlenecks of this external party can be identified from the communications. The creation of the coffin storage to be used in addition to the use of warehouse in Töölö, has made the flow of information more complex and added aspects to be considered. The current manner of making the orders for coffins is perceived to be effective, although it could be improved by using attachments to emails as a mean instead of telefax. This change would make the sharing of information on, e.g. delivery times, more fluent. According to SHT-Tukku Oy, the ideal solution would be an integrated communication system used by all the parties. Lack of resources still prevents this system to be created. Sharing of the inventories, is still considered unnecessary, due to the order of actions taking place in the ordering and delivering. (Inkinen, K 28 May 2012)

Other problems that may occur are related to internal centralizing of the functions of the organization and outsourcing. Centralizing of some of the functions may make the structure and patterns more complex and separate the sale representatives from their personal processes. However centralizing might reduce the workload of unit 435 which at the moment manages multiple functions. Outsourcing may be considered as a problem due to the disadvantages of this practice, introduced earlier.

Neither of the problems have a direct solution, since as there are disadvantages in these practices, there are also benefits, which may become vital if the organization keeps on expanding.

7 Conclusion

The objective of this thesis was to map the existing structure and identify the possible bottlenecks of the process. After this the causes of these current or possible future hindrances were discussed and the whole structure analyzed. The thesis process was conducted using qualitative research methods, while having literature and experts as sources. In practice these methods were interviews and participatory observation. The literature used was focusing on organizational structures, cooperation of companies, methodology and cooperative societies. Also funeral industry related book was used.

The structure of this organization could be summarized to be a two layered (internal and external) entity, which hosts one core process, which is customer service by organizing funerals. The internal structure has features of both division and function based organizational structures and its operations can be described by using network and/or virtual organization model. The external structure could be described as a cluster-like entity of subcontractors and other external parties serving the needs of HOK-Elanto's funeral service's core process.

At the moment the organization is functioning on a satisfactory level, meaning that no major hindrances occur, or they are being solved at the moment, but if the organization continues to experience expansion on the pace witnessed during last 2 years, either the reactivity or capability of the organization may become an issue. This might ultimately cause inefficiency, hindrance of the core process and defects in the service due to inability to respond to the demand. Also external communications should be noticed, before making any larger changes.

7.1 Practical suggestions

This report strongly indicates that a development process of longer scope could be implemented by HOK-Elanto's funeral service, in order to be able to facilitate expansion and increasing volumes. As a very important feature of this development process, the participation of the external parties involved in the core process, should be emphasized. If HOK-Elanto's funeral service could reroute flows and centralize functions of the internal structure and develop the practices and communication with external units, it would be better prepared for the demand, caused by increasing number of local units. This would require bilateral effort from both, HOK-Elanto's funeral service and external parties.

The first step should still be made by HOK-Elanto's funeral service, as they should first evaluate their pressure for expansion and only after that involve themselves and external parties in the development process. After this, the external parties should evaluate their capacities and finally the development of practices and structural reconfiguration should take place.

7.2 Process evaluations

The thesis process was completed in a relatively strong pressure from the pre-announced schedule. Therefore, one of the important sources was unable to provide answers for the final report in time. However, the answers were later added. The objective was met as were the needs of the organization as well. The further use of this report is decided by HOK-Elanto's funeral service's management, but one surprising phenomenon was that the data gathering conducted during the thesis process raised some questions and discussion in the industry related to HOK-Elanto's funeral service's core process. Biggest example of this was SHT-Tukku Oy's dedication to the stated questions. The final evaluation will be done by Laurea UAS, but from the writer's point of view, results will serve the need of the partner organization even more, than this thesis will serve the writer's needs in thesis process itself.

7.3 Further research topics

The further research in this less known, but solid field of business is feasible due to lack of conducted studies. One interesting platform for studies and development could be the functioning of Hautauspalvelu Painilainen Oy, since it involves technology, logistics, communication and cooperation of vast variety of clients and parties. The development of the practices in this particular organization would, however, require professional insight of the processes. Other large topic for research would be the development process for HOK-Elanto's funeral office. This topic was discussed in the practical suggestions part, but this process could easily involve research. The development methods, objectives and means could be evaluated and studied as would the development process involving multiple parties as in whole. Lastly, the regional history of funeral industry e.g. in capital area, could be studied. This research could include creation of the timeline including all phases of development witnessed in this field of this particular industry. This would in some sense be more demanding task due to lack of sources and evident need for multiple interviews with former and current operators in the business. Based on the gathered history, the researcher might be able to give an educated forecast on trends and development to come.

8 Discussion

This part of the thesis evaluates the reliability and validity of the research. The reliability aspect may be questioned and seen unsuitable in qualitative research, especially in a case study, such as this. Therefore the validity, being a measure of higher relevance, was measured using an independent reviewer, Timo Purhonen.

8.1 Validity

Are the results accurate enough?

The accuracy of the description provided in this thesis, is on the level HOK-Elanto's funeral service requested it to be. In some parts the accuracy could be increased, enabled by the availability of resources, but the presented level of detail was considered sufficient. This was mainly due to the feeling of distraction, when too many issues of lesser importance for the thesis' objective would be introduced. This intentional deduction also leaves room for changes, so that the result can be utilized regardless of minor changes. These deductions of accuracy mainly occurred in the descriptive part of the report in order to gain simplicity or due to the request of Timo Purhonen in some cases of naming of subcontractors. Also the patterns presented in the illustrations were simplified in order to gain readability and consistency.

According to Timo Purhonen (29 May 2012), who also was the contact person in the organization and therefore the receiver of this work, the accuracy was on a high enough level. The reasoning and use of knowledge gained in observations were appreciated and the emphasis on the subcontractor was perceived very relevant. The point of view of subcontractors needs to be taken into account when planning the development. Purhonen said it to be characteristic for individual parties in funeral industry to work together and notice each other's needs in order to meet customer's needs.

Is the correct thing measured?

This research was not aimed to produce as accurate generalization as possible, but to display the existing case and provide development thoughts according to analysis. To reach this aim, the factors to be researched were the existing structure and the current functioning and they needed to be introduced. To give this entity background it needed to be identified from the existing literature and then compared and evaluated with the examples. The literature also gave some features of different concepts, which were then either identified from the existing structure or used in the analysis as direction of preferred development. These were the factors that I considered worth-wile of studying in order to reach the objective.

Only objective of the output was set, in order to direct the research process. No hypothesis was presented. This decision was done in order to maximize objectivity in a relative small, but complex structure, where independent aims could easily bias the output.

The organizational structure was described by Purhonen (29 May 2012) as a customer oriented organization, meaning that most of the actions and operations are justified by meeting the customer needs. This indicates a more holistic and process oriented view. Never the less, he found the emphasis on use of internal and external structures to be a very suiting mean of measuring and the use of theories necessary, however difficult to identify due to the nature of the organization. He also acknowledged the need of identification of the bottlenecks and the need to monitor the organization in a more rationalistic manner.

8.2 Reliability

Is the research replicable?

“The concept of reliability is even misleading in qualitative research. If a qualitative study is discussed with reliability as a criterion, the consequence is rather that the study is no good” (Stenbacka, C. 2001, 552)

The repeatability of this research can be questioned, since the setting of the research is rather unique. However, by using similar methods in similar environment for the same purpose, the result would most likely be similar. The required setting for the research to be replicated would require finding a cooperative society, in an Evangelical Lutheran country, operating a funeral function which has relatively long traditions and is witnessing expansion. The once-off nature of this research with a predefined objective named by the need of the case company would make the replication of this research relatively hard. The organization in question is not in a static state, but evolves and reflects to the environment all the time. This means that the “snap-shot” provided in form of this thesis must be considered as a phase of a dynamic process. An example of this is the Espoonlahti local unit, which was opened during this thesis was written.

Since the research was qualitative, the reliability as a measure might be perceived as ill-fitting. In qualitative research there are no solid assumptions to utilize and base the statements on unlike in quantitative research. (Kananen 2009, 87) Numerical data is only in a supplementing role in this thesis and the aim is not to reach generalized answers and statistical information, but to observe and understand the setting for further analysis, which is done according to topic related literature. The literature provided the analysis with man-made theories and models, which unlike in natural sciences where natural phenomenon are referred

to, were used as the base for analysis. When measuring qualities, according data gathered from several sources, the reliability as a measure is not the most suitable one. The sample and sources are dependent on the occasion when they are gathered. For example this particular research lasted for 3 months and during that time the environment might have changed so, that similar answers to the same questions might not be received. In qualitative research the term “reliability” is often replaced with the term “dependability”. (Golafshani, N. 2003, 601)

As Kananen J. pointed out on page 92, Mäkelä (1990, 48) has suggested adequacy of the sample, coverage of the analysis and evaluability and repeatability of the analysis to be used as a basis for evaluation qualitative research. By the adequacy of the sample a thorough enough view of the studied material is meant. No detail is given too much emphasis in the result. The evaluability of the analysis concentrates on the documentation of the process phases. The repeatability of the analysis as a basis of evaluation refers to the amount and quality of the documentation of the analysis, in order to analyze the material or sample again and be able to regenerate similar results. (Kananen 2009, 93)

The focus of the research has been on four qualities of a research, which added together would form a somewhat reliable feel of the thesis. Neutrality is aimed at by trying to achieve a “view of an outsider” and being as explanatory as possible. By explaining the patterns and structures in the way that they really are, is used to maximize the conformability of the research. First hand observations and explanations of the structure and patterns are used and the “whole picture” is tried to illustrate in a way that it could be confirmed by all the related parties of the structure. Creditability of the research can only be questioned if something mentioned in this thesis is proved to be wrong or can be attested to be otherwise. This has been tried to avoid by seeking for proofs and confirming the stated issues from the sources. Consistency as the last quality of reliability is tried to maximize by linking stated issues to others and making statements according to findings presented.

The reliability of a qualitative research is often measured by examining the trustworthiness. In this case the trustworthiness of the sources can be defined as good, since there was no expected outcome for the research and the case company would only benefit from an objective and unbiased result provided by this thesis. (Golafshani, N. 2003)

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