Productisation

Case Kasve Ltd.

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SAVONIA UNIVERSITY OF APPLIED SCIENCES **THESIS Abstract**

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Abstract

The objective of this thesis was to examine the theory of productisation and applying it to a Finnish consultation company Kasve Ltd. The aim was to create tools and guidelines based on which Kasve Ltd. can productise its services further.

The theoretical part of the thesis focuses on the concept of productisation and the different processes it contains. The information was gathered using secondary data; books, articles and business blogs. The practical work consists of the tools and guidelines, which were created by comparing the theory of productisation into the existing methods and services Kasve Ltd. has. These guidelines and tools are presented in the practical work- section. However, not all my findings and guidelines are presented in this thesis due to confidentiality.

Kasve Ltd. had managed to productise most parts of its functional areas before, which allowed me to focus on the remaining issues, which were: project evaluation, dividing service into modules, information package for clients, writing a reference and including social media into communication strategy. Based on these needs of the case company, the thesis introduces a set of tools and guidelines, for the company to use in its productisation process. Due to confidentiality agreement, not all the tools and guidelines are introduced in this thesis alongside with my more detailed recommendations for the company. In order for Kasve Ltd. to ensure that the productisation methods are adopted accordingly, a research should be carried out; in order to see what areas still needs to be improved.

Keywords
checklist, customer satisfaction, documentation, formatting, marketing, modules, pricing, productisation, project auditing, project learning, service products

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1 INTRODUCTION

The thesis topic was given to me by a Finnish consultation company called Kasve Ltd. which is based in Kuopio. The company's managing director had read a book about productisation and was very keen on applying the productisation methods to Kasve Ltd. The objective of this thesis became to introduce guidelines and tools to help the productisation process.

The thesis introduces the theory of the productisation and the different processes within. The thesis will introduce the basic concept of the productisation and why it is beneficial to a company to productise its services. After this the different steps for successful productisation are discussed alongside with suggestions how a company will counter the resistance for change by selling the productisation process to the most important audience, which are the workers working inside the company undergoing productisation process. The information for the theoretical study was gathered using secondary data; books, articles and even business blogs.

The information, considering the case company, was given to me by the company's managing director. I also have been working with Kasve Ltd. before, regarding another project, which had given me a good overall picture of the company and its operations Based on the information given to me, as well as the knowledge gained from theoretical study, I was able to find out which parts of Kasve Ltd. needed to be modified in order to transform the services of the company into productized services. To help the company, I formed different guidelines and tools for the case company to use in its operations. Due to confidentiality agreement, not all the tools and guidelines given to the case company are presented in this thesis. The excluded guidelines were given to the case company on a separate report.

Finally In the section of discussion and conclusion, I will critically assess the thesis as well as I will give my recommendations for future studies. I will also discuss the validity and reliability of the thesis.

2 THE BASICS OF PRODUCTISATION

This chapter focuses on the theory of the productization, why it should be done, how it can be done, and what are the main challenges a business faces when trying to productise its service, as well as introducing the tools how to overcome these challenges.

2.1 Defining the concept

Jari Parantainen, a CEO of Finnish company called Noste Oy, also an author to the book of Tuotteistaminen 2007, replies to this question as follows: “If you imagine that a foreign buyer takes over your company, fires all of your employees and your supervisor immediately. The next day he employs new staff of the same field, but they have never heard of your service before. If they start to produce the service the same way as it was done before, your service had been well productised.” (Parantainen 2007, 12)

Productisation is used as a tool for developing services into competitive, profitable and innovative business. Productisation uses the business strategy as a basis for the service development. The business strategy should determine what kind of customers does a business pursue, what variety of products does the business produce and how, and what is the level of specialization and product development in a business. (Jaakkola Jaakkola, Orava & Varjonen 2009, 3) This guides the productization process by outlining the core of the service.

As a summary, the aim of productising a service is to improve the ability of a business to compete by defining, standardising, systemising the service. (Jaakkola et al. 2009, 5) This allows the service to be replicated by any employee, thus improving the efficiency of the business, by allowing it to detach its professionals to work on more challenging tasks.

2.1.1 The replication of the expertise

Parantainen states that any expertise can be replicated. This statement will, however, usually face some resistance by experts: “Sounds good. Too bad that my expertise is so unique, that it cannot be replicated” (Parantainen, 2007, 15). Still Parantainen claims that there is not anything so unique in the world that it could not be replicated. The answer to this claim is documentation. Sufficient documentation of how the service has to be done, when, where and what price, allows a business owner to replicate the expertise, without having to train every employee entering the business individually.

Some examples of documentation are: publications, like books, manuals, work instructions, checklists, forms and documentation models. Then there are also videos, diagrams, animations, computer programs, seminars, courses etc. Every Franchising business is based on a manuscript, which gives instructions of the business's concept in small details. With this manuscript an entrepreneur can spread and duplicate a whole concept. (Parantainen, 2007, 17) Good examples of businesses which are the same, where ever you are, are: Hilton Hotels, McDonalds, chain stores like H&M etc.

2.2 The Benefits of productization

Why would a company want to productise its service? The answer is quite simple: It concretizes the service. (Parantainen 2008, 9) This allows a customer to touch and feel the service. Productising also helps a company to determine the services attached to and supporting the main service and it helps the company to create the concept of the service, as in terms of commercialising the service. (Parantainen 2008, 9)

Productising the service helps a company to simplify the tailoring of the service for a customer's needs and wants. The core service remains the same, but the whole package can be tailored due to the extra services, modules. This also guarantees a clear and safe pricing of the service, without giving a salesperson the chance of selling the service with a too low price. Also clear pricing tells the customer exactly what they will get with that price. This relieves the sense of risk a customer may have related to a purchase. (Parantainen 2008, 11) Simplifying the purchasing decision for the customer generates a more probable situation, where the customer will buy your service.

So what are the benefits for the seller? As first steps of productization process, a seller has to determine who the customer is. To whom is the service aimed for? After the seller has answered this question, the seller has to determine the contents of the service. (Parantainen 2008, 20) Productisation encourages creation of one core service to every customer. Sceptics would now state that every customer and project is different and requires an individually sculpted solution. However Parantainen suggest that every service can then be sculpted to answer to the needs of the customers by creating supplement smaller services, called modules to fulfil the whole service. A client can also individually decide what is needed and or wanted from the service, and build a service to his needs. (Parantainen, 2007, 53)

Determining the contents of a service allows the seller to consider the different costs of producing this service. When the costs are clear, the service can be priced properly, ensuring the seller that all his expenses are covered and he can also decide the appropriate profit margin he wants to reach with his service. The concept of pricing will be discussed later on in more detail.

Parantainen states that if one ever wants to sell their business, a buyer will pay more for well productised service. (Parantainen 2008, 20) This is due to the clear pricing and service promise the company has, which is easier to take over. Productisation also reduces the sense of risk and it also makes the decision to buy easier, by giving a clear statement what the buyer will get and what price. The buyer will also receive this information quickly since the concept and price of the service has been decided before it was ever introduced to the buyer. Not to mention this will also make the salesperson’s job much lighter. The salesperson has been given clear instructions what he is selling and at what price. There are no permissions to give discounts as it would decrease the profitability of the service. (Parantainen 2008, 20-21)

After the service has been well productised, the mechanical labour can be outsourced. This frees a company’s own employees to concentrate on more challenging tasks or, perhaps, creating new services. (Parantainen 2008, 21)

In the research report called: Asiantuntijapalvelujen johtamisen haasteet: Opas suunnittelu- ja konsultointiyritysten liiketoimintaosaamisen kehittämiseen (Torkkeli, Salmi, Ojanen, Länkinen, Laaksolahti, Hänninen & Hallika 2005, 22), the benefits Parantainen has stated are similar with few additions:

The knowhow of the individuals working for the firm is seen as the knowhow of the organisation, thus productisation adding to the knowhow of the individuals adds value to the organisation. Therefore increasing the knowhow of all the employees in a firm does not cause risks or losses to the company when an expert resigns or is otherwise absent from work. (Torkkeli et al. 2005, 22)

Developing the services focuses the business and helps to decide to whom a company wants to sell its services to, what they want to sell and why would a customer buy a service. This is seen to be very beneficial to consulting services which operations are determined by customers’ opinions. (Torkkeli et al. 2005, 22)

Productisation also helps set long term goals and this, in turn, eases the evaluation of these goals, helping to improve a business. This applies also to the evaluation and systematisation of the processes, which helps to rationalise the different levels of operations. (Torkkeli et al. 2005, 22) Knowing the different stages of the operations also help to consider the different costs related to providing the service. Service provider can this way set a one clear price for the whole operation, making it easier for a client to see the whole value the service would bring. This also makes it more difficult for the customer to start bidding the price down. There are some down points with this aspect, which will be discussed later on. (Ketola, Parantainen 2012, 32)

Torkkeli et al. also introduce the benefits productisation brings to a customer. Having a clear price makes it easier to compare service providers in a market. Well productised service also clearly states what is included with a service, how long the process will take and what is required from the customer. This in turn makes it easier for the customer to sell or justify the service to its own organisation. The quality of the outcome is also more likely to be higher. (Torkkeli et al. 2005, 23)

3 HOW TO PRODUCTISE SUCCESSFULLY

Productisation of a company is called a productisation process. According to Torkkeli et al. (2005, 27) there are four main phases to this process: choosing the product, analysing the product and creating the concept, creating the service package and developing the implementation process of the service.

According to Torkkeli et al. the productisation process begins with choosing products which are suitable for productisation. Torkkeli et al. also suggests that since there are many aspects suitable for productisation in a company, only the most important activities of the company must be chosen to be productised. Next a company must divide its operation into fractions, allowing the technology and service components to be identified. After this, the components will be reorganized in order to create productised services, which will bring value for a customer. Then a suitable product will be chosen for further development by using pre-set criteria. (Torkkeli et al. 2005, 27)

In the analysing phase of the product concepts, each product will be valued based on the personal strengths and the demand of customers. According to Torkkeli et al. some basic questions a service provider will need to consider are: Is the productised service functional on its own and whether it will utilise other productised services or basic methods and equipment? What kind of possibilities there are for long term customer relations? What are the abilities of this organisation for creating consistent quality and efficient management of the productised service process? Does the product fit our brand and mission statement? What risks there are concerning this product? How can we distinguish ourselves from our competitors? How long is the lifecycle of the product? Is the timing right for the launch of this product? How dependant is our operation on suppliers? Etc. The main aim of answering these questions is to assess the potential of the product. (Torkkeli et al. 2005, 27)

In the stage of creating a service package the contents of the service product will be concretised. Torkkeli et al. suggest that the productised service can be either entities consisting of processes, client meetings and information, or it can be modules, which are parts of a whole service, and which can then be combined in a desired way in order to build a whole product. Modules also make it easier to communicate the contents of the service to a customer. (Torkkeli et al. 2005, 27)

While defining the service a company has to also keep in mind the strategic compliance of the service to the company’s operations and strategy. Does the new / improved service fulfil or terrorize the current services the company has to offer? What kind of resources does the providing of this service require? What kind of risks there are? Does the service fit the company's image? Does it affect the company's ability to grow and compete? (Jaakkola et al. 2009, 9)

3.1 Creating a concept

The figure below (Figure 1) describes the different stages introduced by Torkkeli et al. It has been translated into English by the author of this thesis and it has room for error in translation. However the main ideas are the same.

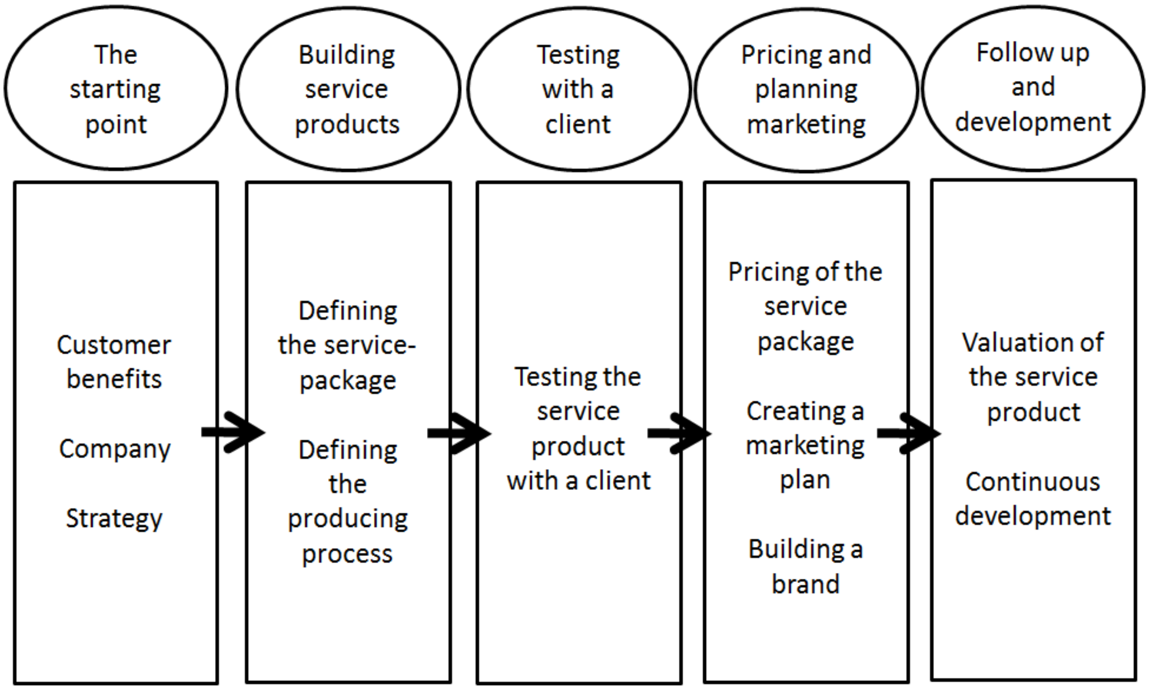

FIGURE 1. Factors to be considered in a productisation process (Torkkeli et al. 2005, 28)

Torkkeli et al. introduce a company's own operations and internal environment as most important starting point. It is also a very important strategic decision to choose what will be productise, in what extent and to what target group the productised service will be aimed for in order to determine a company's future. Making these decisions and assessing the economic factors will require the executive attention inside a firm. Torkkeli et al. also state that within the productisation process the demand is also a very crucial aspect to consider, for without it the productised service will surely fail. When defining the productised service, Torkkeli et al. suggest that a company should start by finding out what a client wants and what additional value one will get from the service product. (Torkkeli et al. 2005, 28)

Jaakkola et al. (2009) also state that the productisation process starts with using the business strategy as a starting point: What kind of clients and client relationships is a company looking for? What kind of products / services is a company producing and how? What is the level of the specialisation and product development? Jaakkola also suggest that the best way to establish a productised service is to find out the needs and wants of a client, the climate of the business environments, the trends and competitors in the field of business a company is in. (Jaakkola et al. 2009, 3)

When the demand of a service has been properly identified the qualities of the productised service can be outlined. However, the risk of misjudging the needs of clients can lead into failed product- or service development. Torkkeli et al. also state that in the phase of analysing product concepts it is crucial to acknowledge the internal abilities of employees and external restrictions (laws, cultural aspects etc.). This is called defining the standards. (Torkkeli et al. 2005, 28)

Torkkeli et al. (2005, 29) suggest that defining the standards give certain benefits when developing a productised service. These benefits are:

1. The qualities of productised service are clear, which makes it also easier to predict the costs of producing the service.
2. When the standards have been defined, several collateral projects can take place, for example marketing of unfinished service.
3. The standards also prioritise the qualities of the service. When these have been listed according to the importance of the quality, the most important ones are chosen within the limits of the resources and funds.
4. The costs are restricted, because the qualities of a service, which do not have an appropriate demand, are left out automatically.
5. When conducted right, the definition of standards creates service measurements automatically. One has no need to develop these separately.
6. The standard definition acts as a basis for the testing phase. These tests will show, whether the outcome will meet the standards. Without these standards it would be difficult to test the outcome.

The following figure (Figure 2) shows, how the definition of the service begins with considering the needs of the clients. In this stage it is good to consider what a company can give to a client. Then the service and its position in the service markets need to be identified. What can the service offer that others do not? What it does do better?

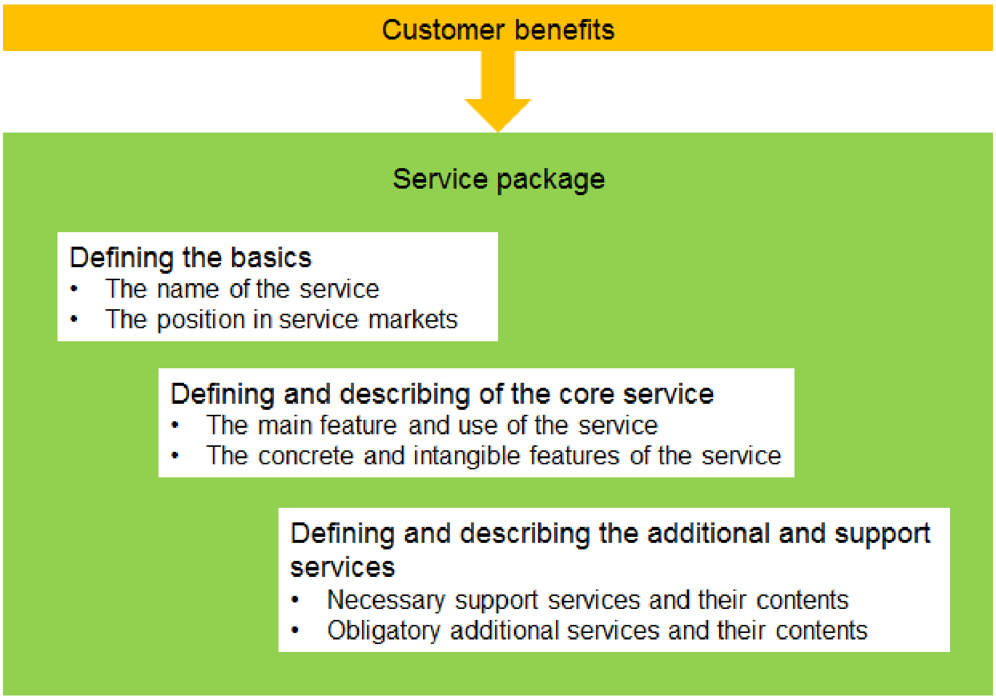

FIGURE 2. Defining the contents of a service. (Jaakkola et al. 2009, 12)

The next step is to define the core service, what it includes and what its features are. This is the core product which will be bought by a customer; it is what the customer needs. (Jaakkola et al. 2009, 11)

The support services are the additional services required by the core productised service. It can comprehend anything from billing to customer meetings. Their meaning is to improve the original service and tailor it to fit a customer's needs. Identifying the required support services will also give the company an idea what kind of resources and work phases are required in order to produce the service. The additional services are also a good way to stand out from competition, when the core services are similar. Jaakkola et al. also mention that the additional services not necessarily have to increase the cash flow if they increase the customer base. (Jaakkola et al. 2009, 11- 12)

Jaakkola et al. also introduce networking as a way to increase the customer base and the knowhow of a company. Networking is considered to be a good tool, especially when working internationally. Combining resources also lower the risk of offering services abroad. The downfall of offering services as a network, is managing the resource and projects. It will require clear rules and agreements on distributing the profits. It also requires creating new operations on how to work on a project. A company should also consider the reflection of the other company's image to one's own. (Jaakkola et al. 2009, 12-13

3.2 Building the service products

Torkkeli et al. suggest that analysing the present operations and services a company produces, separates the businesses into smaller sections, which will enable the service to be divided into modules. When defining the service products a company has to determine the end user the service is aimed for, allowing the consumers to be segmented. (Torkkeli et al. 2005, 28)

Torkkeli et al. also mentions that the extent of the package, target groups and the entity should be determined in this stage. (Torkkeli et al. 2005, 28) These will create the modules. Parantainen also introduces the ideas of modules as the way of a service provider to produce the same services with the same cost in an efficient way and still the service will feel tailored to a client's needs. The modules will also allow the seller to sell the pieces of modules to a client one by one instead of trying to sell a service as a whole. (Parantainen, 2007, 53)

3.2.1 Modules

Jaakkola et al discuss the ideas of modules, in a form of a core service and additional services in Figure 3. Jaakkola et al. also recommends to increase the flexibility of standardized services by dividing the service into core service, which a client can 'tailor' to his / her needs by choosing additional services (modules) to the package. Another way is to offer a full package from which a client can leave out the service components the client does not need. This kind of modular service allows the service provider to offer the service at a standardized price, while being flexible and cost efficient and also giving the client a sense of tailored service. (Jaakkola et al. 2009, 19- 20)

In the following figure (Figure 3), a modular service is introduced, where the standardized core service is combined with smaller service components (modules). Jaakkola et al. states that customers appreciate tailored services, because it gives the customer the feeling of being more equivalent to the individual needs of a customer. Customers also appreciate the fact that the experience gained from past work can be utilised in solving their present problems. In conclusion, the standardized methods can communicate professionalism and experienced working methods to the customer. (Jaakkola et al. 2009, 20)

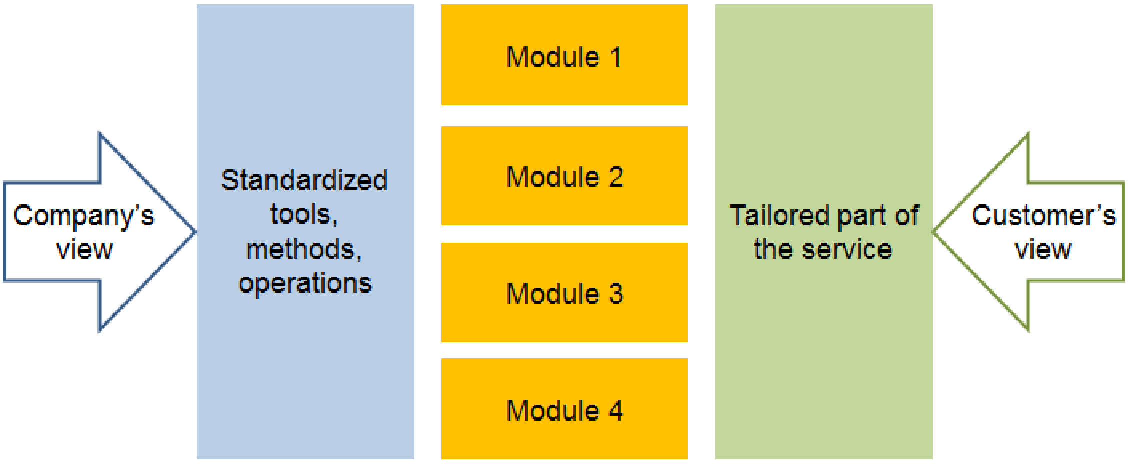

FIGURE 3. Example of the components in a modularized service. (Jaakkola, et al. 2009, 20)

The figure 3 also clearly shows that even though the service has been standardized, it does not rule out the possibility to tailor the service to a customers need. In a customer's point of view the service seems to be tailored exactly to one's needs. (Jaakkola et al. 2009, 20)

3.2.2 Formatting

Formatting gives project or a service the guidelines on how a project should be run and at what schedule. According to Parantainen a good format can be repeated from day to day, year to year. Even though the format stays the same, it can create different solutions. Being similar does not mean identical. (Parantainen 2007, 124)

A good format is also flexible internally, for it does not dictate, whether a project is small or little, focused on consumers or B2B etc. A good format also stays the same even though workers change. A good format also enables the new workers to adapt to it quickly and employees are happy to comply to it, since it relieves stress and produces good results over and over again. (Parantainen 2007, 125-126)

According to Parantainen formatting also helps managing projects because they are always repeated with the same schedule, making it easy to fit it in a calendar. Having clear schedules is also beneficial for a client; for they will know the schedules beforehand allowing them to know when to expect results. The service provider will also know exactly when they can book more projects. (Parantainen 2007, 129)

As well as clarifying marketing, formatting will also simplify the budgeting and pricing. There will be no bidding for the best price, since the price of a project is clear. Having a clear price will also rule out the clients, who are only trying to make other companies to bid price down. (Parantainen 2007, 130)

3.2.3 Service process

In addition to describing what the service is, Jaakkola et al. recommends to also describing the process of the service. How will it be produced and established.

Describing the service process begins with stating the different steps of the process in detail. This helps to clarify, who will take part in the process, at what stage and for how long. When the required resources are known, a proper schedule for the process can be drawn. (Jaakkola et al. 2009, 15)

The following figure (Figure 4) gives an example of a process chart, which can be used in order to plan the phases of a process. Jaakkola et al. (2009, 15) recommend considering the following:

- From what phase the work process consists of?
- In which order these phases should be carried out?
- Who are the participants in the phases?
- Work methods and inputs required in different phases?
- Are some phases similar in different services?
- How does the service process seem in the client's point of view?
- What are the critical points? Are there bottlenecks?
- What does the delivery time and availability mean to the customer?
- Does the delivery of the service require direct contact with the client?
- Is the client required to come to the company's premises or can the service be executed in the client's premises?
- Can the services be delivered through electronic or other distribution channels?

	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5
Length of the phase:					
Participants:					
Place of action:					
Required resources:					
Critical points:					

FIGURE 4. Example of describing and analysing a service process (Jaakkola et al. 2009, 16)

The chart can also include in which stages the client will be present and whether a third party will be present at any point. This can be done with using the Blueprinting model. (Figure 5)

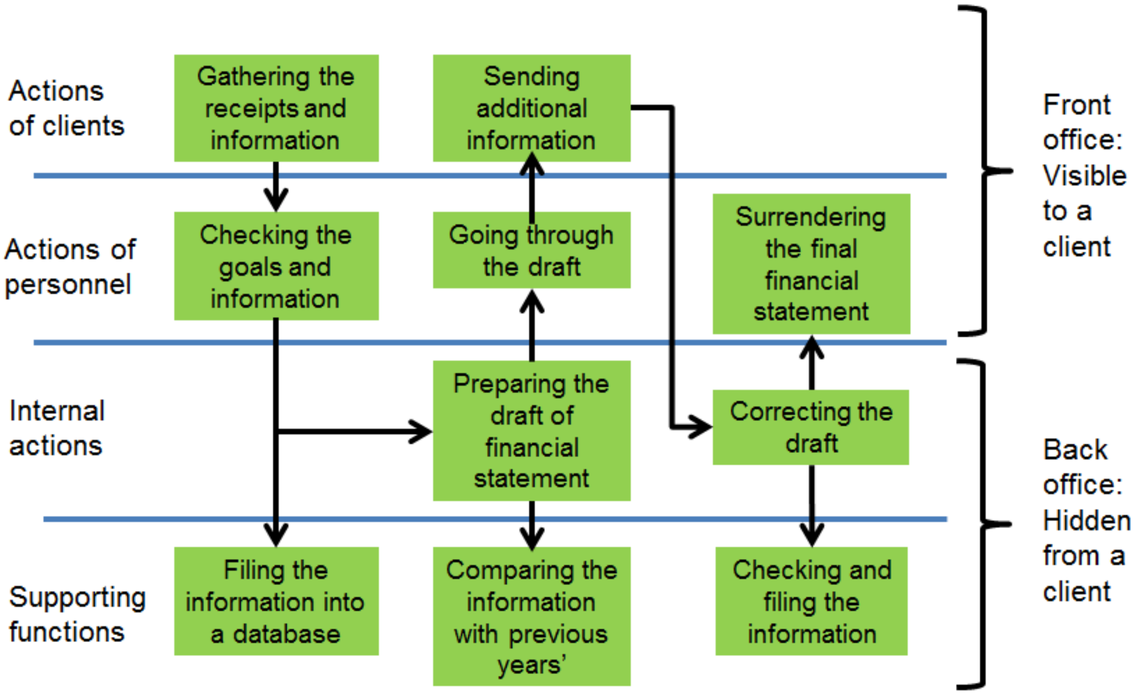

FIGURE 5. Example of a Blueprinting model used by an accountant firm. (Jaakkola et al. 2009, 16)

In a blue printing model all the stages of a project is being described in detail and objectively. Its aim is to draw attention into the phases which require development and analysing. It also draws attention to the phases which are critical concerning the quality of the process. Blueprinting is a way to separate the process into fractions and to describe the methods by which the stages will be accomplished. It is also a great method to illustrate at which stages the client's processes will entwine with the company's. (Jaakkola et al. 2009, 16)

All of the tools mentioned in this chapter should be used in order to establish a working order for a company. These will guide the company through the various processes and help to set a solid timetable for a project. These will also form a base for auditing the various steps taken later on.

3.2.3.1 Checklists

Strong brand requires unified messages concerning the service. According to Jaakkola et al. every contact with a client is a message about the qualities of the service. If a service is conducted in various methods, creating a unified message is not possible. In order for building a unified company image and service brand, the person representing a company in a client meeting has to communicate the service products a company has to offer as well as the contents and execution of a single project, in a unified manner. (Jaakkola et al. 2009, 29) It is difficult to remember all the specific facts related to a company and a service when meeting a client for a first time. That is why checklists are used in order to ensure that every piece of information is gathered in client meetings, which are required to carry out a project. Checklists can also be used throughout the lifecycle of a project. They will remind the project workers what needs to be done before which phase. (Jaakkola et al. 2009, 29)

Antti Apunen (2012) has written a checklist guide, inspired by a pilot. Apunen states that checklists act as a life insurance for a business. Apunen has listed eight deadly excuses a business owner might say to avoid making these checklists, and he also lists seven wisdoms which can be borrowed from pilots.

Firstly Apunen lists the excuses as follows: My expertise cannot be replicated, my tasks are too complicated to build a checklist on, creating checklists is a waste of time, I once made a checklist: it did not work, Our competitors do not use checklists either, I am not working on a convey belt, I can remember the important things without a checklist and finally: If I created a checklist it would be as thick as a phonebook. (Apunen 2012, 8-19)

The biggest excuse why a checklist has not been created is that it takes a lot of time and that the experts working in a firm wither think that their work is too complicated for lists or they are afraid that they will lose their job, if a list is being made. Often creating a list would improve the quality of projects as well as it would free the experts to do more challenging tasks, leaving the petty ones to some one less experienced. (Apunen 2012, 8-9)

Creating a list will so give a company the competitive edge, when it can work more efficiently and having created its own list, makes it harder for the competitors to imitate the service provided. Checklists also reduce the chances of mistakes, which will increase the customer satisfaction. (Apunen 2012, 18-19)

Apunen lists the seven wisdoms to encourage creating checklists: your services will become of steady quality and replicable, you will avoid stupid mistakes, you will be able to make quick decisions, you will replace emotion based solutions with knowledge based, you will make practising easier, you will avoid reinventing the wheel and finally: your experts will not budge under pressure. (Apunen 2012, 23-43)

Creating a checklist will improve the team work in a company, affecting the overall quality. Most of mistakes are avoided and the team will work faster. Creating checklists also allow the new employees to practise for client meetings as well as support them throughout a project. (Apunen 2012, 24-35, 43)

3.3 Testing with a client

Torkkeli et al. recommend testing of the service package together with a possible client. The feedback can be used to improve the package and it is easier to do, before the launching of the service and its marketing. However, the testing of services can be difficult due to the intangible features of it. If a test cannot be carried out together in a project with a client, the importance of close monitoring on the projects, auditing and feedbacks are highlighted. (Torkkeli et al. 2005, 30)

3.4 Pricing and planning marketing

This chapter focuses on the important issues of pricing and marketing which can be used as a method of giving a potential customer a sense of a highly professional service which will bring the customer value. Pricing and marketing a service just right is a balance on a fine line, while trying not to lose your customers to competition.

3.4.1 Pricing

Setting a right price is crucial. It sends out a message about the quality of a service as well as it sets the image of a company. Productisation helps to standardize the price of a service as well as it improves the profits gathered from delivering the service. It should also be clearly stated what a client gets with that price. (Jaakkola et al. 2009, 29)

Also Torkkeli et al. acknowledge the importance a pricing of a service sets. A pricing is suggested to be adjusted to the different modules company offers, this way a client can build up their on service at a price they will find suitable. Torkkeli et al. also mention that the pricing should be considered in the early stages of productisation. They also recognise that marketing plan is also of great importance of the process. (Torkkeli et al. 2005, 30)

The productisation and marketing should clearly highlight the benefits a client will receive. After all, a client is more interested in the value added than whether the service is productised or not. As well as marketing the product the brand image has to be considered and supported with the service products and marketing communications. The company's image should be set at the early stage since it helps a company to set one apart from the competition. (Torkkeli et al. 2005, 30)

But how to set a correct price and what are the downfalls when considering pricing? Ketola et al. have written a pricing guide called: Häirikön hinnoitteluopas, translated: 'the Pricing guide of a bully'. It features eight deathly sins of pricing and also offers eight solutions presented below.

1. The product is comparable:
   Having a comparable product gives a client the possibility of negotiating the price. According to Ketola et al. this never means that a company will be able to negotiate a price higher, only lower. (Ketola et al. 2012, 10)

   To this Ketola et al. suggest to productise the service into incomparable form. Productising the service will make it impossible for a client to compare the service with competitors' and as long as the service is useful there will be no need for negotiating the price. (Ketola et al. 2012, 32)

2. The price is giving the wrong message:
The price is contradicting the quality. Often a low price means lower quality and higher risk. A low price can also indicate that a company are not as good as the competitors. (Ketola et al. 2012, 12)

The solution to this problem is to let the price talk for itself. Expensive is good, as it will attract only clients able to pay it. However, a company must ensure that the quality of the service is in line with the expectations. (Ketola et al. 2012, 34)

3. Discounts are eating away the profits:
When a price has been set for the products, no discounts should be given. If the sales people keep giving discounts it communicates to the customer that the price was too high in begin with. According to Ketola et al. complaining about a too high price is often a way for an unsure client to try to refuse the deal. (Ketola et al. 2012, 16)

Ketola et al. encourage not giving discounts at all. They are useless since the service is already really good. They also encourage creating a discount policy, which will guide the sales people through the difficult negotiations with clients. Creating a good price list and training the staff will ensure that no useless discounts will be given to clients. (Ketola et al. 2012, 36)

4. The offer is a lousy one:
Clarify the offer; what does it include and at what price. Ketola et al. also recommend that companies should stop offering their services to the wrong customers. (Ketola et al. 2012, 18)

Create a selling offer, is the next advice given by Ketola et al. Keep it concrete and deliver it quickly. Trying to hide the overall price will make the client lose their interest. (Ketola et al. 2012, 38) According to Ketola et al. a good offer; stands out from competition, is simple, tells what it includes, has a guarantee, counters any opposition, is written in professional writing, looks good physically, is delivered fast, states the benefits of the service and states the most important aspects. (Ketolaet al. 2012, 40)

5. A company is too afraid to raise its price:

A company can lose its clients if it cannot argument a valid reason for the higher price. It can also mean that the product is not important or useful enough or the new price. (Ketola et al. 2012, 20) Raise your price. Your client will not do it for you. (Ketola et al. 2012, 42)

6. A company keeps staring at its production costs:

A company has set the price according to the costs of production. Ketola et al. call this the 'price anchor'. Cost based pricing will keep changing and it does not consider the client, the needs nor the competitors. The only way of getting better profits from this pricing is to try and lower the costs of manufacturing. (Ketola et al. 2012, 22)

Come up with a clear price. A solid price is easiest to communicate and it is also easiest option for a client. A solid price does not have to have always a high profit margin, as long as it has it on average. (Ketola et al. 2012, 44)

7. A company is too lazy to dollarize:

According to Ketola et al. this means that a company does not measure the benefit a client will get for using their service. It helps selling the reason for buying for the client as well as the management of a client company. (Ketola et al. 2012, 24)

Dollarize the benefits. Calculate and communicate the benefits a client will receive for his / her money. Even though the benefits would be obvious, it is more tempting for a client to see these benefits as in terms of money. (Ketola et al. 2012, 46)

8. A company is seeking for the perfect pricing method

According to Ketola et al. the cost-based pricing is seen to be easy. However the right price should always be viewed from the buyer's view point: What are the benefits and what are the public and private motives of the buyer? Public motives are the ones generally considered acceptable, but the private motives are what the buyer keeps private and will not communicate out loud. (Ketola et al. 2012, 28)

Sell the service first, and then adjust the price. The best way to find the right price is by trial and error. Ketola et al. states that if no one complains that the price is too high, it is too low. (Ketolaet al. 2012, 47)

As a summary, finding the price starts with setting a starting point for the price. After this a company should see what the competitors are asking. Then a company should calculate the monetary benefits for a client and what are the producing costs of the service. Then a profit margin should be set. After this a company will have the approximate price. To which they will start adding the value of their service minus the cons of the service/ company. Then the only way to find out the right price is to test it. (Ketola et al. 2012, 48)

3.4.2 Marketing- Stand apart from competition

In his book: Tuotteistaminen: Rakenna palvelusta tuote 10 päivässä, Parantainen also introduces four main steps for productisation of a service. However his steps begin with more customer orientated approach. The four steps in his book are: Make buying easier, acquire an unfair advantage, sell cheap and start a hit- making factory. Inside these four steps, there are three stages in all of them. (Parantainen, 2007, 38)

Parantainen (2007, 39) states that one of the main goals of productisation is to make the buying process of the product as easy as possible. He also states that there are three reasons why buying a product can be difficult for a client:

1. All service providers state that they are reliable, provide good quality and they are professional. The buyer has difficulties in order to set one service provider apart from another.
2. The services are scattered in different locations. “For example: if you would have to always search and book flights, transportation of luggage, hotel rooms and meals separately, not many holiday trips would be bought.”
3. A service is not materialised and usually it is vaguely defined. A product can be touched and observed, but a service is difficult to test beforehand. That is why a risk of buying is often preventing a sale.

Parantainen also states that there are three questions to answer, in order to beat the challenges: How will you set a part from competition in order for the client to choose your service above your competitors’? How will you form a package for a service in order to ease the life of your client? How will you lift the sense of the risk off of your clients in order to allow them to buy your products? (Parantainen 2007, 39)

3.4.2.1 Make buying easier

Parantainen brings forth an example called a ‘tag line blues’ originally introduced by a Jakob Nielsen in his newsletter in 2001. The example tells a sad story of all businesses describing their services with obvious terms, blending their services into their competitors'. This makes it very difficult for a client to set one service provider a part from another. The main descriptions used by various companies are: reliable, stabile, youthful, dynamic and so on. The main point of this example was to demonstrate how un resourceful it is to use these terms, since there are hardly any businesses out there, which will describe their firm as: unreliable, near bankrupt, stale, copycat etc. In short: when a salesperson cannot set apart the product from the competitors' the client's only way of choosing a service is by random picking. This creates a strong sense of risk for the client, that they rather not buy anything at all. (Parantainen, 2007, 40-41)

Even though a service can be the best there is, it should have a feature which will distinguish it. This will give a client to chance to pick a service based on something. Don not focus on saying how good you are, tell a client how you differ from others. "What can you promise that others do not". Communicate clearly, to whom your service is for and what problem does it solve. (Parantainen, 2007, 41)

3.4.2.2 An outrageous promise

Parantainen (2005, 73) encourages giving the client an outrageous promise. Parantainen lists that the features a proper service promise should have:

- It has to make your client curious if not even doubtful
- It should be easily measured
- It stands out from your competitors promises and
- It tempts the client into buying your service

Parantainen states that the service promise should have attitude. It takes courage to promise something outrageous, but with the right attitude it surely can be done. When your promise is outrageous it stands out from your competitors' and catches a client's eye. It is also a good way to challenge your staff. (Parantainen, 2007, 73)

A service promise should also be easily measured. A client should easily see if a company was able to keep the promise they made. Parantainen recommends a promise should be stated with a time limit. For example Copterline, a Finnish based company, promises to reach Tallinn from Helsinki within 18 minutes. (Parantainen, 2007, 74)

'A good promise is unique'. (Parantainen, 2007, 74) It stands out from your competitors' and it should be so unique that no other company could give one similar to yours. No other travel companies can reach Tallinn from Helsinki within 18 minutes, unless they start using helicopters as well. (Parantainen, 2007, 74)

Parantainen also discusses the fear of promising. He states that there are more than plenty of cowards in companies, which are careful not to promise a client anything. From this Parantainen blames the lawyers inside firms, which make sure that there are no risks in a company’s operations. Parantainen says that this is a management issue and that a company’s management should take control. (Parantainen, 2007, 75)

‘So what if the service-promise fails? Do not try to hide it.’ No one can keep their promises 100 percent all the time. There has to be a backup plan for situations like these. For example, a compensation has to be offered and this should already been calculated into the costs of producing the service. A proper plan for situations like these stops a company’s employees for having to think of compensation by themselves, when there is already guides to what to offer and how to behave in situations like these. (Parantainen, 2007, 75-77)

Are you allowed to compare your service with your competitors? Yes. According to Parantainen helping the client by telling the pros and cons of your competitors will truly serve your client. However Parantainen warns about badmouthing your competitors, as it will only give a negative image of you. Instead, create a professional comparison based on knowledge and facts. “Unless you know details of your or your competitors’ service, leave them out. It is not a shame to not know everything.” Information of your competitors can be found on various public sources and by using these sources only, one will not cross the line of ethics. (Parantainen, 2007, 42-43)

3.4.2.3 Concretise a service

Jaakkola et al. recommend concretising a service and unify the message to customers. The aim of concretising is to make the service believable, unique and understandable. Besides being more easily to grasp, a productised service can have its own brand and look, which will add customer loyalty. Concretising the service will support the brand by giving a customer something they can touch, making it easier to ask for a higher price. (Jaakkola et al. 2009, 27)

A service promise can be supported by building materialised elements as a part of a service. According to Jaakkola et al. concretising means ways of communicate the contents and quality of a service a through different visible elements. Strong brand requires unified messages concerning the service. According to Jaakkola et al. every contact with a client is a message about the qualities of the service. If a service is conducted in various methods, creating a unified message is not possible. In order for building a unified company image and service brand, the person representing a company in a client meeting has to communicate the service products a company has to offer, as well as the contents and execution of a single project, in a unified manner (Jaakkola et al. 2009, 29). When assessing a quality of a service a client can base his/ her expectations based on the visible elements. These elements will help a client to assess the contents and quality of a service, thus ease the buying of the service. (Jaakkola et al. 2009, 29)

Jaakkola et al. list various visible elements, which can be used in order to promote a service; brochures, results of earlier projects, a sample of a service (used especially if the end product is clearly visible), reports or certificates, the premises of a company and presence of the employees, references (customer experiences and profiles), customer satisfaction surveys, patents, certificates, rewards, and finally guarantees. Jaakkola et al mention guarantees as a good way of communicate the quality of a service and it also lowers the risk felt by a client. (Jaakkola et al. 2009, 30)

3.4.2.4 Reference

References are widely used in knowledge intensive –fields to concretise the knowledge of a firm. Listing the clients and descriptions of the past projects give the new ones an image of a company's quality of service. (Jaakkola et al. 2009, 30)

Using references is a way to ensure a hesitant client. Listing the references of previous clients will also prove your abilities as well as show of a company's expertise in problem solving. (Parantainen 2008, 30)

Also Torkkeli et al. discuss the importance of using references. References are used to achieve a client's trust. In a modern day networking society, references are seen to have more influence. A reference is a sign of knowhow and development. (Torkkeli et al. 2005, 7)

3.5 Follow up and development

This chapter focuses on ensuring that the company gathers and uses the feedback from customers as a base for learning and developing their services. The importance of project learning cannot be highlighted enough in order to successfully productise a service.

3.5.1 Customer satisfaction

In order to analyse the performance of a company and service, a measurement system should be created. Torkkeli et al. state, that the sustainability and costs of producing the service as well as the gained profit should be monitored and if required, adjusted. As the competitive environment and the needs of clients change over time, a company should also valuate the service's compliance to the changing situations. Torkkeli et al. also mention that the services should constantly be developed to fit the changing needs, however, if required the outdated services should run down as new ones are being developed. (Torkkeli et al. 2005, 31)

Jaakkola et al. also consider the measurement of the success rate as a crucial part of service development. A follow up is important for long term development of services and business. Ever project should have clear goals and tools for measuring the success rate of achieving these goals. The goals should be clearly targeted and be measurable. Clear assessment criterion also helps a company to communicate the goals to the employees. (Jaakkola et al. 2009, 33)

Measuring the experienced quality and customer satisfaction reflect the success rate from a customer's point of view. The aspects to be measured are set by the goals determined in the productisation process. (Jaakkola et al. 2009, 33)

The success rate of a service can be measured through different tools. These tools should support the assessment by producing concrete information and should be clearly connected to the goals in order to be useful. These measurements guide the different stages of productisation and should be chanced accordingly to fit the lifecycle of a service. In the early stages the knowhow and customer relationships should be measured, while the later stages could be measured by how much profit the service is producing. The most important thing is to measure the relevant aspect and that the information provided, should be used to improve and develop services. (Jaakkola et al. 2009, 34)

Since a service is intangible, so is the perceived quality. Quality should be considered from a customer's point of view; how does a customer perceive the service they have received? The quality is considered to be good is it meets the expectations of a customer. The perceived quality brings value to a customer and creates customer satisfaction. (Jaakkola et al. 2009, 34)

Jaakkola et al. encourage examining the quality of a service by separating the end result and the quality of the service process from each other. The quality of the end result considers what a client receives during a service process. The quality of a service process comprehends the communication between a company and a customer. Jaakkola et al. state that the perceived quality of a client is created by the service process. Creating good quality means achieving or going beyond the customer expectations. (Jaakkola et al. 2009, 34)

According to Jaakkola et al. there are four risk points which can all lead to a customer feeling that the service did not meet the expectations, this being the fifth risk point. The possible problems/ risks can be analysed through following questions:

1. Does a company have the right idea of a client's needs and expectations?
2. Has the content and implementation of a service been defined in a way that they meet the needs and expectations of the clients?
3. Is the service being implemented according to plans?
4. Does the communication of a service comply to its true contents or does it create wrong expectations?
5. Does the service comply with the client's expectations?

Jaakkola et al. encourage monitoring quality from different points of view. Customer feedback and surveys can show, whether a company's perception of client's needs and wants is correct and up to date. Especially after productisation process Jaakkola et al. recommend to ensure that the content of developed service complies with the needs of customers. Careful testing and collecting feedback helps to collect the information required. Also the changes in customer database give hints whether the service provides what is needed. It is also important to monitor that the service is being carried throughout the planned standards. When the processes are documented, possible deviations from planned actions and processes can be detected. (Jaakkola et al. 2009, 34)

The importance of communication is also emphasized as it sets the level of a client's expectations. It is crucial that the communication related to the service is unified and is not contradicted by sales negotiations. (Jaakkola et al. 2009, 34)

One good indicator of customer satisfaction is customer surveys and also the amount of reclamations and the popularity of a service speak volumes. However, there are challenges related to measuring the customer satisfaction. Usually customers will not communicate the problems they have faced. This makes it difficult to get the required information in order to find out the real downfalls of a service. Jaakkola et al. recommend considering carefully what kinds of methods are used to measure the customer satisfaction. However, there is no point in collecting the data if it will not be used to improve the service. (Jaakkola et al. 2009, 34)

3.5.2 Project learning

Torkkeli et al. discuss the importance of learning from projects on an organisational level. Projects have increasingly become part of an organisations working method and more attention should be paid into managing them, especially into learning from them. (Torkkeli et al. 2005, 35)

Projects are run by various teams built for the projects and because of the variations and short term nature of projects, they are rarely examined through what have been learned and the analyses created afterwards are not sufficient enough to support learning. The documents related to a project, like researches, technical reports and manuals, often only cover the minimum standards. (Torkkeli et al. 2005, 31)

Torkkeli et al. emphasise the importance of reporting the failures and problem solving solutions, which, according to Torkkeli et al. is too often forgotten. Tokkeli et al. also state how common it is, that what has been learned is not being shared sufficiently to the rest of the organisation and it will not be recorded into an organisation's database. Torkkeli et al. recognise that the main difficulty is to define the measures for success, which would describe the success of a business as closely as possible. (Torkkeli et al. 2005, 31)

Torkkeli et al. have mentioned three different levels within an organization's learning processes. The first one is individual learning, which naturally is behind the learning of a whole organization. The second is team-learning, which is based on sharing, interpretation and processing the individual experiences which will then shape the knowledge and memory of an organisation. Torkkeli et al. suggest that the best way of recording the individual learning is through a workshop of the project, after the project has been finished. Torkkeli et al. recommend holding a meeting immediately after the project is over to analyse the causal effects of different actions and work phases. The team should then ponder upon possible improvements for future projects, especially if similar problems occur. According to Torkkeli et al. sadly too often a team has no time or the abilities to conduct these kinds of workshops, which leaves the new knowledge on an individual level of an organisation. (Torkkeli et al. 2005, 31, 38)

Project workshops, do not always have to be formal or conducted after closing a project. The sole purpose of the workshops is to ensure that every project worker has the same information about the situation of a project, the risks associated, possible problems and new plans and so on. According to Torkkeli et al. it is very important to documentate all the observations. (Torkkeli et al. 2005, 38)

During a project, the team should observe the success of the different phases of a project. This way a team can ensure that the different goals with in a project are reached and met on time. This allows the team to assess the amount of work left on the project and how much workforce it requires and whether the team is on schedule. Assessing the phases during a project is also a good way to detect any problems early on.

Every project should be assessed afterwards and the assessment should be included within the project schedule. The purpose is to assess whether the goals and criterion was met, if the work was done correctly/poorly and what situations led into possible failure. The overall management and execution of the project should also be assessed. (Torkkeli et al. 2005, 39)

Based on the assessments a plan of action should be drawn in order to improve the future work. Every team member should take part in the workshops and take part in the assessment. An open minded discussion should be encouraged and the idea is not to find who is to blame, but to finding the opportunities for improvement. In bigger projects a representative of a client can be present. If this is the case, someone from outside the companies should lead the discussion in order to keep it objective. The results of a workshop should be reported officially if a person from outside a company is taking part in the workshop. (Torkkeli et al. 2005, 39)

3.5.3 Project auditing

The purpose of project auditing is to ensure that the work methods and instructions for projects are being followed. Besides auditing the schedule, costs and the extent of a project, the project organization and – culture can be audited. (Torkkeli et al. 2005, 39)

Auditing can be done regularly, occasionally or for a specific reason. The latter is usually used in order to detect problems and controlling them. Torkkeli et al. recommend auditing a project at its early stage. Any auditing conducted later on is usually done in order to receive additional feedback. (Torkkeli et al. 2005, 39)

There are several ways to audit; document analysis, interviewing a single person or a group or through observations etc. In document analysis, the project reports, organizational structure and phases of planning are observed in order to assess quality the project management. The document analysis complemented through interviews of project manager, group members or clients. The core idea of auditing is to give feedback and either an oral or written report is presented, which will suggest the improvements related to leading and organizing a project. (Torkkeli et al. 2005, 40)

4 OVERCOMING RESISTANCE

A change can often produce resistance amongst clientele or employees. A good leader will overcome the resistance with good arguments for the change. Apunen and Niemelä have written a guide for a ‘person in productisation process’, about how executing a difficult idea is better than an easy one. Apunen et al. mention, how an easy idea is also easily copied, if not already produced by competitors. A hit product is described as hard to copy and unique. Being difficult to copy as being very different tot the product already existing in the markets, can be and will be difficult to sell to one’s employees. (Apunen & Niemelä, 2012, 6) In their guide, Apunen et al. have mentioned seven objections by either staff or a client, they also provide seven counter objections to solve the resistance.

The seven objections mentioned by Apunen et al. are as follow: our strategy prevents the change, our experts do not want to change, the new product is too difficult to sell, the price is different, we have no resources, our clients do not want a new product, and finally, the competitors will copy the product anyway. (Apunen et al., 2012, 8) The main theme of these objections is described to be the amount of work which it would require to produce something new as well as the fear of producing something different. Apunen et al. state that the longer the change is being held up by a business, the more difficult it will be to execute.

Apunen et al. also provide ideas of how to break the resistance. The main themes are: compete with your old business, break the resistance of your experts, give your sales personnel new set of tools and goals, solve the whole problem of your client, present your clients benefit as money, trap your marketing bully in a shed, and finally, write success stories. (Apunen et al. 2012, 19)

Apunen et al. suggest that while a new product or service is being developed, one should not kill their old business. It is no use to kill the money cow as well as it is any use of only fine tuning it. Apunen et al. encourage developing the new service product alongside the old business. This will ensure to money flow as well as it will allow the new idea to be tested and launched properly. It is beneficial to compete with the old business when the new one has enough clientele and money flow. This will create internal competition and bring new life to the employees. Another option is to sell the old business when the new one is vibrant enough. (Apunen et al., 2012, 21)

Pilot projects can be used in order to test the new service with clients as well as selling the idea to the experts in a firm. This will ensure the employees that the change is good and can be done. However, eventually new experts will be needed in order to keep the business alive, since stretching the knowhow of the current ones can only take the business so far. (Apunen et al. 2012, 23)

One of the most important ways of overcoming the resistance of the employees is providing them with the tools and goals to motivate them in selling and executing a new concept. Apunen et al. encourage include a firm sales speech and the outrageous promise into a brochure as well as forbidding any discounts. The employees should also be provided with a guide, stating the frequently asked questions a client may have as well as the objections. It should also state how to overcome these objections as well as examples. This will offer the sales personnel a good base to familiarize themselves with the new service as well as it will ensure that the profits harvested from the services are kept standard. (Apunen et al. 2012, 25)

Apunen et al. encourage solving the whole problem of a client at once. This will require a lot of effort from the service provider so he / she should be certain that the client is the end user the service is aimed for. A good service provider will concentrate on the issues a client has, not trying to force the service upon the client. Apunen et al. also state that one should be quick and prompt when delivering the quotation. A good way of getting the client to choose the service is to show the client, how much they will benefit from using the service as in cash. Going the extra mile and counting the benefits will relieve some of the uncertainty a client may have while buying services. It also demonstrates how the service provider has made more effort fir the client. (Apunen et al. 2012, 27, 29)

While the old business will be running, Apunen et al. introduce an idea of building a new team, which will be developing a new service, not following the concepts of one’s old business. The idea is to build an “own company” for the team, which will compete with the existing business. Since the old business is serving the regular clients and the new one is looking for new clientele, they are best kept apart. Give the new team a peaceful place with own premises so that they have space to develop the new service. (Apunen et al. 2012, 31)

By writing success stories Apunen et al. mean launching a pilot project, which will help referencing the new service to other customers. It will also help to sell the idea to a firm’s own employees. Using a pilot project will also enable using the feedback gained to enhance the service, before it is launched to the markets. Selling the service will become easier, when a firm can show how much money other customers have made with the service already. (Apunen et al. 2012, 33)

5 PRACTICAL WORK FOR KASVE LTD.

In this section I will discuss my practical work conducted for Kasve Ltd. based on the theory of productisation. I will begin by giving a short introduction of the case company and then discuss the tools and guidelines I recommend the case company will use, in order to productise their services.

5.1 Short introduction of the company

Kasve Ltd. is a consultancy company in the pharmaceutical and healthcare industry, which works with international clients offering them the use of their experts and expert services in projects related to product development, contract manufacturing, B2B marketing, business development and project funding.

5.2 My tasks

Kasve Ltd. employed me to write my thesis about productisation, in order for me to help them productise their business. Before I started writing my thesis, Kasve Ltd. had created their own standards and evaluation systems for their operations, as well as they have had developed their core services, which they carry out as well as clear target customers. Kasve Ltd. had also begun to develop their documentations about the projects they conduct. The tasks given to me were appointed by the rest of the needs of Kasve Ltd. in order to productise their services. My tasks were:

1. Finding tools/ideas for how to evaluate the projects
2. Helping the company to breakdown their service into modules
3. Creating an Information (promotion) package for potential clients
4. Writing guidelines for how to write references
5. Redefining communication strategy for social media

5.2.1 Finding tools for project evaluation

For project evaluation, two sets of tools are discussed: Post project review and post project mortem. Both are widely used in project evaluation and should be used in order to guarantee the maximum benefit for learning.

5.2.1.1 Post Project Preview

Ursula Koners and Keith Goffin have written an article: Learning from New Product Development Projects: an Exploratory Study (2005). In their article Koners et al. discuss the concept of Post-Project Preview (PPR), which is a post project assessment method, which focuses on assessing the different stages of a project, achieving the goals, results, as well as the unsuccessful aspects of a project. Koners et al. (2005) present three main goals for the PPR, which are: Learning from the mistakes, distributing knowledge as well as improving operations. Koners et al. emphasize that discussing the mistakes made during the project will help to avoid similar ones in the future projects. Koners et al. also state that every project should be analysed in order to enable the company to improve its constant development. (Koners & Goffin 2005, 1-2) PPR also enables to company to find additional projects to sell to a client, helps to monitor the achievement of set goals as well as developing the risk management activities.

Koners and Goffin have studied PPR by monitoring four different companies in their PPR's. Based on these observations Koners et al. have written recommendations concerning the PPR. PPR should be started by conducting the practical arrangements, which include: deciding the appropriate date, inviting the right participants for the PPR, preparation as well as possibly using an appropriate moderator to lead the PPR. (Koners et al. 2005, 8)

In their article Koners et al. suggest the appropriate date for the PPR, to be after six months from when the project has ended. This will allow the company to have timely information about the market acceptance of the launched product/service. (Koners et al. 2005, 8)

As mentioned before, Koners et al. recommend the use of a moderator from outside the company or the project being assessed. According to Koners and Goffin, this will ensure that the participants I the meeting, will not focus on the wrong details. The Moderator's task is to support the presentation of useful knowledge and conversations. Often when a moderator is not present, the PPR meeting will focus only on the problems faced and mistakes made and not on the successful methods used. (Koners et al. 2005, 8)

As a summary, Koners et al. recommend the following in order to benefit the most form a PPR:

- PPR should be held six months after the product/service launch
- As well as the project team, also a member of a management team should be present in the PPR. This will help to motivate the conversation as well as help to breakdown the conversation into smaller sections.
- Using premises outside the company for PPR, will help to stimulate open discussion as well as reduce the interventions.

- Using a moderator from outside the company, will support the efficiency of the conversations.
- Enough time should be preserved for going through the details in the meeting.
- As well as discussing the problems and mistakes, also the mechanisms which influenced the success of the project should be discussed.
- A company should knowingly support the sharing of knowledge internally.
- Keeping notes and writing reports is recommended and a company should ensure the passage of this knowledge into the next projects.
- Since the learnt aspects will often only stay within the project team, the head of the company should support the different knowledge sharing mechanisms, like metaphors. (Koners et al. 2005, 6-7)

5.2.1.2 Postmortem review

Torgeir Dingsøyr discusses the different styles for conducting a postmortem review (known also as Post Project Preview) in his article: Postmortem reviews: Purpose and Approaches in Software Engineering. Dingsøyr introduces the Postmortem as collective learning activity, which can be either organised at the end of the different phases of a project or when the project is brought to an end. The idea is to observe what happened during the project, so that the future operations can be improved. The goal of this kind of meeting is creating a report, in which the all the aspects discussed during the meeting is documented. (Dingsøyr 2005, 295)

According to Dingsøyr, the postmortem is meant to reflect what has happened. This process is begun by reflecting one's own and other's actions during a project. This knowledge is then used as a basis for future projects. By examining the planning, monitoring as well as the experiences, one might reveal, what has been ignored during the project itself. (Dingsøyr 2005, 296)

In the article Dingsøyr presents three different processes for conducting a postmortem reviews, introduced by Neal Whitten, Collison and Parcell, and Birk et al.

Neal Whitten (Dingsøyr 2005, 297):

- Declare intent: the intention for carrying out a postmortem should be stated at the end or near the completion of a project. This should be done by letter, stating the process of the PPR.
- Select participants: participants form each part taking organisations should be invited. Managers, however, should not be invited as they will also evaluate the people taking part in the project, moving the focus away from important issues.

- Prepare a workshop: give homework for participants, by asking them answer a set of questions like: ‘what level of productivity was achieved by your task?’, ‘How did it compare with expected?’ and so forth.
- Conduct workshop: it can last form 4 hours up to 2 days. It should include short presentations of the feedback on the questions answered, construction of a list on what went right, constructing a list of what went wrong and development of proposals which address the problems in groups or collectively.
- Present results: the results of the workshop should be first presented to the project leadership, after which they also should be introduced to the participants in a meeting.
- Adopt recommendations: after the completion, the post project preview report, including the information from the workshop and recommendations from project leadership, should be distributed to personnel. The project leadership has the responsibility on adopting the recommendations presented. (Dingsøyr 2005, 296-297)

Collison and Parcell have introduced more detailed steps for organising a postmortem meeting (Dingsøyr 2005, 297):

- Call the meeting: conduct it as soon as possible after the completion of the project.
- Invite the right people: if similar projects are ongoing at the same time, invite the new team as well. the project leader should attend as well as the key members of the project.
- Appoint a facilitator: this person should not be closely involved with the project as well as outside the management structure. The meeting cannot be intervened with personal performance assessment.
- Revisit the objectives and deliverables of the project: find the criteria for success and ponder whether the project delivered.
- Revisit the project plan or process- construct a flowchart of what happened. This will help to identify tasks, deliverables and decision points.
- Ask what went well: what were the successful aspects? Ask why several times.
- Find out why these aspects went well and construct advices for future: identify success factors and construct advices based on these.
- Ask what could have gone better: what stopped you delivering even more. This question should be asked from all the participants in the meeting.
- Find out what the difficulties were: this will help to avoid the in the future.
- Ensure that the participants feel that they were acknowledged during the meeting: ask the people to rate the project.

- What next: if a new project is launched soon, this would be a good time to hold a planning session for it.
- Recording the meeting: documentate the guidelines for the future, the history of the project to illustrate these guidelines, the names of participants and any key documents and project plans.

Birk et al. have created less detailed guidelines for the Postmortem review: they advise to try as many participants relate to the project as possible, the meeting should last half a day, and it should be carried out a s a group process. Birk et al. suggest that the goal of the meeting is to collect information from the participants, make them discuss the project processes and also to analyse what went well and what did not. The main requirements introduced by Birk et al. were that the meeting should not take a lot of time and it should be treated more like a forum discussing the experiences of the participants. (Dingsøyr 2005, 297)

5.2.1.3 The Fishbone diagram

Fishbone diagrams (Figure 6) are used to analyse the causes of important issues. The meeting leader draws the issues discussed on a whiteboard, in order to attach arrows from other issues related to the topic. These issues are thought to be the cause of the first issue described on the board. (Dingsøyr 2005, 298)

The drawing of the fishbone diagram is begun by the consultants first introducing the agenda for the meeting and the purpose for the postmortem review. After this the consultants will hand out Post-it notes in order for the participants to write down what went well in the project. These ideas will then be presented and grouped on a whiteboard, after which they will be prioritised. The same procedure is repeated for the problems which occurred during the project. (Dingsøyr 2005, 298)

When all the ideas are presented, grouped and prioritised, a root cause analysis can take place. The process consultant leading the meeting draws a fishbone diagram for the main issues. The results are then reported to the participants a day after, in order for collecting feedback and doing minor corrections. (Dingsøyr 2005, 298)

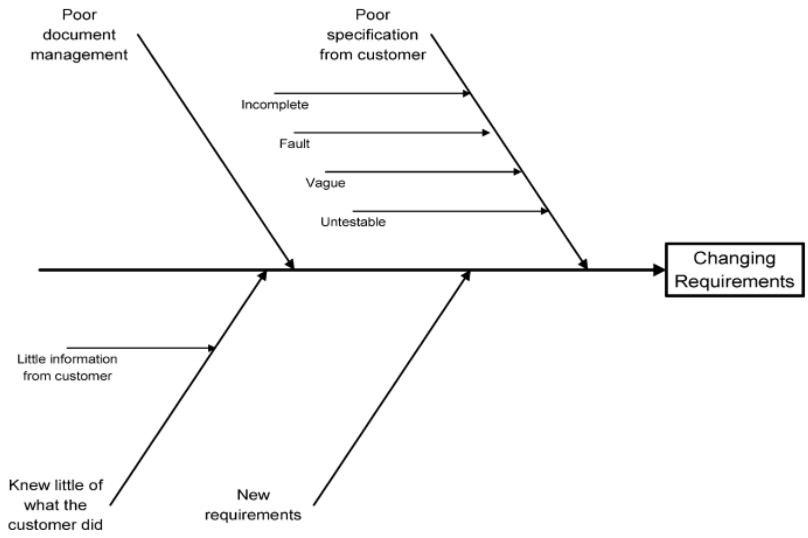

Figure 6. An example of a fishbone diagram (Dingsøyr 2005, 299)

5.2.1.4 My recommendations

When Kasve Ltd. carries out a project, which does not concern launching a product, the assessment should be carried out as soon as the project has been brought to an end. In the final assessment or PPR a representative of a client can be present, in order to present their feedback on the success of the project, from their perspective. The representative can also give feedback on the communication level between Kasve Ltd. and the client. The feedback received from a client should also be in written, so that Kasve Ltd. can reference to it later on. If the representative so chooses, a personnel from Kasve can write down the comments given in the meeting,

For the project review, a project worker should sustain documentation about the different phases of the project, in regards to their success, possible problems as well as the solutions or ideas which the project worker came up with. These “midway” assessments should be assessed in the project review, as well as the conclusions and new sufficient working methods should be documented for the future projects. This would ensure the learning process within the company and between the personnel. When Kasve goes through the “midway” analysis’s the representative of a client should to be present in order to protect the possible development ideas / confidential information.

The main problem Kasve Ltd. will have to overcome is how to motivate their employees to keep notes about the aspects mentioned above, between the different phases of the project. What would be a good enough incentive for the project workers to keep track of their work, problems and ideas along the way.

One solution is to keep the “midway” assessment questions short and quick to answer to. If a too large questionnaire should be carried out between the project phases, it would be a killing blow for the motivation for documentation. In appendix one I will present few questions, which the project workers can use in order to assess the different phases of the project, which can then be assessed together in the project preview as final assessment.

5.2.2 Breaking a service down into modules

Kasve Ltd. has developed their services to match their customers’ needs. However, the way a core service carried out, seems similar to a by stander, even though the customer is different. Kasve Ltd. has not tried to break down their services into modules before.

My task was to help them break down one of their service into a module. However, since I am not very familiar of their services, nor the industry itself, I was only able to give them ideas, how they can break down the service into modules themselves. I started this by asking: “What are the components of the service, that the service will not exist without and what are the so called extras on the side?”.

The personnel of Kasve Ltd. held a meeting in order to discuss, which components of the service are essential and which ones could be offered as extras to the client, in order for them to be able to tailor the service to their needs. After the service was broken down, I wrote down steps to take after the modules were clear. First, they should list all the service components inside each module, including the different phases and goals of those phases. Under those phases Kasve Ltd. should also write down the working methods, which have been found most suitable for each phase. This would clarify what is to be done and how inside each module and it will also help to determine a price for them. Clarifying the contents of a module will also help the client to choose what they need / want from the extra modules. The second step is to determine a suitable price for each module, which will cover the costs and have a suitable profit margin.

5.2.3 Creating an information package for potential clients

A good promotion package should include the brochure of the service, references from other clients, prices for the service and also the dollarization of the benefits a customer can get from using Kasve Ltd.’s services. Kasve Ltd. also wanted to add a little extra in the package as a gift for the potential buyers.

Kasve Ltd. has already got sufficient brochures about their services, so my tasks included finding manufacturers who could deliver the rest of the components of an information/promotion package according to Kasve Ltd.'s wants and needs. I began by looking business gifts online as well as contacting potential manufacturers for the box in which these gifts would be presented in. I focused mainly on the Finnish manufacturers but I also contacted an Estonian printing company, which have been working with many international well-known brands. I received a lot of offers, which I forwarded to my contact person in Kasve Ltd.

5.2.4 How to write a reference

Customer reference, known as well as customer success stories, is a widely used method of promoting one's service. However, there are not many reliable sources on how to write one. The sources, which do describe the procedures, are blogs.

B2B inbound Marketing blog has a descriptive instructions on how to write one. It was written by Greg Elwell in 2013. According to Elwell (2013) the writing of the customer success story should start by answering some key questions related to the story, like:

- What is the purpose of your case study?
- Who is the audience targeted?
- What do you want them to do upon reading the case study?
- How will you publish and promote your case study?
- How can your customer use it to their competitive advantage? (Elwell, 2013)

After these questions are answered, Elwell (2013) encourages going deeper. The writer should "think about the experience and situation around the sales and delivery process". Elwell (2013) encourages asking more questions like:

- When did this take place?
- What were the circumstances?
- Who was involved?
- What was the main problem, goal, project or opportunity?
- What did the customer stand to gain or lose?
- How did your team overcome problems?
- What is the one thing they will always remember about it?
- What was the solution?
- Etc. (Elwell, 2013)

Elwell (2013) recommends using a quest story plot to give the reference a structure. Since the idea is to write a success story the readers need to identify the structure and elements in it. Elwell (2013) suggests the following a s a format for the story:

- Create a working title (make it a good one)
- Describe the situation
- Make a transition
- Recount the challenge and the turning point
- Describe the solution to the problem
- Convey how things are now (Elwell, 2013)

Or shortly:

1. The Pre-solution phase
2. The challenge
3. The solution
4. The results (Elwell, 2013)

5.2.5 Redefining communication strategy before entering Social media

The popularity of social media has grown tremendously in the 21st century. Companies have seen this as the opportunity to reach their customers in a whole new way and have added social media into their marketing and communication strategy.

According to Shannon Paul in her blog: The Missing Ingredient in Most Social Media Strategies (2010) a company's communication strategy should support the company's business strategy by communicating the company's operations and brand. As such, social media should be seen as subset for communication strategy. Shannon Paul (2010) suggests developing the social media strategy according to the following five steps:

1. Push for clarity around the overall business strategy
2. Push for clarity around the strategies you feel social media should be in direct alignment with, for example. marketing, communications, customer service, human resources, etc.
3. Ask yourself, how will you extend this strategic alignment to the social web? Do not list tactics to answer this question, but rather focus on guiding principles or rules of engagement.
4. Ask what experience/reaction do you want people to come away with when they interact with your brand/company online.
5. Is your strategy proactive or reactive? Will you actively seek people out, wait for them to find you/mention you? (Paul, 2010)

For Kasve Oy this would mean unifying the company's strategies, including the social media, as a part of the communications strategy. The goal cannot simply be "joining the Facebook", it also has to create guidelines for all communications, which take place in social media.

In his blog: Nine Steps to Your Best Social Media Strategy (Martin Zwilling, 2010), Martin Zwilling has created a nine step program into creating a social media strategy.

1. Get focused and identify goals. According to Zwilling, if a company does not have a clear idea why they are joining the social media, it will be useless trying to measure any outcome.
2. Get attention and reach your audience. The measurement of message delivery can be compared and measured the same way as classic advertising. It is also important to measure how many potential customers the message strikes as important. This can turn into positive word-of-mouth about the company.
3. Measure respect and find influencers. Identifying and finding the key influencers as well as understanding their impact to others is crucial. A company's message can reach new levels of the target audiences if the message is distributed by the right people.
4. Track the emotional sentiment. A company has to analyse the emotional sentiments of the target audience, in order to reveal attitudinal shifts. This provides insight to changes in the market affecting your brands equity.
5. Measure customer response and action. If they like your message, do they go through your website or contact you? Creating these positive actions can bring you more clients and more profits.
6. Get the message from your clients. Is a company getting the right message at the right time from the right people? A company has to realize that this is the real-time market research and that it has to be measured, how well the response is act upon according to the business strategy.7
7. Drive business outcomes and get results. A company has to cycle back to beginning to observe the impacts the efforts in social media re having. Is there an increase in revenue or perhaps, a higher level of customer satisfaction? After this the goals need to be re-examined.
8. Get buy-in from your colleagues. The results should be used in order to convince your colleagues that the social media is a vital part of the marketing mix and that it needs the input for implementation and measurement.
9. Project the future. Ponder where the social media will be in two to ten years and act accordingly. A Company should not let the possible changes catch the

company by surprise as well as a company should not be the last one to act upon these changes. (Zwilling, 2010)

Using these steps, Kasve Ltd. should evaluate, by which extent they want to be evolved in a social media, which ones they will enter as well as what this would require from them in practise. It should also be considered, what information will be published in the social media, how and when. Kasve Ltd. should also consider how they will measure the possible benefits of the social media (for example, the amount of new customers per month compared to before, how many times their website is visited etc.) These should all be included in their communication and marketing strategies, in order to have the necessary guidelines and codes of conduct as well as getting the most of the efforts in joining the social media.

6 DISCUSSION AND CONCLUSION

The goal of this thesis was to present the theory of productisation and furthermore, applying the productisation theory to Kasve Ltd. and its services. The aim for the practical work was to provide guidelines and tools for service productisation tailored to the needs of Kasve Ltd. The productisation as a concept itself seems to be a rather new one, since finding liable sources for information was rather difficult; it made it the greatest challenge in writing this thesis. In order for this thesis to be liable, it should contain more sources. In the end, I ran out of time.

I had never heard of the term productisation before I started working on this thesis, but it greatly surprised me how the concept is present in almost all areas of business, even though it is not discussed with the term of productisation. This also became a challenge, when writing the theory in this thesis, to narrow down the theory and giving it enough depth.

My thesis process begun by examining the theory of productisation and finding sources related to the topic. After this I examined the services of Kasve Ltd. and discussed with the company's managing director the needs of the company and the areas of the services that needed to be productised. I was pleased to notice how far Kasve Ltd. had already productised their services quite far. This allowed me to concentrate on the five main issues: finding tools/ideas for how to evaluate the projects, breaking down the service into modules, creating an Information (promotion) package, writing guidelines for how to write references and redefining communication strategy for social media.

Productisation as such is a wide concept so being able to concentrate to specific areas allowed me to go in further depth in the guidelines mentioned above. However, some parts of my practical work could not be presented in this thesis out in order to protect the trade secrets of Kasve Ltd. The feedback considering the left out information was good, which is enough credit for me, since this thesis was written in order to serve Kasve Ltd.

In order to improve my thesis I should search for more references as well as introduce more theory about each step within the productisation process. It would also be beneficial to test the tools and guidelines created for the case company with them, which would allow me to modify them in more detail considering the case company's needs. However, given the fact that the case company's managing director has already knowledge of productisation, I am confident that the case company will be successful in its productisation efforts, utilizing the tools and guidelines provided.

6.1 Recommendations for further studies

In order for productise the service, Kasve Ltd. should do a follow up research on how well the guidelines were adopted by the company and what still needs to be improved. Also the theory of adopting social media as marketing strategy should be carried out as a separate study, because of the significance of the power the social media has. Both of these topics require great focus when studied, which is why they were not included in this thesis, since not enough detail would have been given to them on top of the basic concept introduced in this thesis.

6.2 Validity and reliability

The thesis should have more sources in order to become more reliable as well as it would have brought this thesis more depth. It is also to be acknowledged that the term productisation is rather new, which makes finding related sources more challenging.

I have acknowledged the lack of variety in sources but since the company, this thesis had been conducted for was pleased with the results, I did not have need for further research. I do find that the tools created for Kasve Ltd. are tailored to the company’s needs and can help the company to productise its services. This thesis gives an overall view of what areas of Kasve Ltd.’s services needs to be modified according to the productisation. A further research for testing with clients as well as a proper testing of the tools provided for Kasve Ltd. would have given the opportunity to further modify the tools accordingly to the needs of Kasve Ltd, thus giving them more reliability.

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Appendix 1

Examples of assessment questions

Mid-way assessment (to be conducted after each phase in a longer project)

Project phases:

Was the phase completed on time?

If not, why?

Solution for the problem:

If the phase was completed on time, what made this happen?

Did you conduct something differently, compared to previous projects? If yes, what?

Additional notes:

The project team:

Are there any problems with the distribution of tasks within the project team? If yes, what?

Solution for the future:

Is the communication sufficient? If not, describe:

Communication and cooperation with a client

Is there enough communication?

Is the communication open and timely?

Does the communication feel difficult to you? Why?

Solution for the problem:

Project preview (internal assessment + conclusions of the midway assessments)

The success rate of the project plan:

Did the project stay on schedule? If not, why?

Did the project plan take in consideration all necessary actions/phases? If not, what and why? Was the task distribution successful? If not, why?

Was there enough communication within the team and between the team and the client? (Conclusions from the midway assessments)

Were the methods from previous projects used? If not, why and how would you replace the method?

Other notable information:

SAVONIA