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Developing a Partnering Process for the Case Company

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After a long break from the studies, I did not remember how fun and inspiring it can be. This journey has been much more pleasant than I imagined.

I would like to give acknowledgement to the case company for supporting and providing time to work on this thesis. Big thanks to my colleagues for participating and making this thesis possible. I would especially like to thank the sales management for active participation and providing valuable feedback.

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The objective of this thesis was to develop a partnering process for the case company to conduct joint projects with the business partner. A partner company had already been selected and one joint project was accomplished, but the systematic approach to conduct business together was inadequate.

This study adapted applied action research and had four interlinked stages with three data collection rounds. First, the conceptual framework was developed from the literature review to create a strong foundation for following stages as the process was built from the ground up. Next, the findings of the current state analysis were assessed in the context of the conceptual framework, which resulted in a summary of strengths and weaknesses.

The proposal of the partnering process was created by combining the information from the conceptual framework and current state analysis and co-creating the proposal with the key stakeholders during the workshops. The process consisted of several stages from identification to the decision stages and it explained an easy and understandable way to conduct joint projects with the business partner.

This thesis resulted in a partnering process that clarified the roles and responsibilities and provided guidance for successful collaboration between the business partners. The developed partnering process met the requirements of the case company and after implementation it is expected to lead to increased turnover.

Keywords: Business partnership, process development, competition and collaboration

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1 Introduction

A successful business is built on relationships, in today's world business is fast-paced, and companies must stay ahead of the competition. Cross company collaboration is one key element to achieve this. A well-developed collaboration between two companies creates financial and competitive advantages for the partner companies as well as for customers.

A partnership offers companies the chance to achieve a shared goal through collaboration. It brings many advantages and opportunities to develop the business. For instance, the partnership can significantly increase the speed and hit ratio of the quotations and bring new contacts and sales leads for both companies. It can also make it easier for the companies to promote their own reputation to boost their commercial awareness. Both partnering companies add value to mutual offerings as each company is contributing some input, but also sharing the rewards together.

In this thesis, a partnering process is developed for the case company, which is supporting the chosen strategy and hopefully bringing new business opportunities in the future.

1.1 Business Context

The case company is a multinational, German-based automation company. It is producing and selling various automation components for the factory and process industry. In addition, the company also has a Didactic division that provides technical education equipment and solutions for schools and companies. The array of different products and solutions is huge – the case company has components from fittings, pneumatics cylinders, and process valves to electric manipulators and complete automatic systems. The company has over 18 000 employees globally and it has subsidiaries in more than 60 countries. In Finland, the case company's customer segment is very wide. The main focus has been

on OEMs (Original Equipment Manufacturers) and the sold components and systems are usually integrated into their machines.

As part of the new strategy, the company wants to increase its market share in certain types of industrial products, which have been challenging in the past for the company. It has been identified that a business partner is desirable to supplement the case company's offering as its own portfolio does not always meet the customer's requirements completely. A partnership would support the case company's strategic goals and growth targets and could bring new cross-selling potential if the joint projects are successful. However, the case company does not have any existing processes on how to do business with a partner in joint projects.

The aim is to create competitive advantage by having a partnership that creates value to both suppliers and customers. Effective processes are vital to ensure transparent, fast, and efficient service to the customer. Also, the profitability of the business is improved by having a partner in challenging projects.

1.2 Business Challenge, Objective and Outcome

The business challenge of the case company is that there are no existing processes on how to do business with a partner. The case company has conducted one successful joint project with a selected partner. During this pilot project it became clear that the internal work practices and how to do business together with the partner were needed as the roles and responsibilities were unclear. To reach the strategic objectives such as profitable growth, it is important to have a solid and well-functioning process.

The complex projects in the past have previously been done internally with the help of the German parent company. When trying to execute these projects on their own, the case company had wasted a lot of working time on complex and time-consuming internal processes. This has many negative consequences and impacts such as slow response time, wasting valuable working time and low

profitability. Usually, it requires two to three working days from the project engineer and intensive collaboration with the parent company to get the quotation ready. Also, in most cases the financial result has been inadequate. Partly for these reasons the sales engineers have started to avoid projects that do not fit the case company's core processes, although there lies a big financial potential.

For these reasons the objective of this thesis is to create a partnering process that would clarify and streamline the working methods in the case company and improve the collaboration with the business partner. The outcome of this thesis is a partnering process, which is supporting the chosen strategy of the case company. Also, the results of this thesis can be used by the other business units of the case company related to best practices of partnering.

1.3 Thesis Outline

The scope of this thesis is to develop a partnering process for the case company. Evaluating and selecting the right business partner is not in the scope of this thesis as a lot of literature and frameworks have been published on that topic.

The study is divided into four stages in which the business problem is addressed. First, the existing knowledge of partnering processes is examined to find the best practices and to create a conceptual framework. It is followed by analysing the current state of the case company regarding organizational readiness for partnering and evaluating the pilot project. As a result, strengths and weaknesses are identified. The data of the current state analysis is gathered by interviewing the stakeholders and analysing the joint pilot project. In the third stage of the study the proposal is co-created with the stakeholders by utilizing the findings from the previous stages. In the fourth and final stage the proposal of a partnering process is validated based on the collected feedback from the key stakeholders. Implementation and further iteration of the process is not in the scope of this study.

There are seven sections in the study. After the introduction in section 1, section 2 introduces the project plan of this study. It includes the research approach and design as well as the collection of data. Section 3 gathers best practices from the literature and helps to create the conceptual framework of the thesis. In section 4 the findings are summarized from the current state analysis. Section 5 builds the proposal of a partnering process and chapter 6 describes how the created process was validated. And finally, the conclusions and an executive summary are presented in section 7.

In the next section, the project plan is explained including the research design and data collection plan.

2 Project Plan

In this section the selected research approach and design are described for this study. First the importance of a suitable research approach is emphasized for credible and dependable research practices. Then the research design is presented to show how the study was conducted. And last, the data collection methods are explained to verify the reliability of the study.

2.1 Research Approach

There are two main approaches to conducting research – basic and applied research (Saunders et al. 2019). Basic research focuses more on finding theoretical explanations and to build substantive theory. Generally, the basic research is conducted in universities and its key outcome is often an academic publication, which is mainly studied by the academic world. Usually only a small amount of attention is given to its practical applications and the focus is not to add commercial value. However, the resulting model of basic research can have a significant impact in both academic and business practitioner communities. (Saunders et al. 2019: 8-10).

Applied research tries to find a practical solution for a business problem. It is not trying to build new theories, but to use existing knowledge and models to solve a research problem. The outcome of applied research is an actionable result that can be implemented to solve a specific business problem (Saunders et al. 2019: 8-10).

There are many ways to conduct applied research such as case research, action research and design research, which is also known as applied action research. All these different research types have a lot of similarities, however there are some differences - the nature of action research is cyclic as it contains multiple iteration rounds and usually the researcher is also a member of the research object. The case research tries to get a deep and holistic understanding of the phenomenon rather than developing new processes or concepts (Kananen,

2013). The purpose of this thesis is to find a solution for a specific business problem in a limited timeframe, making the case study and action research unfit for this research.

Therefore, the selected research approach for this thesis is applied action research. According to Kananen (2013) applied action research aims to change or develop an organization's processes or business problems. Applied action research is a combination of different research and development methodologies and the developing process is always based on proper theory. In applied action research the specific business problem is documented thoroughly, and proven scientific methods are used to ensure the output reliability and accuracy (Kananen, 2013: 22).

Applied action research has some similarities with action research as both are trying to find solutions to practical business problems and ways to implement the solutions successfully. The result of the applied action research is individual depending on the case and generalized conclusions cannot be drawn from it. However, if a new concept is developed it can be used in a similar application regardless of the business or industry segment (Kananen, 2013: 46).

In this thesis the business problem is very specific, and the objective is to develop a partnering process for the case company. As there is no existing process and the amount of information is limited, the qualitative research approach is the best suiting option. The objective of qualitative research is to get an in-depth understanding of the business problem, its structure, and variables and the interrelationship between the elements. Quantitative approach would suit better if the aim of the study would be generalisation and there would be existing models and theories to be used as a basis (Kananen, 2013).

2.2 Research Design

The research design of this thesis includes four stages. Identifying the business challenge and the outcome were the first steps in the research process. This was followed by the creation of the research design, which is illustrated in figure 1. By defining the research design carefully, a solid foundation and a systematic approach for the study was created. The logical path was created to ensure that the set objectives and quality standards would be achieved.

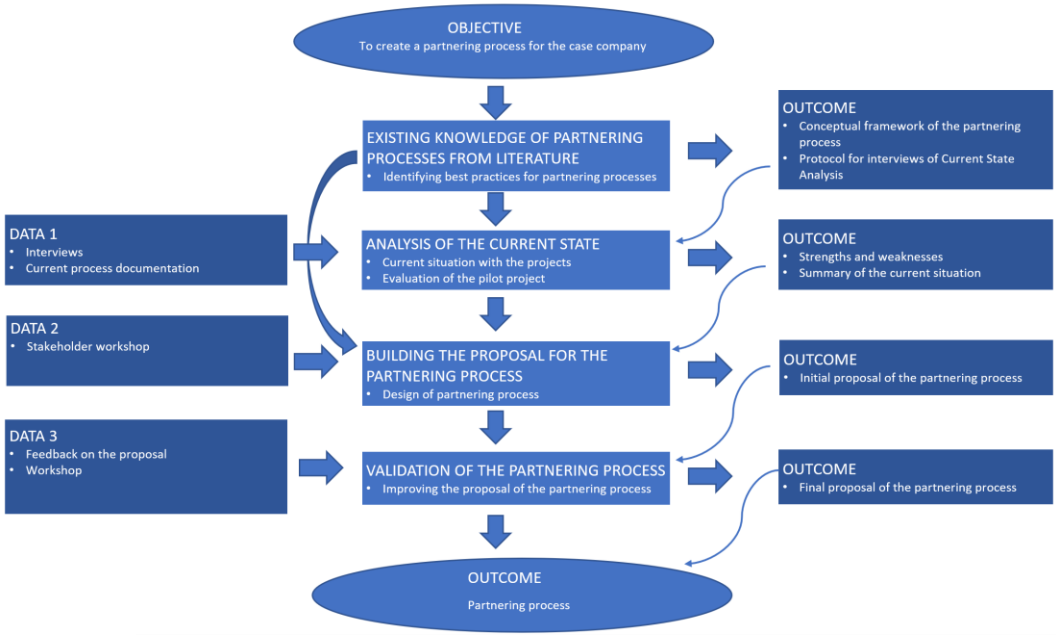

Figure 1. Visualized research design of this study

As shown at the top of figure 1, the objective of this thesis was to create a partnering process for the case company. The journey to the outcome started by conducting the literature review, which offered a conceptual framework for the process. There was not any existing partnering process in the case company, therefore the literature review was performed before the current state analysis. The outcome of this stage was a conceptual framework, which helped to form a consistent foundation for the later stages and provided a clear logic to follow. It brought together different ideas around the partnering concept that gave a better understanding of important elements when conducting the current state analysis.

In the second stage, the current state analysis was performed by using triangulated data collection methods such as carrying out interviews and workshops to improve the credibility of the thesis. First, the joint pilot project was reviewed, and it was followed by analysing the organizational readiness of the case company for partnering. As a result, the key findings were summarized into strengths and weaknesses.

The third stage focused on building the proposal of a partnering process for the case company. Based on a conceptual framework, stakeholder inputs, and findings from the current state analysis the proposal was co-created during the workshop.

In the fourth and final stage, the initial proposition was validated with the help of key stakeholders. After collecting feedback, the adaptations to the proposal were made. The outcome of this stage was the final version of the partnering process for the case company.

2.3 Data Collection

There were three consequential and structured data collection rounds in this thesis. Several data sources were used such as interviews and workshops. Detailed descriptions of each round of data collection are below.

Table 1 describes the collection of data 1, which helped to build the current state analysis.

Table 1. Details of data 1 collection

	Participants / Role	Data Type	Topic, Description	Date, Length	Documented as
	Data 1, Current State Analysis				
1	Respondent 1: Sales Manager	Teams interview	1. Current inquiry process 2. Strengths and weaknesses	17.1.2022, 20 min	Field notes and recording
2	Respondent 2: Sales Manager	Teams Interview	1. Current inquiry process 2. Strengths and weaknesses	17.1.2022, 30 min	Field notes and recording
3	Respondent 3: Head of Sales	Teams Interview	1. Current inquiry process 2. Strengths and weaknesses	18.12022, 30 min	Field notes and recording
			3. Analysing the partnering concept	28.2.2022, 60 min	
4	Respondent 4: Sales Manager	Teams Interview	1. Current inquiry process 2. Strengths and weaknesses	18.1.2022, 30 min	Field notes and recording
5	Respondent 5: Sales Management	Teams Interview	1. Current inquiry process 2. Strengths and weaknesses	18.1.2022, 20 min	Field notes and recording
6	Respondent 6: Sales Engineer	Teams Interview	1. Current inquiry process 2. Strengths and weaknesses	18.1.2022, 25 min	Field notes and recording
7	Respondent 7: Head of Production	Teams Interview	1. Current inquiry process	19.1.2022, 25 min	Field notes and recording

	Participants / Role	Data Type	Topic, Description	Date, Length	Documented as
			2. Strengths and weaknesses		
8	Respondent 8: Head of Engineering	Teams Interview	1. Current inquiry process 2. Strengths and weaknesses	19.1.2022, 35 min	Field notes and recording
9	Respondent 9: Sales Engineer	Teams Interview	1. Current inquiry process 2. Strengths and weaknesses	19.1.2022, 30 min	Field notes and recording
10	Respondent 10: Sales Engineer	Teams Interview	1. Current inquiry process 2. Strengths and weaknesses	27.1.2022, 25 min	Field notes and recording
11	Respondent 11: Sales Engineer	Teams Interview	1. Current inquiry process 2. Strengths and weaknesses	27.1.2022, 20 min	Field notes and recording
12	Respondent 12: Sales Engineer	Teams Interview	1. Current inquiry process 2. Strengths and weaknesses	27.1.2022, 20 min	Field notes and recording
14	Sales Engineer Quality Manager Head of Production Head of Engineering	Workshop	1. Analysing and mapping the current process	3.2.2022, 60 min	Field notes and recording

The purpose of data round 1 was to gain a good understanding of the current challenges, strengths, and pain points of the inquiry processes as well as to analyse the organizational readiness of the case company towards partnering. Data 1 collected in Table 1 presents the structure of data collection methods such

as data source, length, and topic of the interviews. The primary data sources were one-to-one interviews, which followed a semi-structured approach with theme categorised questions that required open-ended responses. The main information sources were the sales management and sales engineers along with the key stakeholders in the project department. The interviewees were selected based on their experience and knowledge of the issue being examined and the results of the interviews were categorized in themes for further analysis.

Data 2 and 3 collection details are presented in table 2. The data collection was conducted by having workshops with the key stakeholders where the conceptual framework and key findings were presented before the proposal building and validation took place.

Table 2. Details of data 2 and 3 collection

	Participants / Role	**Data Type**	**Topic, Description**	**Date, Length**	**Documented as**
	Data 2, Building the Proposal				
1	Head of Sales, 2 Sales Managers, Quality Manager	Workshop	Building the proposal	24.3. 2022, 1h 20 min	Field notes and recording
	Data 3, Validating the Proposal				
3	Head of Sales, 3 Sales Managers, Quality Manager	Workshop	Validation of the proposal	6.4.2022, 50 min	Field notes and recording

As shown in table 2, data 2 was gathered from the workshops that aimed to build the initial proposal of a partnering process for the case company. Finally, the initial proposal was validated in data 3 workshop by collecting feedback from the key stakeholders. The final version of the proposal was developed based on feedback from the initial process.

In the next section the conceptual framework for the research is developed.

3 Existing Knowledge of Partnering Processes from Literature

The objective of this thesis was to develop a partnering process for the case company, but as there was no existing process implemented, the literature review was a natural way to proceed. In this section the existing literature-related elements for a successful partnering process were explored. Three main topics were found from the literature, which were partnering strategy, key elements of successful partnering and building the process for partnering.

The main topics are broken further into smaller subsections. With the help of the main topics the development of the partnering process becomes more focused and efficient. In the first subsection, the partnering strategy and how to align it to the strategy of the company are reviewed. It is followed by examining the success factors of partnering and lastly, building the process for partnering is examined. In the last subsection, the conceptual framework summarizes the key findings of the literature review for the thesis. Finally, using the framework as a guide the current state analysis is performed in section 4.

3.1 Strategy for Partnering

In this section, the strategically important elements in the partnering process are presented by literature. The partnering strategy is divided into four subsections: lean thinking, strategic alignment, strategy communication and performance management.

3.1.1 Lean Thinking

According to Modig and Åhlström (2013: 87-95) lean can be defined in three categories: lean as philosophy, lean as a way to improve, or lean as a method. Limiting the use of lean to just a single category limits its applicability and leads to the loss of deep thinking around lean, such as the answer to why. The challenge with lean is nowadays that everything good is seen as lean. In order

not to be trivial, it is important to understand the meaning of the lean and define the goals to achieve with the help of it.

Hines et al. (2004) had a similar approach as they claim that lean exists at strategic and operational levels. The operational lean thinking is mainly connected to the shop-floor level as the strategic lean thinking can be applied to everyone. Customer-centric approach provided by lean thinking gives organizations a great way to gain and create understanding of the added value. Ideally, lean offers tools to maximize value and minimize waste for both the customer and the seller.

Modig and Åhlström (2013) describe efficient processes through resource and flow efficiency. Resource efficiency aims to ensure that all the available resources are utilized fully, while in turn flow efficiency is the amount of time spent on value adding activity compared to the total time spent completing it. The resource efficiency focuses on organizational resources in order to deliver product or service while flow efficiency is the throughput rate of the process.

According to Modig and Åhlström (2013: 57-59) many handovers increase the risk of distortions and obscure the responsibilities. There are various forms of waste, but one of the most sophisticated forms of waste is superfluous work. For instance, inefficient processes might generate secondary needs such as additional documentation, which consume resources but are not adding real customer value. This type of waste is difficult to recognize as a waste.

The efficiency paradox described by Modig and Åhlström (2013: 65-66) means that individuals or organizations believe that they are utilizing resources efficiently, but in reality, much of the work is not adding value.

Figure 2 presents the efficiency matrix, which illustrates the four organizational states related to efficiency and resource efficiency.

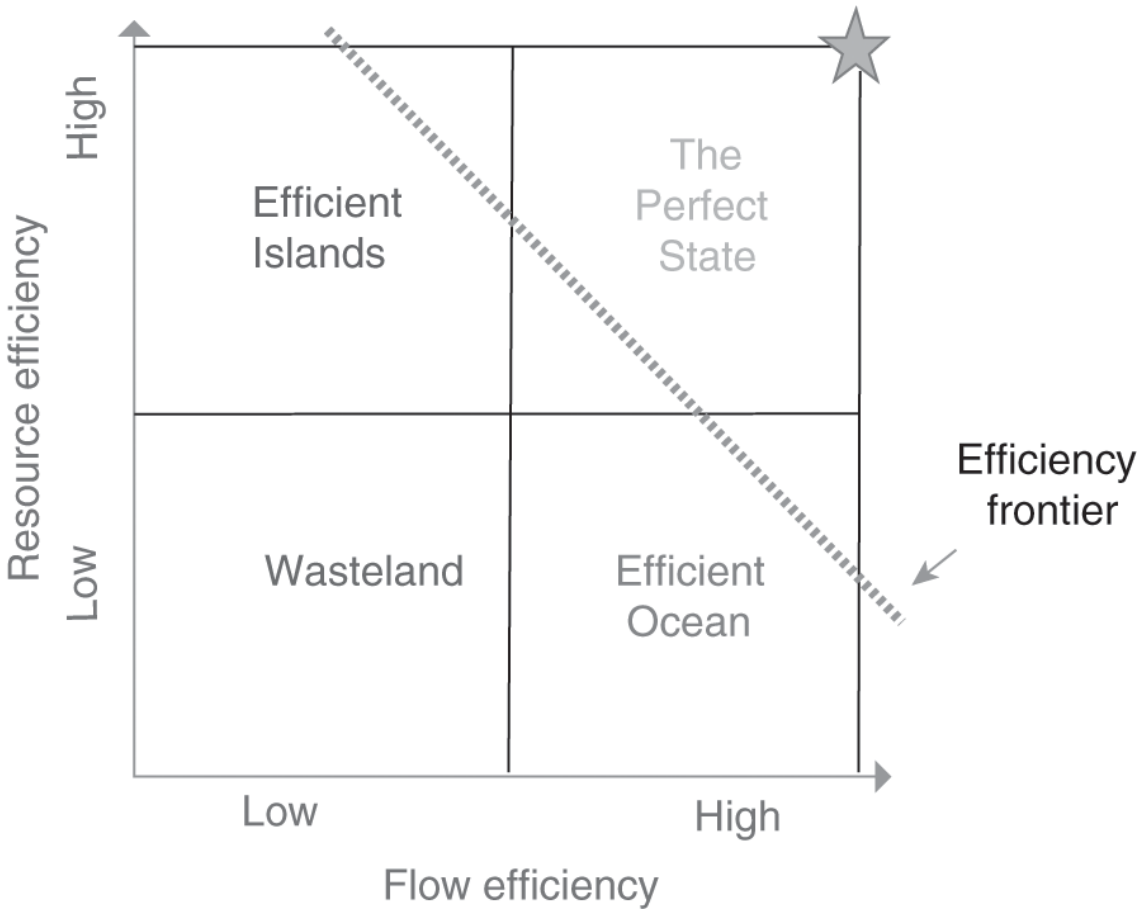

Figure 2. The efficiency matrix (Modig and Åhlström, 2013: 98-100)

As shown in figure 2, the efficient islands in the top left-hand corner of the matrix illustrate a situation where resource efficiency is high and flow efficiency low. This means that the sub-optimized parts of the organization work independently and try to maximize its resource utilization, but there is no sufficient cooperation between them. This leads to unnecessarily high waiting times between the resources (Modig and Åhlström, 2013: 98-105).

The low right-hand corner, the efficient ocean, maximizes the flow efficiency in the cost of resource efficiency. The aim is to fulfill the needs of the customers as efficiently as possible. Wasteland is a state where both resource efficiency and flow efficiency are inadequate, leading to the waste of resources. The top right-hand corner is the perfect state that every organization wants to achieve, but it is difficult due to variation in resource and flow efficiencies. The efficiency frontier created by variation is defining which organizational state the company can

reach. The more variation the organization is facing, the lower the efficiency frontier descends as illustrated in figure 2 (Modig and Åhlström, 2013: 98-105).

According to Modig and Åhlström (2013) lean is an operational strategy that always prioritises flow efficiency over resource efficiency. If done this way, the resource efficiency will also increase in the long-term. Lean is a strategy to move towards the perfect state in the efficiency matrix and therefore it could also be used by every organization. The goal of a lean operational strategy is to improve the flow efficiency without compromising the resource efficiency. To identify if the organization is truly striving for lean it is important to examine the business strategy of the organization. For instance, what values does the company want to achieve and how should it compete? By eliminating variation in how the organization behaves, thinks, and acts it is possible to move towards higher flow efficiency. And developing solutions and methods using lean operation strategies helps to reduce and manage the variation (Modig and Åhlström, 2013).

3.1.2 Strategic Alignment for Partnering

Building a competitive strategy is about choosing different activities to offer a unique value mix to the customer and which outperform the offerings of the competitors (Porter, 1996: 64). According to Porter (1996) there are two kinds of strategies: the way of cost efficiency but having a similar business model than competitors or finding a way to perform activities in a unique way that creates value for the customers. Achieving a sustainable strategic position requires trade-offs to sustain positioning that protect the business from competition. Porter claims that companies should aim for a strategic fit, which is a set of interlocked activities that enhances the value creation and are difficult to replicate by competitors.

Barney (1991) calls this strategic fit in his framework as a sustained competitive advantage. This resource-based view lists important tangible and intangible resources for creating a sustainable competitive advantage over the other companies. These resources are *value*, *rareness*, *imperfectly imitable* and *non-*

substitutability. The valuable resources exploit opportunities or neutralize threats when in turn rare resources offer competitive advantage if the chosen strategy is not implemented by numerous other companies. Imperfectly imitable resources may exist for historical reasons, or the resource can be causally ambiguous, which makes it difficult to replicate by other companies. For instance, the resource might be difficult to imitate if the competing companies do not fully understand the linkage between the resources and its competitive advantage or if the resource is socially complex such as corporate culture or reputation. Non-substitutable resource produces value or competitive advantage, but it has no equivalent substitutes (Barney 1991).

In conclusion, it can be said that organizations possess different resources and capabilities, and this is why they perform differently in the market. But why do they want to collaborate? According to Ritala (2010) and Bengtsson and Kock (2000) there are several reasons, usually the main motive is to provide access to unique resources. For instance, the partnering companies want to increase their share from the market or enter a completely new market. Other motives are to optimize or use fewer resources to serve existing markets or to secure or improve the competitive position in the market. One of the major benefits of the collaboration is that companies can focus on their core competencies, but still offer a wider range of solutions through the partnership than if acting alone. And competencies outside the core could be conducted together with the partner. Ritala (2012) states that mutual collaboration can offer these benefits, which would not be available if the companies only compete against each other.

Dyer and Singh (1998) states that there are four determinants that create competitive advantage for partnering companies. These are investments in relation-specific assets, such as customizing solutions to partners, sharing substantial knowledge that is resulting in joint learning or combining scarce but complementary resources to outperform competitors.

Relational rent is an exceptional profit that can be only created together with the partners. Relational rents are possible when the partners jointly combine or invest

in assets, knowledge or resources that lower transaction cost or bring synergistic benefits (Dyer and Singh 1998).

Coopetition is a specific type of relationship on which companies collaborate and compete at the same time. According to Ritala (2010) the coopetition is linked to the resource-based view as it explains why collaborating companies exchange and integrate complementary resources. For instance, value-based resource presented by Barney (1991) is connected to the coopetition as it offers companies a stronger motive to enter in collaboration to create value for a specific business segment.

As the companies compete and collaborate at the same time, it causes a paradox for instance to information sharing and value creation. According to Bengttson and Kock (2000) there is no conflict between them as the relationship is complex and multidimensional, which have different logics of interaction. Also, the success of collaboration is affected by company and alliance specific factors as well as industrial and economic context (Ritala, 2012).

There is a small conflict between resource-based view and interfirm collaboration. In a resource-based view the companies should protect their resources and valuable business-specific knowledge to remain competitive. Effective collaboration between the partnering companies requires mutual information and knowledge sharing. There is a spillover risk of valuable information, which could reduce the competitive advantage. But according to Ritala (2010) the collaboration with the competitor is strategically justified if the added value is greater than the issues caused by competition. However, to avoid opportunistic behaviour and its negative consequences, companies must be aware of the possibility of opportunism by the other party. One form of opportunistic behaviour is that companies acquire core knowledge from each other and use it for their own benefit (Ritala, 2010: 35).

Ritala (2010) states that a relationship that includes coopetition generates positive outcomes for all the participants in terms of resource-based view. For

instance, companies that can create their own differentiated offerings based on collaborative value creation are best suited to succeed.

3.1.3 Strategy Communication

The challenge of developing a clear and successful strategy in the organization is usually depending on the level of leadership including transparent and continuous communication (Porter, 1996). A communication strategy is communicating the change that is needed to reach the targets.

It does not matter how good the strategy is, if the employees who should execute it are not buying the strategy or it is too hard to understand. According to Jones (2008) it is crucial for the strategy developers to consider the situation from the perspective of the others and get back to the point where the strategy work started. If people are treated with respect and trust, there is a much higher chance for successful communication.

Jones (2008: 25) states that it is important that the strategy is communicated to the relevant stakeholders and the target of the communication is defined, but the communication should not only be conducted for the sake of communication. There must be a clear understanding of the delivered message and the communication style must be adapted according to the desired results. Explaining the current situation of the organization is essential when communicating the new strategy. This prepares the ground for the new strategy as people start to realize that change is needed (Jones, 2008).

The communication model that Jones (2008) presents has many commonalities with the 8-step change model introduced by Kotter (1995), which can be implemented when communicating the new strategy. Kotter's model has all necessary steps that are needed for communication such as creating a need of urgency, gaining commitment, creating and communication vision as well as creating short-term wins and institutionalizing the new practices.

If the strategy has been developed by only a small group, it is vital that the understanding is shared for the rest of the organization. The message should be consistent across the board as the inconsistency leads to confusion. And ultimately it is the role of the chief executive to ensure that everyone is on the same level of understanding. One symptom that departments communicate poorly with each other is silo thinking within the organization. This means that different departments are not discussing and sharing knowledge with each other and are just narrowly focused on their own agenda (Jones, 2008).

Prior to the launch of the new strategy, there should be a clear and pre-defined plan to give answers on what to communicate, when and by whom. To get the commitment of the employees, it is crucial that the message is consistent and understandable. A few months after the launch the changes are taking place. At this stage it is still easy to conduct corrective actions to the strategy and communicate it effectively forward. Also, publishing the success stories gives a great morale boost for the employees and confirms that the path is right. Regular communication of the strategy and its results are important to gain the trust and respect of the organization (Jones, 2008).

3.1.4 Performance Management

During the last decades the balanced scorecard introduced by Kaplan and Norton (1992) has become the dominant strategic planning and management system of the business world. It is a comprehensive and fast tool to get an overview of the business and identify the best strategy to follow. The balanced scorecard has four different elements that help managers to analyse business from different perspectives.

These interrelated elements, which also form the values and vision of the company are customer satisfaction, internal processes and innovation and learning which are contributing to the success of the final element, the financial metrics. These metrics alone provide a past rather than future oriented focus on how to improve the performance and can lead to a short-term approach.

Operational actions determine financial performance such as the satisfaction of the customers or level of the quality (Kaplan and Norton, 1992: 77-78). Figure 3 illustrates how different elements of the balanced scorecard are linked to each other.

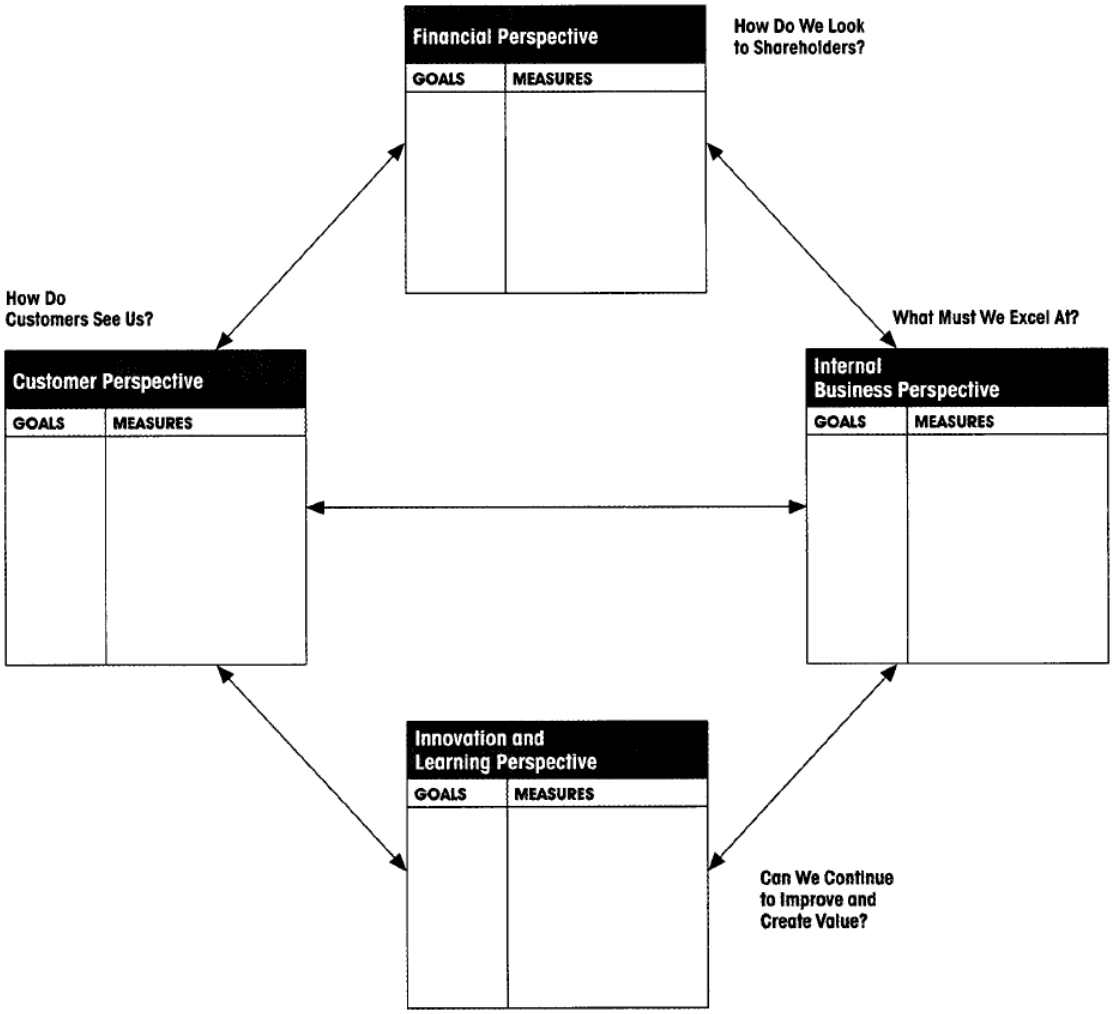

Figure 3. The four elements of the balanced scorecard (Kaplan and Norton, 1992)

As shown in figure 3 the scorecard can provide fundamental answers such as where to focus or what to improve. It helps to translate strategic targets into specific and measurable goals of which progress can be monitored. By limiting the number of measures, the balanced scorecard reduces information overload and allows managers to concentrate on the few key measures that are most crucial. With the help of the scorecard the managers are able to identify quickly

what is expected of them and how these expectations can be fulfilled (Kaplan and Norton, 1992).

The biggest benefits of using a balanced scorecard are the ability to bring information into a single source and to monitor the key metrics effectively. But also, it makes the stakeholders more committed as they get more involved with the planning and execution of the goals.

3.2 Successful Partnering

In this section, the success factors of partnering are presented by literature. The success factors are divided into three subsections. First, the success factors and pitfalls of partnering are described, then it is followed by the presentation of collaboration and competition factors and finally the relationship management is described. All these main elements of successful partnering are interrelated to each other and therefore the covered topics are also partly overlapping.

3.2.1 Partnering Success Factors and Pitfalls

Multiple studies have been completed to analyse the factors of successful partnering and the results of the studies are similar. According to Whipple and Frankel (2000) there are five success factors for successful partnering that are above the rest. These are trust, support of the senior management, ability to perform as expected, clear goals, and compatibility between partners. The results align with the earlier studies of Ellram (1995) where it is stated that two-way information sharing, top management support, and shared goals are important for beneficial collaboration. Mohr and Spekman (1994) divided the characteristics of successful partnership into three parts: attributes of the partnership, communication behaviour, and conflict resolution techniques. Chin et al. (2008) were looking for success factors in a context of collaboration and competition. The key elements were commitment of the management, relationship development and communication management. Brinkerhoff adds (2002) that partnerships are dynamic like any relationship. They start small but can develop

into complex entities and interactions as mutual trust and understanding grows. Nevstad et al. (2018) adds mutual respect and understanding to the success elements, which are basically the outcome of commitment, trust, equality, and communication. They also highlight the importance of accurate handover, although the results are not unambiguous.

Based on the reviewed literature, communication, management, and relationship development were highlighted the most. In the following subsections these key topics are examined in more detail.

3.2.1.1 Communication

Communicating both internally and with the partnering company requires a holistic approach to be effective. According to Chin et al. (2008) communication must be conducted in all levels that include planning, implementing, monitoring and iteration. The importance of communication is emphasized as it is seen as the foundation of trust and commitment. The problems arise when the level of communication is too low or non-existent. Without open and high-quality communication, the chances that partnership will succeed are low (Mohr and Spekman, 1994).

Trust is vital in communication as each company is depending on the other to meet the mutual goals and the level of trust is associated with the success of partnering. A high level of trust decreases conflicts and improves the satisfaction of participants and accordingly the lack of trust makes communication between the partners challenging (Mohr and Spekman, 1994; Whipple and Frankel, 2000). According to Nevstad et al. (2018) two-way communication is crucial for success, if only one party is proactive in the communication, the partnership will be unsuccessful in the long-term. Therefore, critical information must be shared to make partners commit to long-term goals. Also, it is important that the relationship is built without hidden agendas.

If a business relationship is based on voluntariness the companies are more likely to support each other's activities rather than in relationships that were formed by compulsion driven by external forces (Tidström, 2014). Keeping each other informed and by sharing information develops the relationship in a positive direction. A lack of communication in turn increases the chances for conflicts. Therefore, regular meetings should be held between the partners to share information and clarify inconsistencies related to expectations, roles and responsibilities (Mohr and Spekman, 1994; Whipple and Frankel, 2000; Nevstad et al. 2018).

3.2.1.2 Management

The commitment and support of the management is almost invaluable for the success of partnering. The management can provide strategic support such as defining long-term goals and directions or operational support such as resource allocation and decisions that affect short-term objectives. For instance, long-term commitments and goals allow partnering organizations to achieve their strategic objectives (Whipple and Frankel, 2000; Chin et al. 2008). According to Chin et al. (2008) management has three crucial roles. First, it should create and maintain the vision and mission for the organization. Second, the management must define the strategy for partnering and create a culture that is positive for cooperation. Goal alignment should start at the top and if they are not aligning with the strategy, the strategy is likely to fail. And thirdly, the management must be involved and align the needed resources, such as capital and human resources to make cooperation and joint activities possible. A lack of resources can cause delays which impede operations (Chin et al. 2008: 442).

3.2.1.3 Relationship Development

A form of trust is the ability to perform as expected. Ability to meet expectations concerning the implementation and evaluation of joint and individual goals boosts the trust and commitment between the partners (Whipple and Frankel, 2000).

And according to Mohr and Spekman (1994) a high degree of commitment reduces the opportunistic behaviour and ensures that both partners can achieve their individual and joint goals. Therefore, it can be said that trust is one of the positive background forces that makes partnering successful.

Clear goals must be defined and implemented for successful partnering, which should be supported by management and well-defined processes. As each company has different goals and interests it is crucial to identify and define them together. Connecting organizations through common goals is a key factor of successful collaboration (Chin et al. 2008).

An organization without strengths and weaknesses is a myth. Therefore, to develop a long-lasting partnership, the companies must learn each other's strengths and weaknesses and adapt their actions accordingly (Chin et al. 2008). For this same reason immediate results cannot be expected from a partnership, although they are possible. As the relationship develops it becomes more effective and it shifts towards more strategy-driven rather than activity-driven, which means that objectives and opportunities are planned and executed together (Brinkerhoff, 2002).

As a conclusion, the reviewed literature sources analysed the success factors from slightly different angles and perspectives. Figure 4 summarizes the success factors and pitfalls of the previous subsections.

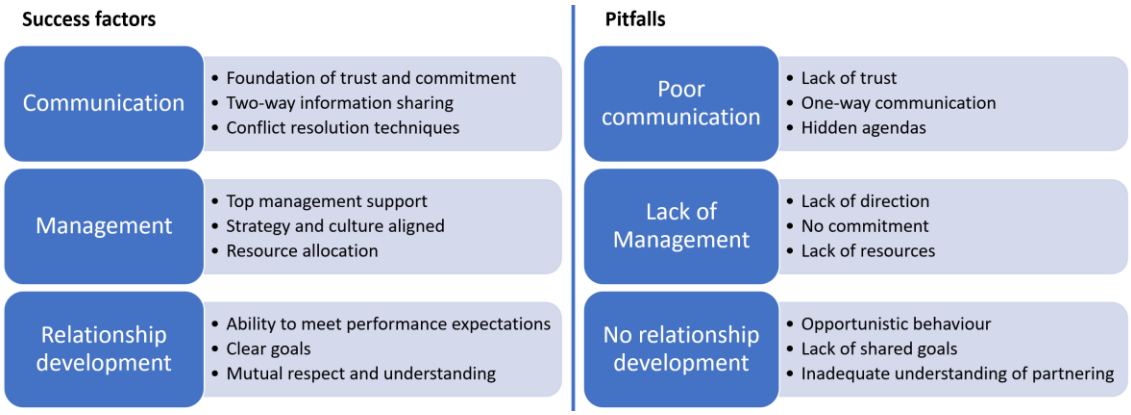

Figure 4. Summary of partnering success factors and pitfalls

As shown in figure 4 there were several fundamental elements that were mentioned by every study - communication, support from management and relationship development. All these elements can be further divided into sub elements such as trust and commitment. The found pitfalls were the opposite to the success factors and will lead to failure of the partnership. Just like human relationships, business relationships are also built on trust, respect, and commitment. Therefore, it can be said that without the basic success factors the chances for successful partnering are low.

3.2.2 Managing Collaboration and Competition

As mentioned in section 3.1.2, the coopetition means that the companies are collaborating and competing simultaneously. This type of relationship is characterized by tension which might lead to conflicts. It is extremely challenging to find the harmony between these interactions as the external forces that drive coopetition are rarely balanced. There are always tensions within inter-firm relationships and the level of tension is especially high when companies are coopetiting. Excessive levels of low or high tension can hinder the performance of cooperation or even result in the failure of the partnership. Therefore, it should be managed properly (Das and Teng, 2000). Figure 5 presents the model for understanding and managing the competition-cooperation relationship.

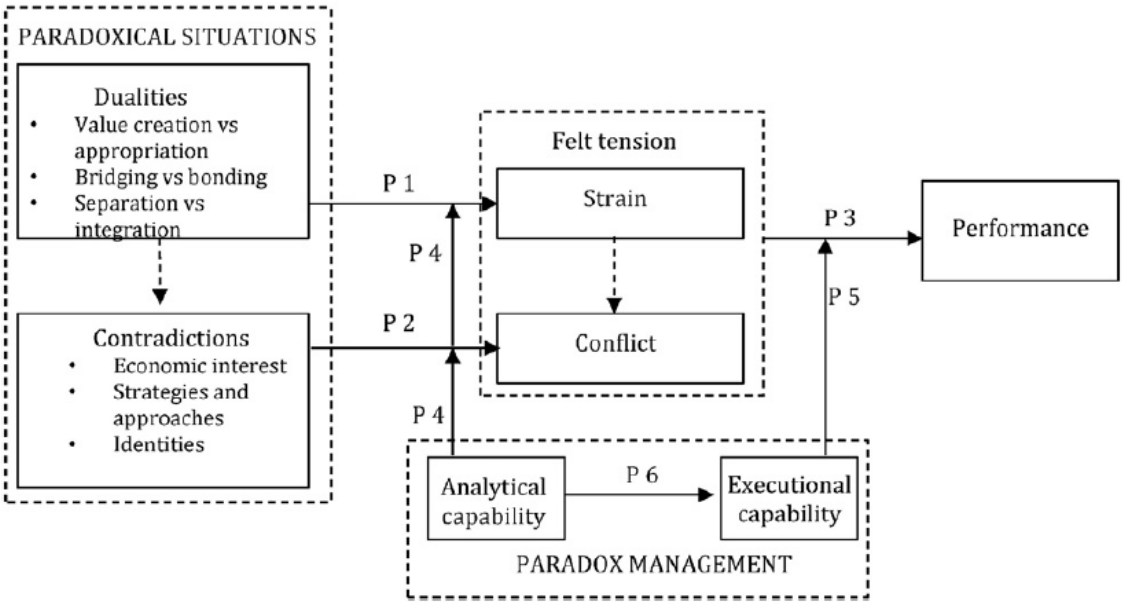

Figure 5. A conceptual model of paradox in competition and collaboration (Gnyawali et al. 2016: 9)

As seen from figure 5, there are two paradoxical situations that lead to tensions - dualities and contradictions. The first duality, value creation versus value appropriation means that the partnering companies combine their resources to create a larger market and simultaneously they compete to gain a bigger share of it. Another duality is the knowledge sharing between the partners for joint value creation and to safeguard core competencies and resources to gain greater private benefits. Although, there is a risk that exposed valuable information could be used opportunistically by the partnering firm. (Gnyawali et al. 2016: 9-10).

The second duality is bridging versus bonding, which means balancing between collaboration and competition to create value, but without becoming too close and vulnerable. The third duality, separation versus integration, is resulting from the deep incompatibility between competition and collaboration. (Bengtsson and Kcok, 2000; Gnyawali et al. 2016).

Contradictions such as differences in economic interests, goals, priorities or business logics will arise inevitably when partners interact differently. To tackle this, common goals and rules are needed. Another possible contradiction is that the partnering companies have different views on the strategic direction. The

other might want to aim for a long-term relationship while the partner is looking for opportunistic short-term wins. (Gnyawali et al. 2016; Das and Teng, 2000).

According to the framework presented by Gnyawali et al. (2016) there are two types of tensions: strain and conflict. The strain is often discomfort that is evolving from the dualities of the relationship while the conflicts are emerging from the contradictions between the partnering companies. And also if the strain develops too strong, it will lead to conflict. The task of balancing different dualities is complex and challenging and could result in high tension between the companies. Also, the strategic importance of the partnership and the arisen conflicting dualities may raise the level of stress felt by the stakeholders of the company and even lead to dysfunctional behaviors (Gnyawali et al. 2016: 10-11).

Strategic objectives and operational procedures must be aligned for successful collaboration. If the contradictions are allowed to grow too large, there is a high risk that companies will break the alliance. To collaborate effectively, strategic objectives and operational procedures must be established and aligned. However, tensions should not be completely removed as it is necessary and productive to have some level of tension (Gnyawali et al. 2016: 14).

The framework presented in figure 5 suggests there are two ways to manage the paradoxes caused by coopetition. Analytical capability helps to sense the dualities and contradictions and to react in time to lower the effect of the felt tension. While executional capability means the ability of the company to control the tension in a productive way and turn them into positive effects on performance (Gnyawali et al. 2016: 15).

3.2.3 Relationship Management

One of the key elements with successful partnering is to have a good and working relationship with the partner. The careful selection of the business partner is irrelevant if the relationship is not managed properly as the search of the new business partner is always a time-consuming process.

According to Bengtsson and Kock (2000) vertical and horizontal relationships are significantly different, where the biggest differences come from various levels of coopetition. In a vertical relationship one party has more influence than the other. For instance, a buyer and a supplier form a typical vertical relationship. Whereas in horizontal relationships such as joint ventures or strategic alliances the entities have the same amount of authority.

Depending on the nature of the relationship, the trade-offs and balancing between the different elements of collaboration must be conducted accordingly for having a functional relationship. It takes a lot of time and effort to find a good balance between cooperation and harmony as well as competition and conflict. Competition has traditionally been defined as the conflict and rivalry between competitors, but when companies are competing and collaborating at the same time the relationship is paradoxical and different. The competitors may compete in some markets or product areas while collaborating in others (Bengtsson and Kock 2000).

Managing these contradictory tensions in an effective way is possible. When companies are motivated to compete and act innovatively due to psychological factors such as pride and prestige, it encourages competition between them. The precondition for cooperation is that companies try to achieve a common goal. A business relationship where the parties are satisfied with a smaller share of the profit is beneficial for the relationship in the long-term. Cooperation between competitors could provide a number of advantages for the companies such as entry into a new market, reduction of costs and risks or knowledge transfer (Bengtsson and Kock 2000: 414-415).

Rindfleisch and Moorman (2003) claim interestingly that customer orientation is decreasing as a form of cooperation among competitors, although it can be tackled by having a high level of relational ties between the competing companies. Furthermore, the distribution of power, control and equity between the partnering companies has a critical impact on the success of the partnership.

Lambert et al. (1996) presents their model for developing partnership in figure 6.

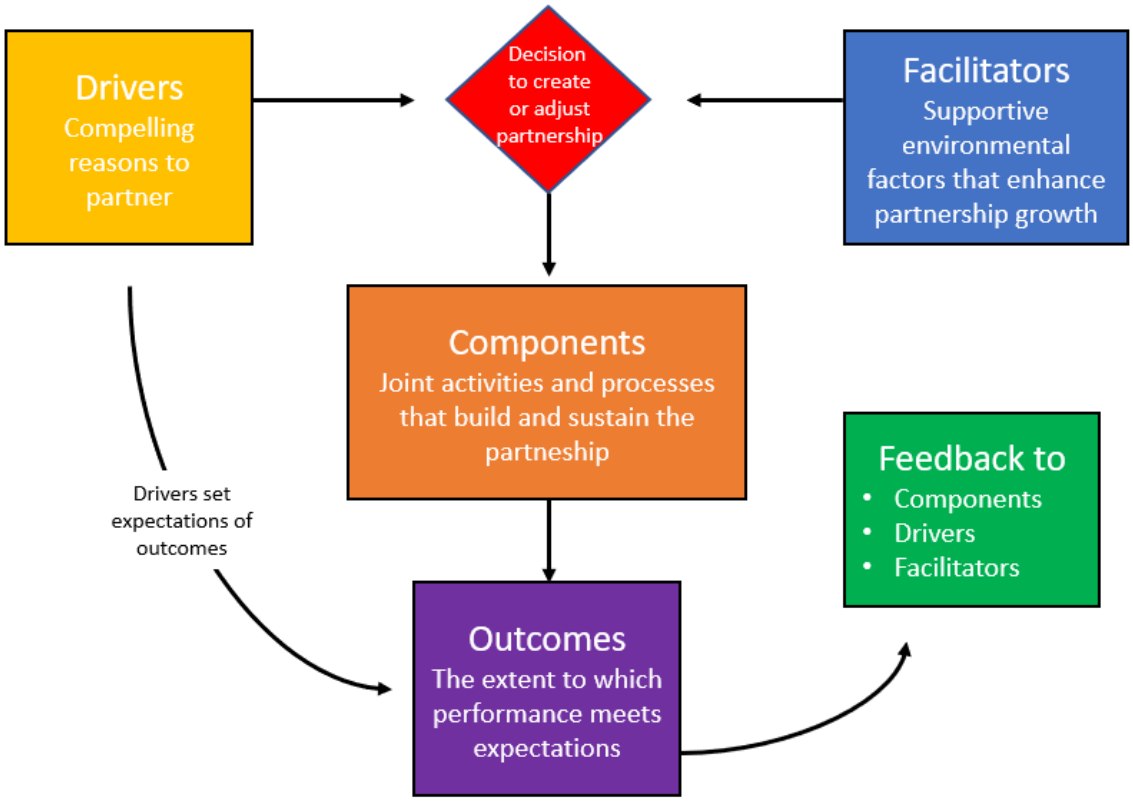

Figure 6. The partnership model (Lambert et al. 1996: 26)

The partnership model in figure 6 consists of three main components: drivers, facilitators, and components. *Drivers* are motivation factors that both parties believe will give major benefits for their organization, which they would not achieve without the partnership. These driving factors can be e.g., improved cost efficiency, better profits, growth opportunities and marketing advantage. The *facilitators* of a partnership such as corporate compatibility and similar managerial philosophy are elements of a company's environment that allow for growth and development. *Components* are operational activities and processes that are part of daily partnering business. Such components are e.g., planning, joint operations, communications, trust, and commitment (Lambert et al. 1996: 27-28).

The model can assist in developing and implementing focused partnership strategies. However, just the model itself is not enough to have an effective

relationship with the partner, maintaining the relationship is equally important. Building long-lasting partnerships requires a lot of time and effort, which is one the reasons why there can be only a limited number of partners at the time. The scarce resources should be allocated in a way that would benefit the organization in the best possible way (Lambert et al. 1996: 26).

According to Brinkerhoff (2002) a partner relationship is dynamic, which evolves during time. Therefore, the benefits and the added value that partnering offers are developing with time and experience. Immediate results are rare but possible, which is why the partnering companies should invest in long-term relationship building. The more time has passed, the better the parties learn what their counterpart is capable of doing (Bengtsson and Kock 2000; Brinkerhoff, 2002).

It can be seen that there is a connection between the resource-based view and coopetition as one of the driving forces to develop this type of partnership is to gain access to new resources. And if the competition is fierce in the market, the partners might be forced to implement actions to gain a better competitive position, but which are not demanded by customers. Such actions can be, for instance, to develop a new product, share knowledge or to develop more efficient ways of working (Bengtsson and Kock, 2000: 421-422).

It is inevitable that conflicts will arise between the companies that coopetite. However, this should not be seen as a threat, but rather a managerial challenge within the organization. It is very important that employees within the organization understand the advantages of coopetition. This helps them to accept conflicts and the organizational goals and to provide full support for maintaining a good relationship with the partnering company (Bengtsson and Kock, 2000: 423).

3.3 Process for Partnering

This section describes the key factors for building a process and managing it successfully. The key factors presented by literature were process modelling and process management and evaluation.

3.3.1 Process Modelling

According to Martinsuo and Blomqvist (2010: 5) a process is a chain of activities that add value to the internal or external customer. To be effective the process needs to have clear goals and ability to be monitored. The goal of process modeling is to illustrate the target process and potential areas of improvement. Figure 7 presents the conceptual model of a process to illustrate how it is connected to the customer.

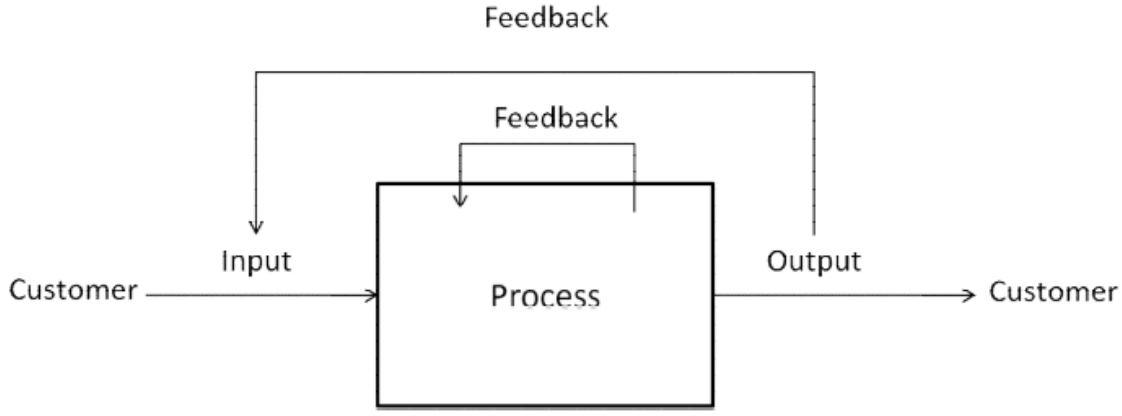

Figure 7. A conceptual model of a process (Martinsuo and Blomqvist, 2010)

Figure 7 presents all the critical elements that are needed for a successful process. As can be seen from the figure 7 the role of the customer plays a big part in the process, beginning with a customer's need and ending with that need fulfilled. This can be divided further into main or sub-processes, but ultimately the process serves the needs of the customer. The figure 7 also illustrates the importance of management and control in the success of the set objectives and the link between feedback and development. The feedback is collected to monitor if the goals were achieved, and the process works as intended. If the process is off-track, linking the incentives to the carefully planned process goals provides a great tool to steer it back on course (Martinsuo and Blomqvist, 2010: 6-8).

Figure 8 illustrates the 6 different steps that are needed to build a new process.

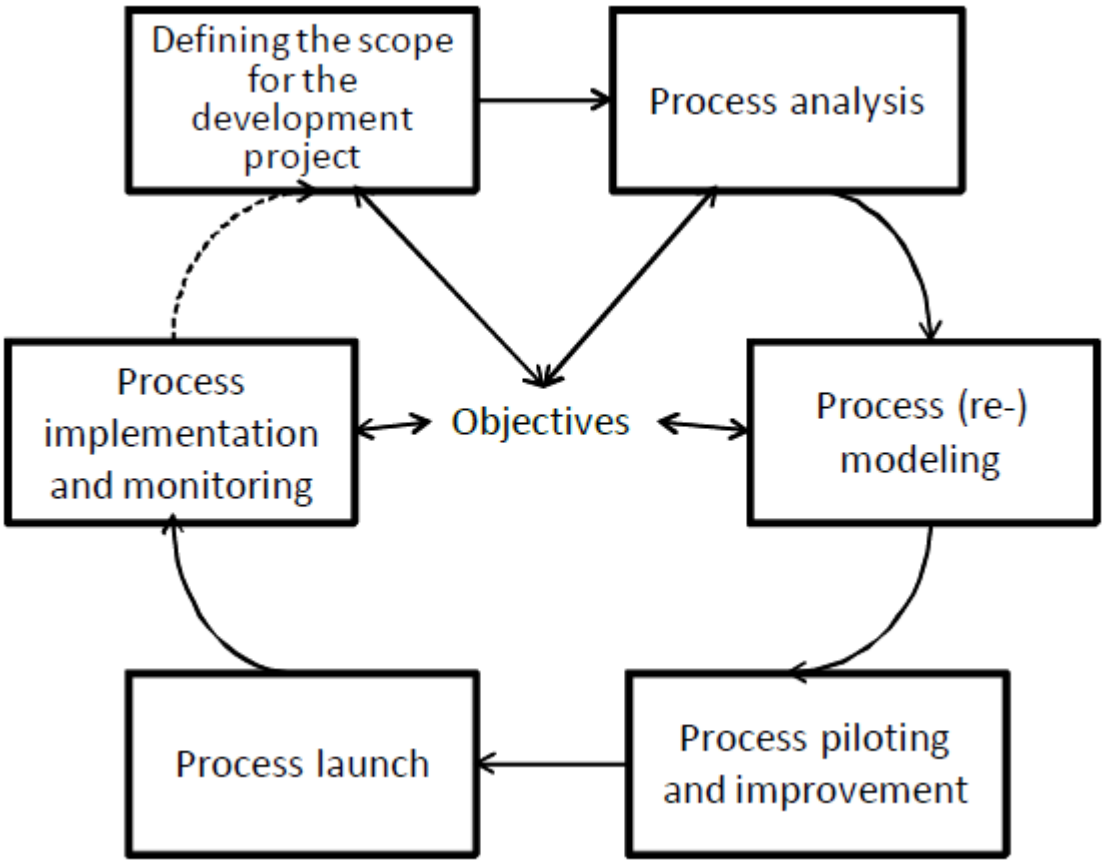

Figure 8. The main steps of the process development (Martinsuo and Blomqvist, 2010)

As illustrated in figure 8 the objective is the core of the process, and the different steps serve to complete it. The development of the process starts by specifying the scope of the project and aligning it to the objectives of the company. After the scope has been defined, the process analysis should be conducted by gathering as much value-adding data as possible. In process modelling the process is defined based on customer needs and benefits it creates to customers (Martinsuo and Blomqvist, 2010: 8-9). According to Rosemann (2006) the core values of the process such as ownership, accountability and decision processes need to be established to develop a well-functioning process.

Next the process is tested either by simulation or in real-life conditions. This way the corrective actions and adjustments can be performed cost-efficiently before launching the process. During the final step, process implementation and monitoring, the process is implemented in the organization. This stage is critical

because a process without a proper implementation ultimately equals no process at all. In the implementation stage, employees should be trained, and monitoring systems adapted to support the new process customers (Martinsuo and Blomqvist, 2010: 9-10). Rosemann (2006) also stresses the importance of stakeholder involvement in the process modelling to make them more committed and engaged in the implementation. The monitoring parameters of the process should also be clear and measurable to make performance tracking and adjustment easier. (Martinsuo and Blomqvist, 2010)

Mendling et al. (2010) proposes that there are several substantial factors which help to develop a clear and understandable process. They suggest that the process should be modelled by using as few elements and process lines as possible. Too complex processes are less understandable and increase the possibility of errors. If the process is always planned to be executed similarly, a more detailed process description is needed. If there is a lot of variation the process should have a more general approach. But still, models with more details take longer to design, review, and maintain, and they age faster. A structured approach and only one starting and ending point should be used for clarity. And finally, if the process has more than 50 elements it should be split up into smaller subprocesses. Otherwise, it will become too complex to comprehend. (Mendling et al. 2010; Rosemann, 2006).

Martinsuo and Blomqvist (2010: 18-19) suggest that a small-scale pilot should be conducted prior to the widespread implementation. The implementation phase might require that the needed systems such as training or change of the IT systems are conducted to align them with the process. After the implementation the objectives should guide the process as illustrated in figure 8.

3.3.2 Process Management and Evaluation

In order to manage and evaluate the process effectively it needs to be monitored, which can be accomplished effectively by measuring the outputs. After the process is running, both inputs and outputs are great diagnostic indicators to find

the pain points of the process. Therefore, when developing a new process, it is important to define the key metrics to measure and analyze. A good monitoring system includes both inputs and outputs and takes into consideration how the process is performing against the objectives. Additionally, it should be low resource-intensive and align with the strategy and objectives of the company. It is important to be aware that the management system is a tool just like the process itself. Without defining the key metrics carefully, the monitoring system can misdirect the goals of the company (Martinsuo and Blomqvist, 2010: 20-22).

Kohlbacher and Gruenwald (2011) stresses that the process owner must be selected and the process monitoring system must be implemented by the organization to attain high performance. The continuous improvement and optimization of the process should be conducted by the process owner, while the monitoring of the agreed performance indicators is conducted by the process monitoring system. If only one is implemented, the connection between the process metrics tracking and performance of the organization is missing, and the competitive advantage is not achieved.

3.4 Conceptual Framework of This Thesis

This section presents the conceptual framework. In figure 9 the key topics covered by the previous literature review are summarized into visually illustrated format.

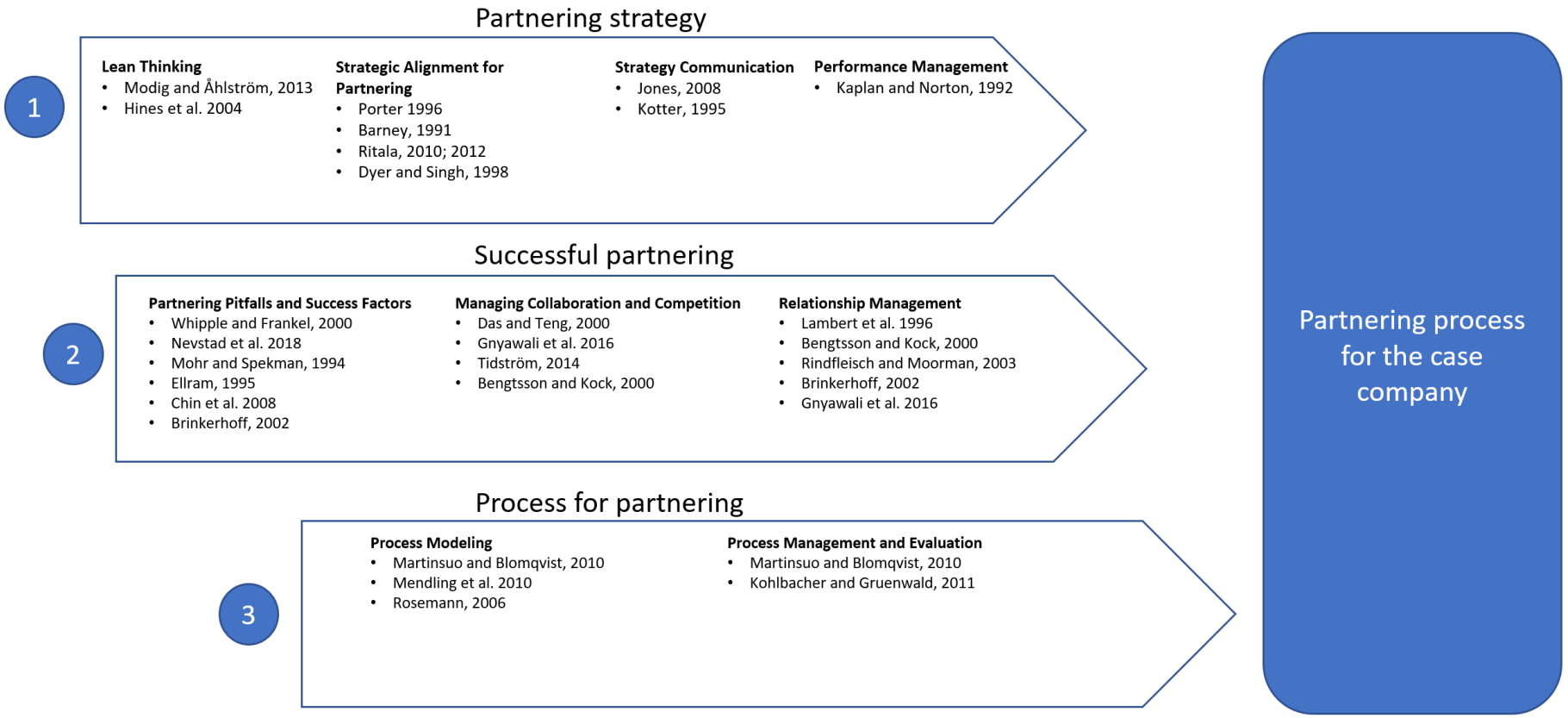

Figure 9. The conceptual framework of this thesis

As presented in figure 9, the partnering process is divided into three main categories: partnering strategy, elements of successful partnering and building the process for partnering. The first category, the partnering strategy, includes subtopics related to lean thinking as a strategy, strategy alignment, and communication and performance management. The second category, successful partnering, is describing the pitfalls and success factors of partnering, and how to manage collaboration and competition as well as business relationships. And the last category, process for partnering, is introducing how to build, manage and evaluate a process. When combined, the categories help to expand the understanding of successful partnering and support to build a successful and well-functioning partnering process.

In the next section, the key findings from the literature are compared to the current state of the case company.

4 Current State Analysis

This section describes the current state of the case company regarding its readiness for partnering. First, the overview of the current state before the partnering is described and the arguments for the partnering are presented. This is followed by the review of the joint pilot project and investigation of the organizational readiness of the case company for partnering. Finally, the findings of the current state analysis are summarized into strengths and weaknesses.

4.1 Overview of the Current State Analysis Stage

The objective of this thesis was to develop a partnering process for the case company. It was recognized that having a successful business relationship with a partner would support the chosen strategy of the case company. In the past, the case company has conducted business specific project inquiries with various levels of success. The case company did not have an existing partnering process and therefore the current way of working and the reasons leading to partnering were examined first. Thereafter, as the partner company was already selected,

and one joint pilot project conducted, the results of the joint project were analysed in depth. Both organizational readiness for partnering and the findings of the pilot project were compared to the conceptual framework to verify any deficiency regarding key points. Finally, the findings were summarized into strengths and weaknesses and presented in table 3.

Data 1 collection began with one-to-one interviews that were held online due to a protracted pandemic situation. The interviews were conducted as semi-structured to encourage two-way communication and to get a holistic understanding of the current situation of the case company.

The informants represented different roles within the company and were selected by their experience and knowledge. For instance, the sales management, sales engineers, and key personnel of the project department gave their contribution to the current state analysis. The interview questions grouped into themes can be found from the appendices.

4.2 Description of the Current Inquiry Process

In this section, the current state of the case company before the partnering is described and the arguments for partnering are presented.

During the interviews and workshops, the slowness and the inflexibility of the current inquiry process were most often mentioned by the participants. One of the results of the slowness was that the case company was struggling to meet the time limits set by the customers. Usually, a delayed quotation lowered the possibility of winning the inquiry and to proceed to the implementation phase. Also, the workload caused by the process was seen to be bigger than it should be. Within the case company it was known that there were challenges in the current inquiry process as an interviewee stated:

> The project inquiry process is not in line with the processes of the other business sections. They have a clearer and faster process. This business section requires a much higher workload as the processes do not support the daily business fully.

Many of the inquiries required the involvement of the headquarters, which was an issue. As a subsidiary of the parent company, the local case company had no control over many of the challenges. An interviewee had similar impressions:

> One of the challenges is the cooperation with the headquarters and their big workload. It produces long chains of communication where the delays are multiplied easily. Also, there is a lack of resources in the headquarters.

In the past, cooperation with the headquarters was needed at least with the complex inquiries that required 3rd party products. It was confirmed by several interviewees that increasing the local resources such as design and production capabilities could partly solve the challenges, but it would not support the chosen strategy defined by the top management. It was identified that the most effective solution was to perform locally as much as possible and involve the headquarters only in the delivery phase. Nonetheless, this procedure consumed more engineering resources than would be suitable, and the local project department had to also deal with the inquiries of the two other business sections of the case company.

It was acknowledged that most of the weaknesses will remain until the parent of the case company begins to tackle them, but this was not expected in the near future. Additionally, the chosen strategy of the case company limited the options to solve many of the found weaknesses locally. These reasons were the starting point of why it was decided to establish a partnering relationship and to develop a partnering process. The target was that the case company would have two parallel methods to conduct an inquiry from which the most appropriate would be selected depending on the inquiry.

4.3 Analysis of the Joint Pilot Project

The pilot project was accomplished with the selected business partner prior to starting this study. The author of this thesis was the main stakeholder and source of information on the pilot project, which might affect the objectivity of the evaluation.

The completed project was a small-scale facility where a joint solution was offered and delivered to the customer. As a result of this project, it became apparent for the case company that a process for defining the internal and external elements of the partnering was needed. For instance, the responsibilities, roles, and shared goals with the partner were defined on the fly or not at all.

The case company was the main driver at the beginning of the joint project until it was handed over to the partner company. However, it was unclear at which point the handover should be made or how often the joint meetings should be held to discuss project-related topics. Also, it was noted that the commitment of the partnering company was not aligning with the case company. The top management of the case company supported the partnership venture fully, but their counterparts in the partnering company were more cautious. It seemed that they were expecting bigger and faster results until full commitment.

The partnering companies had a few overlapping business segments where they might compete against each other. Therefore, there was a constant balancing act between information sharing and safeguarding. It was not specified internally what was critical information to share for the success of the project and what was non-critical, but riskier in terms of trust and collaboration. There was a risk that a spillover of information might damage the existing business of the case company, but on the other hand, a mutual trust will not develop without sufficient transparency.

Also, the strengths and weaknesses of the partnering company were not fully clear, which made it difficult to choose what kind of projects should be sought or

ignored. However, after a successful joint project both parties were more optimistic of the future.

4.4 The Current State of the Case Company in the Context of the Conceptual Framework

In this section, the current state of the case company is analysed regarding the readiness for partnering in the context of the conceptual framework. The results of the analysis are presented in figure 10.

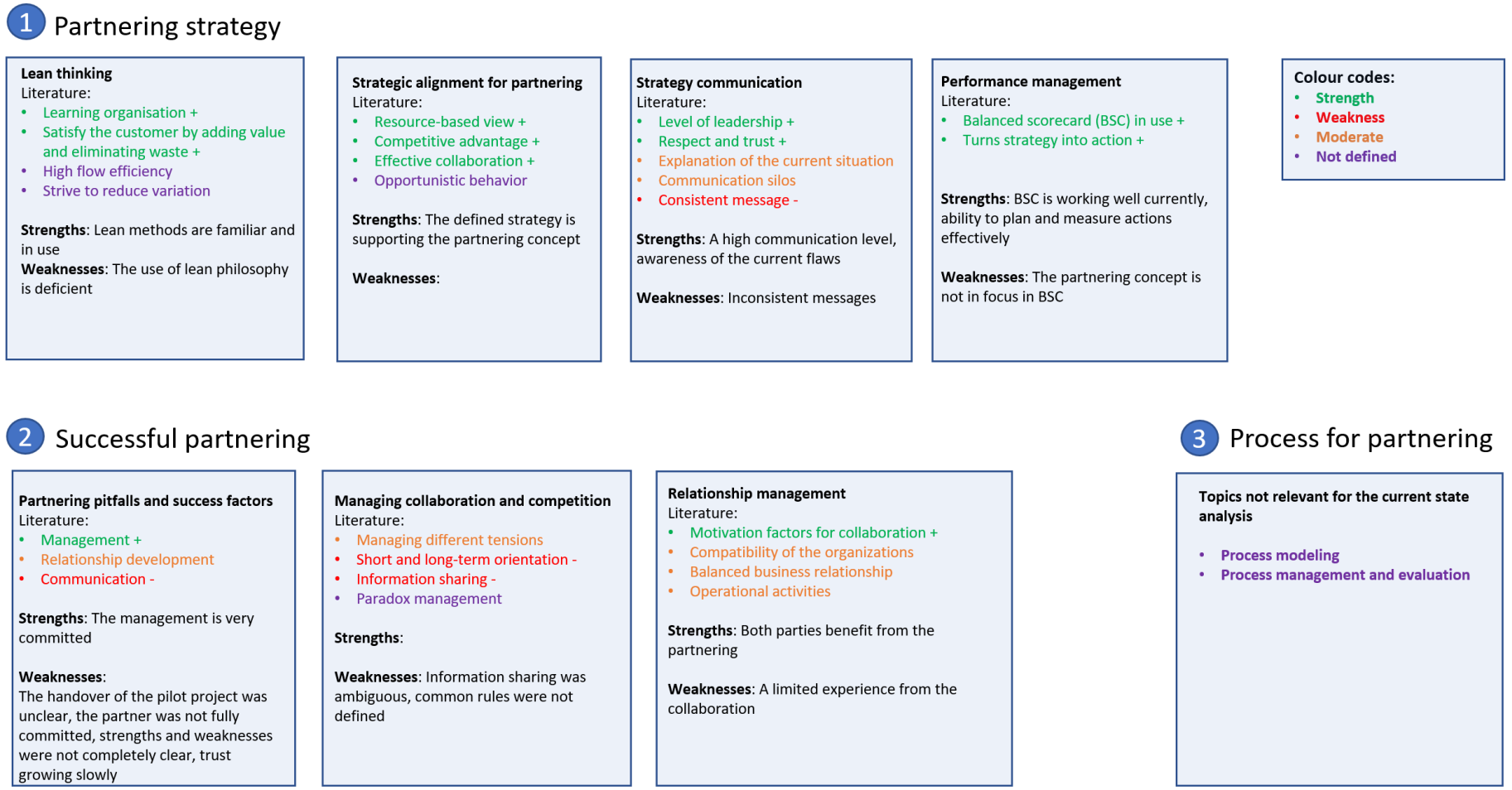

Figure 10. Findings of the current state analysis in the context of the conceptual framework

Figure 10 presents the results of the current state analysis which are compared against the key findings of the literature. The comparison was conducted to evaluate the organizational readiness of the case company towards the business partnering. Various strengths and weaknesses were identified as a result of the comparison.

The topics covered are divided into seven different stages and each of them are presented in more detail in the following subsections. As there was no existing partnering process, the process building stage was ruled out from the analysis. The strengths and weaknesses of the current state are shown in traffic light colours: green indicates strength, red weakness, and yellow, somewhere in between. Purple colour is used to show that the topic covered in the literature was not relevant or it could not be defined for the current state analysis. In the next sections, the strengths and weaknesses of each stage are analysed more thoroughly.

4.4.1 Lean Thinking

Figure 11 presents the current state of lean thinking in the case company.

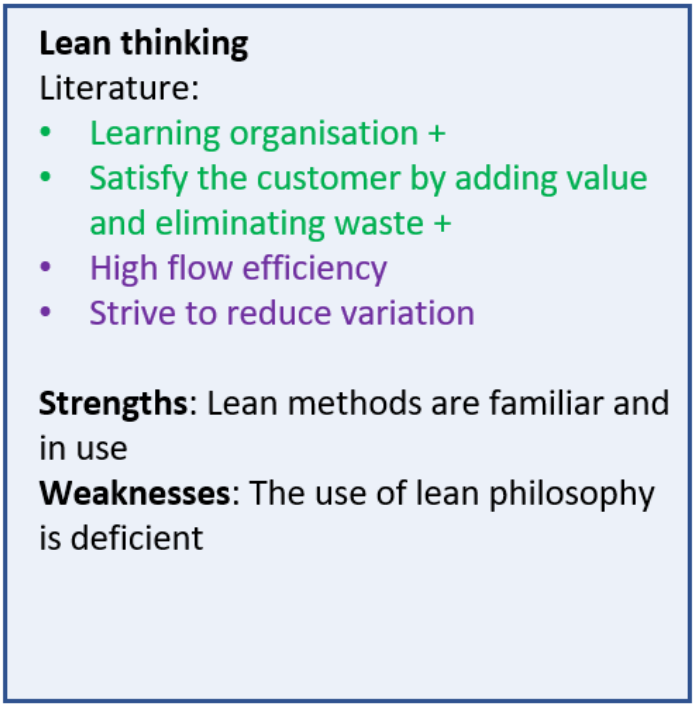

Figure 11. Strengths and weaknesses in the lean thinking

As seen in figure 11, the evaluation of lean thinking in the case company could be done only partially. The case company had adapted lean thinking and continuous improvement, but it was difficult to analyse the exact stage of the lean implementation. However, it was identified that the case company has used lean methods to improve the efficiency on the shopfloor and also to various processes. Part of the management had participated in lean trainings, which was one of the reasons why the efficiency and mindset of continuous learning were present within the company.

The objective of this thesis, developing a partnering process for the case company can also be seen as a step towards a leaner organization. As a result, it could reduce waste in the sales process and lead to better utilization of available resources. In conclusion, some lean practices could be identified within the case company and the readiness to implement new procedures existed, but no broader conclusions could be drawn.

4.4.2 Strategic Alignment for Partnering

Figure 12 presents the strengths and weaknesses of the strategic alignment of the case company.

Figure 12. Strengths and weaknesses of the strategic alignment

As shown in figure 12, the case company had quite a good understanding of the strategy that was needed for partnering. The company had recognized that it needed a partnership to strengthen its position in the market and to gain a competitive advantage.

An interviewee from the sales management stated:

> When we start to develop something such as this partnership concept, there are always needs in the background. Better resources, increased competitiveness, and efficiency. These are the reasons why we want to develop this.

The case company wants to focus more on its core competencies, but still offer a wider range of solutions through the partnership. Therefore, the resource-based view supports the chosen strategy of the case company. The experiences from collaboration with the partner during the joint project were also encouraging. No clear weaknesses could be specified at the time of the analysis, partly due that the relationship and its results were at an early stage.

4.4.3 Strategy Communication

Figure 13 describes the current performance of the strategy communication.

Figure 13. Strengths and weaknesses of the strategy communication

As depicted in figure 13, there were both strengths and weaknesses in strategy communication. The management was aware of the importance of communication and that a good communication culture cannot be built without trust in the organization. The level of respect and trust was also seen as a strength which is essential for open and honest communication. Also, some sort of strength is that the organization was aware of its flaws in communication and was trying to improve them. One of the interviewees described it interestingly:

> The basic rule of communication is that it will always fail, but however, we have the prerequisites for success.

A recognized weakness was inconsistent messaging within the organization and among employees as sometimes the messages were not understood correctly. There were communication silos within the organization as sometimes the different departments had different views and messages. The information sharing

between departments was far from ideal, although the situation had improved from the past. Explaining the current situation and the reasons behind the decisions to stakeholders were also areas for development.

4.4.4 Performance Management

Figure 14 shows the strengths and weaknesses of the performance management

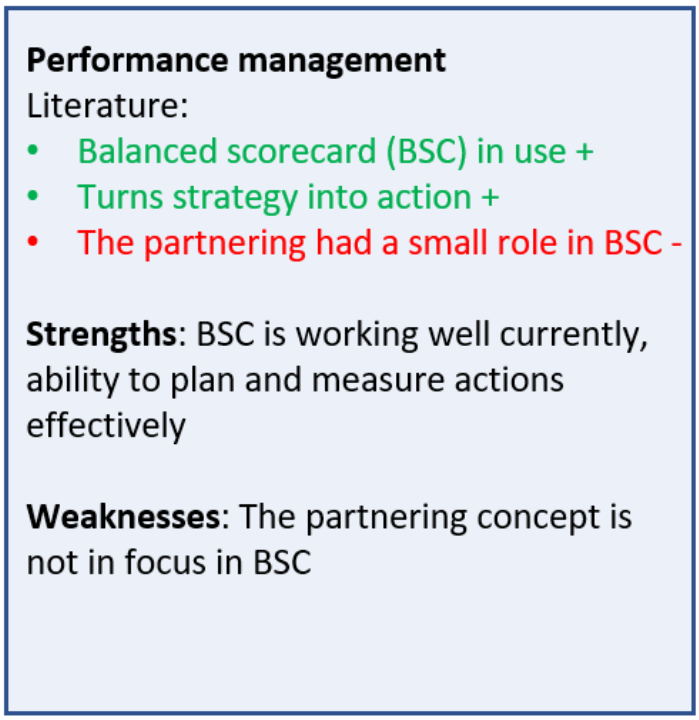

Figure 14. Strengths and weaknesses of performance management

Figure 14 presents the results of the performance management analysis. The balanced scorecard has been in use for over twenty years in the case company and over the years it has laid a strong foundation for planning and executing strategic objectives. In the case company there is a consensus that the scorecard is useful for measuring the success of the partnering through key performance indicators. However, the strategic targets of the case company were not directly related to establishment of a partnering relationship as the partnership was just a single activity within the strategy. The results through partnering were seen as more important.

4.4.5 Partnering Pitfalls and Success Factors

The partnering pitfalls and success factors presented by literature were compared to the current state of the case company as shown in figure 15.

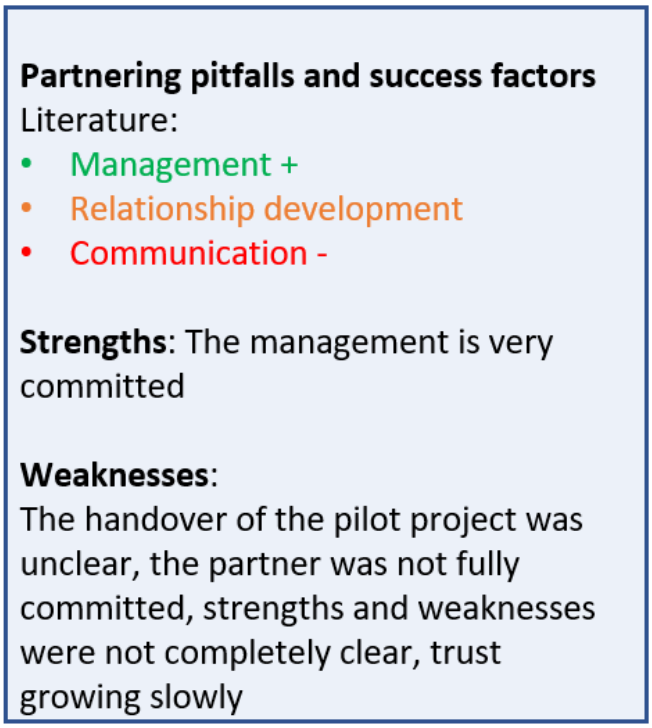

Figure 15. Partnering pitfalls and success factors

A few findings were identified during this first assessment of the partnering pitfalls and success factors as illustrated in figure 15. In the pilot project the level of management was recognized as a strength as the resource allocation and commitment for the partnering was at a good level. Therefore, many of the prerequisites to build an effective collaboration existed.

Most of the identified weaknesses were linked to communication. The project handover from the case company to the partner company could have been done more efficiently as the case company acted as an intermediary for a bit too long, which delayed the flow of information.

Other identified weaknesses were lack of common understanding of the strengths and weaknesses between the companies, which caused a few unnecessary

inquiries that the partner could not offer. The case company was the initiator of the collaboration, which raised doubts whether the partnering company was as committed as the former. It was noted that their approach was more reactive rather than proactive.

4.4.6 Managing Collaboration and Competition

Figure 16 describes the findings related to managing collaboration and competition.

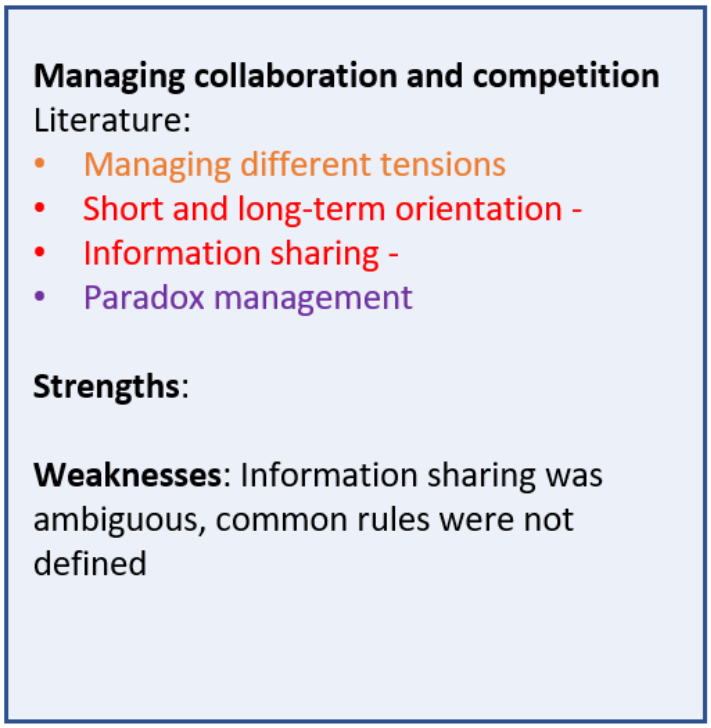

Figure 16. Managing collaboration and competition

As seen in figure 16, no clear strengths were recognized. However, some experience could be drawn from the joint pilot project. For instance, the common rules of partnering were not defined between the parties.

Some tensions were recognized as both companies operated partly in the same business segments. An interviewee commented:

> At some point we will face a conflict and we are competing against each other. Though, it cannot become an obstacle for collaboration. Problems must be solved, because both benefit from the partnership.

The case company had long-term goals for collaboration, unlike the partner company, but common goals were not discussed and agreed upon in advance. Therefore, contradictions such as differences in economic interests, strategic directions, priorities or business logics could arise in the future. Another possible contradiction was that the partnering companies had different views on the strategic direction.

The information sharing was identified as a development area after the joint pilot project. The case company had not determined the rules of knowledge sharing with the partner company.

4.4.7 Relationship Management

Figure 17 describes the strengths and weaknesses in the relationship management that were recognized during the analysis.

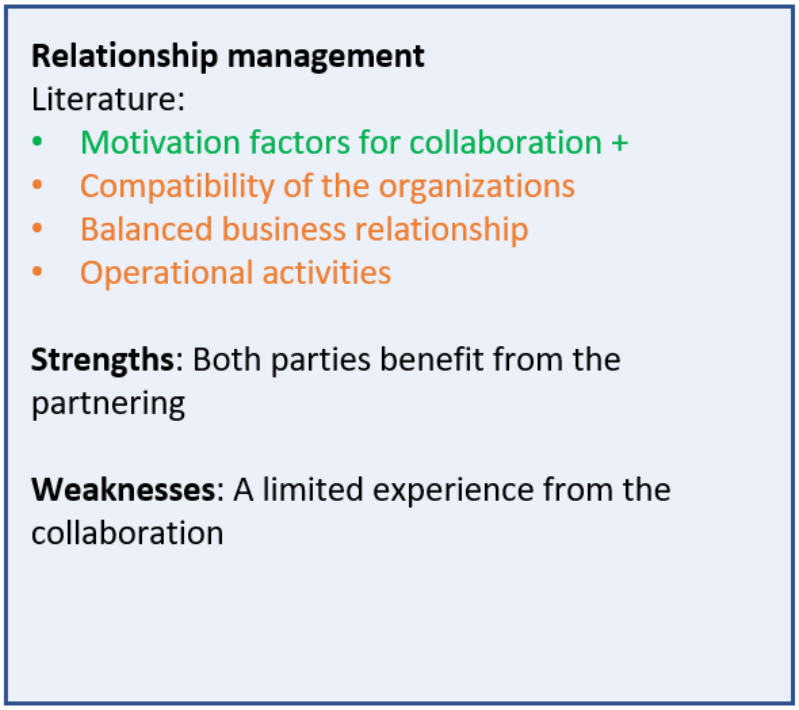

Figure 17. Strengths and weaknesses in the relationship management

Figure 17 summarizes the strengths and weaknesses in relation management. The case company had a real need and motivation to establish a business relationship with a partner. The collaboration benefitted both parties in a way that they could not achieve on their own. The case company was increasing its chances to win new inquiries and the partner company was gaining easier access to the new markets.

The other key findings from the discussed literature were more difficult to compare against the current state of the case company. The results were complex. The compatibility of organizations was partly matching as the corporate and communication cultures seemed to be similar. For instance, the code of conduct resembled each other. However, the compatibility can be defined better as the business relationship develops.

The same conclusions also apply to day-to-day operational activities as well as the balance of the relationship. Also, the experiences from the pilot project were slightly promising, which motivates further development.

4.5 Key Findings of the Current State Analysis

The findings from the current state analysis are summarized in table 3 below.

Table 3. Summary of Strengths and Weaknesses

Theme	#	Finding
Strengths: Strategy	1	The defined strategy was supporting the partnering concept
Strengths: Communication	2	Organizational readiness for a good communication
Strengths: Management	3	The management was supporting the development of successful partnering
Strengths: Lean	4	Lean methods were familiar for the stakeholders
Strengths: Relationship	5	Motivation factors for collaboration were present
Weaknesses: Partnering	6	The partner company was not as committed as the case company
Weaknesses: Partnering	7	The trust grew slowly as the collaboration was still at an early stage
Weaknesses: Partnering	8	The common rules for partnering were not defined
Weaknesses: Partnering	9	A lack of understanding of the strengths and weaknesses of the partnering company
Weaknesses: Partnering	10	Mutual short- and long-term targets were not defined
Weaknesses: Strategy	11	Inconsistent messages in strategy communication
Weaknesses: Pilot Project	12	Information sharing was ambiguous
Weaknesses: Pilot Project	13	The handover of the pilot project was unclear

Seven key themes of the conceptual framework were analysed to map the current situation of the case company. The summary is illustrated in table 3. There were 13 findings in total. Five of the findings were identified as a strength and the rest as a weakness. The weaknesses were categorised in three themes which were partnering, strategy, and the pilot project.

The identified strengths were evenly distributed between different themes. The main consideration was the high commitment of the management, and the defined strategy was supporting partnering, which formed a good basis for building the proposal. Therefore, as the organizational capacity was identified to

be sufficient, there was no need to consider the strengths in the further development of the initial proposal.

Most of the weaknesses found were related to new and undeveloped relationships between the business partners. The objective of this thesis and the first priority was to develop a process that clarified roles and responsibilities and enabled successful collaboration. The following table 4 presents three of the weaknesses that were selected for further investigation as they were clear and relevant for the selected time frame. The rest of the findings were less clear and require long-term development.

Table 4. Key Findings for Further Development

Theme	**#**	**Findings for Further Development**
Weaknesses: Partnering	8	The common rules for partnering were not defined
Weaknesses: Pilot Project	12	Information sharing was ambiguous
Weaknesses: Pilot Project	13	The handover of the pilot project was unclear
Theme	**#**	**Initial Findings for Long-Term Development**
Weaknesses: Partnering	6	The partner company was not as committed as the case company
Weaknesses: Partnering	7	The trust grew slowly as the collaboration was still at an early stage
Weaknesses: Partnering	9	A lack of understanding of the strengths and weaknesses of the partnering company
Weaknesses: Partnering	10	Mutual short- and long-term targets were not defined
Weaknesses: Strategy	11	Inconsistent messages in strategy communication

As seen in table 4, the first three weaknesses are clear and can be addressed through the partnering process. The rest of the weaknesses are more complex such as lack of commitment and trust and cannot be directly addressed by the partnering process. However, the best practices based on the literature that were presented in section 3 offers guidance for long-term business relationship

development. And over time, they should mitigate these weaknesses. Therefore, it is important to pay extra attention to partnership-related weaknesses to ensure the successful collaboration with the partner.

In the next section, a proposal of the partnering process is developed for the case company. The key findings from the current state analysis as well as the conceptual framework and input from the stakeholders were utilized in building the initial proposal.

5 Building a Proposal for a Partnering Process

In this section, the conceptual framework is merged with the findings of the current state analysis to develop an initial proposal for a partnering process. An overview of the proposal building stage is presented first. It is followed by presenting the process diagram for partnering which is then examined in detail. And finally, the alignment of the initial proposal with the current state analysis and conceptual framework is verified.

5.1 Overview of the Proposal Building Stage

The objective of this thesis was to create a partnering process for the case company. There was no existing process and therefore it was built from the ground up.

The draft of the initial proposal was developed based on the key findings from the conceptual framework and current state analysis. The conceptual framework provided a three-stage category for developing a partnering process:

1. partnering strategy
2. elements of successful partnering
3. building the process for partnering.

The current state analysis was conducted to evaluate the organizational readiness of the case company towards business partnering, and the results were compared to the selected conceptual framework. The results of the comparison revealed various strengths and weaknesses, which were considered during the development of the initial proposal.

The data 1 findings were presented to the key stakeholders in the data 2 workshop where the initial proposal was co-created. The workshop was audio recorded and transcribed for analysis. The participants, such as Sales Managers, were the key decision makers of the case company and also partially responsible

for the implementation of the process to the organization. In the workshop also the key findings of the current state analysis were presented to the stakeholders, which were analysed to build the initial proposal, which is presented in the following subsection. The purpose of this method was to increase the commitment and motivation of the key stakeholders and to find the best solution for the case company.

To have a working business relationship and successful collaboration the process itself was not sufficient and needed a broader review. Therefore, the alignment of the initial proposal with the current state analysis and conceptual framework was evaluated to confirm the validity and relevance of the proposal.

5.2 Review of the Initial Partnering Process Proposal

The objective of this study was to create a partnering process that addresses the most essential weaknesses identified during the current state analysis. As shown in figure 18 below, the outcome of the initial proposal was a partnering process. It consists of four stages: identification, qualification, proposal, and decision stages. The process aims to describe an easy and understandable way to conduct joint projects with the business partner. It also explains the roles and responsibilities of involved parties for each task.

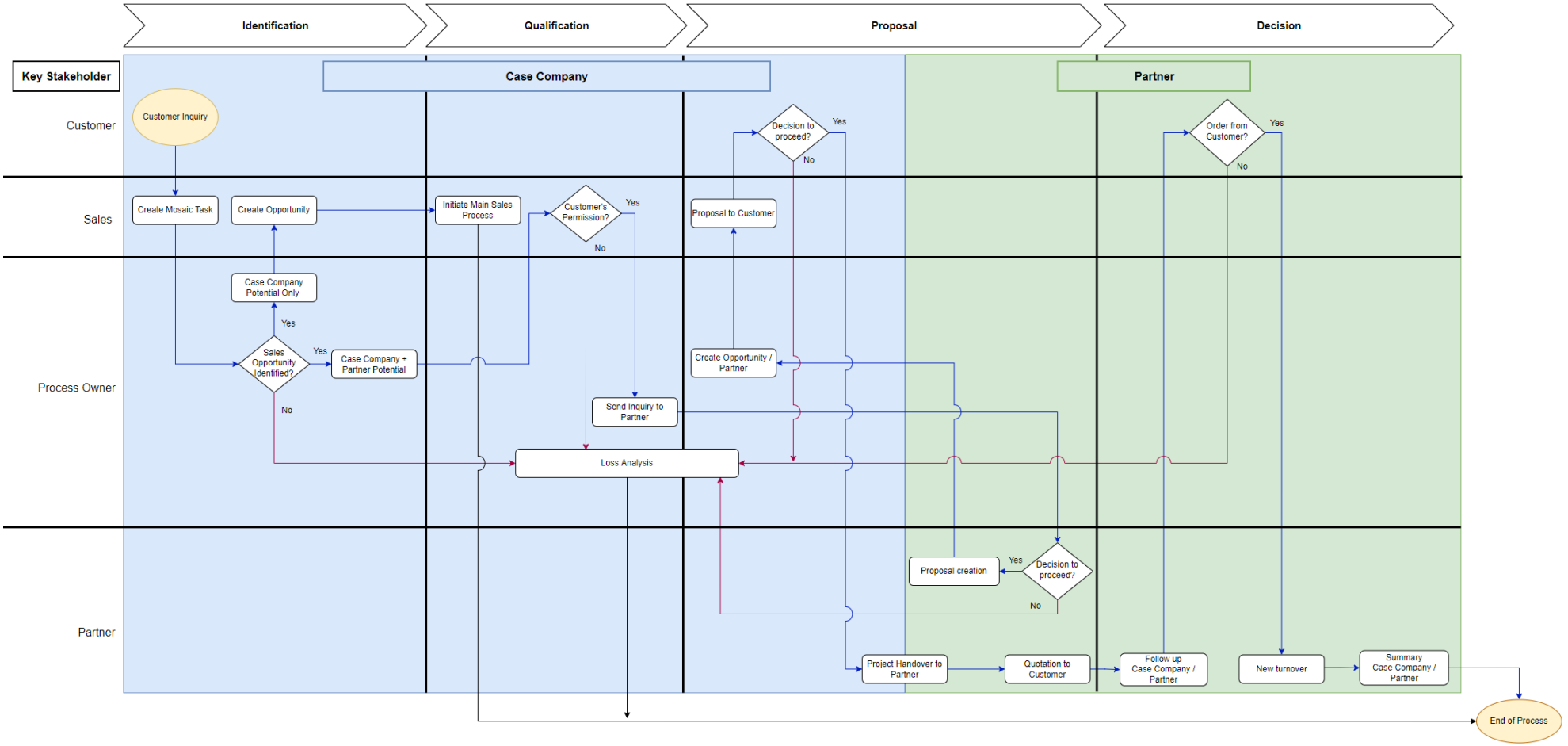

Figure 18. The initial proposal of the partnering process

As seen in figure 18, the partnering process has four stages. The first stage of the process, the identification, is to recognize whether the inquiry is relevant for the case company. It is followed by the qualification stage where it is assessed which sales channel is appropriate to use. If the partnering path is chosen, the offer is co-created with the partner. Otherwise, either a main sales process is initialized, or a loss analysis performed. In the proposal stage the co-created proposal is presented to the customer. And finally, in the decision stage, and if accepted by the customer, the quotation is converted into an order. Mutual communication and collaboration are needed from both parties to gain a buying commitment from the customer.

Each of the process steps has a responsible stakeholder that aims to ensure the task is completed or decision made. The far-left hand column of the diagram describes the responsible stakeholders for each process step. These four stakeholders are customer, sales, process owner and partner.

After reviewing the overall picture of the initial proposal, the four stages of the process are next individually examined.

5.2.1 Identification Stage

Figure 19 describes the start of the process by presenting the identification stage of the partnering process.

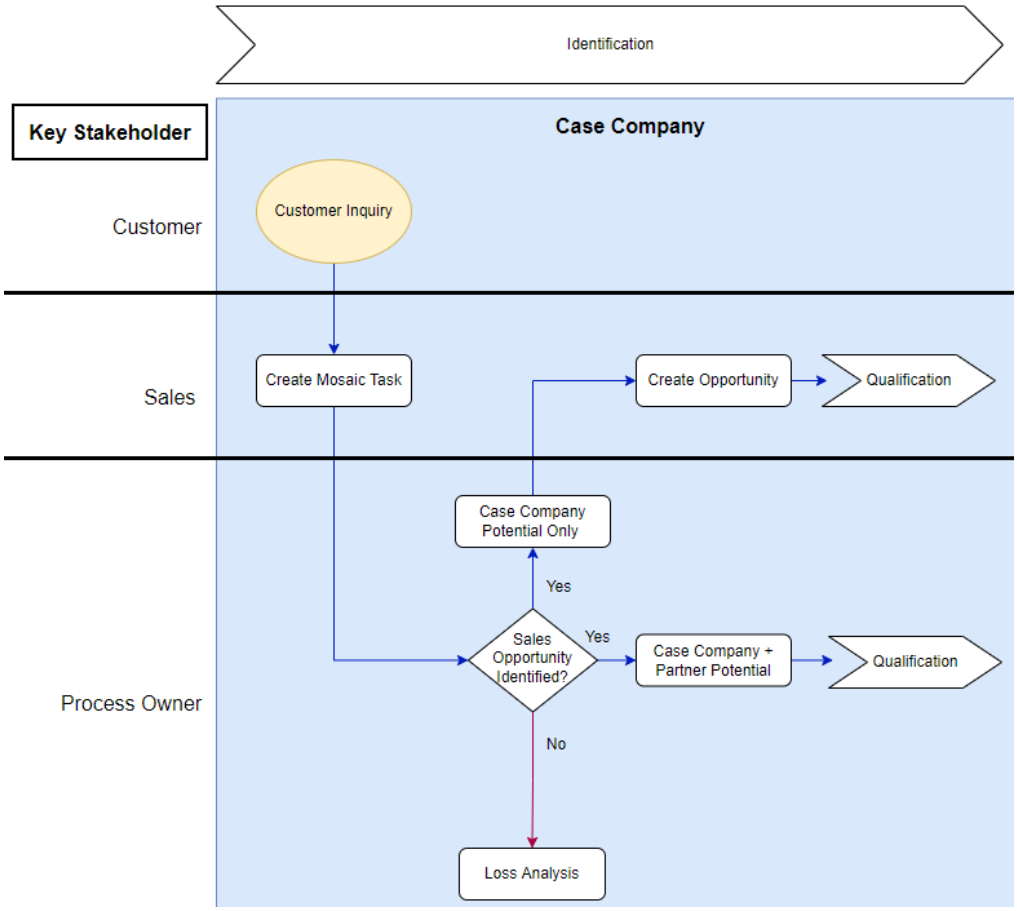

Figure 19. The identification stage of the partnering process

Figure 19 presents the identification stage, which is the first substage of the partnering process. It is a preliminary stage before the actual partnership actions take place. The key activity of this stage is to identify whether the received inquiry has any relevant sales potential and which sales channel is the most proper to go by. The process initiates when the customer sends an inquiry to the case company. The sales personnel receiving the inquiry creates a CRM task (Customer Relationship Management) assigned to the process owner in the Mosaic CRM system. In the first and most crucial decision point regarding partnering, it is evaluated which sales channel is to be chosen. If the inquiry matches with the offering of the case company, a partner is not needed. This is followed by creating a sales opportunity for the CRM system. But if the inquiry exceeds the offering of the case company, the proposal to the inquiry is to be co-created with the business partner. For instance, the collaboration with the partner

is chosen if the product and solution offering is incomplete regarding the inquiry. The third alternative of the decision point is that the inquiry is not suitable for either party for instance commercial or technical reasons. This leads to the loss analysis and the end of the process. After the identification stage the process advances to the qualification stage.

5.2.2 Qualification Stage

After the received inquiry has been carefully scrutinized and the sales channel selected, the process moves to the qualification stage where the appropriate approach for the inquiry is chosen. Figure 20 describes the qualification stage.

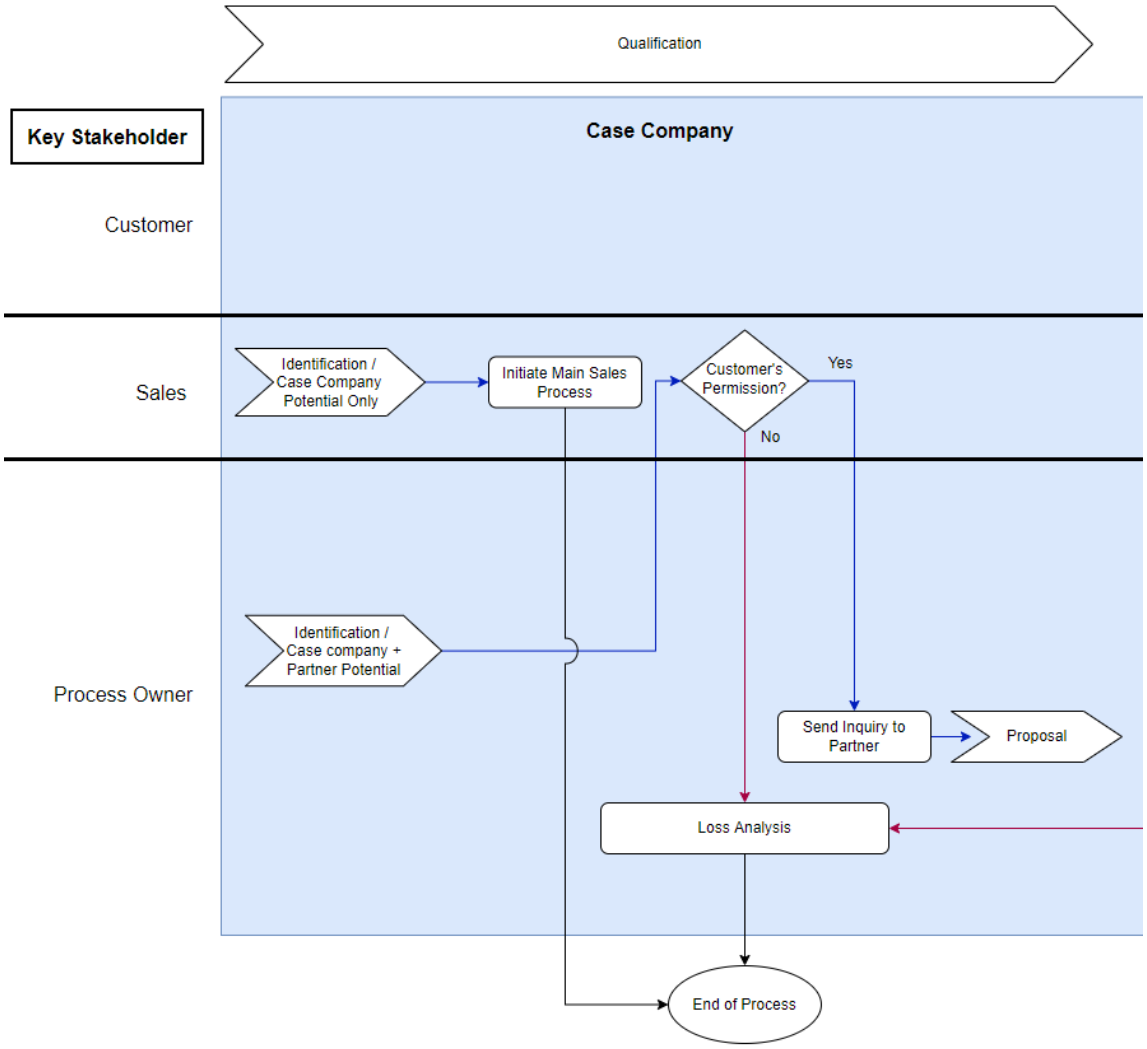

Figure 20. The qualification stage of the partnering process

There are two alternative paths to proceed in the qualification stage as shown in figure 20. The upper path is chosen if the inquiry is aligned with the strengths of the case company and the partner is not needed. It initializes the main sales process of the case company where the received inquiry is processed in a different process and leads to the termination of the partnering process. The lower path is taken if the offering of the case company does not fully meet with the inquiry. In this case, a mutual offer is to be co-created with the partner. After this, the second decision point occurs where the permission of the customer must be asked in order to send inquiry and other information to the partner for co-creation.

If accepted by the customer, the inquiry and other relevant data can be sent for co-creation. Otherwise, the process cannot be continued, and the loss analysis is performed. Also, depending on the nature of the inquiry, more specific data can be shared with the partner. Usually the data is strictly confidential, but relevant for creating the proposal. After this, the process advances to the proposal stage.

A loss analysis is performed to investigate and understand the root causes of the losses. The specific causes depend on which stage of the process the loss occurred. For instance, a loss may occur when the technical and commercial specifications are not aligned with the expectations of the customer. The loss analysis also provides the results and feedback to the initiator of the process.

5.2.3 Proposal Stage

The main purpose of the proposal stage is to co-create a proposal with the partner and to gain acceptance from the customer to proceed. This co-creation stage requires a good collaboration between the business partners. Figure 21 presents the proposal stage in more detail.

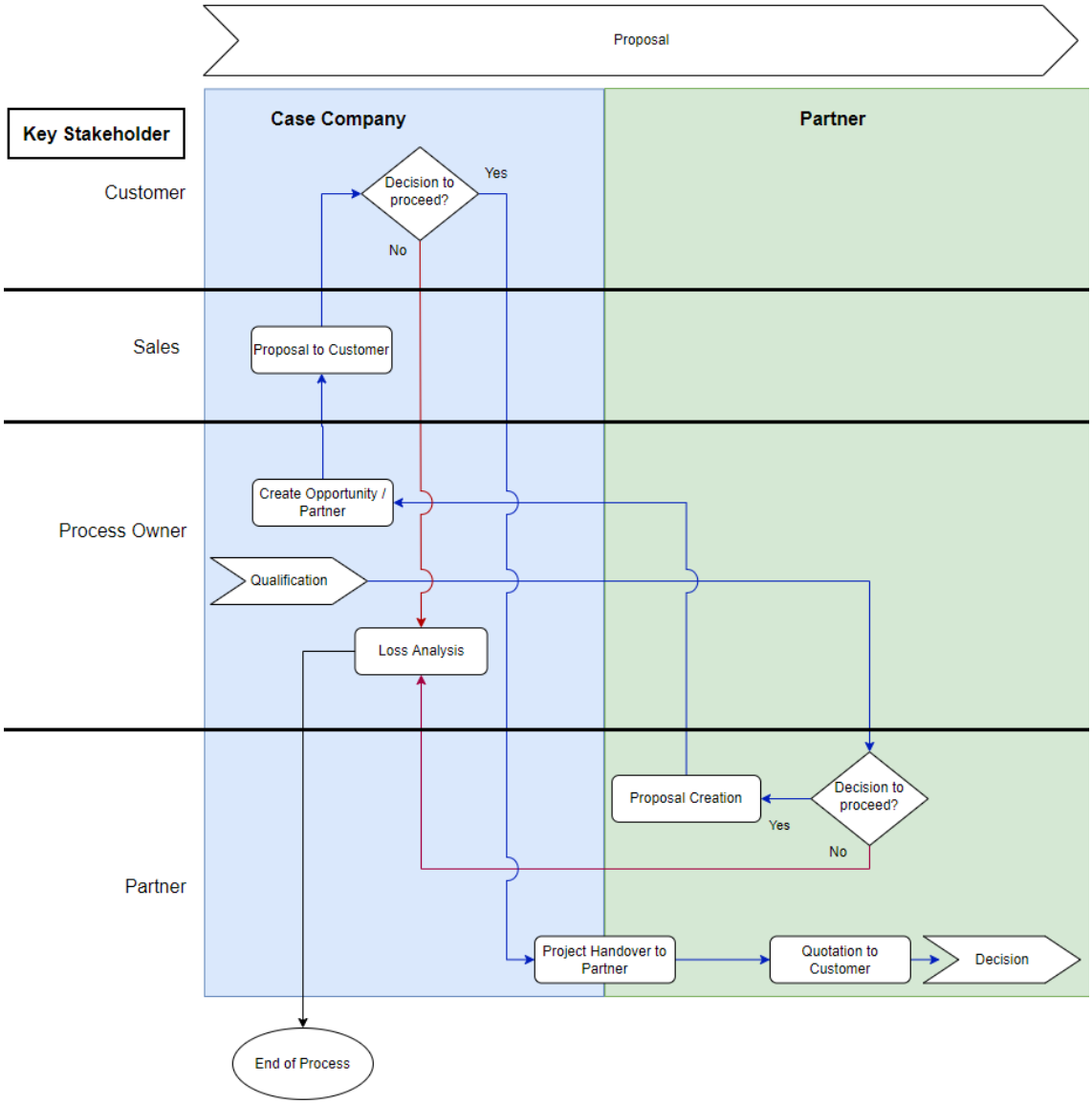

Figure 21. The proposal stage of the partnering process

As seen in figure 21, the proposal stage is the most complex as it involves a lot of interaction between the stakeholders. The stage begins with a decision point where the partner evaluates the received inquiry and data. If the inquiry appears promising, the proposal is co-created.

As outlined in the process diagram, the partner is responsible for preparing the proposal even though it is co-created between the case company and the partner. This is because of the expertise and knowledge that the partner company has of the details of the offering as a whole.

After the proposal is complete it is handed over to the case company as it possesses the best knowledge and contacts for the customer 's decision makers. Before the proposal presentation, a sales opportunity is created in the CRM system to ensure the transparency and traceability of the sales case. The accumulated customer knowledge is used to present the benefits of the proposal to gain acceptance from the customer. A negative result from either of the decision points initializes the loss analysis.

After the acceptance, the project is handed over to the partner for creation of the legally binding quotation. As the proposal is not legally binding, an official quotation is required. After this, the process advances to the decision stage.

Especially in the proposal stage where the main collaboration takes place, the elements of successful partnering that were reviewed in section 3.2, should be used as a guidance in daily activities to keep the partnership on track.

5.2.4 Decision Stage

The final stage of the partnering process is the decision stage, which is presented in figure 22.

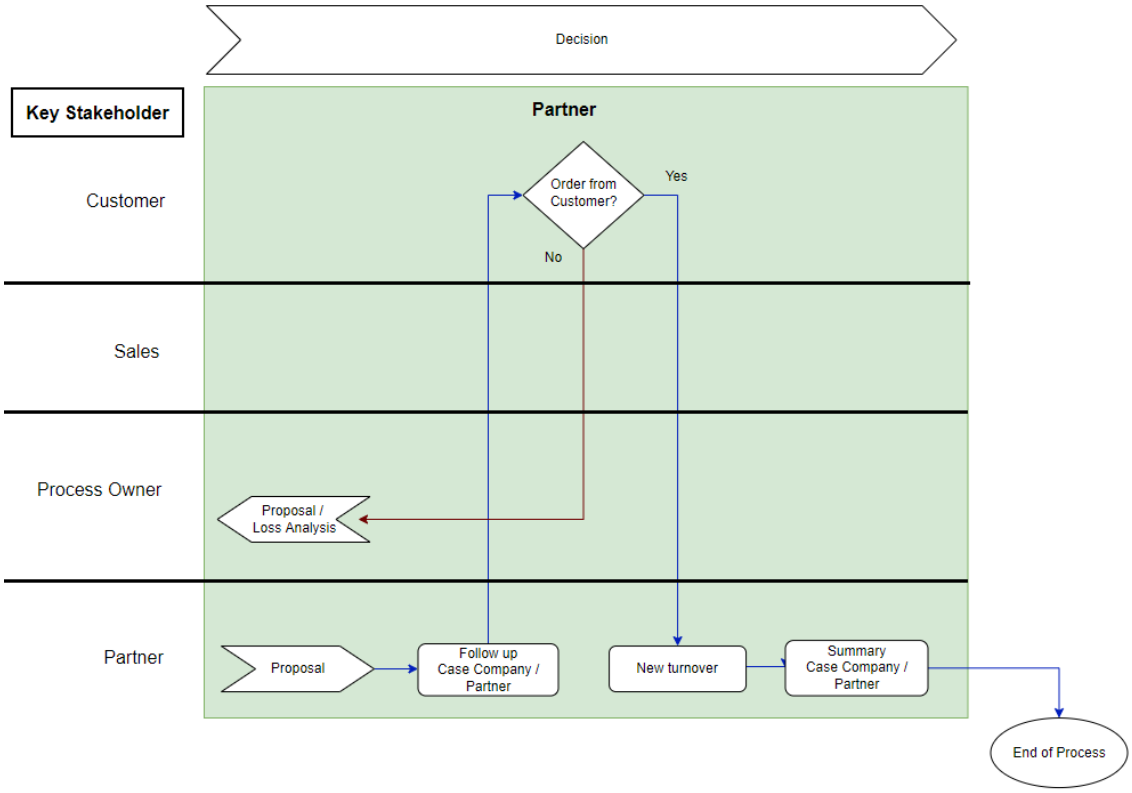

Figure 22. Decision stage of the partnering process

Figure 22 describes the final stage of the partnering process. It aims to gain a buying commitment from the customer. The final decision-making process of the customer can take from several weeks to months. Therefore, after the quotation has been sent to the customer, regular meetings between the partners are held to follow the status of the quotation and exchange information to increase understanding and promote transparency after the project handover.

The final decision point of the process is receiving the order from the customer. After the received order a final evaluation meeting is held between the partners to share best practices and lessons learned. Otherwise, if the order is not received, a loss analysis is performed. The implementation and delivery stages of the received order are conducted by the partner.

5.3 Input from the Proposal Workshop Discussions

The stakeholders involved in the data 2 workshop were two Sales Managers, Head of Sales and Quality Manager. In the workshop, first the draft of the initial proposal was presented and after evaluation and discussion the initial proposal was created. The main difference compared to the draft proposal was the incomplete description of the roles and responsibilities. These were added to the initial proposal as well as a few decision points.

The most significant feedback was given considering that the process under development needed to comply with the ISO 9001:2015 standard that the case company was following. The standard required that a risk assessment is conducted for all processes. This was addressed by a workshop participant:

> ISO 9001 requires that the risk assessment is conducted for the process. For instance, what are the process risks? There are always risks, but they must be identified and described.

This was followed by a relevant question from another participant:

> What happens if the process owner is absent? What if the process owner is on sick leave for four weeks? Does the process stop at the identification stage?

It was agreed that there must be a deputy for the process owner as the process cannot be dependent on one person. A proper first-line substitute would be one of the sales managers by checking and allocating the available resources for the tasks of the process owner.

It was also decided that a complete risk analysis for the process was needed to identify the remaining risks. A separate risk assessment steering group is to be formed for this evaluation project. However, the risk analysis was not in the scope of this thesis due to lack of time.

Also, the loss analysis within the process was commented on:

> It is good that the loss analysis is described in the process. We do not have a systematic approach for analysing the losses. This is a step in the right direction.

The purpose of the loss analysis was to identify and document the reasons behind the decisions of the customer. It aims to increase the understanding of the future improvement areas.

Overall, the content of the proposal was very well received by the stakeholders. It was said that the logic of the process was clear and easy to follow.

5.4 Alignment of the Initial Proposal with the Current State Analysis

This subsection presents the findings of the current state analysis in the context of the initial proposal. The purpose of the alignment was to ensure that the developed proposal resolved the weaknesses selected for improvement. Table 5 presents the results of alignment.

Table 5. Alignment of the Initial Proposal with the Current State Analysis

Theme	**#**	**Finding**	**Alignment with the Initial Proposal**
Weaknesses: Partnering	8	The common rules for partnering were not defined	The key areas of collaboration were defined in the process
Weaknesses: Pilot Project	12	Information sharing was ambiguous	Defined in qualification and proposal stages of the process
Weaknesses: Pilot Project	13	The handover of the pilot project was unclear	Defined in the proposal stage of the process

Table 5 shows how each weakness is compared against the developed process proposal. Findings 8, 12 and 13 were taken into consideration in the different stages of the developed process. For lack of common rules, the process offers a clear framework for collaboration by defining the roles and responsibilities of the

business partners. The process also clarifies the information sharing by defining clear ways for it in the qualification and proposal stages of the process. And finally, the project handover is clearly defined in the process to clarify the roles and responsibilities of the stakeholders.

5.5 Alignment of the Initial Proposal with the Conceptual Framework

A similar alignment approach was also conducted to the conceptual framework to verify its relevance and usefulness with the developed proposal. Figure 23 describes the results of the alignment evaluation.

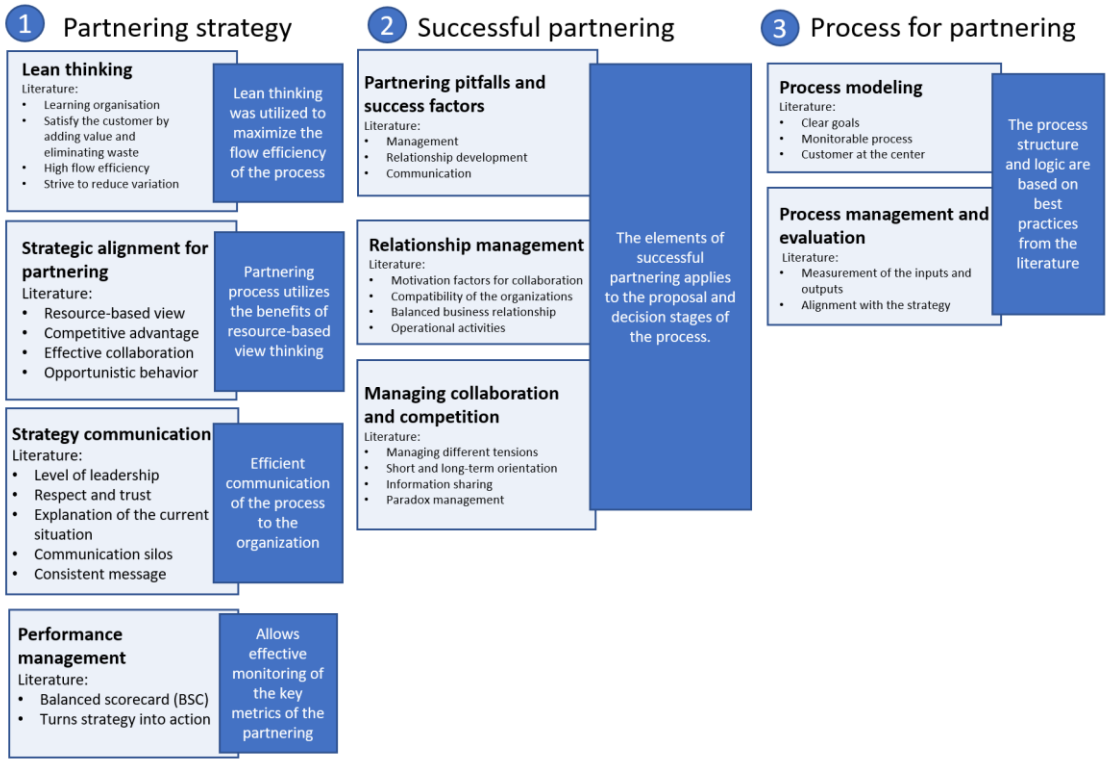

Figure 23. Alignment of the initial proposal with the conceptual framework

The three key elements of the partnering process and their alignment with the initial proposal are presented in figure 23. The first key element, the partnering strategy, had four subtopics. The first subtopic, lean thinking, was utilized to maximize the flow efficiency throughout the process. The second one, strategy alignment was evaluated to verify that the strategic requirements for partnering were fulfilled. This can be verified as the initial proposal utilizes the benefits of

resource-based view thinking by combining the resources of both companies. The third topic, strategy communication, provides tools and methods for successful communication that are needed in the implementation. And the fourth one, performance management, allows effective planning and monitoring of the partnering strategy.

The second key element, successful partnering and all its subtopics apply mostly to the proposal and decision stages of the partnering process where the main collaboration takes place. By knowing how to develop a partnership, it is possible to develop a long-term business relationship and to avoid pitfalls of partnering.

The third and final element, process for partnering, provided a structure and logic to build an understandable and effective process. The developed process improves the ability to serve customer needs as efficiently as possible. Also, the customer is put at the centre of the process to make most of the important decisions for proceeding. The follow-up and summary meetings ensure the input and output are linked and it also simplifies the monitoring of the received inquiries.

In the next section, the initial proposal was presented to the key stakeholders for validation.

6 Validation of the Final Proposal

Section 6 describes the results and feedback of the validation stage. First, the overview of the validation stage is presented, and it is followed by describing the results of the validation workshop. And lastly, the final proposal of a partnering process is presented.

6.1 Overview of the Validation Stage

The initial proposal was validated in data 3 workshop. The purpose of the validation was to verify the usability of the developed proposal for the case company. The validation was performed by presenting the initial proposal to the

key stakeholders for feedback and approval. The data 3 workshop participants were Head of Sales, three Sales Managers and Quality Manager. The participants were almost the same as in the previous workshop, all but one also participated in the development of the initial proposal. The participants represented the key decision makers of the case company.

The validation of the proposal started by reviewing the objective and desired outcome of the thesis with the stakeholders. This was followed by presenting the outcome of the data collection rounds 1 and 2. The initial proposal was then reviewed with the stakeholders. Based on the comments and feedback, the final proposal was created.

6.2 Findings of the Validation Workshop

In the validation workshop the initial proposal of a partnering process was walked through and discussed with the stakeholders. During the walkthrough a few minor suggestions were presented. The first was related to the identification stage as a workshop participant stated:

> Do we need the “Create opportunity” process step if the sales opportunity was identified to be applicable only for our company? The next process step, initializing the main sales process, is already including the creation of the sales opportunity.

It was recognized that there were two overlapping opportunity creation steps. There was discussion that if the identified sales potential was relatively low, there was no need for a sales opportunity at all. And also, the opportunity creation was explained in more detail within the main sales process. Therefore, it was agreed that the process step could be removed for clarity.

The second suggestion was regarding the project handover in the proposal stage, a participant commented:

> Who is the responsible stakeholder for making the handover to a partner from our side? Now it is described in the process that the

> customer is making the handover to the partner company. And it can be confusing if the sales engineer is doing the handover.

The process owner was the main link between the partnering companies and responsible for most communication. Therefore, it was agreed that the process owner should be responsible for the handover.

The third suggestion concerned the readability and clarity of the process. A participant said:

> At first the process seemed confusing and cumbersome, but when we walked it through it was clear and logical.

It was discussed and agreed that the overall readability could be improved by numbering the process steps.

Overall, the feedback was positive, and the process was considered to be important for the case company as a participant stated:

> From a qualitative point of view, the process is a clear improvement. It clarifies roles and responsibilities and is logical. I did not find any major weaknesses in it.

During the validation workshop three improvement suggestions were recommended, mainly concerning readability and clarity. The changes were quite minor, confirming that the stakeholders were satisfied with the outcome. Also, the loss analysis within the partnering process generated discussion, but it was agreed it would need further evaluation before taking it into wider use. In the next section the final proposal of the partnering process is presented.

6.3 Final Proposal of the Partnering Process

Some modifications were made to the initial proposal based on the feedback. The final proposal of the partnering proposal is presented in figure 24. The changes are marked with red circles to illustrate the difference to the initial proposal.

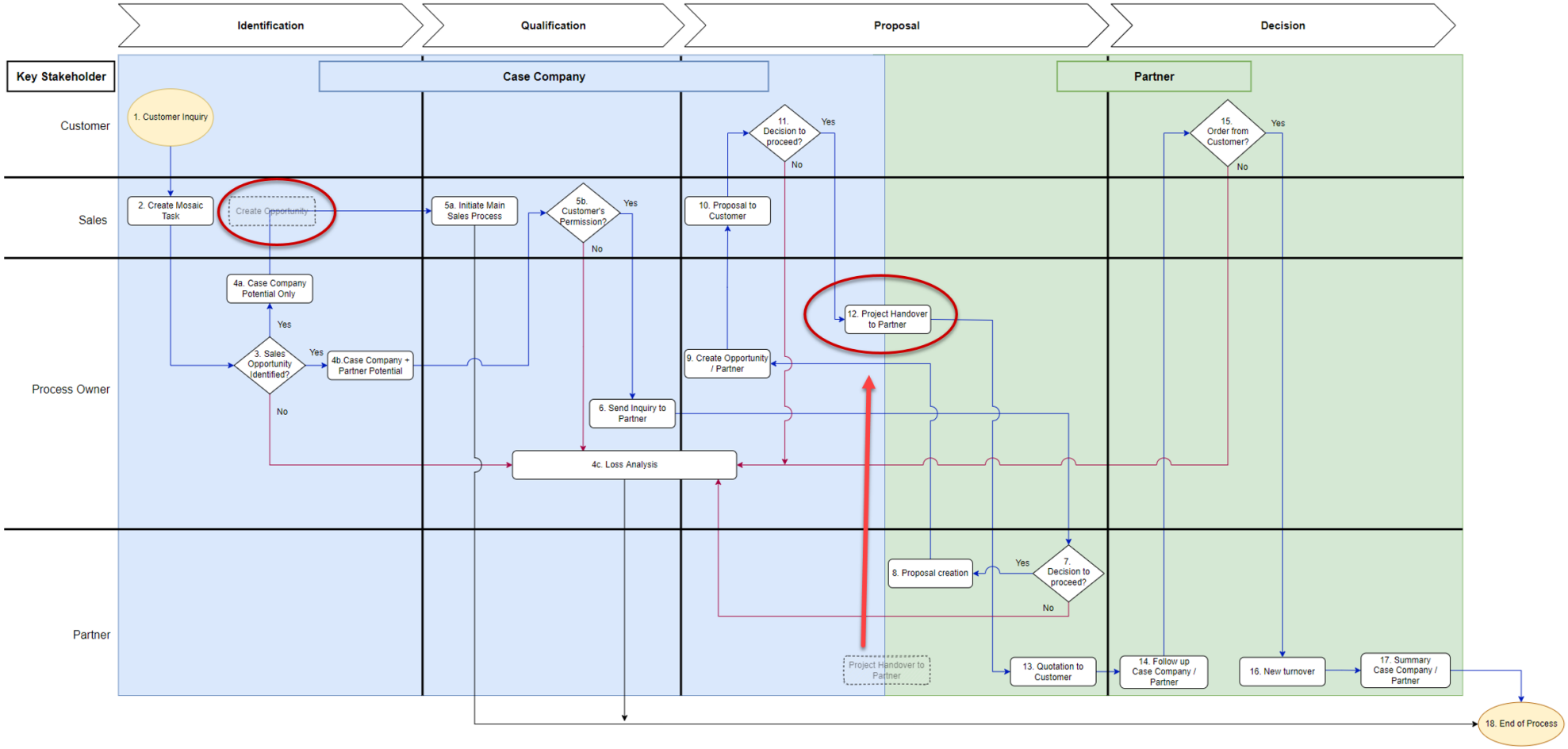

Figure 24. Final proposal of the partnering process

Figure 24 presents the final proposal of the partnering process. As a result of feedback received, the process steps were numbered for clarity, which makes the process easier to follow. The identification stage was slightly streamlined by removing the opportunity creation as it was already included within the main sales process. And also, the responsible stakeholder for project handover was redefined to the process owner. Compared to the initial proposal, only minor changes were made.

The final section concludes this study by presenting the summary of the work, next step recommendations and self-evaluation.

7 Conclusions

This section presents an executive summary and practical recommendations for the next steps. These are followed by a self-evaluation of the study and finally, the thesis ends with the closing words.

7.1 Executive Summary

The objective of this study was to develop a partnering process for the case company as there was no existing process. The case company had already selected a business partner and conducted one successful pilot project with them. The need for a new process arose when the pilot project was evaluated internally, and it became apparent that the roles and responsibilities for all stakeholders needed clarification. Thus, the exact business problem for this study was defined.

First, the project plan was established by choosing qualitative research methods for conducting the study. Next, the research design and data collection plan were defined. There were four stages in the study: literature review, current state analysis, building the proposal and validating the proposal.

The actual study began by reviewing the relevant literature regarding business partnering to form a strong basis for later stages. The created conceptual

framework had three main categories: partnering strategy, elements of successful partnering and building the process. The conceptual framework was used as the basis for the current state analysis.

In current state analysis the arguments for business partnering were presented, which was followed by the evaluation of the joint pilot project. Next, the findings from the pilot project and from the current state interviews were mapped against the conceptual framework. The outcome of the current state analysis was strengths and weaknesses related to the business partnering.

Both the conceptual framework and the selected weaknesses were utilized in developing the draft of the initial proposal for the partnering process. At the beginning of the proposal workshop the key findings from the previous stages were presented to the key stakeholders for discussion and validation. Then the draft of the initial proposal was presented to the stakeholders and the partnering process was co-created based on the received feedback and recommendations. The developed partnering process provided a clear and understandable way to conduct joint projects with a business partner. It consisted of four interlinked process stages, which were identification, qualification, proposal, and decision stages.

After the proposal was created, its alignment with the current state analysis and conceptual framework was examined to confirm the validity and relevance. And finally, the validation workshop was conducted to develop a final proposal for the partnering process. The outcome of this thesis was the partnering process, which clarified the roles and responsibilities and streamlined the collaboration between the partners. Also, the literature part provided guidance for successful collaboration between the business partners. It was stated that the developed process was aligned with the chosen strategy and is expected to lead to increased turnover in the future.

7.2 Practical Next Step Recommendations

There are several recommendations to be made regarding the developed partnering process.

First, the developed partnering process must be communicated to the sales team and business partner to ensure that it is understood by all involved. The roles and responsibilities need to be clear for all stakeholders to have a well-functioning process for partnering.

It was also found that the process-related risks should be evaluated according to the ISO 9001:2015 standard. Therefore, a separate risk assessment steering group needs to be formed to assess and identify the risks. Also, the results must be documented according to the ISO standard.

The process is expected to evolve over time as more and more joint projects are conducted with business partners. Therefore, it is important to have regular evaluation meetings with the key stakeholders on lessons learned from past operations and collaborations. According to lean principles the waste from the process can be further minimized, and value maximized.

There is no systematic approach to loss analysis within the case company and there is a lack of clarity around it. Further investigation is needed to examine the current situation of the loss analysis and recommendations for the next steps.

The following table 6 presents the summary of the recommended next steps.

Table 6. The next step recommendations

Recommendations for Next Steps	**Responsible Stakeholder**
1. Process needs to be communicated and implemented to the sales team and a business partner	Process Owner
2. A risk assessment steering group for partnering process needs to be organized	Process Owner
3. Regular monitoring and evaluation of the process after implementation	Process Owner
4. Further investigation of the loss analysis	Quality Manager

As shown in table 6, there are 4 recommendations for next steps of which the process owner is the responsible stakeholder for the first three and the quality manager for the last.

7.3 Thesis Evaluation

The objective of this study was to develop a partnering process from the ground up. As the working procedures were rather unique and case company specific, excessive literature research was first accomplished to build a structured foundation for the later stages.

The current state analysis proved to be the most challenging stage of the study. The pilot project provided valuable data, but during the interview rounds, it was realized that the investigation focused too much on the strengths and weaknesses of the current inquiry process, which were not relevant for the study. The objective of the current state analysis was therefore shifted towards clarifying the organizational readiness for partnering in the context of the developed conceptual framework.

A typical customer project from inquiry to delivery takes several weeks to months. With the given time, it was not possible to perform a pilot test for the developed process. In this study the validation of the proposal was performed by presenting and obtaining feedback from the key stakeholders. Also, an opportunistic behaviour of the partner and seeking short-term profits was mentioned by the literature, however due to lack of time and available data it was not possible to analyse it in more detail. Further investigation could be considered for new project inquiries to bring more depth and understanding to the topics.

For further evaluation according to Lincoln and Guba (1985) there are four important criteria to evaluate the trustworthiness of a qualitative research. These criteria contain credibility, transferability, dependability, and confirmability. Next sections assess each of these criteria.

7.3.1 Credibility

According to Kananen (2013: 181) the basis for a credible study is accurate documentation and justification for the work and solutions performed. Patton (2002: 76) adds that credible research is built on elements that include comprehensive data collection and its systematic analysis as well as credibility of the researcher.

A well-recognized research methods were adopted for this study by utilizing applied action research with qualitative data analysis. The credibility of the thesis was sought to be verified by data triangulation by collecting data from multiple sources and stages. At first, various literature sources were reviewed to create a consistent and reliable conceptual framework. Round 1 data for analysing the current state was collected by interviewing the stakeholders, reviewing the pilot project and by organizing a workshop. However, it has to be noted that the author of this study acted as one of the sources of information in the current state analysis which may affect credibility and confirmability. In data collection rounds 2 and 3, the results of the previous stages were presented to the stakeholders to check the accuracy of the data and to enhance triangulation. Through discussion,

the management team expressed their views and opinions, and flaws were detected more easily.

Triangulation was also implemented by using a variety of interviewees in data 1 collection, as they had a diverse range of backgrounds and experiences. Data 2 and 3 workshop participants were experienced and represented the sales and quality management of the case company.

7.3.2 Dependability

Dependability is also known as reliability and consistency of the obtained data (Shenton, 2004; Kananen: 2013).

The research plan of the study was presented in section 2. The research approach was explained in section 2.1 and research design in section 2.2. They were followed by the presentation of the data collection plan in section 2.3. The research design increased the dependability of the thesis by providing a systematic and logical approach throughout the study. The data collection was planned to include 3 rounds with selected methods and their descriptions.

The different stages of the thesis were carefully documented, and the decisions were justified based on the findings of the data collection rounds. The interviews and workshops were recorded and analysed to collect ideas and opinions for further development. Field notes were also made to ease the analysis and to summarize the main ideas. As the case company was relatively small, the anonymity of the participants was secured by removing the identification information from the presented quotes.

7.3.3 Transferability

Kananen (2013: 191-192) explains that transferability is the consistency of the findings in other situations and the readers are left to decide whether the study is transferable or not.

The data collection plan presented in section 2.3 describes the elements that affect transferability of the study. These include, the involvement of the participants, utilization of data collection methods as well as amount and duration of data rounds. Most likely the outcome of the study is not relevant in other companies as the study depends on the context. However, as the partner and case company are both global players, the study might be applicable in their foreign subsidiaries with similar characteristics.

7.3.4 Confirmability

Confirmability refers to the objectivity of the findings. According to Shenton (2004: 72) the confirmability can be confirmed by triangulation to reduce the effect of investigator bias. Also, a detailed research design with illustrations help to understand the logic and course of the study.

To ensure confirmability, an in-depth description of the research design and data collection were performed at the beginning of this study. The visual research design of this study was presented in section 2.2 to improve the traceability. Also, the data findings were presented to the stakeholders for discussion.

7.4 Closing Words

Business partnering has proven to be beneficial for many companies and its advantages are convincing. If properly implemented, it offers sustainable competitive advantage and unique opportunities for growth.

Within this thesis a partnering process was developed to meet the requirements of the case company. However, this process is just the first step towards successful partnering and the long-term results are yet to come. It is now time to implement the process and move forward to the next level of success.

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Current State Analysis Interview Template

Date: DD.MM.YYYY
Duration: xx min
Interviewee: Name
Position: Title

The objective of this interview is to get a good understanding of the current state of the customer inquiries. The interview will be recorded for my own use only and the interviewees cannot be identified from this study.

Topic	Questions	Notes
Experience	How are you involved in current PA-inquiry processes?	
Current process	How would you evaluate the case company's current PA inquiry process? Do we meet the given time limits with the inquiries?	
Strengths	What areas are successful and why?	
Weaknesses	What are the key concerns and why?	
Development	What are your key concerns when developing the partnering process? Do you see any opportunities or threats of having a partnering business relationship?	
Additional information	Free word?	