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A deployment plan for a new sales model

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I would like to give a special recognition to my fellow employees in the case company. We have had many fruitful discussions about service models, value proposals, and the case company’s strategy and how the strategy impacts on our jobs. The best thing was that we almost always disagreed! These discussions have helped me a lot and I really have enjoyed working with all of you.

It would be wrong if I would not mention all the lectures of the Industrial Management program in the Metropolia faculty. Your engagement and passion to teach and help the students to understand business from its different perspectives were visible from the day one. Dr. Thomas Rohweder, your lessons about strategy, management and leadership were one of the main drivers of this work. Dr. James Collins, through your experience and wisdom, you enlightened how globalization will change the world and how we should deal with it. Dr. Juha Haimala, you made me understand the financial side of companies with your concrete examples from real life. M.A Sonja Holappa, your help with my thesis writing has been remarkable. I want to say, this is a really good mix for a student who is looking for a development, and it is even better for local business, because they get more talented and trained experts. Your work is really valuable!

Finally, my peer students. We had a nice team there and the spirit was inspiring during the studies. Some of you showed such a leadership that I would not be surprised, if we might hear from you in the future. It just requires that your managers recognize your potential, but that should not take long.

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Competition among companies gets harder every year. Those companies which are capable of transforming their business, will survive. One of the megatrends, called Product-as-a-Service (PaaS), is a way to increase profitability in a long run. The case company has been successful in product selling, however the company introduced a new sales business model which aims at increasing revenue by investing in service business. This study focused on the new sales model and it introduced a plan how to deploy the model in the case company.

This study started by analysing the current state in the case company. In this stage, data was gathered by interviewing the stakeholders that revealed the gaps between the new and old sales models. This stage was followed by a literature review. The review concentrated on change management and behavioural change in order to fill the gaps. A conceptual framework was developed from the literature review. Next, the stakeholders added their recommendations to the conceptual framework, and finally this initial proposal was introduced to the managers.

The study revealed that the managers need to focus on communication and leadership during the deployment. Communication, with a leadership method, aims at increasing overall commitment. These are the main parts of this seven step deployment plan. In addition, the plan includes minor topics, e.g. readiness, responsibilities and motivation. For the managers, the deployment plan offers a simple way to plan and implement the needed changes and finally utilize the learnings in the future.

The case company may consider, if the structure of this thesis is applicable in other change projects. Change agents in the company have to plan, execute and evaluate change projects and this thesis might offer some ideas how to assess readiness from the company as well as from individuals' perspective.

Keywords	Change management, sales model deployment

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1 Introduction

Services has become a significant revenue source for many companies in recent years. Many organizations identify the need for offering support and services during the whole product life cycle. For an organization, service offerings might provide competitive edge in highly competitive markets, where the quality of products is equal high with each other and price erosion cuts margins.

The academic world, plenty of research has been carried out to study Product-Service Systems (PPS) and servitization. Both terms elaborate how companies, especially in the manufacturing, could add value to customers by offering additional services to the main products of companies. In addition, a great deal of research has focused on customer value and how companies should adapt customer values to their products and services.

On the other hand, changing people working habits, adapting new working methods and driving change throughout organizations have been found challenging. Most of change projects do not achieve expected targets. Megatrends such as digitalization helps companies to perform better and it might improve overall business but still, organizations are made of people. Those people are the change makers in the rapidly changing world. It has been said that change is here to stay and people are forced to adapt a new normal. The ongoing Covid-19 pandemic has shown that people are able to alter and adapt when there is a true need for it.

1.1 Business Context

The case company is operating in eye care and they are globally the biggest in the industry, with more than 20.000 employees globally. The company consists of two business units, Surgical and Vision Care. Surgical business is focused on eye surgery products and Vision Care comprises contact lenses and ocular health products. The case company estimated in 2018 that market size for surgical segment is approximately $ 9 billion and at the same time surgical business unit’s revenue was $ 4 billion. The case company’s annual revenue has been approx. $ 7 billion.

Recently the case company was separated from a parent company. Being an individual stand-alone company, the company had to revise their strategy and vision. The company announces that in the future sustainable growth is generated from key products, new technology, markets growth and new business models.

In the Nordic cluster, in Denmark, the headquarter and business back-up functions are being grouped. All other Nordic countries have branch offices, which include local sales and technical services operations.

1.2 Business Challenge, Objective and Outcome

One of the strategy pillars of the case company are new business models, which would be more customer value-based models. The new strategy pillar is focusing on the procedures of customer instead of looking at it from one product or service side. Recently, based on the company strategy, a new sales business model was launched to deliver better service to the customers. In the surgical business unit, the new sales model contains the company's operations such as sales, technical services and clinical application training support.

The new sales business model is expected to increase the company's revenue, but it is unknown how the model will influence the company's operations. Therefore, the objective of this thesis is to propose a plan how to deploy the new sales business model to the Nordic region. The expected outcome would be a deployment plan.

This thesis focuses only on Surgical business operations.

1.3 Thesis Outline

The case company has not had a service business strategy that would aim at selling support and consultation services to the customers. Typically, the customers have received support on a side of their product purchases. As a good example from the past, if a customer faced an issue or a problem, they just contacted their favorite representative in the company, the representative forwarded the problem to a corresponding person, and the customer's problem was solved eventually. The above description illustrates the need to improve the entire service business, starting from service offerings for the customers and internal functions of the company. Today, the case company aims at servicing the customers in a professional way and secondly, make the service business a strong part of the new independent company.

This thesis offers a deployment plan, which includes proposal how to deploy the new sales business model to the Nordic. This thesis is built on seven sections. First, the objective is defined based on the business challenge, which is followed by the research design in section 2. This section describes the research approach, the methods to gather the data and the design that shows how the sections are linked to each other. Section 3 analyzes the current sales model and the problems in it. The following section reviews literature from change management perspective and several other areas that were seen as problems in the deployment of the new model. The outcome of this section is a conceptual framework that is a starting point for the next section. Section 5 shows how the initial proposal is created with the stakeholders and section 6 describes how the managers modified it as this being the validation process of the deployment plan. Finally, in the last section, includes a summary, evaluation and recommended next steps for the case company to put the plan into action.

2 Method and Material

This section explains the research approach, research design, data collection and analysis methods used in this Thesis.

2.1 Research Approach

Research aims to increase understanding and knowledge of a topic or issue. Similarly, the business world demands better performance and there are constant need for development and change. Therefore, Saunders et al. (2012:8) highlights that business research projects can be put on a line where at one end of the line applied research aims to present business issues to managers so they can understand it and act on it, i.e. make practical applications. At the opposite end of the line is basic research that focuses on understanding the processes and outcomes in business. Kothari (2004) states that "Applied research aims at finding a solution for an immediate problem facing a society or an industrial/business organization"

Kananen (2013) emphasizes that *design research is conducted in organizations to improve operations*. He states that the purpose of design research is to change current process, services or situations. Kananen (2013:44) highlights that action research and design research aims to change or improvement. However, in action research, the researcher is working with those who are directly involved in the operations of the business. He continues by stating that action research is "best suited for situations where the object is a group and its operations".

There are different methods to gather data and the researcher has a central role in design research because he/she collects the data. To understand a phenomenon, qualitative research is a suitable method. Without understanding the phenomenon, development work is not possible to convert into a research. In qualitative research, interviews are conducted by asking open question. Trochim and Donelly (2008) mention that qualitative research is suitable *to get a more in-depth view on a phenomenon.* When conducting interviews, the researcher could utilize different methods to collect data. One method is to observe during the data gathering. Tools to observe are i.e. video recording and writing down as many things associated with the situation. Another way is to conduct theme interviews. It can be used when it is required to define a problem, evaluating effectiveness or evaluating results. The researcher should conduct a technique where a theme interview progresses from general matters to detailed (Kananen, 2013).

To find out what would be the deployment plan (outcome of this thesis), the best suited method was to ask stakeholders opinions and let them openly describe their opinions. Kananen (2013) states that the qualitative method is best suited for a situation which seeks to achieve a deeper understanding on a phenomenon. In researches where the qualitative method is utilized, those use words and sentences to understand and interpret the problem at hand. Kananen (2013) continues by stating that the qualitative method has no firm guidelines, meaning that the outcomes of the qualitative method direct the progress of the research.

In this study, the objective was to propose a plan how to deploy a new sales business model to the Nordic region. This thesis was aimed to help the managers to deploy a choice of a strategy of the case company and therefore improve business processes and create new knowledge. As the purpose of this thesis was to understand how to deploy and additionally understand the cross-functional business processes, action research approach was selected. Stakeholders interviews were conducted using open questions and theme interviews to provide detailed information and deeper understanding for the purposes of this research. The qualitative method was chosen for data collection because it best suits the purpose of this thesis.

2.2 Research Design

In this study, the research design consists of five stages. The design starts from the objective that springs from the case company's business challenge. Each independent stage provides an outcome that is utilized in the following stage. The Research design for this thesis is shown in figure 1.

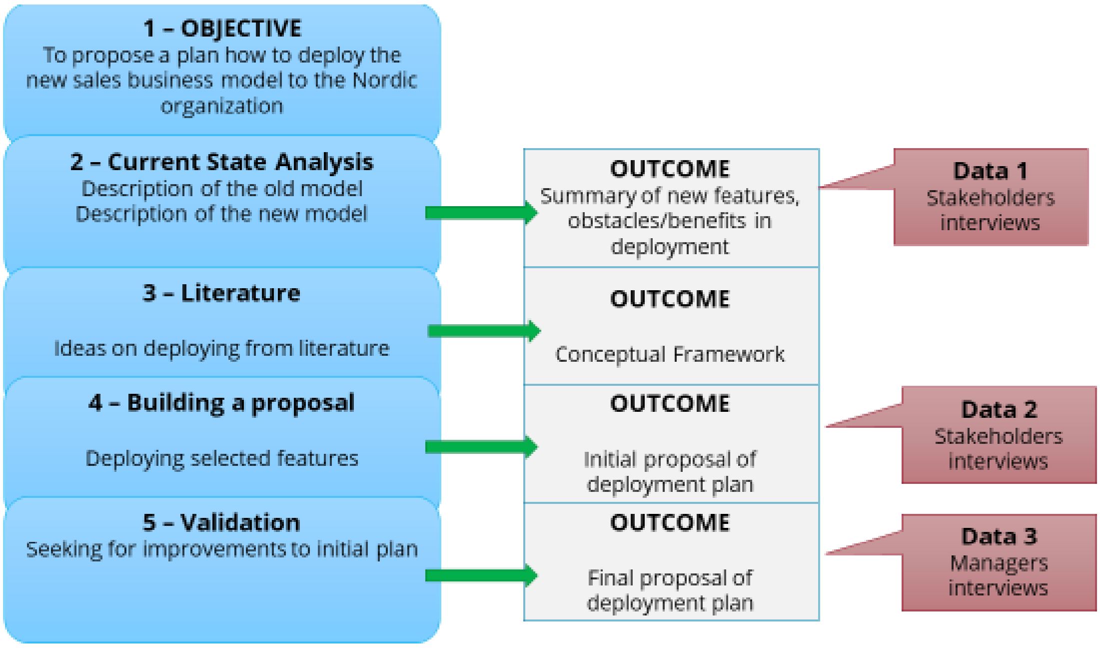

Figure 1. Research design for this thesis.

As seen in the above figure, the research design has five stages. In the first stage, the objective of the study was selected. It reflects the business challenge where the case company aims to find new revenue flow from the service business. The second stage targeted to find out the current state of the case company. Interviews (data 1) was conducted with the stakeholders who were affected by the new business model and the current model. The outcome of the interviews was a list of features that distinguishes between the old and new models and strengths/weaknesses that affects to the deployment of the model. In the following stage, literature was reviewed to discover ideas that would help to deploy the features. In stage four, a proposal how to deploy the new sales business model, was created based on the findings from literature, the current state analysis and the input from stakeholders (data 2). In the fifth stage, the initial proposal was presented to the decision makers. Based on the interviews in data3, adjustments were made to the initial proposal.

Figure 1 illustrates how the outcome of this study, the deployment plan, was put together. Several interview rounds took place in data 1 collection. Over the interview rounds benefits and obstacles were identified to successfully deploy the new service business model. The Second data collection (data 2) concentrated on working on the points that was discovered from the current stage analysis. In data 3 collection, where the final proposal was created, decision makers were interviewed. The next chapter illustrates how data was collected and analyzed.

2.3 Data Collection and Analysis

This section describes how Data 1-3 was collected in three different stages shown in figure 1. Table 1 below presents the data collection plan. It shows that interviews and workshops were the main methods to gather data. In the first data collection round was shown a leaflet, which described the new sales model.

Table 1. Data collection

	CONTENT	SOURCE	INFORMANT	TIMING	OUTCOME
DATA 1 **ANALYSIS OF CURRENT SALES BUSINESS MODEL and NEW SALES BUSINESS MODEL**	Description of current sales model Description of new sales model	Stakeholders interviews Leaflet of the introduced new sales model	Sales manager Sales reps Clinical Application specialist (CAS) Field engineers	January 2020	Summary of gaps of the sales models Obstacles with current tools and way of working
DATA 2 **DEVELOPING A DEPLOYMENT PLAN**	How to deploy the step plan How to improve communication How to improve leadership	Stakeholder interviews Stakeholder workshop	Sales reps Clinical Application specialist (CAS) Field engineers	May – December 2020	Initial proposal of a deployment plan
DATA 3 **VALIDATION OF PROPOSED PLAN**	Improvement ideas to initial proposal	Managers workshop	Sales manager Key account manager	February 2021	Final proposal of a deployment plan

As seen in table 1, Data 1 was collected by conducting face-to-face meetings at the premises of the case company or Skype calls with the stakeholders. The first round of interviews aimed to understand the current service models, its benefits and weaknesses from different aspects. At the same interview round the new model was discussed and what benefits and challenges it has from individual stakeholder's point of view. The interviews were conducted asking mainly open questions where the stakeholder stated their insights descriptively. The interviews were audio-recorded and documented into the field notes.

The initial proposal was built with the stakeholders. This data 2 was gathered by interviews, either in face-to-face meeting or remotely. The sales reps, clinical application specialist and engineers took part in this data collection round, including eight interviews in total. Their recommendations were noted down and the interviews were audio recorded.

In the last data collection round (data 3), the recommendations were presented to the managers. The first meeting focused on the recommendations. The managers discussed about the modifications which were needed in the deployment plan. In the second meeting were discussed more in detail, how the modifications fit in to the plan and finally the deployment plan was validated. Table 2 shows in detail the how the data in this thesis was gathered.

Table 2. Data collection and interviews with the stakeholders

	Participants / role	**Data type**	**Topic, description**	**Date, length**	**Documented as**
	Data 1, for the Current state analysis (Section 3 or 4)				
1	Respondent 1: Engineer 1,	Face-to-face meeting	Technical Service processes and describing current model	Jan 2020, 1 hour	Field notes and recording
2	Respondent 2: Engineer 2,	Face to face Interview	Technical Service processes and describing current model	Jan 2020, 1 hour	Field notes and recording
3	Respondent 3: Engineer 3,	Skype meeting	Technical Service processes and describing current model	Jan 2020, 45 min	Field notes and recording
4	Respondent 4: Sales rep 1;	Face to face interview	Sales processes and describing current model	Jan 2020, 1 hour	Field notes and recording
5	Respondent 5:	Skype meeting	Sales processes and describing current model	Jan	Field notes and recording

	Sales rep 2;			2020, 1 hour	
6	Respondent 6: Sales manager,	Face-to-face Interview	Sales processes and Nordic sales	Jan 2020, 1 hour	Field notes and recording
7	Respondent 7: Sales rep 3	Face-to-face Interview	Sales processes and describing current model	Jan 2020, 1 hour	Field notes and recording
8	Respondent 8: CAS,	Face-to-face Interview	Describing CAS daily work and collaboration with others	Jan 2020, 45min	Field notes and recording
	Data 2, for Proposal building (Section 5)				
9	Respondent 9, engineer	Face-to-face interview	Building a proposal, demo process	May 2020, 1h 15min	Field notes and recording
10	Respondent 10, CAS	Face-to-face interview	Building a proposal	May 2020, 1h 30min	Field notes and recording
11	Respondent 11, engineer	Face-to-face interview	Building a proposal, demo process	May 2020, 1h 15min	Field notes and recordings
12	Respondent 12, Sales rep,	Skype meeting	Building a proposal, demo process	June 2020, 1h 45min	Field notes and recording
13	Respondent 13, Sales rep,	Skype meeting	Building a proposal	November 2020, 1h 15min	Field notes and recording
14	Respondent 14, Sales rep	Skype meeting	Building a proposal	December 2020, 1h 30min	Field notes and recording
	Data 3, from Validation (Section 6)				
15	Respondent 13: Sales manager Respondent 14: Key account manager	Group interview	Validation, evaluation of the Proposal	February 2021, 60min	Field notes
16	Respondent 13: Sales manager Respondent 14: Key account manager	Group interview, Final presentation	Validation, the deployment plan	February 2021, 45 min	Field notes

In total, there were 16 interview sessions and average duration was 60 minutes. In addition, the author of this thesis looked up any documentation that would be significant for this thesis. However, it was found that the case company do not introduce process flows diagrams or process maps, even if these type of documents have been created by the process owners. Table 3 shows a document, which was given by the case company. As part of the current state analysis, the author of this thesis reviewed the document.

Table 3. Document in data1

	Name of the document	Number of pages/other content	Description
A	Leaflet	16 pages	New model description, roles and responsibilities

As seen in Table 3, one document was analyzed for the current state analysis. The document was shown to the stakeholders when the interview rounds were conducted to get them fully understand the new sales model, which was presented to personnel by the management.

The main purpose was to understand stakeholders' visions of the models. The main method was to conduct interviews (data1) and collect information. The information was the main source for the current state analysis. The current state analysis is described in the following section 3.

3 Current State Analysis

This section analyses the current state of the case company. This section reviews the new sales model, the old sales model and the results of the stakeholders interviews. The outcome of this chapter are several aspects that are used to construct the conceptual framework in section 4.

3.1 Overview of the Current State Analysis Stage

The objective of this thesis is to offer a deployment plan how to deploy the new sales model. Gaining understanding of the current state, eight interviews were conducted with the stakeholders. Some of the interviews were face-to-face meetings as some of those were Skype meetings. Every meeting started with a short presentation about the target and the structure of this thesis. Secondly, the interviewer aimed to receive common understanding of the new model with the stakeholders and avoid the discussion to get side-tracked. In addition, the interviewer aimed to prepare the participant to describe these two models.

After discussions about the models, the interviewer shifted the discussion towards aspects, views and points that the stakeholders found hindering the deployment of the new model. Finally, these matters were noted and categorized.

For the Current State Analysis, it was requested from the case company for all relevant documents that refers to the new model. Management had earlier shared a leaflet to all personnel and it was shown to the participants in the beginning of the interviews. There are some documents related to process flows that describe the current model, but it was found that participants could not locate those or they have never seen those. Obviously, no-one is referring to these documents in the daily business.

The next chapters present the models from the stakeholders' point of view. First, the current sales model is presented and it is followed by the new sales model. Finally, the gaps between these two models and the obstacles are summarized.

3.2 Description of the current sales model

This chapter explains the old sales model in the case company. It consists of Sales, Technical Service (TS) and Clinical Application specialist (CAS) teams in each Nordic country. Supporting functions and Customer Service (CS) are located in Denmark.

The case company is organized as a matrix organization, where the sales division is one silo in the matrix. Supporting function such as finance, marketing, compliance and logistic are supporting all the silos in the organization. The Nordic sales manager is reporting to higher management level outside of Nordics. The local sales managers in each Nordic country is reporting to the Nordic sales manager.

Technical services are reporting to the Nordic Sales Manager by the Nordic Technical Service Manager. Each Nordic country has their own team of engineers. Some countries have Team Leaders who have local responsibility to lead TS operation.

Clinical application specialist (CAS) are their own group and they report to their manager outside of the Nordic organization. CAS personnel work quite independently. Typically, customers call them directly or local sales representative contacts them to get support.

3.2.1 Sales team

In each Nordic country, sales reps' duties have been organized in a way that corresponds to the customer's needs and the company's product portfolio, which is quite comprehensive, compared to other competitors in the market. Product offering covers consumables, medical devices, single used products, several different types of implantable. Sales team categorizes customers based on their potential and focus on products that would fit to customer's needs.

The sales rep's typical workday could include customer visits which could include demonstrating new products, training and guiding the user to choose the right product for the right need and sharing the best practices to the clinical personnel how to utilize products in daily use. A tender process can be seen as a part of sales teams main duties because the process includes promotion of products and services. In this study, abovementioned activities are called **Active selling operations**.

Quite often, the customers want to know what the status of their product order is. Then, the sales rep typically traces customers' shipments and backorders from the main warehouse and handles product complaints. In this study, these sales reps action are called **Resolving customer issues**.

The case company demands that documentation must be done properly so later on the quality inspectors could audit what was done, where and when. Such a documentation could include reporting information to CRM system such as products that were discussed in the meetings, who was/were involved and possible future actions. Further, the sales rep has to produce sales forecasts for management needs. In addition, sales rep is responsible to create and modify tailor-made customer packages. In this study, these are called **Admin work and organizing.**

In the upcoming chapters, these activities are described in depth.

3.2.1.1 Active selling operations – Public tender process

Among sales reps, active selling operations are known as true sales work. Typically, this takes place at customers' premises as well as in conferences where the sales rep meets customers. Common for these operations are that the sales rep has face-to-face meeting with customers. The sales reps find these moments worthy for promoting products and also find potential sales leads for the future. As a sales rep is working at customers' premises, he/she is able to observe customers' working environment. Because of the wide product portfolio of the case company, the sales rep has possibilities to promote the company's product that would cover competitor's products, which are in use at customers' clinic.

The above description can be seen as the first step in public tender process. The below table shows in green the processes how tender process flow begins from the opportunity identification. Table 4 describes the process of selling a medical device.

Table 4. The process of selling medical devices

Sales process Phase → Role ↓	Opportunity identification, Lead mapping	Demo	Tender preparation, approval and management signatures	Installing a device
CUSTOMER	2 - Customer is willing to demo the equipment	4 - device satisfies and the customer wants to have an offer of a new device	6 - Customer approves the terms of the tender and signs it	8 - device installed, training starts
Sales rep	1 - Organize customer visit, identify opportunities, hand-out marketing material.	3 - Organize the demo with coordinator and demo contract with tender manager	5 – Checks for price from pricing tool 5.3 Hand-out signed tender to customer.	7.2 - Be available, prepare training.
Marketing and finance M&F			5.1 - Get approval for device prices and calculate tender for EFA, rental or cash deal	
Tender manager		3.1 Prepare demo contract, get signature from management	5.2 - Prepare tender for selected deal. Send it to sales rep.	
Coordinator		3.2 Find available demo device and arrange transportation		7 - Arrange new device transportation
Technical service		3.3 Prepare medical device, installation of the device		7.1 - Installation of new medical device, get signature to installation form
TOOLS		Excel(available demo), Word (contract), email, phone	Word (tender), Pricing tool (price check)	
Material needed:	Marketing material	Demo contract, installation form	Tender with all info, price	Installation form
Supporting function:	Marketing, sales coordinator	Tender manager, coordinator	Tender manager, Marketing and Finance	Coordinator

As can be seen in table 4, the opportunity identification (in green) is one of the key active selling operations what the sales rep has to perform successfully. The goal is to demonstrate the benefits of products and services to customers so that customers would define specifications for public tender in favor of the features of the case company's product.

During the next steps, customers define the specifications of the public tender based on the offering of service suppliers. Depending on how well product or service features fit the need of customers, customers might highlight some features that should be part of the specifications. Those could be recommended or mandatory features. The tender is published with the specifications and all service providers who take part on the offering, should fill all the necessary fields in tender.

Demonstration means that customers can see how the product works in their daily use. The case company offers different types of medical devices and the demo process is described in below picture.

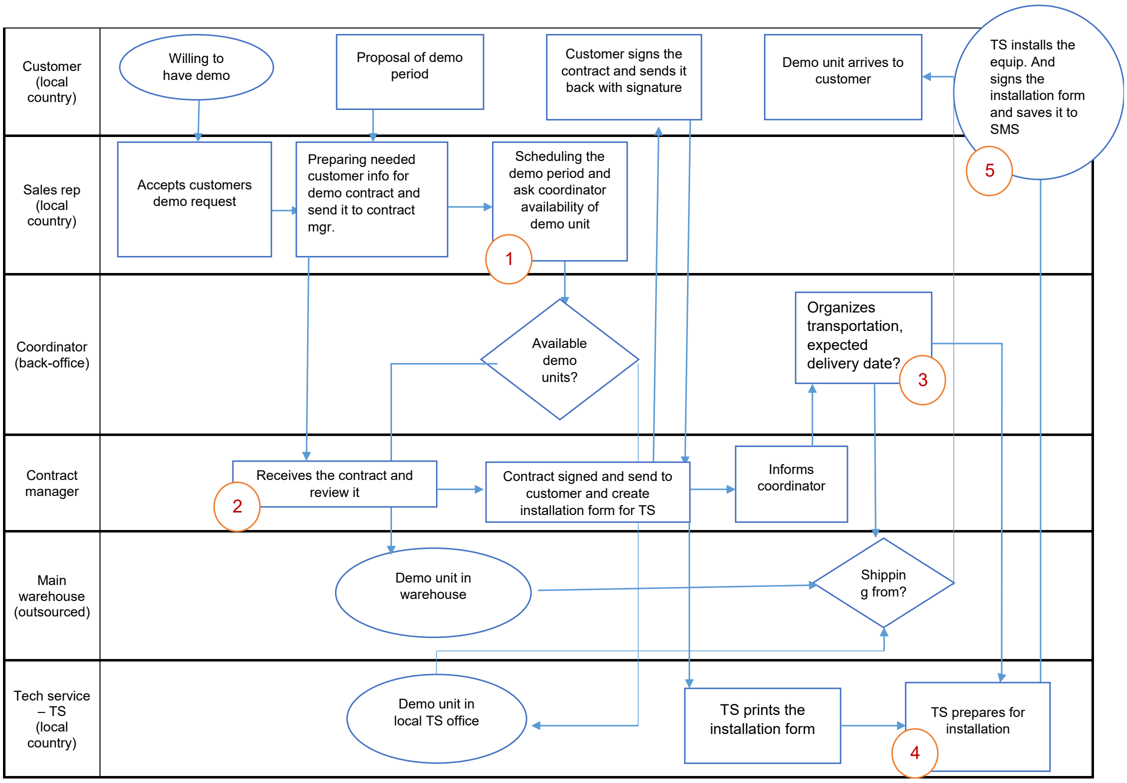

Figure 2. Demo process

As can be seen in figure 2, there are several internal stakeholders. First, the sales rep should check where available demo devices are. Second, the customer and the case company must conclude an agreement that specifies the terms. Terms are quite general, but they define responsibilities of both parties in quite a detailed way. Third, when the agreement is signed, the case company organizes transportation from the main warehouse or from the local sales office. This process typically starts when the sales rep contacts a marketing assistant and asks for a demo device to be shipped to the customer. The marketing assistant has an Excel file that is updated every time when demo devices are transported to a different location. No-one else has access to the file. If it is found that demo device is available at the sales office in the corresponding country, the marketing assistant contacts local service engineers and asks for support with packing and preparing demo device. There might be a need for a transportation box but there are less transportation boxes than demo devices. Separately of the demo device process, is a process for transportation boxes. In addition, the demo devices are stored in the main warehouse in Denmark. Fourth, the demo devices are shipped either from the warehouse or from the local sales office to the customer site. Finally, as the demo device arrives to the customer, the service engineer must unpack the device from the transportation box and perform mandatory test that verifies the operation of the device.

For the private companies, the tender process varies compared to the public tender process. The purpose of the tender process in public sector is to make sure that the process is fair and visible and all providers are equally informed from the beginning of the tender process. Private companies could skip the tender process to some extent and proceed to purchasing the product without informing other providers. Private companies could pick-up a step or steps from the public tender process and then conclude which products to purchase.

3.2.1.2 Resolving customer problems

The ownership of the customer relationships has been divided based on the customers demographical locations among the sales reps. Basically the idea is that remote customer locations are supported by the closest living sales rep to reduce travel time to customers' premises. In the Nordics, customers are mostly located in areas where citizens are located. Excluding Norway, big portion of customers in the Nordics are located seemingly close to each capital city. It means that the most suitable and often the fastest travel method is car.

During customer visits, the sales rep hears many other topics that are not related to active selling. These matters are reflecting the case company's capability to supply products to customers and the quality of products. Resolving customer problems typically starts from a phone call, an email or a face-to-face contact where customers want to highlight that products are defective. In such a case, information about the product, such as serial number, batch number and product code should be gathered. If the product failure can be considered a risk to end-users, the sales rep must immediately proceed information for further handling and inform the complaint department of the case company.

The most common cases are where customers have ordered products, but they have received only portion of the ordered parts. Sometimes all the products are in backorder and estimated time of arrival is unknown. A customer order is a separated process and its owner is Customer Service department in Denmark. Ideally, the sales rep should not be involved in the process. Since they visit frequently meeting customers, the sales rep becomes involved during discussions. Maintaining good relationships with the customers, the sales rep has to express interest in and take necessary actions to discover the status of the delivery. Typically, it means that the sales rep calls to a Customer Service

Agent and together they try to find the status of shipment. Often the Customer Service agent finds the order from the system and informs the sales rep of the status of the shipment and possible delivery date. Later on, the sales rep informs the customer.

Sometimes products are needed urgently. A customer might call a sales rep and explain their situation that ordered products are in backorder which is why they would need products immediately. If the customer is part of a big private clinic chain, it might be that missing products could be found from another clinic that belongs to the same private chain. As the situation is crucial to the customer, the sales rep does everything he/she can and pick-ups products from another clinic and delivers it to another one. This is the way to guarantee that the customer is able to proceed in their business. Most importantly, customer satisfaction is maintained.

3.2.1.3 Admin work and organizing

The sales teams' responsibility is to provide necessary reports to the management to support decision-making. The management informs the sales reps by an email to draw up a sales forecast report that includes estimation of presumptive sales per each customer account. The sales rep produces the report based on their "hunch" that is his or her own raw estimation how much customers would consume products during the upcoming months. Quite often, these kind of requests have high urgency and the sales rep should be able to respond ASAP. It means there are no possibilities to analyze situation thoroughly.

As part of the active selling operations, the sales rep has meeting with wide range of customers. During meetings, discussion might cover e.g. topics of products, prices, usage, feedback etc. After meetings, the sales rep writes a short report to CRM that covers all topics and products, which were discussed during the meetings. The CRM system allows user to pick-up the right product that was discussed and the contact person. Data, time and place are included in the report. In the CRM system, the report is called an event. The CRM system allows the management to measure the sales reps productivity and conclude whether the sales reps are meeting the targets.

The case company's portfolio is the widest in the industry. It includes many small single used items that are consumed in eye surgeries. Such an item could be but is not limited to syringes, knifes probes and tips. For the sake of simplicity, items are not separately shipped, stored and sent to customers. The case company offers a custom-made package that includes only the items that customers want to use in eye surgeries. The sales rep is responsible for building up such a package together with each customer that includes all the relevant items that the user wants to use. Depending on the customer account, there might be several users and each of them might have their own custom-made package. When the case company launches new single-use products or the user would like to replace a product, which is part of the custom-made package, the sales reps have to update and modify the current package for every user separately. Finally, the sales rep informs manufacturing plant and later new modified packages are shipped from the factory to the customer.

3.2.1.4 The incentive program

The more the sales team sells – the higher is the bonus payouts. In practice, the company has set sales targets for each product category in the Nordics and then sales targets are cascaded down to sales personnel level. Beginning of the year, each sales rep discusses with the sales manager and they estimate together how much each customer could buy products per product category during the year. Then sales targets for each product category are defined and these are attached to the incentive program. If targets are reached or exceeded, the sales rep receives bonus-payout every quarter.

The incentive program intention is to generate more sales. Typically, single use products are prioritized in the program and e.g. medical devices are included in a different program. Successful sales of a medical device entitles a sales rep for a lump sum bonus payout. The incentive program excludes all the costs saving targets.

Besides the above mentioned sales targets, the company organizes a sales competition for the sales reps. The rules of the competition are created by the global franchise head and simply, the sales rep who sells the most per pre-chosen product category, wins a luxury trip for two persons. The rules take in to account the market maturity and the market size. With the rules, everyone should have equal starting point to take part in the competition.

3.2.2 Technical service

Technical service (TS) includes 11 engineers in the Nordics. In each Nordic country, excluding Iceland, are located 2-3 field engineers. A team leader, who is in charge of leading local country TS team, reports to the Nordic TS manager. The team leaders are only in Finland and Sweden. Other engineers respond directly to the Nordic TS manager.

In the old sales model, Technical service has several duties. The main duty is to maintain and service all the installed medical devices at the customer's sites. Some of these medical devices are movable and others are permanently installed. To maintain and service the devices, the engineers have several measuring instruments that are needed to verify that the medical devices meet specifications, which are set by the manufacturer and are included in the quality manual. These instruments are used to measure e.g. energy, voltage, resistance and laser beam power or energy. In addition to above mentioned duties, TS are offering and selling service contracts to the customers but this activity is not seen so urgent than maintaining and servicing the medical devices.

The next chapters deal with engineer's duties in more depth.

3.2.2.1 Engineers field work

In Technical Service (TS), a fieldwork is defined as a work that is maintaining and servicing medical devices at customers' sites. The most typical types of fieldwork are preventive maintenance, installation, repair, upgrade and retrofit. The case company has defined for each medical device their own preventive maintenance cycle. The cycle is typically 6 or 12 months. In practice, it means that an engineer contacts a customer for scheduling a visit and on agreed time, the engineer arrives to the customer site. During the preventive maintenance visit, the engineer follows a proper test procedure for a specific medical device that is given by the case company. The test procedure includes several measurements, tasks, adjustments, parts replacement and overall check-up and these are documented in to a data sheet. When the work is done at customers' sites, afterwards the engineer sends service reports to customers. The service report is downloaded from the CRM system.

The installation activity starts from the sales team. The sales rep or the manager informs all the internal stakeholders that a customer has purchased a medical device and it should be delivered and installed before given due date. From the Technical Service point of view, the device needs to be unpacked, assembled and tested before the device is ready for use. Depending of the type of the device, installation might take 1-10 days and 1-3 engineers are needed to complete the installation at the customer site. Finally, the test procedure is performed, the data sheet is filled, and then the device is ready for use.

The global headquarter informs Technical Service if there is a need for upgrade or retrofit. Upgrade is improving or adding features of the device and retrofit enhances reliability of the device. Retrofits are published over the lifetime of the medical devices and those could be implemented immediately or during the next visit. Quite often, retrofits and upgrades are performed at the same time with preventive maintenance visits. The same documentation procedure is followed like in other fieldwork, but completion of retrofit is required in the CRM system.

From the CRM system, the engineers can check all the upcoming preventive maintenance visits. However, field repairs and some of retrofits are unplanned. Customers might call an engineer and inform on that a device has malfunctioned. The nature of the problem defines which actions are taken. Some problems might be fixed over the phone. If the problem on hand needs the engineer actions at customers' sites, the engineer schedules visits to customers. Depending on the urgency or the level of a service contract, the engineer decides how critical the situation is. The problem might need other engineers support because not all the engineers in the Nordics are qualified to service every type of medical devices. Secondly, the engineer, who receives the call from the customer, might be booked for other activities. In these cases, the engineer contacts other engineers in the Nordics and asks for support. The service contracts are covered later in section 3.2.2.2

3.2.2.2 Offering the service contracts

As previously described, the outcome of a sales process is an installed medical device. The company gives a 1-2 year warranty on the device. At the end of the warranty, the Technical service starts service contract negotiating with a customer. There are three types of service contracts to offer. These are described in table 5.

Table 5. Service contract tiers - old sales business model

Service contracts (X = included)	tier 1	tier 2	tier 3
Preventive maintenance (PM)	x	x	x
Labor and travel of repair calls		x	x
Spare parts			x

As shown in table 5, the lowest tier of the service contract (tier 1) includes only preventive maintenance visits. The middle tier of the service contract (tier 2) includes tier 1 plus all the labor and travel costs that are related to repair calls. The highest tier of the service contract (tier 3) includes tier 1 and tier 2 plus all the parts that need to be replaced during repair calls. Tier 3 is called a full service contract among customers. The higher tier of the service contract – the higher is the priority of field repairs and the more expensive is the contract.

As described above, the engineer is responsible for offering service contracts to customers. However, offering service contracts has lower priority because maintaining the devices is the main duty of the Technical Services. Service contract negotiations are mainly conducted by emails or by phone calls. It is rare that the engineer would travel to have a face-to-face meeting and negotiate with customers. Face-to-face meeting might take place if the engineer has other activities on customer's site.

3.2.2.3 Calibration of the measuring instruments

When the engineer is conducting fieldwork activities, he/she has to use instruments to measure voltage, flow, pressure, laser beam energy or power. These measuring instruments must be calibrated according to the quality manual. Calibration cycle could be 12-24 months, depending on the instrument in question. All the instruments are listed in an outsourced database that is maintained and controlled by a qualified calibration company. Additionally, the instruments are listed in the CRM system and each engineer has to monitor and control his/her own instruments. From the CRM and the outsourced database could be found all the relevant info regarding the instruments. Such an info includes calibration certificates, calibration due dates and the current owner of the instrument.

Several actions must take place when the calibration due date of the instrument is expiring. First, an automatic email is sent from the calibration company. The email describes a list of the instruments that calibration due date is expiring in the corresponding country. Second, the engineer locates the instruments and takes the back-up instruments from the shelf in to use. Third, the engineer sends an email to the calibration company and ask for a delivery address. Fourth, as the engineers receive a reply with the address, the engineer packs the instruments and creates a shipment request to a local courier company. As the package has been sent, the calibration takes 3 weeks to 2 months when the engineer receives instruments back from the calibrator.

The above describes the primary actions that need to be performed and the outcome is a shipment of instruments. In addition, several actions need to be taken care of when the instruments come back from the calibrator. First, the engineer must check what the incoming status of the instrument was on the calibration certificate. The calibrator calibrates the instrument as it was received and the calibration certificate describes weather the instrument met the specifications or not. If the incoming inspection was found within the specification, the engineer makes a note to the outsourced database that the instrument is OK for use. If the incoming status was found out of specification, the engineer has to inform a nominated engineer who conducts Out Of Specification (OOS) report. The OOS report includes assessments of the impact to the product and patient safety. The nominated engineer makes a risk valuation of the event. Based on the report, Quality Assurance finally concludes what actions are needed to be done. The OOS report is uploaded to the outsourced database. The instrument is adjusted and re-calibrated and then it is valid for use. Table 6 shows the calibration process. The process consist of two part, sending and receiving test instruments, roles and duties included in the parts.

Table 6. Calibration process

Calibration process – test instrument	Sending to calibrator	Receiving from calibrator
Engineer	2) locates the instruments and asks for ship-to address 4) sends out instruments as instructed	5) receives instrument from calibrator and check the status of incoming inspection The status OK? YES 6) instrument ready for use, place it to the shelf
Calibrator	1) Automatic email sent including a list of instrument that must be calibrated 3) Calibrator replies to engineer's email by stating correct address for each instrument	
Outsourced database		7) engineer populates several fields in the database and adds a note that instrument is OK
CRM system		8) engineer refresh next calibration date and populates the owner (location) if necessary

As seen in table 6, the calibration process includes several steps. Finally, when everything is settled, the engineer updates the instrument record in the CRM system. Information that needs to be updated includes new calibration due date and the calibration certificate number. Afterwards, if needed, the engineer could trace the instrument and all the activities where the instrument was used. It helps to locate all the medical devices where faulty instrument was used.

3.2.2.4 The Courtesy visits

The purpose of the visits is to utilize engineers' good reputation among customers. In practice, the engineer had unplanned or planned visit to one of the customers and inquired after the customer's overall situation. The idea is that the engineer could spot a sales lead or could be informed of something relevant from which the company would benefit. Such relevant information could be an upcoming purchase, information about competitors or some changes in the business environment.

Courtesy visits have the lowest priority in the Technical Service. Only when overall work situation is calm, the engineers perform the courtesy visits. However, the objective is to conduct agreed number of visits during the year.

3.2.2.5 The CRM system

In the old sales model, the CRM system was introduced in 2010. It is a web based software that included the sales rep's activities as well as the engineer's activities. All medical devices and measuring instruments were there as a single record and service activities are recorded under medical device records. The CRM system is only for documenting and it has limited features to run reports. The CRM system is not able to generate costs and income reports, and only reliable reports are engineers' labor and travel reports. The engineers could export service reports and then send it to the customer by email. The same service report was used for invoicing; the engineer had to export the service report from an event and save it to a shared network folder. The customer service agent processes the report manually by inputting the data to another system to generate an invoice. The CRM system is only for reporting all the fieldwork activities, the calibration certificates and the courtesy visits.

3.2.2.6 The incentive program

The engineers are entitled to an incentive program. The program is built on several key pillars that would encourage the engineers to perform the fieldwork faster, in time and document all the events correctly and immediately to the CRM system. The payout is depending on above-mentioned elements. In addition to these elements, the payout reflects the company's overall sales, the increase of the TS sales and the increased number of the service contracts. Some of these elements have more weight in the program than others.

The company offers a bonus to engineers that is result of a sales lead or a signed service agreement. If the engineer manages to find a sales lead that later transmits to a deal of a medical device, the engineer is eligible for a lump sum. For the signed service agreement, the lump sum is paid if the engineer handles the negotiation process from the beginning to the end. The sum reflects the total value the service contract.

3.2.3 Clinical application specialist (CAS)

The main activity for a clinical application specialist (CAS) is to offer training. The specialist has high-level knowledge from optics, mathematics and eye anatomy. In daily work, the specialist has to apply the knowledge and train users that they could utilize medical devices and achieve best possible outcomes for end-users.

Vision correction includes multiple different parameters that describes curvature, distance, model and thickness. With these parameters, diagnostic medical devices calculate mathematic models and generates 3D maps from human eye. The user typically cannot fully understand the results if he/she does not have enough mathematical and logical competences. The clinical application specialist is helping the user to perform measurements correctly so that the results are reliable. The specialist helps the user to interpret the results. Based on the results, the user draws a conclusion and actions that are needed to correct end-user's vision.

The specialist's work is quite independent. In the Nordics, there are two specialists and they report to a manager who is head of European CAS team. Mainly their customers are in the Nordics but it is not rare that they would support other European countries.

In the Nordics, the specialist works closely with sales teams in each country. Typically, a sales rep contacts a specialist and asks for a training to support a customer. In addition, a customer might contact directly with the specialist and ask for help in a challenging case. The user might want to have a second opinion or recommendations from the specialist whether or not vision should be corrected.

The CAS has to use CRM system to report all the visits and training. The CAS uses the CRM the same way like a sales rep, they have to create an event and describe what topics were covered and what actions were taken.

In this sub-chapter the old sales model was described from TS, CAS and the sales teams perspective. In addition different duties were described in daily work they have and IT-tools that are used to document and maintain all necessary information. The description of the old sales model was based on the stakeholders' interviews. In the next chapter, the new model, which was recently launched in the company, is described.

3.3 Description of the new sales model

In this chapter is described the new sales model. Eventually the new model will replace the old model. The objective of this thesis is to offer a plan how to deploy the new model in the Nordics.

Recently, the case company has introduced the new sales model to the personnel who are working in the surgical department in the Nordics. Together with the model launch, a new CRM system was launched and the old CRM system is accessible as read-only.

The new sales model aims to increase sales of the TS and CAS services, which means that product and consumables sales are left out from the new model as these are part of a different sales model.

In the new sales model, the basic idea centers on the medical device and actions that are needed in different stages of the model. Figure 3 shows the sequences around the medical device.

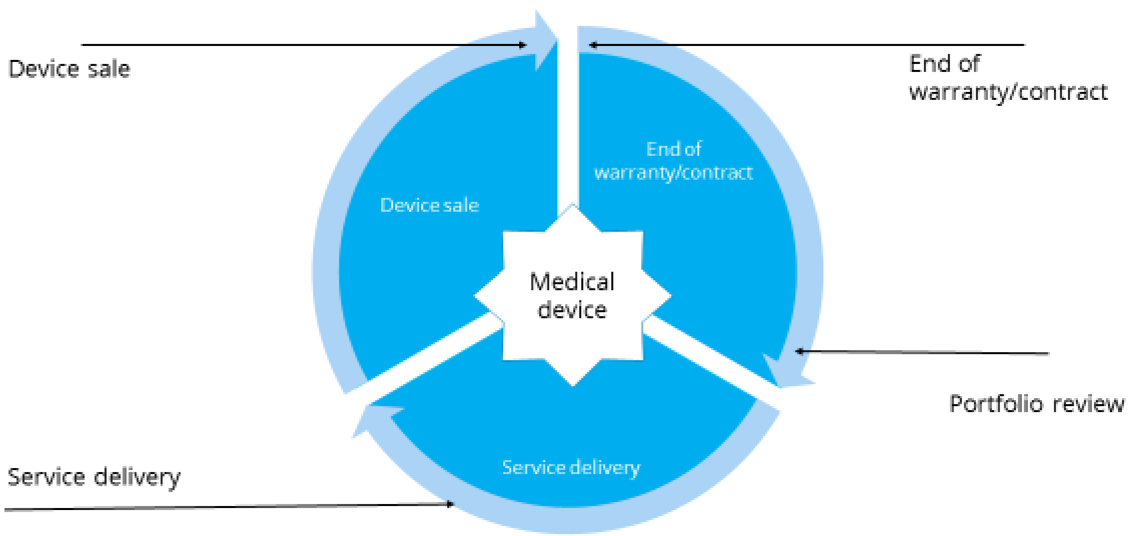

Figure 3. New selling model

As seen from figure 3, the model has three distinguishing sections and four action areas that involve stakeholders input. The next chapter describes the service contracts, roles and activities in more depth.

3.3.1 Service contracts

The service contract offering of the company includes four distinct tiers, where tier one (1) represents the lowest and cheapest contract and tier 4 the highest and most expensive contract.

Tier 1 contains 1-2 preventive maintenance (PM) visits per one medical device. The number of PM visits is part of a medical device maintenance program, which states in detail what steps the engineer should take to complete a PM. The outcome of the PM visit is recorded to a data sheet, which indicates the steps the engineer has taken to guarantee that the device operates according to the service test procedure.

Sometimes, customers' device might breakdown and the engineer has to travel to customers and take necessary actions to fix problems. Naturally, this requires labor and travel time and in some cases, spare parts are needed to fix devices. These events are called repair calls, and all costs are charged if customers have tier 1 or no service contracts at all. Tier 2 includes discount of labor, parts and travel costs of repair calls. In addition, there is a response time guarantee, which means engineers must be at customers' site within the guaranteed time but it is not a promise that devices are fixed and operational in mentioned time. Still, tier 2 includes the PM visits like in tier 1.

Tier 2 includes CAS support. In practice, two CAS visits are included in the contract. A CAS visit consists of one-day support or training for the customer. The CAS can consult the user or train the customer's personnel to utilize the features of the device.

Tier 3 is like tier 2, but with an extension of full coverage of the costs of repair calls. In a case of a repair call, there are no extra charges to the customer. In addition, it includes 3 CAS visits per period.

The highest tier 4, has the same features as tier 3 but exception to the tier 3 is that response time is 24 hours and there are 5 CAS visits in total included to the contract.

The below table shows the service contracts and the different features.

Table 7. Service contract tiers - new sales model

Service contract	tier 1	tier 2	tier 3	tier 4
(X = included)				
Preventive maintenance (PM)	X	X	X	X
Labor and travel of repair calls		discount	X	X
Service spare parts		discount	X	X
Response time		48h	48h	24h
CAS visits		1	3	5

As shown in table 7, PM is included in every service contract. Labor, travel and spare parts have separated list prices and those are invoiced separately if the customer has not a service contract, which would cover repair calls. The service contract is valid for 12 months and it is renewed if the customer or the company do not want to terminate it. The price of the contract is in conjunction with the tier. The higher the tier – the higher the price.

3.3.2 New roles and responsibilities

In the new model, sales reps, engineers and clinical application specialists (CAS) have new roles and responsibilities. The sales model highlights activities in different sections for the sales reps, engineers and CAS.

3.3.2.1 Device sale

In the new model, a sale of a device starts from a sales lead. In practice, this means that after a sales rep's visit, the customer wants to test run the device in his/her premises. This is known as a demonstration process and the process works the same way as described earlier in section *3.2.1.1 – Active selling operations – Public tender process*. The demonstration phase might take a few weeks and during that time, the sales rep tries to convince the customer about the service offerings among other things. The service offering of the new model was described earlier in section 3.3.1.

During the device sale, the sales rep determinates the service offering, which would fit the need of the customer and asks for approval for the price of the service from the management. Finally, the sales rep negotiates with the customer and the expected outcome of the device sale section would be a sold device with a service contract.

Selling a device is the sales rep's role. The role includes the responsibility to sell the service contract at the same time with the device. The engineers or the CAS are not actively participating in the device sale process, but they could support the process by sharing knowledge and experiences to the customer if needed. However, they should be aware of the needs of the customer and emphasize the benefit of their service offerings.

3.3.2.2 End of warranty/contract

As the device is sold, warranty period takes 12-24 months, depending on the negotiated contract with the customer. In previous chapter it was explained that the service contract is sold at the same time when the device is sold. However, that is not always the case. Especially in the old sales model, quite many devices were sold without a service contract. In the new model, part of the sales rep role is to ensure that devices are covered with a service contract when warranty periods expire. Before contacting the customer and offering the service contract, the sales rep gathers all the relevant customer information and tries to understand the need of the customer. The next step for the sales rep is to determine what would be relevant service offering for the customer and then contact the customer to inform that warranty has expired and offer the service contract. The expected outcome would be a finalized and signed service contract after the warranty period.

The service contract period is typically 12 months and it is renewed if the customer or the company do not want to terminate it before the period ends. One-year period gives to the sales rep a possibility to upgrade current service contract. In such a case, the procedure would work the same way like above mentioned.

The activities, after the warranty or contract, involves the sales rep to contact customers. The engineers or CAS could support the sales rep by providing relevant information that could help the sales rep convincing customers to have service contracts.

3.3.2.3 Service delivery

When the device has been sold and the service contract has been signed, begins the service delivery. It means that customers receive TS or CAS services as needed during the 12 months period. During this period, the customer could contact a sales rep, an engineer or a CAS to ask for support with an issue or malfunction of the device. One of the stakeholders receives the request and informs corresponding site, whether the question is related to technical issues or user training demand. Depending on the tier of the service contract of the customer, the support could be fully included, partly included or fully excluded.

Above is an example, how the process of servicing the customer could start. In the new model, this is seen as a possibility to upgrade current customer service contracts. This requires that the engineer or the CAS have to inform the customer about potential additional fees and promote the benefits of having a higher tier of service contract. In addition, the engineer or CAS has to be open-minded and detect the customer's openness to upgrade current service contract. If the customer is willing to upgrade their service contract, it must be communicated with the sales rep. Finally, the sales rep asks for price approval and later on offers the upgraded contract to the customer.

During the service delivery, the role of the engineer and CAS is to detect upselling opportunities and inform the customer about different possibilities the company has to offer. However, the service contract negotiation is the sales rep's duty. The expected outcome would be that the service delivery would satisfy the customer and upgrade opportunity is identified.

3.3.2.4 Portfolio review

As has been described the new model, the outcome of every chapter to sell the service contract to the customer. In the model, the portfolio review indicates a back-up system, whose main purpose is to maintain clear overview of the customer's portfolio. It can be seen as a process where the sales rep identifies opportunities to sell or upgrade service contracts, he/she lists the opportunities and finally makes a plan how to approach the customer to sign a service contract.

In this sub-section, the new sales model was described. The description was based on the document, a leaflet, and the stakeholders' interviews where they described the new sales model from their side. In the next chapter is described the gaps between the models.

3.4 Identifying features between the old and new sales model

The gaps between these two sales models relate to service selling. In the old model, Technical services, Clinical Application Specialist and sales teams have their own, independent roles in the business. The new sales model combines all three functions under the same sales model. The goal for the new sales model is to increase service sales.

Sections 3.2 and 3.3 described the current and new sales models. In the following chapters the gaps between the models are studied in depth.

3.4.1 Service contract offering and new roles

When the old sales model was described in chapter 3.2, it was found that one of the engineers' responsibilities was to negotiate and offer the service contracts. The contract offering included three different tiers, from preventive maintenance to full service contract. For the engineer, this was not his/her main duty but the engineer is entitled to bonus pay-outs if he/she succeeds to sell a service contract.

The new sales model, described in chapter 3.3, highlights that one part of the sales rep new duties is collecting information of the customer, reviewing contract status, prepare service contract offering and negotiate the contract with the customer. The sale rep has to communicate with the engineer and CAS to achieve full understanding of customer's needs.

Besides, the sales rep should understand the service contract offering that has four distinguish tiers. For example, during the customer visit, the sales rep should be able to highlight the benefits of CAS services because those have always been free of charge to the customer.

3.4.2 CRM

The new CRM system was launched at the same time with the new sales model. In the old model, the CRM was used for more than 10 years, the system had no link to other

CRM systems like invoicing, and the system could not generate any meaningful reports to support decision-making.

The new CRM is fully integrated to other systems and the user operates the system with several devices like cell phone, tablet (iPad) or laptop. The new CRM system facilitates report printouts and automatic reminders that each user is able to set-up. The new system saves time, it is easy to use and it is easily accessible.

3.4.3 Incentive

In the old model, the engineer is entitled to bonus if he/she handled all the negotiation process and the outcome was a signed service contract. In the same model, the sales rep is not entitled to incentives that would relate to service selling.

So far, in the new model, the case company has not come up with a proposal of incentive program that would affect the sales rep or engineers.

3.5 Analysis of potential weaknesses of the new sales model

As mentioned earlier, the new sales model was recently introduced to the personnel and the implementing phase is still ongoing. For this thesis, it was considered what might be potential weaknesses by interviewing the sales people, engineers and specialist. The stakeholders mirrored the introduced model to the old model and below some of the challenges the stakeholders raised are highlighted.

3.5.1 Training

For a sales rep, selling services could be something new. For many years, the sales rep has focused only on demonstrating the products and endorsing the benefits to the customer. Sales rep 2 has long history selling and promoting products to our customers. However, the challenge is services. She stated:

> *"I know our products well and it is easy to promote those to our customers. I have not sold services before and selling something technical feels difficult to me" (sales rep 2)*

Sales rep 2 finds that service selling is new and that could lead to reluctance, if the company does not support individual towards new challenges. Still, the company has long experience in organizing trainings. Sales rep 1 described the company's training in the following way:

> "*The company's training is like a brainwash, it is generally high-level training. (sales rep1)* "

The training program for the sales reps is found quite comprehensive and the company is willing to invest resources to the training courses. During the interviews, quite many stakeholders stated the same as sales rep 1. Besides, it was seen as a positive factor that the company has made a strategic choice to invest in training. It positively motivates personnel in the company.

Obviously, the new service contract offering was not clear to everybody. In the new service contract offering (table 7), four tiers have distinguishing benefits. One of the benefits is response time and among the sales reps and engineers, it was understood differently. The engineers found response time as a due time when the engineer must be at site to fix the problem, while some of the sales reps found it as a deadline when the device was operational again.

3.5.2 Communication

The new model was introduced in a one-day meeting. The sales, engineer and CAS as well as the supporting function participated together in the meeting. In the meeting, first the new model was introduced briefly. The managers highlighted that the new model will be financially significant in the future because Product-to-Service is a general trend in the business and the case company finds that the new model will facilitate higher revenue flow. After the model introduction, group training took place and a board game was played that symbolizes different scenarios where service sales could happen and it highlighted the roles and responsibilities in the new model. After the board game, a wrap-up session was held, where the benefits of the new model were once again highlighted to the personnel.

When personnel came back from the meeting, everything continued as usual. One of the engineers stated that:

> *"Training to the new model took place through a board game but since then nothing happened and I felt that no-one took the necessary steps to implement the new sales model" (Engineer 1)*

The managers did not communicate after the meeting, action plans were missing and no-one took a leading role and demonstrated how to continue when everybody had still all the learnings fresh in mind.

One of the sales rep expected that the managers would have organized follow-up meetings or at least sent out emails that would demonstrate the importance of the model and encourage the sales reps to prioritize activities that would support the deployment of the model.

3.5.3 CRM

The new CRM was launched for the sales teams earlier but it did not support all the features because TS adopted the system at the same time with the new sales model launch. However, with some experience of the use of the system, some of the sales reps and CAS indicated that the new service contract offering includes number of CAS visits (table 7). One concern was that there is no possibility to track the number of performed CAS visits. As it seems, the only way is to count every single events of CAS visits and meanwhile consider how many of those have been performed during the current service contract period. The CAS stated that it could be easily miscalculated the visits that belong to the current contract period, which would lead to an unjustified invoice or free of charge CAS visit to the customer.

The new model demands that the sales rep follows and controls the status of the service contract of the customer during the lifetime as described in figure 3. During the interview rounds, many of the sales reps raised an issue, how to control and monitor the customer information if this is going to be one of the sales rep's duties. In the CRM, all the service contract information (start date, period, price etc.) is visible for TS but for the sales rep, there is no possibility to list the contracts. The CRM system does not fully support the new model.

3.5.4 Way of Working

There are plenty of processes where different stakeholders are involved. The demo process involves stakeholders from TS, Tender management, the sales rep, warehouse and a coordinator like described in section *3.2.1.1 Active selling operations – Public tender process*. It is obvious to everybody in the process that it is time consuming and it could be streamlined. Besides, the organization chart for the supporting functions in Denmark changed and coordinator's role was eliminated. The question raised by a sales rep 1 describes the situation in this new model well:

> *" Who is responsible for the demo process?" (sales rep1)*

The process is missing a leader who would keep track of demo devices. If there was a need for a demo device, the sales rep might have called the coordinator and asked to organize shipments as needed. However, as the coordinator's role is not there anymore, the process should be re-designed so it would be as streamlined as possible.

In section 3.2.2.3 was described calibration of measuring instruments. This process belongs to the engineers. One of the engineers stated:

> *" You have to send emails back and forth to just to get an address where to ship the instrument. And still, you lose easily tracking during the 3 months what it takes when the instrument is sent back to me. It is almost impossible to follow where the instrument is when it is needed!" (engineer 2)*

In addition to the shipment of an instrument, there are still two databases where the data of the measuring instrument is stored. One is the outsourced database and other one is the company owned CRM system. Both systems include the same data, but the outsourced database is sending out automatic emails every month to remind of upcoming calibrations. It is the engineer's responsibility to add the data and make sure that it is valid.

In the old model, part of the sales rep's admin duties was to estimate sales when management required (described in 3.2.1.3). One of the sales reps wondered why there is such an urgency with the forecast. She pointed out that the figures should be found from the actual sales reports, but only the management has access to these. Such a simple thing could be easily avoided.

3.5.5 Incentives

Among the sales reps, “What is in it for me” was mentioned in all the interviews. One of the key messages that became clear was heard from sales rep 3. He stated:

> *“Bonuses are guiding sales reps efforts” (sales rep3)*

For a successful deployment of the new model, incentives is one of the key factors that affects the sales rep efforts. Because the sales rep has other incentive programs that focuses on product selling, it is important that service selling has reliable rewarding plan. However, the sales manager noted:

> *“There has been no incentives selling services for the sales teams before” (sales manager)*

There is a significant gap between the models because product selling has had the highest priority and therefore incentive programs have been tailored to support product selling. Only engineers have had possibilities to earn if a service contract was signed.

Two engineers stated that they felt motivated to offer and sell service contracts. They both stated *“it is a nice challenge*” still being unware of each other statements. However, the new model clearly defines that the responsibility belongs to the sales rep and engineers and CAS should support the sales to find upselling opportunities. These two engineers found that it is too early to say how they would cover the lost challenge in their job.

3.6 Summary of key new features of the new model to be deployed and potential weaknesses of the new model (Data Collection 1)

Related to the interviews and the new features of the new model, the following summarizes the main aspects that were found in the Current State Analysis.

The main feature of the new model is the sales reps new responsibility of selling services. Like previously stated, the responsibility is new and it distinguish from the old sales model. At the same time, the engineer’s responsibility was narrowed and in the new model the engineers and CAS have supportive role, their responsibility is to help the sales rep to detect upselling opportunities.

Taking in to account the objective of this thesis, the new model launch must be seen in bigger picture and consider the aspects that hinder the deployment of the new model. These are communication from the management, training, the CRM system, effective way of working and incentives. Based on the interviews, the author of this thesis came to the conclusion that communication and way of working are the most important aspects. However, without incentives, training and the CRM system utilization, the deployment of the new model would be brief. Table 8 summarizes the findings of the Current State Analysis.

Table 8. The outcome of the CSA

Category	Weaknesses
Communication	Lack of interactions and commitment from the top-management
Way of Working	Demo process and calibration of measurement instruments are time consuming processes, including several steps.
CRM utilization	Missing features that would support the new model
Training	Not enough knowledge of selling services
Incentives	No reward system in place

As seen in table 8, these aspects were seen as obstacles in deploying the new sales model. The current state analysis also revealed some strength such as the collaboration among the sales, technical service and CAS teams. It was stated that experiences and knowledge were often transferred between colleagues and they supported each other well.

The purpose of this chapter was to analyze the current state of the case company. The next chapter reviews existing knowledge about change management. It incorporates a few known change step models and eventually, a conceptual framework is constructed. In chapter 5, the conceptual framework is presented to the stakeholders to be analyzed and commented.

4 Conceptual framework

This section reviews existing knowledge about change management. Existing knowledge is a literature review and the review focuses on topics that relate to the findings in chapter 3 and the objective of this thesis. Finally, the conceptual framework was constructed based on the findings in chapter 3 and existing knowledge in chapter 4. The conceptual framework considers the aspects that were found to be relevant in the deployment of the sales model.

The literature review focused on two well-known change management models. The review was built on Lewin's theory that is a three-step plan. The first step in Lewin's theory is unfreeze, which prepares the change project. The change step indicates the actions that are needed in the change project. The purpose of the last step, refreeze, is to institutionalize the changes.

In parallel with Lewin's theory, Kotter's 8-step change model was reviewed. Kotter's model and Lewin's theory are overlapping and in this thesis the unfreeze stage and steps 1 – 3 in the Kotter's model were described together. The Lewin's change step theory covers steps 5 – 7 in the Kotter's model and the refreeze and the Kotter's last step are described in the same section. Communication, which is the fourth step in the Kotter's model, was covered in a separate section. Additionally, a number of studies, which relate to the findings in chapter 3, were reviewed. The purpose of those are to enrich and take a deeper look at phenomenon in question.

4.1 Unfreeze – setting the stage

In the academic world, there are some definitions for the term change management. One of the definitions is "the process of continually renewing an organization's direction, structure and capabilities to serve ever-changing needs of external and internal customers" (Moran and Brightman, 2011). Burnes (2004) states that change is a feature that is always present. However, considering the number of studies covering change management, one may suppose that change management has a place in organizations. Secondly, the general objective of studies are to offer methods to move from an unsatisfactory state to a desired state.

Kurt Lewin created a Changing As Three Step –model which aims to increase group performance (Lewin 2004:330). The first step is “unfreeze”. In this step, Lewin highlighted that prejudices against the change, are deducted. He studied this from social and psychological perspectives and represented his results utilizing mathematical modeling. In the change, to reach higher level of performance, “will power” is needed. This demonstrates the intention to reach a goal and it corresponds to a force (Lewin 2004:175). The force produce movement towards the goal. In addition, he defined a term “life space”. The life space consists of a person and a psychological environment where he/she is living. For a group, life space is an environment as it exists for the group (Lewin, K. 2004, 162).

Behavioral change (B) of a person (P) is a function (F) of a person and of his environment (E) $B = F(P, E)$ (Lewin 2004:337). These two elements P and E are not independent of each other. As previously mentioned, the life space consists of the person and his environment, it can be said that the behavioral change is happens in the life space.

There are several types of forces. Driving forces, being positive, leads to movement towards the goal and restraining forces, being negative, are seen as physical or social obstacles that might hinder the movement towards the goal. In the life space, negative forces are related to “the nature of barrier region” for the group and for the individual, the matter relates to his ability. Induced forces are defined as someone acting on the person in the direction towards the goal (Lewin 2004).

In order to achieve a higher performance level of the group, first is needed comprehensive understanding of the dynamics of the group life. It includes assessment of the desire for the chance and resistance to the change (Lewin 2004:309). The performance level changes if the positive forces are stronger that the negative forces.

In change processes, change resistance should be minimized. In the academic world, unfreeze can be seen as reducing the resistance (Weisbord, 1988; Gray and Starke, 1988) to change or from top-management’s commitment to increase the driving forces in organization (Eccles 1994; Kotter 1995: 59-67). These two forces are Lewin’s own technique, commonly known as the force-field analysis.

4.1.1 Creating a sense of urgency

Kotter presented his 8-step change model in 1995. He grounds his theory in observations by watching more than 100 companies' efforts to make fundamental changes in business environments. Based on his experience, he highlights that every step is important in the model. Skipping or performing carelessly a step could have devastating consequences. The only way to achieve the best possible outcome of a change, all eight steps should go through carefully.

Kotter (2008) considers creating an urgency from several aspects. He highlights that a sense of urgency is needed because people will not change if they do not see the need to do so. This is a critical step in a change project. Without motivation, stakeholders will not work together and needed efforts to make to change fade away.

Kotter (2008) mentions a term complacency. In dictionary, the term complacency means "a feeling of calm satisfaction with your own abilities or situation that prevents you from trying harder" (Cambridge.org. 2019) He states that in organizations where complacency is high, people do not see the need for a change and the transformation is likely to fail. A sense of urgency is needed. Kotter defines the term sense of urgency as "action on critical issues are needed now" and he continues, "making real progress every single day" (Kotter 2008: 7). Successful change project starts when a group of executives have high urgency level and the same time complacency is low in the organization.

For managers, who are accountable for a change project, it could be difficult to spot the reasons of complacency. Kotter listed nine sources of complacency and offered methods how to increase the urgency level. These are shown in table 9.

Table 9. Sources of complacency

Sources of complacency	Increasing the urgency level
No major and visible crisis	Create a crisis
Too many visible resources	Decrease extra signs of success
Low KPI targets	Set targets high that those cannot be achieved with current way of working
Organizational structures that focus employees on narrow functional goals	Set goals for bigger teams and hold teams accountable
Internal measurement systems that focus on the wrong performance indexes	Show financial and customer survey reports to people and point-out weaknesses
No feedback from external stakeholders	Enable communication between people and unsatisfied customer/suppliers/stakeholder
Lack of confrontation culture	Bring outsider in to enable managers to see relevant data in meetings
Denial of problems	Provide honest information about the problem to people. Avoid "happy talk"
Happy talk by the management	Share information about the opportunities, rewards and communicate what is stopping to achieve these goals

As seen in table 9, Kotter offers methods to tackle complacency by increasing the urgency level. He highlights that crisis could be utilized to create urgency in organizations. However, some mistakes should be avoided. First, there should be a plan and actions how to utilize the crisis. Secondly, if the crisis is created without a strong link to a real problem, people do not buy the purpose of the crisis and that could turn to anger among people. Thirdly, it does not make sense to wait the crisis to come. It might never come. Last, assess crisis tolerance in advance. It could happen that people would avoid crisis at all costs and that could lead to a disaster. If an organization is not equipped well to face the change, that could lead to a negative spiral. At the end, the organization might lack of funding to implement needed change efforts (Kotter 2008:136-140).

As a CEO of Kone, Alahuhta (2015) had a well running business and they had no real crisis in front of them. However, a well performing company needed a reason to create a sense of urgency to carry out a change throughout the company. The management decided to compare and visualize key economic indicators against their main competitors. It created the need for the change as it pointed out how much they could lose if the change is postponed.

4.1.2 Create the guiding coalition

Kotter's next step in his model is to assemble a group of people who have enough authority in the organization to lead the change. The purpose of the guiding coalition is to create a vision for attempts that are needed in the change process and communicate it well to the organization.

No one is able to make a change by himself. These days business is running fast forward and is so complex that a team, which is created to guide change initiative in the organization, should include managers with special know-how. These managers should have enough position power to implement change efforts. However, if any key managers are left out, these could resist change efforts and block progress afterwards. Then the question is how to inspire them to join in the change or should these managers be ignored and maybe assign another position where they cannot block the change. Two other aspects relate to personality of a manager. A chosen manager in a team should have enough credibility so that employees believe his message. Another needed characteristic is leadership skills. Leadership drives the change (Kotter 1995: 57) and it is needed when communicating the vision, direction of the change and empowering people. However, management skills are needed in parallel to keep the process in control (Kotter 1995:64-65)

Strong leadership is essential in change process. Many researches have been made where have been studied, what the characteristic behaviors and leadership in high performing teams are. One of those (Ammeter and Dukerich, 2002) is a survey that covered 151 project teams. They found out in their analysis that leader's behavior was a significant predictor of a team performance. Characteristics for leader's behaviors was 1) communicated projects' goals 2) projects' goals and team members' goals are aligned 3) feeling of empowerment and 4) good work ethic. According to the study, these leader behaviors have significant role in actual success of teams.

Globalization has influenced working methods especially in big companies. Organizations are establishing teams that are working remotely, over the borders. Virtual teams are common and working in virtual teams could be a challenge. Horwitz et al. (2006) made a survey to identify factors that affect to operation of virtual teams. They found that virtual teams need appropriate technology to support their communication. Davison et al. (1996) nominated different leadership styles in a lifecycle of virtual teams. Mentioned styles are the advocate (before team creation), the catalyst (as team develops) and the integrator (as team matures). If teams lack of above-mentioned leadership styles, lacks of technology to support communication as well lacks of communication, it finally leads to lack of commitment and trust in teams.

Kotter (1995) highlights that trust in teamwork is a critical element. If there is no trust, teamwork usually fails. Team building offers a way to increase trust in the team. The purpose of team building sessions is to encourage people to have honest discussion about issues and opportunities in the organization. It will open communication channels and creates mutual understanding between people. All these activities are designed to motivate the growth of trust. At the end, trust assists in creating shared objective (Kotter 1995: 65).

Like Kotter (1995) states, no-one is able to lead and manage the change process by himself. People who are leading the change are critical to success.

4.1.3 Developing a vision and strategy

When the guiding coalition is established, the next step in Kotter's model is to create a vision and strategy. The vision serves three purposes. First, it should explain the direction for the change. Secondly, it should motivate people to take action in the direction. Third, it helps coordinate the actions of people (Kotter 1995: 68-69). The guiding coalition should take enough trouble to create a vision that is clear and makes sense. The outcome of a blurry vision could take the organization to a wrong path that is leading the change to an undesired direction.

Vision creation is important and there are plenty of studies in research literature. Kotter (1995) states that a powerful vision alters current behaviors and attitudes in the organization. In addition, it shows long-term goals of the organization and the clear vision makes it easier for employees to understand and act on it. However, in this step, from a strategy aspect it should be considered what could be factors that could hinder or facilitate a change process. Researchers have studied change resistance and change readiness. Some studies focus on organization capability to offer an environment, which facilitates individuals' behavioral change. Some other studies cover leadership in change projects, individuals' aspect on change project and culture in organization, just to name a few study topics.

4.1.3.2 Readiness to change

Defining readiness from individual side can be seen as the "cognitive precursor to the behavior of either resistance to, or support for a change effort", as Armenakis et al. (1993) defined it. Readiness is "a mindset that exists among employees during the implementation of organizational changes" (Amenakis and Fredenberger, 1997). Individuals can be seen in key roles in organizational change. However, defining organizational readiness is harder because organization itself is "the results of some amalgamation of the activities of individual organizational members" (George and Jone, 2001:420). Holt et al. (2010) defined organizational readiness for change as how well people in organization are psychologically and behaviorally prepared to implement change. Distinguish organizational readiness and individual readiness are shown in a model made by Timmings et al. (2016). They divide individual and organizational readiness in four categories. Individual psychological (IP) factors that relate to problem recognition and what changes are required. Individual structural (IS) relates to knowledge, skills and perform actions that are needed in change. Organization psychological (OP) connects to collective commitment and efficacy of members in organization. Organizational structural (OS) relates to human and material resources, communication and formal policy.

McNabb and Sepic (1995) analyzed a multiunit federal agency, which was adopting TQM initiative in an organization. Their study design contained measurement of organization culture, operating climate, organization policies, performance outcomes and organizational readiness for change. They collected qualitative and quantitative data gathering of 265 staff and supervisory personnel. They found that communication problems could be a cause of hostility between people who resist and who accept change. Toppert (1993) highlights that behavioral skills should be in place before training of new processes could start. Managers have an important role in here. They have to facilitate an atmosphere of trust, openness and innovation in organizations that would assist people to do their job well (Radin and Coffee, 1993).

An empirical investigation was conducted that focused on individual fear of change and organizational readiness to change and how these two hypothesis would affect individuals' job performance in a sales organization (Weeks et al., 2004). It was found that sales managers' job performance increases if organization readiness is in place. Moreover, those sales managers who are fearful of change, they are searching for organizational readiness to change.

This sub-chapter covered literature knowledge concerning aspects that are needed in the first stage of the Lewin's model. Evidence from literature showed that decision makers, which is a group of well-selected leaders, should consider the importance of communication and assess stakeholders' readiness in a change project. The next sub-chapter reviews literature relating to Lewin's next step, which is change.

4.2 Change – deploying the plan

The first step "unfreeze" prepared the change. The second step in Lewin's model is "change". The planned change happens in individual level and in group level. A person, who acts as resistance to change, force field analysis describes the restraining forces that hinder the person to move to a higher performance level. The person is part of a group and therefore group standards are important in the change because these will facilitate the change of the person. However, it is important to pay attention to group culture. If the group has strong accepted culture among its members, it minimizes individual's resistance to chance compared to a standard group and group decisions seem to last longer (Lewin 2004:331-332).

As the decision is made, the change does not begin without motivation. "The decision links motivation to action" (Lewin 2004:333), and lectures and discussions are effective ways increase motivation towards the desired goal. However, learning has a place in change. Learning affects the individual as change in cognitive structure (knowledge), as change in motivation and as change in group belongingness (Lewin 2004: 216). As mentioned, group belongingness induces decisions that last longer and experienced experiences as a group, put pressure on an individual to act in compliance with the group norms. In addition, learning modifies motivation, values and needs of the individual and the way the individual sees the physical and social worlds (Lewin 2004:49-50).

Lewin highlighted couple of learning methods which facilitates acceptance of new values. When teaching people, all the members (teachers, students) have to have a feeling of being one team and commonly shared values. During the learning process, individuals have a chance to express their own opinions that results in higher group belongingness. Finally, when the group discover the facts by themselves, these discovered “facts” become group’s facts. In the end, individuals in the group truly believe to these discovered facts (Lewin 2004:55).

4.2.1 Empower board-based actions

In Kotter’s model, the fifth step relates to people encouragement to take some control of the change process. Empowered employees are implementing the change and managers’ role is to support and remove obstacles that could hinder the change project. Typical obstacles relate to people’s skills, IT-systems that are in use, organization structures and managers’ support. Kotter highlights that training is an important factor in the empowerment step because organizations have no time to get rid of all obstacles. This requires leadership because manager’s command-and control behavior do not facilitate the change of social skills that are needed in change. However, the main thing in this step is action, to empower people and maintain the credibility of the change effort. (Kotter, 1995)

4.2.1.2 Knowledge work and lean principles

As Lewin (2004) stated the circle of planning, action and analysis is well-suited method in the action stage. In recent years, Lean and six sigma methods have become commonly known in manufacturing industry. However, the same principles in continuous improvement can be utilized in service business. In an article six principles was proposed where knowledge is a dominant factor of success (Staats and Upton, 2011). The first principle was to review all the waste in the process. In a daily work at the office, it could be seen as number of emails sent, meetings and report generation. These actions should be sought and assessed to find out what is the value of the action. One method of the value assessment could be 5 Why’s, which identifies the purpose of the action.

The second principle is to find out all the work that could be standardized. Plenty of work is done the same way and for this type of work, it would be beneficial to create a process to simplify a workflow. Process creation could increase resistance among stakeholders, but communication of the benefits of the process should convince all the involved parties (Staast and Upton, 2011).

The third principle refers to communication. It emphasizes the importance of understanding the need, use and place of communication. The benefit of a good communication practice is that stakeholders do not have to use their valuable time to understand the message. The message should be formulated in a way that stakeholders can understand it. As outcomes of lean processes are communicated in a structured and solid way, it decreases disagreements because process outcomes are based on results and standardized work, not on intuition (Staats and Upton, 2011).

The fourth principle covers problem detection in knowledge work. Individual has accountability to detect problems and fix it with support from colleagues or managers. An organization has to create a work environment where all stakeholders have necessary support and info available to avoid similar problems happening again. Problem solving should be communicated to all relevant people e.g. by video. A process to solve problems should be in place to be able to act fast and organization should learn how to improve the process (Staats and Upton, 2011).

The fifth and sixth principle describes that managers should be involved in lean knowledge work, and adapting new processes and new ways of working is continuous improvement. It should start from small groups and then later on adopt in bigger scale (Staats and Upton, 2011).

4.2.1.2 CRM utilization

Customer Relationship Management (CRM) has been defined in many ways in academic literature. Some of them are “an e-commerce application” (Khanna, 2001), “a business strategy combined with technology to effectively manage the complete customer lifecycle” (Smith, 2001) and a term for methodologies, technologies and e-commerce capabilities used by companies to manage customer relationships (Stone & Woodcock, 2001).

Today, customers have many channels to contact service providers. Digitalization has opened new channels but still, old methods (e.g. face-to-face) should be in place to support customers and secure their satisfaction. On the other hand, organizations should maximize customer value and focus on profitability. Payne & Frow (2004) studied the strategic role of multichannel integration process in CRM, and they proposed an approach to the development of an integrated multichannel strategy. It consists of six key steps: developing objectives, understanding customer and channel touchpoints, a strategic review of industry structure and channel options, understanding shifts in channel usage patterns, channel economics and develop an integrated channel management strategy. Table 10 below summarizes the strategy steps and the purpose of an individual step.

Table 10. Strategic CRM - the steps and purposes

Steps	Purpose
Developing strategic multichannel **objectives**	Higher customer - experience - satisfaction - sales
Understand customer and channel touchpoints to leverage advantage	Understanding customer - needs, wants, concerns -> identify channel touchpoints
Undertake a review of industry structure and channel options	Analysis of channel alternatives - competitors - organization
Undertake shifts in channel usage patterns	Understand how shifts occur in channel usage patterns
Review channel economics	Analysis of channel costs
Developping an integrated channel management srategy	Decision making based on objectives

As seen in table 10, the objective setting should focus on customer experience and satisfaction as well as higher sales and profit. The second step is to analyze the needs and wants of the customer and how the analysis could be utilized in channel touchpoints. The third step, different channel options of the organization and competitors are analyzed. The idea is to assess the usage of channels in different stage of the interaction with the customer. Followed by the fourth step, it elaborates how shifts between channels are found and in the fifth step the costs of the channels are reviewed. In the final step, decisions are made based on the previous steps. All the advantages and challenges of customer interactions are analyzed and appropriate method to interact with customer are chosen. The chosen strategy would consider e.g. the cost of the channel, the importance of the customer, the complexity of the activity, and the customer segment. The outcome would be a right type of an interaction method that would suit a specific customer segment in the best possible way (Payne and Frow, 2004).

The authors highlight challenges in adopting the approach. The benefits to the customer should be understood by the organization. The organization could easily think that the benefits are the same for both, but that could be a wrong assumption. Secondly, the organization should focus on internal communication and changing stakeholders' attitudes and behaviors. Stakeholders should understand the purpose of the integrated multichannel strategy. However, changing behavior to desired direction, management should consider appropriate incentive to stakeholders (Payne and Frow, 2004).

Customer relationships are evolving over the lifetime and organizations should focus on assessing relationships constantly. To fully understand the relationship state, Zhang et al. (2018) created a model that aims to detect the state and the quality of customer relationships. The quality is assessed in four dimensions, trust, commitment, dependence, and norms. The states are transactional, transitional, communal and damaged. The idea is to categorize customer relationships and adapt corresponding strategy for each category. As seen in the below table, the relationship states and dimensions are summarized.

Table 11. Business relationship

Relationship dimensions	***Relationship state***			
↓	**Transactional**	**Transitional**	**Communal**	**Damaged**
Trust	Low/medium	Higher	Highest	Low
Commitment	Low/medium	Higher	Highest	Low
Dependence	Low/medium	Higher	Highest	Medium/High
Norms	Low	Higher	Highest	Lowest
Level of sales and growth	Low	Higher	Highest	Weak
NEEDED	Communication	Dedicated sales rep or investement	Assess negotiation processes, avoid possible conflicts, focus on fairness, distribution of profits	find reconcile, heal the relationship
GOAL	Increase sales Cost-effectly	Increase in customer loyalty high sales growth	Keep the customer	Keep the customer

Table 11 demonstrates four relationship dimensions. These dimensions are assessed by surveys that are sent to customers periodically. In addition, traditional measurements like sales figures are measured simultaneously. Finally, organization is able to categorize each relationship and take the needed actions to the reach goals.

Typical for the transactional state, being the most common state, is that sales figures are low, trust, commitment and dependence are in low or medium level and norms are in a low level. Lack of trust in customer relationship relates to business partner's reliability and intentions. If there is no commitment, it is an indication that there is not enough aspiration and willingness to maintain relationships. Dependence relates to a situation where no other alternatives exist for partners and norms reflects a situation where both partners works towards mutual and individual targets (Zhang et al., 2018).

Communal is the most profitable state of relationship. All the dimensions are in high-level and sales numbers are the highest of all categories. Organizations have to assess all the processes and CRM channels with these customers. The goal would be a long-term customer relationship (Zhang et al., 2018).

Ideally, CRM could be an element that is a competitive edge against competitors. CRM could prevent customers to switch service provider. However, organizations should assess and categorize customers and then apply corresponding strategy to get them to the communal state (Zhang et al., 2018).

4.2.1.2 Plan-Do-Study-Act

In the change stage, new approaches to problems are found. In organizations, continuous improvement can be seen as a cycle where actions and outcomes are constantly reviewed. That could be adopted in a process designing where no process exists or a process need to be designed. W. Edwards Deming introduced Plan-Do-Study-Act (PDSA) cycle in 1986. He produced the feedback loop to help managers to determine why products deviates from customers' requirements. The feedback loop is a useful tool to use in planning change as well as in continuous improvement.

Plan step is to define objective, identify a change or a test that is aimed at improvement. In this step, the plan should answer questions like who, what, where, when. An outcome of this step could be a new business process. In the next step, Do, the plan is executed. At the same time, all problems and observations should be documented. In Study step, the data and reports are analyzed that were generated in the previous step and those are compared to the objective in the first step for learning purposes. The last step, Act, asks what changes are to be made and what would be the input for a next cycle, which would start for a new cycle (Deming, 1986).

4.2.2 Generate short terms wins

Kotter (1995) wants to demonstrate that all the efforts made in a change process are recognized and it is essential to celebrate those who are the change-makers in organizations. Without small victories, there is a chance of losing momentum. Small victories are indications to the guiding team that created vision is clear. However, based on the learnings from the previous steps, this could be a place for a small alignment to the vision.

Short term wins are important because it shows to people that hard work is paying off. It builds credibility among people that change efforts are needed. Characteristics for a good short term win is that it is visible. People can see that results are real. Second, it is unambiguous, which means that hardly no-one can argue against it. Third, it relates to the change efforts (Kotter 1995:121-122).

Managers leading styles should be a good combination of leadership and management. Management is especially important because someone has to keep the change process in control. However, leadership is needed in restructurings, turnarounds and cultural changes. From a leading style aspect, leadership without management leads to unpredictable short term wins and management without leadership might generate short term wins but sustained change results are rare (Kotter 1995:129).

4.2.2.1 Motivation

Even Kotter highlights the recognition of the change-makers, a change process might face setbacks and employees' motivation towards common goal could be jeopardized. The purpose of incentives is to motivate and that is typically based on the level of achieved targets. In a sales organization, these are sales target. Besides, big corporations often express that motivated employees are their most valuable asset in competition. Employees' well-being can be considered as a significant cause in a change process and in a constantly changing business environment.

Herzberg et al. (1959) developed a motivation theory, which is known as two-factor theory. He conducted a survey among engineers and accountants and the responses were analyzed in order to find factors that caused satisfaction or dissatisfaction in work. He divided the determinants as motivating (causing satisfaction) and as hygiene/maintenance (causing dissatisfaction) factors. The table below presents motivating factors and hygiene factors.

Table 12. Motivating and Hygiene factors

Motivating factors	***Hygiene factors***
Recognition, achievement, advancement, nature of the work undertaken, responsibility	Pay, company policies, relationship with supervisors, working conditions, feelings associated with lack of status or security
If these factors are present staff will feel motivated	If these factors fall below a certain level dissatisfaction sets in

As seen in table 12, motivation factors are divided to two categories. Herzberg noted that motivating factors are continuing and these factors prevent job dissatisfaction. In addition, motivating factors increases engagement, productivity and job satisfaction.

If factors are set to a scale as high or low, a conclusion of employees' behavior can be drawn.

Table 13. Employees' behavior and motivation levels

Factors		
Motivating	Hygiene	Employees behavior
High	High	Motivation to work well, fewer complaints about work environment
High	Low	Motivation to work well, many complaints about work environment
Low	High	Lower motivation to work, fewer complaints about work environment
Low	Low	Lower motivation to work, many complaints about work environment

As seen in table 13, lack of hygiene factor causes complaints about work environment. If motivating factors are low, it affects employees' motivation to work.

At the same time, clear rules and goals for employees are needed. As the expectations are defined in the organization and people know what they are supposed to do, it becomes easier to identify and recognize high performers. Manager's duty is to clarify what the wanted outcome might look like. Recognition should be tailored that it would feel personalized, trusted and valued for an employee. Otherwise, recognition is easily forgotten and the purpose, bringing out of the best in people, is missed. From manager's perspective, they have to know their subordinates well; how they feel, what are their values and what they think (Kouzes and Posner, 2012).

4.2.3 Consolidate gains and make more change

Kotter (1995) gives a warning to managers that they have a temptation to declare victory of the change project too early. He states that it is essential to managers to see big picture and align systems and structures even there are evidence of improvement. There are plenty of elements that should be altered during change process. For example, interactions with other peers, habits, organizational structure and culture. These should be fully grounded in to organizations. Integrating change into organizations takes time.

Organizations success relates to capacity for continuous adaptation (Weick and Quinn, 1999). As change is here to stay and organizations must learn to adapt it in to their culture, Kerber and Buono (2005) propose that change actions that link to continuous improvement can be made by "encourage people to initiate and experiment with changing". This is in line with Kotter's step 5 that describes leadership should be utilized, instead of command-and-control to change people's behaviors.

Big organizations have several independent divisions, functions and teams that are interdependence of others. If changes influence on several independent parties at once, making decisions or creating reporting line could be a difficult task in such an organization. Kotter (1995) offers leadership as a tool to tackle issues, and highlights that unnecessary interdependences should be eliminated. However, in a change project, designing organization that would tackle known issues should be considered.

Kesler and Kates (2010) offer a model that highlights several key points in organization design. Organization design should reflect to a chosen strategy. As the strategy is clear, it will solve the problem that is defined by organization. Galbraith's (1995) Star Model helps to identify requirements and selecting appropriate organizational architecture. Utilizing the Star Model, managers can assess processes, practices, structures and take into consideration rewarding and people management. At the same time, the organization must consider what the key aspects are that make possible to execute the chosen strategy, and consider these aspects in organization design (Kesler and Kates, 2010).

A matrix organization is a combination of two or more building blocks that have the benefits of centralized functional departments and simple lines of business structure. However, it has its disadvantages. Objectives and priorities are in conflict for complex work in a matrix organization. If a matrix is a chosen design type for an organization, managers should promote collaborative decision making and define decision rights around shared objectives. Setting a shared vision, creating high degree of buy-in, and building energy among decision makers in the matrix organization, is a better approach than acting as supervisor for all the members in the matrix (Kesler and Kates, 2010).

This sub-chapter presented literature knowledge concerning aspects that are needed in the second stage of Lewin's model. Evidence from literature showed that making the most of a CRM system, managers must consider their business widely starting from strategic aspects to customer facing situations. However, all processes should be effective and continuously improved. Keeping in mind that people are the most valuable asset in an organization, this sub-chapter described motivation factors. Finally, organization design and aspects that should be considered were covered. Next sub-chapter reviews literature relating to Lewin's last step, which is refreeze.

4.3 Refreeze

Until reaching the last step, “refreeze”, first Lewin’s model aimed at breaking custom or social habits (“unfreeze”) and then reduce inner resistance and change group norms (“change”). The last step aims at the permanence of the new norms and habits.

Lewin highlights that forces have to be measured and analyzed quantitatively because group decisions have to stick and the decisions might not hold alone. Analysis clarifies opposing forces, capabilities of individuals, differences of individuals and relations between forces, capabilities and needs. This helps to detect the problems, which are related to social change and change resistance, and it permits general statements concerning some aspects of the problem. The outcome of the analysis, concerning the resistance and the group norms, helps to make conclusions how much change efforts are needed to change attitudes, conduct and values of a group (Lewin 2004:334-335).

Atmosphere, being a key element of an environment, is created by leaders. Democratic atmosphere represents a situation which includes group discussion about the target, commonly agreed policies and members of group could organize subgroups without leader’s involvement. Authoritarian groups have features such as strong leaders create policies, the future vision is unclear to group, leaders determinate tasks and individuals who perform those and leaders remain aside of group activities. As these two type of situations were studied, it was found that in the democratic group, behavior is less hostage among group members than in the authoritarian group. There is more “we” feeling, social status among members is equal and individual could acquire leadership. If an individual was moved between groups, he/she adapted new group’s behavior quickly. (Lewin 2004:61-67)

4.3.1 Anchor new approaches in the corporate culture

In the last step in the Kotter’s model emphasizes that learned behaviors are institutionalized in the organization’s culture. These are done by showing employees how new learned attitudes and behaviors had effect on performance. In addition, it is important that managers adapt new approaches. As Kotter states, there is a risk if a succession decision fails in the organization, it could undermine years of hard work. Managers should be integral part of change efforts (Kotter 1995).

People, who are responsible to lead the change in organizations should be supported. Support should include mentoring, training, and shadowing opportunities. In addition, communication and recognition of change efforts should be published and informed in multiple forms. This way the organization highlights the value of the change and it shows the amount of effort that has been invested into the change. At the end, these methods help change to be sustained (Massey and Williams, 2006).

Organization culture could be defined as how people in an organization do things and how people behave every day. Leadership's role is to drive that behavior. One of the most powerful ways is to communicate culture from top of the organization. Managers should keep in mind that when communicating culture, the message should be simple. It should be repeated whenever there is a place for it and message should be linked to employees or consumer brands, systems and history. In the end, what the company is communicating, should be measurable (Parker, 2011).

One way of institutionalizing learned behaviors in the organization's culture, is involvement. Gibbons (2015) offers a model how to increase engagement. There are five steps as seen in figure 4.

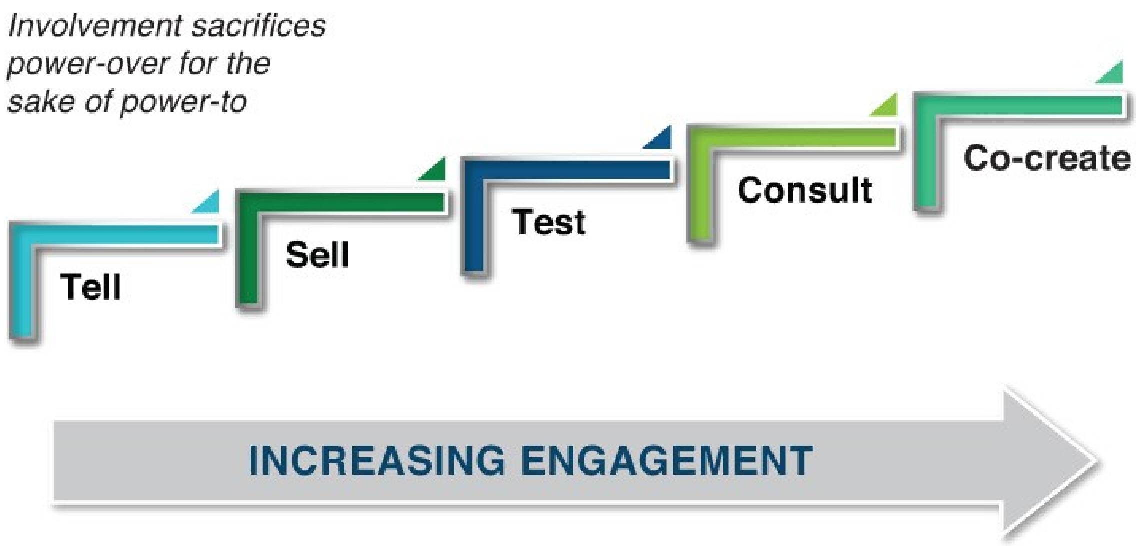

Figure 4. Increasing engagement in organizations

At the lowest step of involvement, it is told what is to be done. Selling means what and why something is to be done. Testing refers to a situation where something should be done and how to improve upon it. Consulting creates more involvement and there participants choose a direction from given parameters. Co-create refers to a situation where participants create a model from a blank sheet, defining vision and strategy how they achieve new desired state and what are the principles that are applied during the journey. Utilizing this involvement strategy, stakeholders in the organization feel that they are part of the big picture (Gibbons, 2015).

However, there are some risks, which leaders should avoid when selecting the appropriate step of involvement. First, enough people should be involved to avoid weak compliance and disagreement. Secondly, leaders are insufficiently directive and they have too much involvement. Lastly, involvement rises discussion and disagreement that could lead to endless meetings. Leaders should make clear which aspects of a change are under discussion (Gibbons, 2015).

4.4 Communication, Leadership and Trust building

In Kotter's model, communication is the fourth step that is taking place after the vision and strategy creation step and before the empowering step. However, in this thesis, communication, leadership and trust building was discussed in one section. The reason for different approach will be explained in the following sections.

Communication

Kotter highlights that sharing "*a sense of a desired future can help to motivate and coordinate the kinds of actions that create transformations*" (Kotter 1995: 85). However, undercommunicating by the management is quite common problem. The management do not talk enough about the vision, the vision is blurry, or the urgency rate is not high enough.

To cover the gap of undercommunicating, Kotter (1995) proposes eight key elements to communicate vision effectively:

- Keep it simple; communication works best when it is simple and direct
- Use of metaphors, analogies and examples; these can make a message memorable

- Different forums; utilize different communication methods to attain people attention and spread the message

- Repeat; communicating could happen almost everywhere which finally adds up the amount of communication of the vision

- Through leadership; behave and act accordingly

- Avoid inconsistence in a message delivery; if mixed signals cannot be eliminated, they should be explained

- Two-way communication; best way to convince people and provide answers to concerning issues

In two-way communication, created vision is challenged and argued but the main goal is to help people to accept the vision, achieve buy-in feeling (Kotter, 1995). Argyris (1994) goes beyond and claims that communication should be targeted to individuals' intrinsic motivation. As an example of problem solving, managers should not have a caring approach when subordinates face a problem, kind of lend their high-level authority to get rid of the problem. Instead, managers should influence subordinates attitudes and behaviors and rather ask what blocks individuals to communicate with others, are there any fears or how could the organization design help to take such an initiative. With the caring approach, managers gives their commitment to tackle the problem and for subordinates, it is external commitment as it comes from an outside source. External commitment harnesses external motivation. Subordinates should analyze their own behavior and motivation and avoid describing the faults of other. What organizations wants are people who are able to fill the needs of an organization, constantly and creatively. Communication demands more of everyone involved, like self-awareness, candor and responsibility, being aimed at intrinsic motivation.

Alahuhta (2015) emphasizes that change communication in organizations needs continuous monitoring to make sure messages are received all over in the organization. It requires that communication is repeated utilizing different communication channels. In addition, the message should include positive progress and achievement that increases awareness of the change efforts among people.

Leadership

Kotter (1995:25) states "*leadership defines what the future should look like, aligns people with that vision, and inspires them to make it happen despite the obstacles*". On the other hand, management is seen as "*a set of processes that keep a complicated system of people and technology running smoothly*". He assess that in a successful change 70 to 90 percent is leadership.

Academic literature consists plenty of definitions for leadership. Quite common for all of them seem to be that leadership needs followers whose behavior and attitudes are altered by the methods of leadership. The difference between management and leadership is that management produces order and consistency and leadership produces change and movement. Leadership requires understanding of meaning, being visionary, open minded and fair-minded, just to mention few. In addition, leadership is socially constructed because followers are motivated to follow leaders who have personal qualities that followers respect. Some of the attributes are honesty, integrity, courage, intelligent, clear communicator and empathic nature (McCalman et al., 2015).

Alahuhta (2015:141) highlights five key pillar in leading people. Those are:

- Trust building; being consistent, listening others, keep promises.
- Positive attitude; creates environment for different aspects and energizes people
- Focus on developing people skills; increases a sense of importance and positive atmosphere
- Understands essential; leaders describes clearly even abstract issues and how those reflects to everyday work
- Spirit to achieve; leaders have to show their desire to achieve common goals and they are proud of seeing others learning and thriving

If all the five key pillars are in place, it generates positive spirit in organizations. Employees share feelings of trust, togetherness and being important. Good spirit is maintained by communicating clearly and finding the right balance of details in messaging (Alahuhta, 2015).

Trust building

High team trust can be defined through several components (Ferrel and Kline, 2018):

- All team members are expected to follow through on commitments and interdependencies

- Team members are willing to be vulnerable when uncertainly arises

- Team members are confident that other members take action for the good of the team.

In order to a team to perform at the highest level, effective communication and trust must be in place. In a trustful environment, employees are willing to invest their own time and resources to support other team members. One of the effective ways to build trust is to organize face-to-face meetings in team formation. It helps especially when objectives are being set and agreements defined. If team members shares their own values and experiences, it increases mutual understanding among the team and allows its members to be vulnerable in the team whose members can be trusted (Ferrel and Kline, 2018).

To choose right communication method, Ferrel and Kline (2018) categorized different communication methods to two-axis chart that describes synchronicity and richness of communication. Richness of communication refers to the amount of shared information and synchronicity refers to a scale of real-time vs. non-real time of communication. In-person communication is the most richness and synchronicity method of communication as it happens in real-time, and through the communication method facial expressions and voice intonation are convoyed, which help correctly to interpret the intended message. In addition, it facilitates trust building in relationships. Depending on built trust and the need for communication, different communication methods could be utilized like telephone, emails or instant messaging.

Matti Alahuhta (2015) the CEO of Kone and Risto Siilasmaa (2018) the chairman of Nokia, emphasize that trust building starts from top management level. Alahuhta (2015:

142) states that when people keep their promises, communicating straight, avoid politic in decision making, listen and are present, these factors increase trust building. Siilasmaa (2018) states that trust is built on two pillars, transparency and equality. Transparency includes sharing information among team members and equality means that everybody is heard, getting a feeling of solidarity.

Today organizations have spread over country borders or even different time zones. Organizations have developed several communication methods that are cost effective and easy to use. However, interactions variate from face-to-face meetings to emails. To get best out of employees skills, organizations should keep in mind which type of communication methods suit best the current need of optimizing team trust, coordination and communication (Ferrel and Kline, 2018).

4.5 Conceptual Framework of This Thesis

The conceptual Framework was built on Lewin's change theory, which is a three-step change step model. The model is divided to sections: unfreeze, change and refreeze. At the same time was presented Kotter's eight-step change model. These two models are the foundation of the conceptual framework of this thesis. In each step additional references was introduced. These were selected in order to achieve deeper understanding of the phenomenon in question. Communication, Leadership and Trust were covered as one entity, because in this thesis, those were seen to affect all the steps in the change process. The conceptual framework is shown in figure 5.

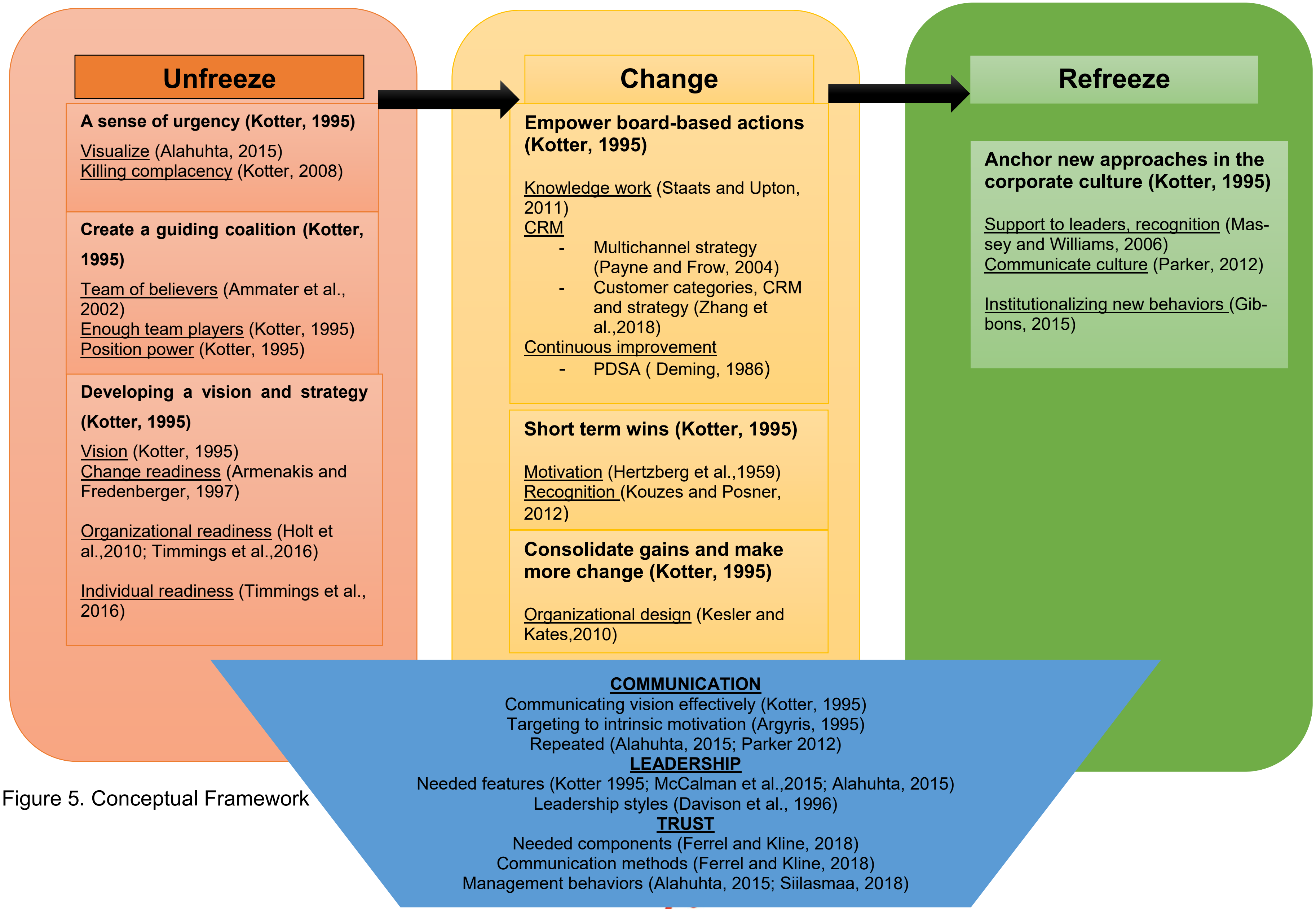

Figure 5. Conceptual Framework

In figure 5, each step must be fully go through before moving on to the next step. All the steps that are included in the unfreeze, should be completed cautiously before moving to the change step. In addition, the entire step in the change step should be completed before continuing to the refreeze step. However, the leaders should communicate during the change process, they must act like leaders who creates trust among people.

A sense of urgency: A change process requires a need or needs that feeds the change process. Everybody who is part of the change process should understand why the change is taking place. It should be used to tackle existing complacency by visualizing the need to everybody. Feeling of importance is needed all over the organization.

Create a guiding coalition: the managers who are chosen to lead the change must have enough authority, members must look the phenomenon in question widely from different aspects and they should advocate leadership skills. Good communication methods creates trust in the team.

Develop a vision and strategy: The vision tells what the new desired state is. During a strategy process, the leaders must create an overall picture of issues that hinder the change process. In addition, the leaders must consider which functions could help the organization in the change process. It requires that the leaders know their subordinates. The leaders must understand the need of communication, expressing the need for the change and build trust in the organization.

Empowered board-based actions: taking into account the objective of this thesis, the selected themes relate to improving processes, continuous improvement of the processes and interactions with the customers. In the change step, the leaders must advocate clear communication to the internal stakeholders and focus on changing their behaviors and attitudes. Leadership methods are utilized to change social skills. If the change faces setbacks, the leaders should talk about the vision, the common goal of the company, instead of giving direct commands to the subordinates.

Short terms wins: motivation factors are important as it drives individuals further towards the common goal. The leaders should consider recognition as a method to point out that the change efforts are paying off. In addition, the leaders should communicate what the expected outcome might look like.

Consolidate gains and make more change: organizations' layout should reflect to the chosen strategy. Independent functions must work well together to succeed in complex environment. Command lines are not linear, however decision-making should take place immediately and time wasting should be avoided. The leaders must be open-minded, to not only look after short term wins but also being a visionary who understands essential parts of the big picture.

Anchor new approaches in the corporate culture: Finally, everybody should have adopted new behaviors and attitudes. It should start from the top management and cascade down to the lowest level in the organization. The leaders could be supported by others leaders using methods like mentoring. Changing culture requires leadership to alter behaviors, and simple communication about the culture. Engaging people creates feeling of being involved in the change.

Communication, leadership and trust: Communication is needed in every mentioned step. It is not just one step between strategy creation and people empowerment. Communication starts from the beginning by expressing the need for the change, continued by the benefits for the company and individuals during the change step model. Communication does not limit to face-to-face but it consists of several communication channels that are available. The change needs “soft skills” from leaders. Leadership styles and methods are utilized every time when there is a need to alter behaviors and attitudes. Leaders must be present, listen, avoid politics and communicate clearly. Honesty, integrity, courage, intelligent are attributes that build respect among followers. In a trustful team, people have the courage to share their ideas and they are committed to achieve goals.

This chapter described how the Conceptual Framework (CF) was built. The CF includes elements from social and psychological literature and it uses Kotter’s organizational change model as a framework. These can be seen the main components of the CF, however the CF offers building blocks to assess readiness, improve current way of working, and also highlights the importance of leadership, communication and trust in the organization. The CF was discussed with the stakeholders and based on their feedback, a proposal was built. Chapter 5 describes how the proposal was built and in Chapter 6, focus will shift to the managers. The managers gave ideas and the outcome, the deployment plan, was finalized.

5 Building Proposal how to deploy the new sales business model for the Case Company

This section integrates the findings of the Current State Analysis (CSA), the Conceptual Framework (CF) and the data 2 interviews, which were conducted in this stage. The outcome of this chapter is an initial deployment plan of the sales model for the case company.

5.1 Overview of the Proposal Building Stage

The purpose of this section was to offer a proposal to the managers how to deploy the new sales model in the Nordic organization. The proposal was based on the findings in the CSA, combined with the CF and the stakeholders' interviews in this building proposal stage. The interviews, which were conducted in the CSA, revealed that communication, training, way of working, the CRM system and incentives were the main concerns of the stakeholders. The literature review focused on the aspects of changing people's behaviors and attitudes by the methods of leadership, and also introduced individual's motivation factors. On the other side, the review focused on aspects, which could improve daily work in organizations. The conceptual framework was built on Kotter's model. However, the intention was to highlight the need for communication, trust and leadership in every step of the Kotter's model, because in the literature review, these elements were found critical for success in a change project.

The Proposal Building Stage was conducted by gathering feedback from the stakeholders. Feedback was collected in the interview sessions. Each interview session started by introducing the findings in the CSA, continued by explaining the CF and then asking the stakeholders for ideas, practices and suggestions how each step in the CF could be performed better. In the upcoming chapters, the stakeholders' input are presented in depth and in the same order as the CF, which was covered in section 4. Finally, the proposal was presented to the managers, which is covered in the following section, Validation of the Proposal.

5.2 The findings from the stakeholders' interviews (Data 2)

The stakeholder's proposal is shown in table 14. This table presents Kotter's eight steps and also it shortly describes the key points which were gathered from the interviews.

Table 14. The stakeholders' proposal – key points

#	*Step*	*Stakeholders proposal*	*Description of the step*
1	Create a sense of urgency	The reasons or needs for the change are linked to customers.	The stakeholders want that the managers understand fully why the change is needed. The managers need comprehensive picture how the internal and external customers benefits.
2	Create a guiding coalition	Departments that are included: Sales, Technical Service, CAS, Pricing manager, supporting functions, trainers.	CSA revealed that the team had two managers. More decision makers are needed and the team might have stakeholders from the field forces. Aim to create a team with diversity, people with different skills, background and knowledge are needed.
3	Create a vision and strategy	Training, material, plan the kick-off meeting	The guiding coalition plans training, training material and the kick-off meeting. Make sure that the timing for the launch is right.
4	Empower board-based actions	Processes, CRM automation, roles	The actions aim to increase effectiveness. With the CRM system, some processes are automated. In addition, the CRM is modified that it supports the new model. The stakeholders together define roles and responsibilities for different customer segments.
5	Generate short terms wins	Recognition, transparency, competition	The managers point out methods and actions which improve the deployment. Teams and individuals are rewarded, based on their achievements and/or behavior. In order to motivate, a competition is organized and a winning team is rewarded.

6	Consolidate gains and make more change	Reminding, meetings, roles.	The CRM system reminds automatically when time to contact customers is. Best practices so far are shared in meetings and roles are fine-tuned as needed.
7	Attaching behaviors in the culture	Mentoring, coaching	The idea is to learn during the change and share knowledge about methods which changed behaviors. Experienced leaders helps inexperienced leaders.
	Communication	Gather information, launch the model, report the outcome	In the beginning, utilize two-way communication. Intention is to gather information and understand the need for the change. The managers take the lead of launching the model in the kick-off meeting. Last, honestly tell how well the new sales model reached its goal
	Leadership	Atmosphere where people can express their ideas, encourage and reward, key learnings	The mangers need to create “we” feeling and ensure real sense of belonging. This fosters group atmosphere. Inspire people in action steps to take smart risks and reward fast implementers. Afterwards, assess the leadership methods. What was the right method in a specific situation?
	Trust	Build trust	Recent change projects have failed because no-one truly believed that managers stand behind projects. The managers in this deployment have to be present, committed and conclusion orientated

The idea is to complete the steps in the table in order. The key point of a step is in the middle column and in the right column the stakeholders’ proposals are described. The following chapters elaborate the steps and give concrete ideas how to deploy the steps. However communication, leadership and trust are expressed superficially, because these are part of every step of the proposal. The following chapters review the proposal step-by-step.

5.2.1 How to create a sense of urgency

In the meeting where the new model was presented, the managers highlighted that the need for the new sales model is to generate higher revenue flow from the service business. The company highlighted that there is potential to grow in the service business. The stakeholders understood the message and agreed with it, however, the managers did not highlight the need strongly.

The stakeholders emphasized three issues, which should be fully understood by the managers when aiming at creating a sense of urgency. First, the needs or the reasons for the deployment of the new sales model must be clear for the managers who are running the change process. In addition, the purpose of the new sales model must be clear for each individuals. Second, the managers should be able to answer why the new model is needed. As the stakeholders proposed, the managers could have had a debate with the employees before creating the guiding coalition. During these discussions, the managers could have found topics, which would have helped to communicate the needs later in the change process. Third, the managers should had visited all possible parties (e.g. finance, HR, supporting functions) and taken into consideration are there any reasons why a party should have been ignored or included in the change process.

According to the stakeholders, the managers should be able to answer why the company is running the change process and what the company wants to achieve. In addition, communication increases awareness of the upcoming change, readiness for the change, and engagement among the stakeholders.

The stakeholders proposed concrete examples, which create a sense of urgency. As the company consider the need from the company's perspective, the reasons for the change are not the same for the customers. If the reasons for selling services to the customers are linked to the need for the change for the company, the company creates a solid need to the sales teams and the need will be part of the sales rep's communication as needed. Some good examples from the previous product launches have shown that rumors of the upcoming product launches increases general awareness of the launch among the customers. This has been an unconsciousness method to increase a sense of urgency, because the customers understand the need of a new product, which has not been launched yet.

5.2.2 How to create a guiding coalition

The guiding coalition included the sales manager and the technical service manager. For a successful change project, the stakeholders stated it was not enough to run the change. Viewpoints from pricing, financing, supporting and training were missing. The technical service manager covered the role of Clinical Application specialist (CAS), however the manager had not enough expertise of the function itself.

The stakeholders pointed out that the guiding coalition would have more credibility if the team included persons from wider area of the business. These persons could be from above mentioned parties but the guiding coalition should also include employees from the bottom level of the organization because the new sales model affects these people. As the guiding coalition includes people with decision power and also the insights from the field, the stakeholders found it as a comprehensive team to run the change.

A stakeholder proposed that qualities of each team member could be utilized in the change project. If a person had credibility in the organization, it would benefit the coalition if the sales model would face setbacks in the future. People believe the person who has long experience with the company, is able to create trust among the co-workers, and has not a manager role. That person's credibility could be utilized whenever there is a need to inform the personnel about the process.

The business is complex and the company has several different sales models, which aim to increase product sales. The stakeholders found service selling as a sales model, which is especially, in a link with device pricing. As an example where a device price is low compared to a service contract price, the sales teams cannot build any reasonable sales arguments why no one would like to have expensive service contract for an inexpensive device. In order to solve this, the company must involve strategic pricing managers to the guiding coalition group. In addition, as the Nordic organization is one entity, there are still differences in the market between five countries and therefore the guiding team must consider what the country specific market features are.

The outcome of this step is a guiding coalition that has enough decision power from all the business areas and people around the organization with different skills and characteristics.

5.2.3 How to create a vision and strategy

As mentioned, the case company aims at higher revenue flow with the new sales model. The strategy should consider all the current processes and think about how the model would change the business in each country. The stakeholders fully understood that no business model is completely ready when it is deployed, however, all the critical aspects must be assessed before the launch. The guiding coalition should have dialogs with the sales managers, the engineers and the Clinical Application Specialists, in order to detect matters, which could hinder the deployment of the new sales model. It could be said that the previously mentioned are the main stakeholders but the new sales model influences finance, supporting functions, pricing teams and contract management as well.

The stakeholders suggested that before the one-day meeting, where the new model was presented, the company should have prepared training schedules and training materials. The training in the one-day meeting should be tailor-made for each functions the change project affects. It is expected that wide range of questions arise from the personnel and the guiding team should be prepared to answer as comprehensively as possible.

The company must consider carefully what the right timing would be. The change project takes resources widely across the company and therefore the guiding team has to allocate scarce resources to this project. One of the biggest IT project of the company's history was launched a few months earlier. In addition, three months later, the company introduced an organizational change, where some of the positions were terminated and new positions were created. The stakeholders found that the company struggled with another change projects at the same time.

The outcome of this step is a strategy, which covers the main gaps between these two models. Moving to the new sales model requires that the guiding coalition builds a training plan, prepares needed material, and opens a platform that is an easy-access knowledge hub for the personnel. Finally, the guiding coalition should plan the one-day meeting and focus on the introduction of the new sales model. All the previously mentioned elements are needed in the next step.

5.2.4 How to create empower board-based actions

In the one-day meeting, the afternoon was booked for trainings where the sales teams, the engineers and the clinical application specialists played a board game that symbolized different service sales scenarios. The purpose was to get familiar with the responsibilities in the new model. After the meeting, some emails were sent by the managers over the next few months. The sales teams categorized customers based on their service sales potential. However, the stakeholders would have needed involvement from the managers immediately after the meeting.

The stakeholders proposed that the managers take part in the planning stage after the model launch. This was seen important because different customers and different situations need clear guidance and also the pre-defined roles and responsibilities are not covering e.g. big private customers and public customers exactly the same way. To tackle these issues, the stakeholders came up with ideas, which would help planning and executing the plan in real business situations.

First, the CRM system lacks of data that helps the stakeholders to recognize potential service sales opportunities. The sales reps proposed that each customer accounts are visualized in a way, which could help the sales rep to detect the current contract tier, annual sales figures, the number of CAS visits, in one screen. Another proposition was that a user could build his/her own dashboard view, which would include all the relevant information. One stakeholder proposed that the CRM system could trigger an automatic message to customers if warranty is expiring or repair costs of their devices have risen over the years. For a customer that could be a reason to upgrade current service agreement. The CRM should be built on a purpose, which would help a sales rep to recognize the current state of a customer or a group of customers, and which are the actions that the sales team should perform next.

From the engineers' point of view, the CRM should simplify the demo process. Previously, organizing the demo with different stakeholders needed lots of communication by email and contract were hand-filled separately for each demonstration. In the below workflow the proposed demo process is described.

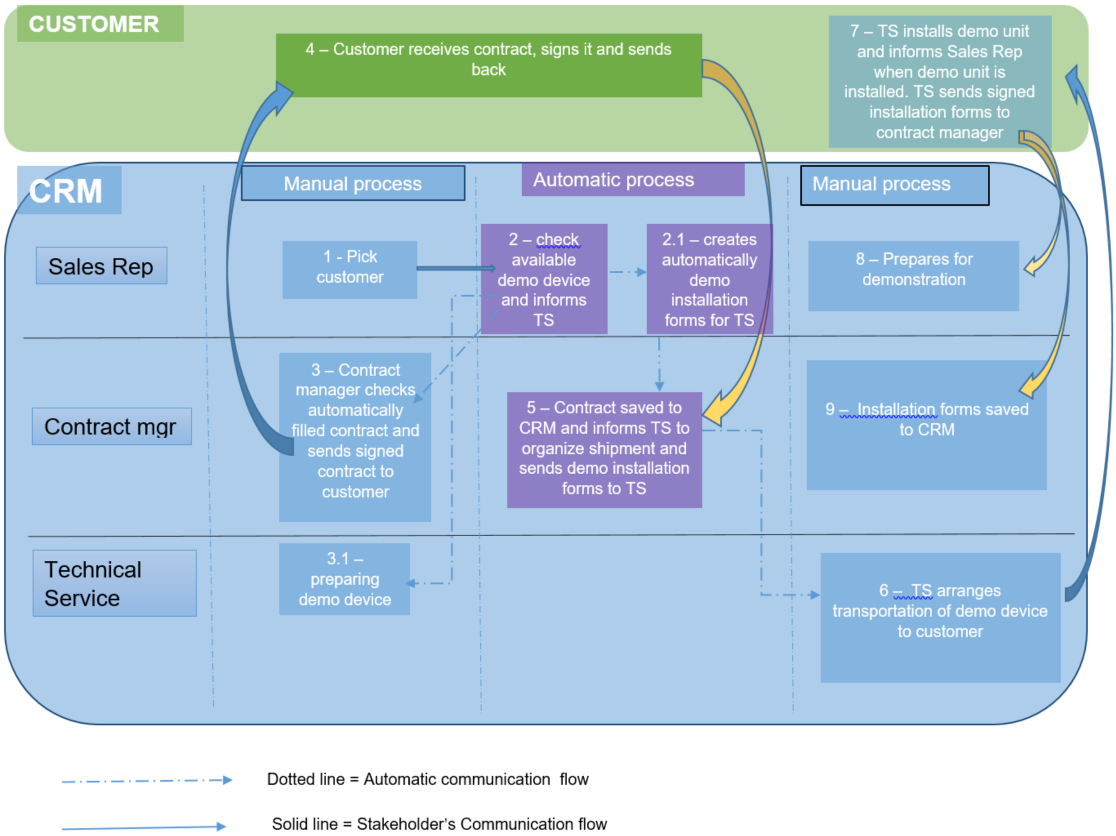

Figure 6. Proposed demo process

As seen in the above figure, the Technical Service and the sales built a process, which includes automatic and manual communication. The CRM system is able to send simple messages when a condition is met. In addition, an installation form or a contract template could be automatically prefilled with simple data such as serial numbers, customer address, phone numbers etc. by the CRM system. The stakeholders proposed that the demo process could be modified as follows: 1) The process starts when a sales rep choose a correct customer account. The account includes all necessary information about the customer. 2) The CRM system automatically checks from the database where the nearest demo device is located and prepopulates serial numbers, models, addresses, contact information into the installation form and the contract. 3) The contract manager verifies that the contract includes all the necessary information. Before sending the con-tract to the customer by email, the contract manager signs the contract. 4) The customer signs the contract and sends it back. However, receiving the contract is an automatic process because the contract is saved automatically to the CRM. 5) An engineer from the Technical Service is able to download the installation form, which is required when the demo device is installed. 6) The engineer contacts the customer and organizes demo device transportation to the customer on agreed time. 7) As the demo device is installed and the demo form is signed, 8) the engineer informs the sales rep who schedules the training with the customer. 9) The demo forms are saved to the CRM by the engineer.

The sales reps highlighted that communication towards customers in the demo process should be manual because the demo process was found to be an important part of the tender process. Secondly, customers might want to ask questions, which could be related topics that are outside of the demo process. Finally, the CRM should visualize the steps of the demo process by colors, as traffic lights.

Collaboration has always been strong among the sales, engineers and CAS. Simultaneously, each previously mentioned groups have strong relationships with the customers. The stakeholders highlighted that each groups have their corresponding customer contact. For example, the sales reps communicate frequently with nurses and doctors, the sales managers communicate with the head doctors and the engineers with MedTech staff. Therefore, all the groups must have tailor-made message that fits to a specific customer.

In this empower step, the stakeholders wanted that the managers are part of the planning process. By communicating, the managers help the stakeholders to see why the change is needed, what are the benefits and at the same time, the managers get a better picture what are realistic expectations for each country or a customer segment. One of their main duties is to motivate the stakeholders and make sure that all invincible is-sues are solved.

5.2.5 How to generate short terms win

During the stakeholders' interviews, almost everyone highlighted the need of incentive as one important part of the deployment. Typically, money has satisfied the sales reps. However, when the company wants to motivate desired behaviors and attitudes, this thesis looks at motivation from tangible, non-cash aspect.

One aspect, which everybody highlighted during the interviews, was recognition. The company must see enough trouble to recognize individuals or teams who are performing well or those ones who are the first ones to implement an action plan. Local managers decide what would be a correct method to recognize an individual. Some of the stakeholders do not want to be on spotlight, on the other hand someone enjoys public recognition. However, one of the stakeholders pointed out, the management should communicate possible failures as well. The idea is not to blame someone of a bad choice or decision. Actually, the idea is to bring up all the good or bad methods and inform everybody, which practices works as well those ones that do not work so well. This helps the stakeholders in the deployment and it would generate an atmosphere where is room for failures and possibility to learn from mistakes. Finally, this kind of behavior demonstrates one of the key value of the company, courage. The company accepts that individuals are trying new methods and they are allowed to take smart risks, which would benefit the company and the employees.

One of the stakeholders proposed that the company should organize a competition, which would aim at rewarding teams that are the fastest in implementing the planned actions. In this competition are pre-chosen customers, which are seen to be the easiest to win. The management should decide are the teams or countries competing against one another. Even there are some cross-border teams, typically all the KPIs in the company are measured in country level and it would make sense to reward teams in the country. For example, a fine-dining voucher would feel a personalized award.

Internal competition encourages country teams to compete against others with a positive spirit. However, ongoing monitoring needs a scoreboard. The scoreboard shows live situation which of the teams are performing the best. The guiding coalition decides which are best suited KPIs to measure. One of the stakeholder proposed that whenever a milestone is reached, the managers acknowledge the achievement.

The managers' involvement is needed. In the previous steps, the guiding team has communicated the outcomes. In this step, the stakeholders want that the local manager acknowledges the teams or individuals and the guiding team oversees the change project. The guiding team could introduce every quarter how well the Nordic is ranked among other regions in Europe. However, the local managers' responsibility is to lead the teams and guide, motivate and acknowledge that the stakeholders take actions in order to achieve goals.

5.2.6 How to consolidate gains and make more change

The purpose of this step is to make sure that the change do not stop and new ways of working are truly implemented as part of the new model. At this point of the deployment of the new sales model must be secured in such a way that the CRM system supports the new model. The stakeholders highlighted that the CRM informs automatically the sales teams when e.g. warranty of a device is expiring. This was seen as a method to update current situations and remind the sales rep of needed actions.

The stakeholders wanted that experiences and best practices are shared frequently. They proposed that analyzing all the efforts during the change project continuously, it helps to detect the methods, which are proven to work over time, and the company could invest resources to support the change as needed. In addition, this is the step where roles are refined, if needed. With increasing experience of selling services, the teams are able to choose, which the key drivers are important to the different customers, who are the customer's decision makers and which group should have the initial contact to the customer.

The management's role is to support and monitor the change project. If setbacks arose, the management would be responsible to fix problems ASAP and make sure that the change does not stop there. Secondly, the stakeholders found communication important. This is needed because the stakeholders want to see the local managers' involvement, which creates trust that the change project is running all the time and it is important for the company.

5.2.7 Attaching behaviors in the culture

The company should be able to learn during the change project. It is important because the business is complex, there are multiple teams and these teams should work seamlessly together in the future. The company has Values&Behaviors (V&B) blueprint, which highlights the desired behaviors how work is done in the company.

In the future, leaders should be assigned to a project based on his/her leadership capabilities. If a person showed talents that help in a specific type of a project, the company should recognize these persons and involve them to next guiding coalitions as needed. These persons will become new leaders and the company benefits as the persons will stay in the company and gather experiences, which are useful anchoring new desired behaviors to the culture. Communication, leadership and trust building anchor behaviors.

5.2.8 Communication

Communication is the only way to spread a message across the company. However, this proposal was built based on two-way communication. In this deployment, the stakeholders proposed that the communication starts from the first step, where the managers openly discuss with the employees to understand the needs. At this point, the need for the sales model might be fuzzy. In the second step, utilizing two-way communication right persons are found to the guiding coalition. As the vision and the strategy is clear, the new sales model is communicated to the stakeholders as part of step five, empower board-based actions. In this step communication has an important part because the purpose is to emphasize the need of the new sales model, what the desired end-state would be and then explain what type of training and supporting functions are available for all the personnel. The proposal suggests that this would be one day introduction. The guiding team could consider if they would like to present the model in a special venue, which would impress the personnel and create positive atmosphere.

The guiding coalition has had dialogues with the main stakeholders in the previous steps. Moving forward, the nature of communication becomes more instructive and motivating. In the end, the stakeholders want to receive an overview, what went well and where teams could have done better, communicated by the management.

5.2.9 Leadership

The stakeholders highlighted that the managers are needed to create an atmosphere where everybody is heard and individuals would have a feeling of being part of something new. As a starting point of the change project, the managers' task is to be available, open-minded and curious for all the ideas. As the vision becomes clear, their role is to engage the stakeholders and later the teams to work towards the common goal. The stakeholders pointed out that the managers are the ones who ensure that the change is not blocked for any reasons in the beginning.

When the change project reaches the fifth and sixth step, the managers encourage the teams to take smart risks. Rewarding is one of the key methods to increase commitment and the stakeholders wanted that those who are the fastest to implement plans, are recognized. However, one of the main responsibilities of the managers is continuous follow-up of targets. This responsibility needs a tough approach by the managers.

Finally, from leadership perspective, the guiding coalition reviews the different leadership methods during the change. The purpose is to learn which methods work in different situations and also share these experiences with the managers. This is the way to secure that the knowledge is spread within the teams.

5.2.10 Trust

Trust is a function of leadership and communication. Earlier the stakeholders proposed that the guiding coalition includes an experienced and trusted person from the field forces. In addition, the managers should be available, show commitment and aim at achieving results. It has been quite typical that some of the recent change projects have failed and the stakeholders have had difficulties to believe that this time the needed change is important and the management is fully supporting this initiative.

5.3 Initial proposal

The stakeholder’s proposal is shown in table 15. This table presents Kotter’s eight steps and also it shortly described what were the main points that was found from the CF. The findings from the CSA was added in corresponding step. The stakeholders’ proposal is divided in four rows in the table. In the table, the ‘step’ includes stakeholders’ input for a step, indicating stakeholders’ proposal how the step could be completed. Communication and leadership demonstrate the main aspects that the managers should consider in different stages of the change project. In this proposal, trust was seen as a function of communication and leadership.

Table 15. Initial proposal

	1 - a sense of urgency	2 - create a guiding coalition	3 - develop a vision and strategy	5 - empower broad-based actions	6 - generate short term wins	7 - Consolidate gains & make more change	8 - Anchor new approaches in the culture
CSA Data 1	" no time" (potential to grow)	2 managers		1 day board game, some action plans			
CF	The need for change	Enough power	Clear vision and readiness	Skills, processes, CRM, continuous improvement	Motivate, recognize	Organization design, new ways of working	Mentoring, engagement
Stakeholders' proposal - Data 2							
Step	The need is linked between customers and the company. This helps the sales reps to communicate the need to the customers. **Idea: spread positive rumors before the launch.**	The sales model affects multiple parties in the company. The guiding coalition includes managers with decision power from sales, TS, CAS, pricing, IT. **Idea: Nominate a subordinate, who has long experience and trusted among others, from the field forces.**	Schedule training, material. When is the right time? **Idea: open a web platform. Include all the needed information there.**	Utilize the CRM system. If possible, try to automate as many labor processes as possible. Set up roles and duties. Outline a tailor-made sales pitch. **Idea: make available service and sales history. Book enough time**	Organize a competition which includes customers that are assumed to be the easiest to win. Reward fast implementers. **Idea: create a visually compelling webpage which indicates the results and the standings of the competition.**	Analyze way of working and see which are the practices that works and invest in those. Consider are there needs to refine the roles. **Idea: the local managers' responsibility is to run the change.**	What are the key learning of this change project? Identify successors and let them run next projects.
Communication	Gather information. Communicate the need for the change, the benefits for individual, customer, the company (two-way communication).			Top managers present the model. Local managers communicate with teams. Cross-team discussion.		Share stories when collaboration worked well. Honestly look back and see if the vision was right, where the company stands now.	
Leadership		Atmosphere where new ideas are welcomed, new ideas are heard, people work towards common goal. Managers are available if setbacks faced.			Encourage people. Reward fast implementers. Continuous follow-up on targets.		Take key learnings. Experienced leaders are role models for young managers
Trust	Managers are present, committed, conclusion orientated.						

In the above table is shown concrete ideas from the stakeholders. Because every step should be fully completed before moving forward, the stakeholders wanted to give ideas to the managers how to deploy the model. The proposals for the steps are quite concrete, however communication, leadership and trust are expressed superficially. It was seen that communication and leadership are linked together, but still these cannot be put under the same category. The stakeholders wanted to highlight the importance of these and therefore include these in to the proposal separately.

In the next section, the proposal was presented to the managers of the case company. The managers gave their feedback and the proposal was developed, being the final deployment plan.

6 Validation of the Proposal

This section reports the results of the validation stage and points to further developments from the initial proposal. At the end of this section, the final proposal is presented.

6.1 Overview of the Validation Stage

In this validation stage, the stakeholders' proposal was presented to the managers. Two meetings took place and in the first meeting was explained the CSA, followed by the CF and finally the proposal, which was developed in Section 5. The findings in the CSA demonstrated the gaps between the old and new sales models. The literature review consisted of change models and also topics that covered the issues which were found in the CSA stage. The CF was built on Lewin's "Changing As Three Steps" (Unfreeze-Change-Refreeze) which describes human and group behavioral change. In addition, Kotter's eight step change model studied organizations and the model offers simplistic framework for managers to implement a change project. The stakeholders' proposal followed Kotter's model.

The managers found that step model is a good approach for this type of change project. They agreed that some part of the change relates to attitudes and behaviors (mindset) and as well changing the processes and tools. However, the managers wanted to add some more concrete actions, which would speed-up the deployment. The managers highlighted the sense of urgency should be linked to concrete examples, the project are split in to smaller pieces and these pieces have owners, data package should be offered, the launch is deployed in phases, communication focus more to achieve buy-in and finally, discussion raised how this change is measured.

6.2 Findings of Data Collection 3

The below table shows the development ideas in yellow. The table shows the how the deployment plan was built. Each seven steps include collected data from each data collection points (1,2,3) and the CF describes the main idea from literature review.

Table 16. Managers' development ideas (data 3)

<table>
<tr><th></th><th>1 - a sense of urgency</th><th>2 - create a guiding coalition</th><th>3 - develop a vision and strategy</th><th>5 - empower broad-based actions</th><th>6 - generate short term wins</th><th>7 - Consolidate gains & make more change</th><th>8 - Anchor new approaches in the culture</th></tr>
<tr><td>CSA
Data 1</td><td>" no time" (potential to grow)</td><td>2 managers</td><td></td><td>1 day board game, some action plans</td><td></td><td></td><td></td></tr>
<tr><td>CF</td><td>The need for change</td><td>Enough power</td><td>Clear vision and readiness</td><td>Skills, processes, CRM, continuous improvement</td><td>Motivate, recognize</td><td>Organization design, new ways of working</td><td>Mentoring, engagement</td></tr>
<tr><td rowspan="2"><u>Step</u>
Validation
Data 3</td><td rowspan="2">The link between other sales models</td><td colspan="5">Champion role</td><td></td></tr>
<tr><td colspan="2">Data package</td><td colspan="2">Wave launch</td><td></td><td></td></tr>
<tr><td colspan="8">Stakeholders' proposal - Data 2</td></tr>
<tr><td><u>Step</u></td><td>The need is linked between customers and the company. This helps the sales reps to communicate the need to the customers. Idea: spread positive rumors before the launch.</td><td>The sales model affects multiple parties in the company. The guiding coalition includes managers with decision power from sales, TS, CAS, pricing, IT. Idea: Nominate a subordinate, who has long experience and trusted among others, from the field forces.</td><td>Schedule training, material. When is the right time? Idea: open a web platform. Include all the needed information there.</td><td>Utilize the CRM system. If possible, try to automate as many labor processes as possible. Set up roles and duties. Outline a tailor-made sales pitch. Idea: make available service and sales history. Book enough time</td><td>Organize a competition which includes customers that are assumed to be the easiest to win. Reward fast implementers. Idea: create a visually compelling webpage which indicates the results and the standings of the competition.</td><td>Analyze way of working and see which are the practices that works and invest in those. Consider are there needs to refine the roles. Idea: the local managers' responsibility is to run the change.</td><td>What are the key learning of this change project? Identify successors and let them run next projects.</td></tr>
<tr><td><u>Communication</u>
Validation
Data 3</td><td colspan="7">Buy-in feeling from the beginning, why this is needed, continuous communication of the targets</td></tr>
<tr><td><u>Communication</u></td><td colspan="3">Gather information. Communicate the need for the change, the benefits for individual, customer, the company (two-way communication).</td><td colspan="2">Top managers present the model. Local managers communicate with teams. Cross-team discussion.</td><td colspan="2">Share stories when collaboration worked well. Honestly look back and see if the vision was right, where the company stands now.</td></tr>
<tr><td><u>Leadership</u></td><td></td><td colspan="3">Atmosphere where new ideas are welcomed, new ideas are heard, people work towards common goal. Managers are available if setbacks faced.</td><td colspan="2">Encourage people. Reward fast implementers. Continuous follow-up on targets.</td><td>Take key learnings. Experienced leaders are role models for young managers</td></tr>
<tr><td><u>Trust</u></td><td colspan="7">Managers are present, committed, conclusion orientated.</td></tr>
<tr><td><u>Measure</u>
Validation
Data 3</td><td colspan="3">Revenue in the old model</td><td colspan="4">Revenue, Gross Margin targets and service industry standards</td></tr>
</table>

The managers wanted categorize some of the steps under bigger entities. Champion role is a person who has more responsibilities, data package and wave launch are created to support the role, communication ensures that the stakeholders' engagement, and in addition to the proposal, the change is measured during the deployment. The following chapters cover the managers' development ideas.

6.2.1 Development idea – a sense of urgency

This sales model aims at increasing revenue flow from services. In the case company, the product portfolio is wide including consumables and special accessories and these are consumed in an eye surgery. In this change project, a sense of urgency is not only linked to maintenance of customers' devices, it links to all other sales business models of the case company. Considering that a customer's device breaks down and an expensive repair is needed, it means that products are not consumed and it will impact other sales targets. The responsibility to sell services belongs to the sales reps. In addition, promoting and selling consumables and products that are needed in eye surgery operations, is the job of the sales reps too. In the big picture, increasing the sense of urgency should focus on adding different sales models together. As an outcome, the sales reps fully understand reasons why this model must be deployed now and with an urgency. From the managers' perspective, this is more concrete reason that helps the sales reps to understand the reason for the change.

6.2.2 Development idea – Champion role

In the stakeholders' proposal, it was proposed that the guiding team includes more people from different side of the business. The purpose of this approach was to secure all relevant views, which could impact to the model deployment. The managers' intention was to give more responsibilities to a nominated person. This person is responsible for a customer segment or a product category. The champion role (or a person) is part of the guiding team, he/she is building plans in the strategy step and deploying the model on his/her responsibility areas. The managers reminded that the case company has a matrix organization, but mostly stakeholders are working in different roles and their direct manager may not be involved in this model deployment. With a data package, champion role can, together with the sales teams, plan right type of approach to each customers.

6.2.3 Development idea – Data package

Considering the service contract tiers, complex product portfolios and customer segments, one could think that the environment is challenging to understand it completely. Still, the company has categorized their customers based on sales, growth potential and the level of technology in use. All these add layers which are part of different sales models, such as product sales etc.

The managers pointed out that in some aspects the model deployment is easier if in the strategy step is created a data package that includes all relevant information for nominated persons (champion roles). These data packages include comprehensive information about the customers, which products they consume, who are the decision makers, and the service history of the devices. With these packages, people in charge (champion role) could plan sales arguments with the sales teams and focus on customers who are seen as the easiest ones. The managers stated the data package, as it is built in the strategy step by the guiding coalition, saves time in the fifth step. As the stakeholders proposed, step 5 - the empower broad-based actions, takes time until the step is completed fully.

6.2.4 Development idea – Wave launch

The managers wanted that the model is deployed in phases, or in waves. The managers highlighted that not all the customers cannot be switched at once and a more detailed plan is needed to generate short term wins. This is part of the champion role, as the person is in charge of a customer segment or a product category. The champion role includes planning the wave launches, when to launch and how to do that.

6.2.5 Development idea – Communication

The managers agreed that communication is a challenge and it is difficult to determinate what amount, when and which method communication should be done. For this change project, the managers highlighted couple of things. The most important aspect is to generate buy-in feeling which is important for the sales reps. Secondly, another important factor is to answer why we are part of this change. In addition, it is important to communicate the targets continuously.

6.2.6 Development idea – measuring the change

This change is partly soft change, which means the change is more about changing mindsets, and partly improving tools which the company has in use. The managers highlighted that if the company wants to measure change, they should define what is the starting point and what are they aiming at (targets). As it is difficult to measure the change of mindsets, the managers wanted to focus on measurable parameters such as sales numbers and gross margins. Sales numbers are easy to measure and the growth of sales becomes visible. Gross margin describes how continuous improvement of processes and ways of working improve the business. However, the question is that how the company performs against its competitors. The managers found that these three parameters are the easiest to measure and are valuable for the company. If a project has a starting point, the managers questioned should there be an end point. This question remained open because the service business is one of the main pillars in the company's strategy. At the moment there is no end point for this change project in sight and now it is difficult to determinate when this change is accomplished.

6.3 Final Proposal

This thesis was undertaken to design a plan, how to deploy the new sales business model to the case company. In the below table, can be seen the outcome of this study, the development plan. The top half of the table illustrates Kotter's eight steps, introducing the main points of the steps and the content of each step. The bottom half of the table presents the communication, leadership, trust and measuring the change.

Table 17. The deployment plan

The deployment plan	1 - a sense of urgency	2 - create a guiding coalition	3 - develop a vision and strategy	5 - empower broad-based actions	6 - generate short term wins	7 - Consolidate gains & make more change	8 - Anchor new approaches in the culture
		Responsible : Champion Role					
STEP	Concrete examples of a sense of urgency	Champion role, Needed managers	Customer Data package, Training	Wave launch			
Responsibility / content	The need is linked between product selling models, this service model and the need of customers.	**The guiding coalition includes:** - **Managers** * Sales * Technical Service * CAS * IT * Pricing - **Champion role persons**	**Champion role, Managers:** Customer Data package - decision makers - used products - sales and service history, Training and material are prepared.	**Managers:** Focus on improvement of processes and the CRM. **Champion role:** Each roles and duties to be discussed with the Champion role.	**Champion role:** Categorize the customers and schedule a plan with the sales teams for each category	**Champion role:** Analyze way of working and see which are the practices that works and invest in those. Consider are there needs to refine the roles.	**The guiding coalition:** What are the key learning of this change project? Identify successors and let them run next projects.
COMMUNICATION	**The guiding coalition:** Buy-in feeling from the beginning, why this is needed, continuous communication of the targets						
Communication includes	Gather information. Communicate the need for the change, the benefits for individual, customer, the company (two-way communication).			Top managers present the model. Local managers communicate with teams. Cross-team discussion.		Share stories when collaboration worked well. Honestly look back and see if the vision was right, where the company stands now.	
Leadership		Atmosphere where new ideas are welcomed, new ideas are heard, people work towards common goal. Managers are available if setbacks faced.			Encourage people. Reward fast implementers. Continuous follow-up on targets.		Take key learnings. Experienced leaders are role models for young managers
Trust	Managers are present, committed, conclusion orientated.						
MEASURE CHANGE	Revenue in the old model			Revenue, Gross Margin targets and service industry standards			

As stated earlier, the steps in table 17 must be completed in order. The deployment plan highlights the role concerned and guides them to communicate, choose a leadership method and act in a way that builds trust in the company. In addition, the deployment plan points out improvement areas, such as processes and the CRM system, which were seen as obstacles in the deployment. The last step offers ideas, which aim at giving more challenges for successors in the future and keep them in the company. This could change the environment to be more capable to deploy changes in the future.

7 Conclusions

This section introduces an executive summary, which explains the results of this thesis and how the proposal was built. It is followed by recommendations that should be considered by the case company when the proposal is implemented. Finally, this thesis evaluation is reviewed from validity, reliability and logic perspectives.

7.1 Executive Summary

Product-to-Service is a megatrend, which aims at offering solutions to customers. There are many successful examples where a company has transformed its product business towards service business, especially in B2B industry. For example, GE turbines is one of the most commonly used business case, which describes how they sell turbine's up-time for airlines. In this thesis, the case company has discovered potential to grow in service business. The potential needs to be utilized with a sales business model, which was presented by the company. However, the model has not been fully deployed and the objective of this thesis is to propose a plan how to deploy the model in the Nordic region.

This thesis was done by following a structure, which started with the current state analysis (CSA). In the CSA, several interviews were conducted and the outcome was several gaps between the old and the new sales model, and the challenges that were seen to hinder the deployment. The CSA was followed by the literature review, which focused on change management, and several minor themes that were found critical in the CSA. The outcome of the literature review was a conceptual framework (CF). The CF put together the findings from the CSA and the literature review. The CF was the foundation for the initial proposal, which was built together with the stakeholders. Finally, the proposal was shown to the managers and some modifications were made to the final deployment plan.

The CSA revealed that a successful deployment needs better communication from the management. In addition, the stakeholders pointed out that the CRM system does not support the new model, there are troublesome processes, no training to sell services and general change resistance was observed. In general, the stakeholders found plenty of issues, however, one strength was mentioned, collaboration. When the analysis was completed, the CF was created. The CF followed Kotter's 8-step change model. At the same time, it was considered how a step reflects on the findings in the CSA. This was taken into account in the CF, which includes elements from team building, readiness, continuous improvement, CRM, motivation, communication and leadership.

The initial proposal was developed together with the stakeholders. The stakeholders proposed aspects, which need to be considered before deploying the new sales model. **Communication** is two-way from the beginning and together with **leadership** methods, **trust** is built in the company. **Readiness** is assessed in advance, people's **motivation** helps the deployment and **continuous improvement** together with **the CRM** secure that the actions are deployed effectively. **First wins** are **rewarded** and **best practices** are shared.

The initial proposal was presented to the managers. Based on the manager's feedback, a **champion role**, is created. This function ensures that the nominated persons are running the change. The managers offers a tool, a **data package**, which includes all the relevant information for the persons. The **launch** of the model happens in **waves.** Communication aims at increasing **buy-in feeling** in the organization. Finally, the **change** is **measured** and communicated frequently.

In order to achieve higher service revenue flow, this deployment plan offers a holistic view how to run a change in the company. Motivated employees are the most valuable asset for the company and the company needs to offer them support, tools and an environment where people are heard. The aspects introduced in this thesis hail from the stakeholders who have more than 55 years of experience in total in the business. Their knowledge is in this thesis and in the future, the company can take parts of the deployment plan and utilize these as needed.

7.2 Managerial Implications / Next Steps and Recommendations toward Implementation

The deployment plan indicates the needed changes in general level. The sales model deployment needs some time and resources from several parties. These are mainly managers but also people from the field forces and supporting functions. In order to achieve the target, more detailed action plan is needed.

This thesis highlighted managers' involvement and participation during the deployment. Communication and leadership are the main elements, which the managers can utilize when leading a team or a change project. Communicated messages should be clear and repeated, the right leadership method for the right moment should be considered. The benefit of a wider group of managers stimulates discussion. Finally, the decisions made by the wider group of managers are likely to be the right ones as compared to decisions of a single manager. As a result, the first recommendation is to organize a meeting with managers.

Different people have different skills. The case company has talented individuals all over the organization. The dilemma is that talented people are lost in the big organization matrix. The second recommendation for the managers is to assess the needed skills and identify individuals with the needed skills.

As today, the new sales business model has been introduced. Looking at the deployment plan, it can be argued that the deployment is at step 5 – empower board-based actions. If two previously mentioned recommendations have been completed, in the last recommendation, the talent is put into practice. In the CSA was mentioned that the CRM system does not support the new model. Or the CRM system could be more automatic. The management should assess where the pain points are and allocate resources as needed.

Whenever the deployment plan passes step 5 successfully, the deployment plan is sort of a guiding book because no-one cannot give really detailed instructions for the future. The managers might consider is it worth describing the deployment plan in public to the personnel.

7.3 Thesis Evaluation

The objective was to propose a plan how to deploy the new sales model in the Nordic. In order to develop the deployment plan, the first step was to assess the current state by interviewing the stakeholders. As the author of this thesis understood the current state in the company, the literature review followed. The review focused on aspects, which were found in the current state analysis. Finally, the initial proposal was introduced to the managers and the management approved the plan with developments.

The most vulnerable part of the deployment plan is the current state analysis. The change, which took place in the case company, was unclear for many people. The introduced model was not clear for most of the stakeholders and describing the new model before the actual interview took half of the time in the first round interviews. In the end, after 60-90 minutes, the interviewees started to lose interest and the quality of their inputs declined. Secondly, the interviewer asked open questions and let the interviewees describe openly the models and the issues in it. At some points, discussion wandered and the interviewer could not control it and valuable time was wasted. Some of the interviews were conducted remotely, but the best-suited method would have been face-to-face meetings. This method helps to observe interviewees' body language, tone of voice and facial impressions during face-to-face meetings. If one meeting presented the purpose and the new model to all the stakeholders at once, the interviews would have focused only on the stakeholder's inputs.

Eight stakeholders were interviewed in the first interview round. Reflecting the number on total number of potential stakeholders, participation rate among different parties remained low. Only 30% of the sales reps of the case company were interviewed. However, consistency seemed to be high because they pointed out the same issues. The higher participation rate correlates with the validity, which means that correct things are researched. One may ask, is it enough that only one person analyzes the data. Reliability could have increased if the data analysis would have done "blind", meaning that several people would have analyzed the data and the categorized subjects individually.

One could argue that some part of the literature review would had taken place before the CSA. Some of the outcomes from the CSA relates to social interactions and behaviors (e.g. change resistance). The interviewer had no deeper knowledge of the subject and therefore discussions stayed in superficial level. More experienced interviewer could have found different root causes for the phenomenon in question. Otherwise, the literature review focused on the subjects, which were found in the CSA.

Having a critical view on the initial objective and the research design, the outcome of the CSA is not only the gaps between two models but in addition several issues, which the stakeholders pointed out during the first round interviews. According to the stakeholders, the new model is simple and the only difference (gap) is the responsibility to sell services. In this thesis, subjects such as CRM, processes, bonus may not fall in to category of "a gap", because "a gap" is not defined in depth. However, it raises a question who would have benefit of this thesis if it focused only on one gap. Maybe "a gap" should have been defined in the CSA.

In this thesis, the literature review consisted of two quite well-known change models. It has been argued (Appelbaum et al. 2012) that Kotter's model lacks of research studies that would cover all the steps. The model is grounded on Kotter's personal experience and experience in business context. In addition, Kotter states that every step must be followed in sequence. However, different difficulties what might be faced during the change process, could need additional step to get over the obstacles. It can be seen that 8-step model is too simple for a complex change projects.

A perfect thesis, which would have the same objective and comparing such a thesis to this work, it is clear that these are not on the same level. However, without relevant experience, knowledge and skills, it is impossible to evaluate how well this thesis reached the target. The case company is still deploying the new model and this plan was introduced to the managers, but no one can tell is the new sales model going to be a success or not.

7.3.1 Validity

Research credibility consists of two concepts, reliability and validity. Validity means that the correct things are researched (Kananen, 2013). Silverman (2006) defines validity in qualitative research as its ability to illustrate exactly the social phenomena in question. Validity has sub-categories such as internal and external validity. External validity aims to generalize a research and internal validity reflects how a research process was conducted and documented (Kananen, 2013). Triangulation is appropriate method for a study to increase validity. In triangulation is compared different methods (like observation and interviews) to different kinds of data (quantitative and qualitative). Basically, when the objective is looked at from different standpoints, it creates more true and certain representation of the object (Silverman, 2006).

In this thesis, the validity of the data gathering was confirmed by explaining the purpose of the thesis beginning of every interview. By following this pre-structure approach, the stakeholders were informed equally before the actual interview. All the interviews in data

1 and data 2 were audio-recorded. As mentioned in the previous chapter, most of the interviews were conducted remotely, mainly because of the pandemic situation. From the validity perspective, face-to-face meetings would have given more validity during the data-gathering stages.

The case company has process maps and charts, which describes internal processes but no one was not able to locate those or did not know what the context in it is. Reviewing such a documentation in the CSA had made no sense, even though it would have been another data source and therefore increased overall validity of this thesis when all the documentation would have been available for the interviewees. The only document was the leaflet, which described the new sales model. However, it was not familiar for the stakeholders.

7.3.2 Reliability

Reliability means the consistency of the results that have been obtained. It means that everyone can reproduce the same results (Kananen, 2013). To make research more reliable, Silverman (2006) proposes that research strategy and data analysis methods should be described in detail. He states that researchers should invest their efforts to observations when conducting an interview. In practice, an interviewer should take notes at the time of an interview, expand the notes after the interview and keep temporarily running record of analysis and interpretation. The interviewer should make sure that every interviewee understands the question the same way. This helps the interviewer standardize and categorize the data. Secondly, several people, like analysts, could analyze theoretical analysis and data analysis. As there are more analysts included in the analysis process, the more reliable the analysis will become.

Data1 gathering included several interviews. The author of this thesis analyzed the data and categorized subjects to own categories. The findings from data1 were updated in a table after every interview. The table indicated the most common subjects that were discussed during the interviews. One may ask, is it enough that only one person analyzes the data. Reliability could have increased if the data analysis had been done “blind”, meaning that several people had analyzed the data and the categorized subjects. In the second round interviews, the CF was the foundation of the initial proposal and therefore the interview focused on one change step at a time. In that sense, discussion followed the CF, which can be seen as pre-categorized table like in data1.

7.3.3 Logic

The structure of this thesis follows a design that is introduced in chapter 2.2 Research Design. The case company had a business challenge (service business) that set the objective (to propose a deployment plan), for this thesis. As a starting point for developing the plan, the current state was analyzed, followed by the literature review, initial proposal and the feedback from the managers, which represents the validation process of the thesis. The above mentioned plan was prepared first and then followed accurately during the research. This is a logical structure to build a deployment plan for the case company.

7.3.4 Relevance

The case company has been successful to sell products over the years and as today, the company is market leader in quite many product categories of their business. As this study showed, employees have had difficulties to adapt the new sales model that focuses on selling services. Being successful in the future, the company has now a possibility to aim at internal functions that improves several areas such as support, CRM, collaboration, communication and leadership. With these actions, the deployment of the new sales model is a step closer to the desired end state than before.

In a long run, some of the proposals help the case company to succeed with the upcoming change projects. Especially communication, leadership and trust building, these are the elements, which are crucial for success. As it is important to be well prepared for a deployment of a change project, there still should be enough room for teams to implement the project. No one knows what the right balance is, but sharing experiences of the change helps the company to be better positioned in the future.

7.4 Closing Words

It is always a challenge to be part of a change. When something must be changed, the brains signals it is better to stay where you are right now. However, it is obvious that companies cannot survive if they decided to stay where they are now.

Consultants have outstanding business cases where companies have transformed their business upside down. And with a success, of course. These companies have just made a decision and then transformed their business. Is it that simple?

This thesis has shown that a change is not just a business decision and then everything works smoothly. The change is about people, how they act, are they motivated, are they willing to work harder and do they want to achieve the same as the company. The change is partly about the tools and systems, but those are run and supported by people.

Change is never-ending cycle. Those who have the right mindset and willing to change, are the winners of the future. We just have to start somewhere.

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