

SELLING VALUE WITH THE BUSINESS SOLUTIONS

Konica Minolta Business Solutions Finland Ltd.

Antti Piira

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JYVÄSKYLÄN AMMATTIKORKEAKOULU
JAMK UNIVERSITY OF APPLIED SCIENCES



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Tiivistelmä <p>Konica Minoltan tavoitteena on kehittää myyntiä tuotemyynnistä ratkaisumyyntiin. Siirtyminen tuotemyynnistä ratkaisumyyntiin on haasteellista. Tutkimuksen tavoitteena oli selvittää ratkaisumyynnin nykytila Konica Minoltalla sekä tuottaa uusia ideoita siitä, miten kehittää ja tukea ratkaisumyyntiä. Lisäksi selvitettiin ratkaisumyyntiin liittyviä motivaatiotekijöitä sekä asiakasreferenssien käyttö ratkaisumyynnissä.</p> <p>Trigulaatiivinen tutkimus toteutettiin kahdeksan teemahaastattelun ja kyselylomakkeen avulla. Lisäksi tutkimus sisälsi struktuurallisen testin. Tutkimuksen kohderyhmänä olivat yrityksen työntekijät, myyjät sekä yrityksenjohto. 23 kyselylomaketta lähetettiin myyjille ja kyselyn vastausprosentti oli 53. Tutkimuksen teoria käsitteli tulevaisuuden markkinoita, arvomyyntiteorioita liittyen arvomyyntiin sekä arvomyyntityökaluja.</p> <p>Tutkimuksen perusteella voidaan todeta, että Konica Minoltan ratkaisumyynti on vielä alkuvaiheessa. Myynnin odotetaan kasvavan lähitulevaisuudessa, ja nykyinen trendi tulee auttamaan ratkaisumyynnin kasvussa. Tutkimuksen mukaan pääkehitysalueet ovat: prosessihallinta, tiimien välinen yhteistyö, koulutus- ja tukifunktiot. Teemahaastattelut tuottivat markkinoinnin, myynnin sekä tiedonjakamiseen kehitysideoita.</p> <p>Tutkimuksen tuloksia voidaan hyödyntää liiketoiminnan kehittämisessä markkinointi, myynti ja hallinnon alueilla. Potentiaalisia jatkotutkimus alueita ovat: tiedonjakaminen tiimien välillä, sovellusmyynnin markkinoinnin sekä myynnin koulutuksen kehittäminen.</p>		
Avainsanat (asiasanat) Sovellusmyynti, arvomyynti, markkinointi, myynninjohtaminen, yrityskehitys		
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Abstract <p>Konica Minolta aims to develop its sales from product sales to solution sales. This is a challenging transition that requires resources and new ideas from the company and its people. The thesis attempted to explore the current situation of solution sales at Konica Minolta Business Solutions Finland and to produce ideas on how to develop and support solution sales. In addition motivation factors and the utilization of customer references in sales was examined.</p> <p>The triangulative research was implemented with eight theme interviews and a questionnaire. In addition an experimental structural case test was applied. The focus group of the study was employees including sales representatives, directors and sales managers. Twenty three questionnaires were sent to the sales representatives and the answering rate was 53 %. The theory consisted in areas such as the future market, theories related to value selling and value selling tools.</p> <p>The thesis resulted in that solution sales are still setting in at Konica Minolta BSF. Sales are expected to increase in the near future as the current trend is expected to help solution sales to grow. According to the research main development areas were: process management, co-operation between teams, training and the support functions. Theme interviews resulted in development ideas related to marketing, sales and information sharing.</p> <p>Foundations of the study can be utilized for business development in the areas of: marketing, sales and management purposes. The thesis opened avenues for further research. The development of the information sharing between teams, solution marketing and sales training could be potential areas for future research.</p>		
Keywords Solutions sales, value sales, marketing, sales management, business development		
Miscellaneous		

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1 THE FUTURE OF THE BUSINESS SOLUTIONS

This thesis originated from the needs of Konica Minolta Business Solutions Finland Oy, from now on Konica Minolta BSF. The industry that the company operates is evolving fast thus new types of sales and marketing strategies are needed in order to secure the first class business performance in the future.

Konica Minolta BSF is going through several changes related to its business operations. One of the main challenges in the company is to develop and support sales forces in the way that they can move from hard ware centric to solution centric sales.

This is a challenging transition and it requires fundamental changes across business functions such as marketing, technical and sales. This thesis focuses on exploring and analyzing the current situation of the solution sales at the company. The study is aiming to provide new ideas of the sales development and the support for people who are involved with sales. This study will have potential to draw a picture about the development areas that can be focused in the future.

The inspiration for the thesis project is coming from the needs of developing sales and marketing strategies at the company. The author of the thesis is working for the company as an Areal manager in Jyväskylä, and he is writing this research from the viewpoint of sales and sales management. The target group for the future research is the SMB (Small and Medium Business) sales teams as they have experienced challenges in the solution sales. In addition the target group includes the company people co-operating with the sales. The main task of the thesis is to familiarize the reader with the challenges related with solution sales and produce information that will help to develop and support sales at Konica Minolta.

This thesis can be divided in three sections. The first section shortly introduces the company, thus readers who are not familiar with the company will get the basic understanding of the subject. The second part explains the past and the future of the markets. In addition the principles of value selling will be introduced. The last part of the thesis contains the research with the research plan and the results. This thesis is

a qualitative research with an extension of a questionnaire and a structural test with quantitative analyses. The methods and the research plan will be explained more in detail in the chapter five.

1.1 Company overview

In this chapter: Konica Minolta the company will be introduced. The information about the company has been compiled from its web sites, Konica Minolta global magazine and the company's intranet.

Today, the Konica Minolta Corporation employs more than 36 000 people in over 55 countries. The company has six different business units. The business units are: Business Technologies, Optics, Medical, Graphic imaging, Sensing, Industrial Inkjet and Planetariums. The largest business unit is the Konica Minolta Business Technologies.

Konica Minolta is one of the first manufacturers that expanded its business operations to Europe through subsidiaries. Konica Minoltas headquarters are located in Tokyo Japan. More than 70 % of the sales: come from outside of Japan. Konica Minoltas slogan is "Giving Shape to Ideas. (Konica Minolta, Corporate Information 2013.)

In order to understand Konica Minolta as a company, it is necessary to be familiar with the business functions of the company. The figure below shows the organizational structure of the company.

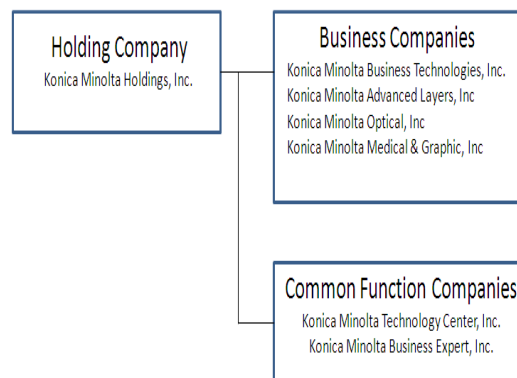


Figure 1. The organizational structure of the Konica Minolta Group (Konica Minolta, Corporate Information 2013)

Konica Minolta is an enterprise group comprised of business companies and common function companies under the holding company Konica Minolta Holdings, Inc.

The holding company is responsible for the formulation and promotion of group management strategies, evaluation of group business management, and overseeing of other group business management activities. The holding company located in Japan is in charge of the business operations. The common function companies are mainly research and development orientated companies. The rest of the companies are mainly sales orientated companies.

Table 1. Examination of entrepreneurial venture (Konica Minolta, Corporate Information 2013)

Company name	Konica Minolta Holdings INC
Head office location	Tokyo, Japan
Management	President and CEO: Masatoshi Matsuzaki
Establishment	December 1936
Capital	37,519 million yen
Number of employees	Approx. 38,200

Konica Minolta BSF belongs to a group of business companies, and it folds under Konica Minolta Business Technologies. Business technologies belong to office solutions and production solutions sales and services. Konica Minolta BSF is owned by Konica Minolta Business Solutions Europe GmbH. (Konica Minolta, Corporate Information 2013).

1.2 Solution business

The company's solution business is rapidly evolving from a hard ware centric to a solution oriented business. Konica Minolta has a strategy with an aim to be a top world class company in the solution business.

Konica Minolta BSF has a turnover of more than twenty four million euro's at the moment. The company has premises in seven locations in Finland and it has approximately 111 employees. The global net sales of Konica Minoltas business solution was 539, 60 billion yens in 2011. (Konica Minolta Business Solutions Finland Oy, 2012.)

Konica Minolta offers solutions for business use only, and, thus the company is practicing b-to-b sales. The business solution means in this context products and services that the company is offering. Konica Minolta's products can be divided in two groups: hard ware and software products. These solutions are typically used in a company's office environment.

One way to think about office environment is the definition of the office ecosystem created by Konica Minolta. The office ecosystem can be divided into several elements such as: Document capture & distribution, content management, connectivity, accounting & output management and device management.

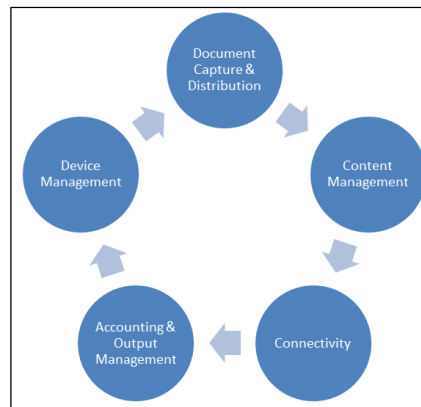


Figure 2. The Office ecosystem (Source adoption from Konica Minolta intranet)

Konica Minolta believes that office solutions can help its customers to work more effectively, reduce costs and energy waste. Konica Minolta brings new innovative solutions to market with a fast rate. According to the company's sales statistics, the solution business is more profitable than hard ware business thus the company needs to focus on the solution business development in the future. (Konica Minolta, 2013).

The company business resolution

In this chapter some of the main business strategies will be introduced in order to clarify the business environment where the company operates. The vision is based on the author of the thesis own experience and it has some element from the corporate web site and the corporate training material. The business is moving from hard ware business to consulting and service orientated business. Three main service con-

cepts that the company provides are: MPS (IT Services), MITS (Manage IT Services) and BPC (Business Process Consulting).

The MPS business is driven by the global consulting model OPS (Optimized Printing Services) at the moment. The global OPS concept is an important element in the company's short term strategy. The OPS is a printing environment development strategy that the company offers to its customer. The company has OPS consulting projects globally as well as in Finland. The OPS concept is well known in Europe as the company has blue chip companies on its reference list e.g. BMW, Lufthansa, Coca Cola and Mac Donald's.

In addition the company has another important business area the BPC (business process consulting). In the business portfolio BPC means typically document management & consulting services. At the moment Konica Minolta BSF is building a new team that will take care of the BPC business in the future. Konica Minolta BSF is aiming to launce the Manage IT –services including cloud services in the future. The company is arranging its IT –service platforms at the moment. Gartner Research Company has performed global research regarding multifunctional systems and printers in 2011 and 2012. Both of the research results are shown in the figure below. The result of the 2011 research is on the left side in the figure.



Figure 3. Magic Quadrant 2011 by Gartner Inc.

Konica Minolta came out as a challenger in 2011 research. As the figure above shows that Konica Minolta has improved its position and it belongs to the group of the

leaders at the moment. The Magic Quadrant –graphics are one part of the research published by Gartner Inc. The report can be obtained from Konica Minolta BSF.

According Ken Osuga who is the president of Konica Minolta Business Solutions Europe the fact that the company belongs to the group of the leading manufactures is a remarkable achievement and the company is committed to keep this position in the future. (Konica Minolta Global magazine 2013.)

1.3 Value proposition

“Giving shape to ideas” is the Konica Minolta’s slogan that contains the value proposition of the company in a nutshell. The value selling and value systems will be explored more in detail later on in this thesis.

“A Company’s value proposition is the set of benefits or values it promises to deliver to customer to satisfy their needs” (Kotler. 2010.33).

The company creates value with its products, solutions and services. The OPS (Optimized Print Service) is a consultancy strategy that is a trademark of Konica Minolta.

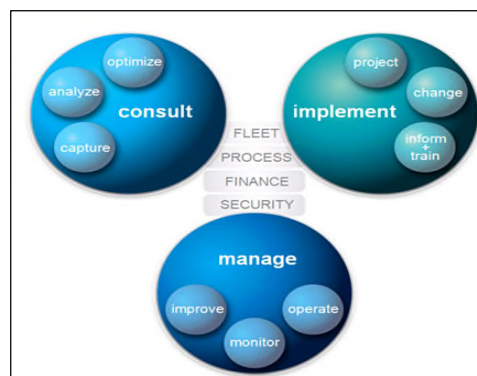


Figure 4. Konica Minolta Optimized Print Services (Source Konica Minolta 2013)

This concept contains three main elements that are: consulting, implementing and manage. The main idea is that customer will get all the necessary services and products under the same umbrella. According to All Associates Group most of the companies can reduce printing cost from 10 to 30 %. OPS –consulting services are based on that saving potential. (Konica Minolta, 2013.)

2 THE FUTURE MARKETS

Understanding the phenomenon of office equipment industry evolution requires the familiarization with the general information about industry such as the history, market situation and the future trends. This chapter briefly explains the definition of the industry and the current market situation in Europe and Finland. In addition, the market evolution of the industry will be introduced.

Definition of the industry

The New York Times defines the office equipment industry as follow:

“Companies that are engaged in manufacturing office technology equipment’s are considered to operating in the office equipment industry. The office equipment industry excludes computers, telecommunications-related equipment’s, office furniture and supply manufactures”
(New York Times, Business Day Market, 2013).

Typical products in this industry are MFP’s (Multifunctional Printer). The office equipment industry involves products other than MFP’s such as calculators, cash registers and scientific and analytical equipment. However, this study separates items mentioned before and focuses on the MFP industry, services and solutions in and around the industry.

According to industry researches companies, i.e. Infotrends, competition in the industry is relatively tense. There are several manufacturers who are operating in the same industry with similar type of products and services. Some of the most commonly known brands in the industry are Canon, Konica Minolta, Ricoh, Sharp and Xerox. Many of the companies named earlier are involved in the development of various technologies such as cameras, televisions etc. MFPs are typically one branch of the companies R&D. For instance Canon is well known for its cameras and Sharp is known for televisions. Some of the companies that are operating in the b-to-c sector may possess a better brand awareness versus those who are specialized solely in the b-to-b sector.

The office equipment industry has experienced a growth of hardware equipment in the market several times because of technological development of the copier and printer technologies. One of the highest growth period in color copier market was at the beginning of the 20th century.

According to sales statistics the office equipment industry is still growing with the help of new merging solutions such as document management and printing management solutions. The traditional type of product sales is becoming less important for the manufacturers as unit prices have declined.

“According (Kaario et. al. 2003, 15) Pushing products, presenting product features and competing with only pricing are elements of the sales process of the past. Unit prices are going down in almost all industries, and companies are forced to look for new revenue streams and sources of profits.”

It can be concluded from the strategies of office equipment distributors that the sales and marketing strategies have been changed towards solution oriented sales strategies because of a reduced profitability in hardware sales and the tense competitive situation. A change in the marketing strategies can be identified on companies' web sites as there are more solution related information available than before.

“According (Kaario et. al. 2003, 15) ”in order to retain profit growth in deflatory markets, a new sales strategies is needed. The new strategy needs to enable genuine differentiation from the competition, and the innovation of new business models.”

According to a research company the Infotrends solutions and services will continue to be a major differentiator in the office equipment market. Several other studies have indicated the same as the Infotrends. The competition in hardware sales is getting harder between office equipment companies because there are very little differentiation between prices and products.

The Technology Adoption Life Cycle will help to identify the stage of the markets at a given time. It can be concluded from the marketing data that the hardware market is at the declining phase and solution business is slowly maturing.

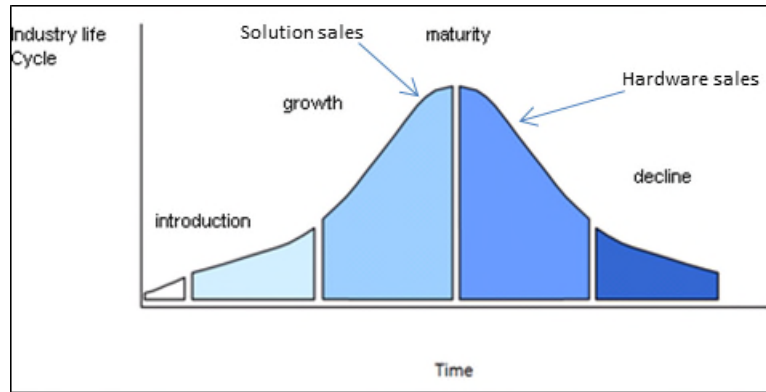


Figure 5. The Technology Adoption Life Cycle (Moore 2003, 8)

There is an unmistakable trend toward expanding the information content in products. This component, combined with changes in companies' value chains, underscores the increasingly strategic role of information technology. There are no longer mature industries; rather, there are mature ways of doing business. (Porter 1998, 84.)

The hardware market is declining slowly, and new solutions and innovations are needed to keep the margins up. As the industry is evolving new sales and marketing strategies plays an important role. Some of the small independent distributors are facing challenges in order to execute their sales strategies due to lack of resources and knowledge. Global manufactures are often in better position versus distributors as they have more resources than smaller distributors.

The author of the thesis has been working in the industry for eight years with companies such as Canon, Konica Minolta and one Sharp dealer. The wide scope of experiences gives to the author a broad view of understanding in the copier business from different angles and from two different point of view i.e. manufacture versus dealership point of view.

According to personal knowledge and several marketing researches, the main challenges in the field are: maintainability the profitability level in high rivalry environment, sales training matters and recruiting challenges. As the field has changed the sales people are expected to change with the field. Anyhow the majority of the sales people are used to work with sales methods that are suitable in hardware sales and

less suitable in solution sales. Different sales styles are examined later on in this thesis.

2.1 Examination of the European markets

The office equipment manufacturers are required to report the sales result to the research institution. The Infosource collects and publishes sales results every quarter. Manufacturers are committed to report reliable data for the Infosource, therefore these reports can be concerned as reliable (Infosource Highlights, 2013.)

The latest Infosource statistics are attached (Appendix 1) with the thesis. From the Infosource statistics it can be seen that the four major companies in the field are: Canon, Ricoh, Xerox and Konica Minolta.

According to the latest statistics Ricoh is ranked as number one in European MFP market by holding almost a quarter (21.7 %) of the market. Canon, Konica Minolta and Kyocera are having more than 10 % of the market share. The market in Europe is fragmented as it is possible to appreciate from the report

Canon is holding more than a quarter of the Finnish market (28.5 %). Konica Minolta, Xerox, Toshiba and Ricoh have over 10 % of the market share. Konica Minolta is holding a quarter (15 %) of the total market in Finland.

Market statistics attached with this thesis are focused on the comparison of the unit sales volumes. Information about unit volumes gives an idea of the market shares and the size. This is the most common practice to measure success in the office equipment industry. (Infosource marketing research, 2012.)

2.2 Future trends

According the latest research by the Infotrends *the* MPS (Managed Print Services) are expecting to grow in Western Europe. The economy and new regulations are the main growth factors in the industry. The optimization of the office environment will be more in the interest of many organizations as companies are looking for new ways

of cutting operation costs. The new trend of the MPS -business is managing users with solutions such as follow me print etc. The device management is becoming the second factor after managing users. The major differentiator will be solutions and services in the office equipment industry market.

The solutions can be divided in three categories as follow: device management, document capture/workflow and document and output management. All of these areas are expecting to grow in the future.

The Infotrends predict that the growth rate (CAGR) of 17.5 % to 2015. That is more value than €2000M. Many organizations see the benefits of utilization of advanced solutions. In the future on the growth will concentrate in the capture and document management side as organizations shifts from device optimization to workflow optimization. One growth factor is data security. In addition, security risks will help providers to sell more in the future. (Infotrends, 2012.)

2.3 The market evolution

This chapter presents the theory of the office equipment market evolution. The main source for this market evolution theory is the latest marketing research report conducted by Infosource, the research company.

The research clarifies the importance of the solution business in the office equipment market and it explains how marketing and sales strategies have evolved in the office equipment industry.

The future office equipment solution sales require sales managers to change their sales processes and behavior from product selling to solution selling. Adjusting sales and marketing strategies from hardware centric to solution centric is a process that involves efforts and resources from the company.

Some of the small office equipment consigners usually hang on with product sales as it has been originally the core business. Product selling involves less resource in terms of training and business knowledge. However having a strategy as product

selling is no longer an option in the future for various reasons that will be explained more in detail in chapter three.

According to Infotrens, engaging customers to invest money in hardware, software and services is more challenging than old way of selling photocopiers to that end it is possible to conclude that sales strategies must have evolved. Most of the companies operating in the office equipment industry are finding it challenging to fit their strategy to become true solution centric supplier. (Infotrends, 2013.)

Research institutions specialized in the office equipment industry suggests that office equipment markets can be divided in four different market stages that are standalone, connected MFP, application sales and solution sales.

This theory of the market evolution describes the whole evolution of the office equipment markets starting from 1959 to current date. Familiarization of the office equipment market evolution is the key to understand the main factors that are driving the markets. In the next chapter the different stages of the market evolution will be explored.

2.4 Evolution stage I.

“Historically, a product’s physical component has been more important than its information component. The new technology, however, makes it feasible to supply far more information along with the physical product” (Porter 1998, 84).

Photocopier model Xerox 914 was introduced in 1959. This was the first industrially manufactured photocopier. Until 1980s the core product was standalone copier. The Copier industry declined in late 1980s and production printing markets were rising. More copies were taken in press houses. (The Great Idea Finder, 2013.)

This time of the analog copiers can be called as the first stage of the office equipment markets. The main focus was in hardware support and maintaining services. Hardware was the main focus of sales efforts and customer values were performance and functionality of the photo copier. (Infotrends, 2013.)

2.5 Evolution stage II.

The 1990s was the rise of the MFPs (Multi Functional Systems). Copiers evolved from stand alone machines to multi functional printers with scanning, printing and faxing features. Network connectivity and MFPs became the most important feature in the MFPs. Sales efforts focuses more on network printing scanning and faxing.

Most of the services are typically coming with the hardware such as training, support, installation. The leading manufactures have product line with device of equal functionality thus differentiation from the competitors is challenging. Network connectivity was opportunity for several printer vendors who wanted their own share of the printing markets. The competition was high between printers and MFPs at that period of time.

In 1973 Canon developed the first colour copier. First colour copiers were expensive and only few offices were willing to invest in paying colour copier. In late 90th colour office copiers became more affordable because of new digital technology. Digital copiers are versatile since they can be connected to the PC other than analogical machines. These versatile machines are called Multi Functional Printers or MFPs.

Today digital colour machines are more affordable than ever before. Almost every office has a colour MFP. Price of a colour MFPs varies between 1 000 to 2 5000 euro depending on the type and size of the system. There are also smaller multifunctional systems which are suitable for home offices or personal use. Home office machines will cost only a few hundred euros. Copier dealers are facing challenging times to keep margins on profitable level due to low prices.

In 2004 there was a big demand for colour office machines. This was the first time when colour capable machines were the first choice after black and white machines. At the moment demand for colour copiers is declining slowly but new machines will be sold every day.

2.6 Evolution stage III.

Sales are more focused on software and services and less on MFP sales. MFP product performance specifications are less important than functionality of applications.

Main factors that are driving dealers to sell applications are:

- Device parity is driving MFP margins down.
- Sell software for differentiation.
- Relief from price pressure “price war”.

Customer priorities are solving workflow challenges and optimizing applications.

Sales work is more demanding and it requires understanding of a customer’s application to propose an effective solution. There are new opportunities and the ability to support more applications in the product life cycle. Offerings still revolve around core product.

Customer needs and business processes are still out of focus because vendors are expanding offerings to boost hardware sales and looking for aftermarket revenue. Some vendors still rely on free installations to remain competitive in hardware business.

2.7 Evolution stage IV.

Sales efforts are focused on customer workflow and business processes. Customers are expecting Investment return and fast ROI (return on investment). The solution sales are a combination of software, hardware and services. Sales process involves solving customer needs and therefore selling requires a truly consultative approach to sales. Sales cycles are longer as solution selling requires strong relationship with the customer.

Stage four is a transition from hardware centric to solution centric strategy. This is a challenging transition the transition requires fundamental changes across all business functions or the creation of a separate and potentially competitive business unit or organization.

In the solution based sales the price pressure is lower than in connected MFP sales and hardware become secondary to the overall solution. Solutions produces more value for customer such as: cost savings, increased productivity and enhanced capabilities. Opportunities that are separate from the MFP sales such as solution integrations become possible in solution sales. True solution selling is still not practiced among the majority of the sales mans. Most of the sales organizations are still operating in stage two or three. A few of the sales organizations have taken serious steps towards solution sales. In the research the current situation of the solution sales will be explored.

Customers are more demanding and basic hardware is no longer enough value for customers of today. This stage of solution sales will become critical factor and some vendors in the terms of success. (Infotrends, 2013.)

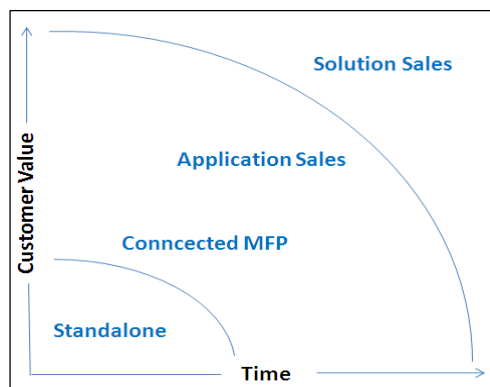


Figure 6. Office Equipment Market Stages (Infotrends, 2013)

The office equipment market theory is related with the elements in the selling processes. The selling process will be examined more in detail in chapters three.

The office equipment market and the demands of the customers are changing constantly therefore value selling process and customer value should be taking in the consideration while managing sales forces or planning marketing.

In the next chapter the basic principles of the customer value and the value selling process will be introduced. In addition some of the best known sales motivation theories will be explored as this thesis is aiming to support Konica Minoltas sales managers in the managerial issues.

3 SELLING VALUE

This chapter explains the principles of the value creation. Starting from the principles of the customer value and the value system in general and the Konica Minolta value system and sales processes more in detail. The value creation will be utilized in marketing and sales. The understanding of these basic principles is relevant as this thesis attempts to explore the current situation of the solution sales at the Konica Minolta BSF.

“It is usually is a mistake to assume that customers will immediately and fully understand the value that your company offers. You have to “communicate the value” that customers will experience from your organization’s offering. ”
(Woodruff & Gardial 1996, 9).

According Woodruff there are three important elements of the definition of customer value:

- The customer’s expectations of the product or service i.e., customers are expecting the impact of the solutions.
- The purpose of the product can be classified as value.
- The impact of the product. Products are creating value to the customers and that is subject to the experience of the customer.

“Customer value is the customer’s perception of what they want to have happen (i.e., the consequences) in a specific use situation, with the help of a product or service offering, in order to accomplish a desired purpose or goal. Customers’ value judgments are highly influenced by and best determined within the constraints of a particular use situation. These judgements are subject to change across use situations, over time, and due to specific “trigger” situations” (Woodruff & Gardial 1996, 54).

The duty of a sales representative is to map out the customer use situation and innovatively consult the customer in order to find out the most optimal solution. For instance a “trigger” situation can be that if the sales representative introduces a solution that saves time and money.

3.1 Value chain

Value chain is a concept that divides a company's activities in two primary activities: the technological activities and the economic activities. Companies are creating the value for the customers. The value can be measured by the amount that buyers are willing to pay for a product or service. It is important to understand the value that the company is generating to its customers in order to sell value instead of the price or the functionality. The understanding of the value creation can be used in sales and marketing. The value chain is the best known tool that can be applied when identifying values of the company and the relationships between companies. (Whiteley 1996, 244.)

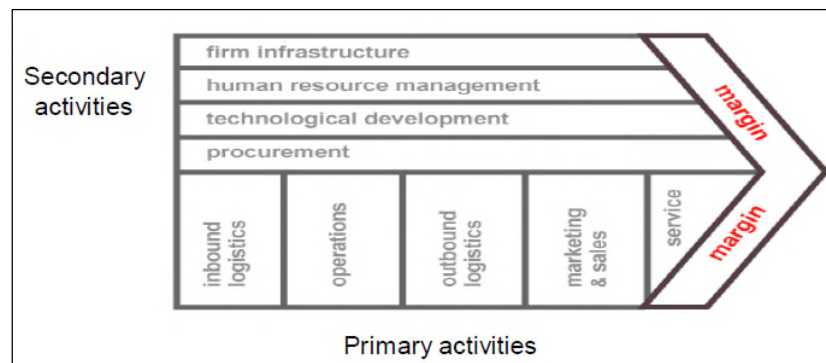


Figure 7. The value chain (Porter 1998, 78)

Companies are creating value with activities they are practicing. Value activities can be divided in nine categories as shown above. A company's value chain contains independent activities that are connected by linkages. Companies can optimize the value activities in order to increase their competitiveness. The value chain can be tailored to a particular target segment in order to differentiate the company from competitors.

“To outperforming competitors a company can perform activities at a lower cost or trough out differentiation and a premium price”. (Porter 1998, 78) However lowering costs leads companies to the situation where profitability of the business is compromised thus differentiation is the only strategy choice for the future.

Table 1. The company value chain

Next an experimental value system of the company will be introduced. This value system is an example how it can look like.

Table 2. The primary value activities

Primary Value Activities	Service provider	Activity type
Storage	Itella	Inbound logistics (physical)
ERP Navison	Microsoft	Inbound logistics (information)
Manufacturing	Konica Minolta Europe	Operations (physical)
ERP Navison	Microsoft	Outbound logistics (information)
Pre installation	Itella	Outbound logistics (physical)
Sales	In house	Marketing and Sales (physical)
Falcon CRM	Microsoft	Marketing and Sales (information)
Global marketing campaigns	Konica Minolta Global	Marketing and Sales (information)
National marketing campaigns	In house	Marketing and Sales (information)
Brochures	Konica Minolta Global	Marketing and Sales (physical)
Web sites	Konica Minolta Global	Marketing and Sales (informative)
Training	Partner & in house	Marketing and Sales (information)
Sales calls	In house	Marketing and Sales (information)
CSRC Remote Care	Konica Minolta Global	Services (information)
Onsite services	In house	Services (physical)

(Source own creation)

Table 3. The secondary value activities

Support Activites	Service provider	Activity type
Strategy and management	Konica Minolta Global & Inhouse	Firm infracture(information)
Personel hiring	In house	H&R (physical)
R&D	Konica Minolta Global	Technoly development (information & physical)
Procurement	In house & KM Global	Technoly development (information & physical)

(Source own creation)

Value activities are divided in nine different groups. The table above indicates service provider and the type of the activity. In this case only six out of sixteen activities are bought from partners. Rest of the activities is provided in house. By outsourcing value activities companies can cut costs.

“A company’s value chain is a system of independent activities, which are connected by linkages. The linkages can be optimized. Competitive advantage in either cost or differentiation is a function of a company’s value chain. Tailor the value chain to a particular target segment to achieve lower cost or differentiation“(Porter 1998, 78).

In the next chapter the different type of sales processes will be reviewed shortly. At first we are going to take a look of the three different types of sales processes in addition Konica Minolta’s sales processes will be explored.

3.2 Product sales vs. solution sales

As the purpose of this thesis is to explore current situation of solutions sales, and sales representative’s motivations this chapter focuses on describing the sales processes and it attempts to find differences between the product sales and the solution sales. According to (Kaario et al. 2003, 52), sales processes can be divided into three categories: product sales, application sales and values sales. This chapter will briefly introduce sales processes in general. The end of the chapter, the Konica Minolta sales process will be described. In addition, this chapter covers the basic motivation factors in the solution sales. These theories will give a framework for the theme interviews.

3.3 Product sales process

“Once main challenge in developing product sales is to widen the sales process from both ends. Being involved in the need specification phase allows the provider to influence the customer’s “specs” and to provide products to a wider spectrum in the installation and usage phase involves the sale of service and maintenance components and the proactive identification of addition business opportunities” (Kaario et al. 2003, 52).

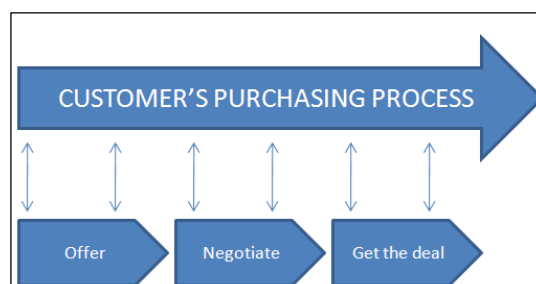


Figure 8. Simplified product sales process (Source adoption from Kaario et al. 2003, 52)

According Kaario *"In the product sales, the corresponding customer's process is the customers purchasing process"*. (Kaario et al. 2003, 52.)

An practical example of the product sales process

A sales man contacts a prospective customer by phone in order to agree a meeting. In the meeting sales man gathers information about the customer's situation and verifies the potential of the customer. The sales man will attempt effect on the customer's purchasing process in the way that he will receive a RFQ (request for quotation). Typically it is enough if the customer agrees that he will get a proposal from the sales representative.

An offer can be sent to the customer, but in order to secure a deal a sales man prefers to meet the customer again to demonstrate the product and present the offer. This second meeting often defines whether the customer is confined enough to buy the product or if he will withdraw. Professional product sales representatives are trained to close deals fast and some high pressure sales methods can be applied by them. The delivery and support are the final stages of the product sales process.

In the office equipment product sales customers are often contacted by sales men before RFQ as shown before. However in product sales customers are more or less self-sufficient and has defined what it needs before it approaches the provider, e.g. in the form of an RFQ.

This assumption can be explained with differences between market situations in a particular field. For instance some market fields have more demand driven than others. In a demand driven market situation sales representatives act more like distributors of the products. The role of the sales man is less demanding as they do not need to create market opportunities other than no market driven field. However in the office equipment industry sales representatives must be an opportunity creator in order to succeed.

The fact that the sales representatives create demand (contacts to customer) does not change the sales process from product sales to solution sales. The sales man can still act as a product sales man as long as the product sales people's main compe-

tence lays in matching the provider's process to the customer's purchasing process and being able to understand the customer's challenges and concerns behind the expressed needs.

3.4 Solution sales process

Konica Minolta sales MFP hard ware and software solutions as introduced in the chapter one. The solution sales process sales efforts are mainly focused on customer's usage process.

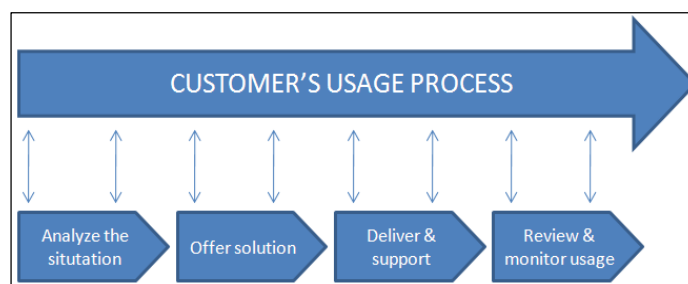


Figure 9. Simplified Solution sales process (Source adoption from Kaario et al. 2003, 52)

“In solution sales, the provider ought to strive to support – not just the purchasing process but – a wider process of the customer. Hence, one can look at the customer's usage process as the corresponding process to which the solution sales process needs to be matched” (Kaario et al. 2003, 53).

In solution sales the main challenge is to understand how the customer is going to use the solution. The customer's purchasing process plays an important role but it is not the most important as in the product sales process. The main focus is in the development of solutions that will support the customer's usage of the provided solution. The key element is to understand of the usage of the solution in the customer's organization. (Kaario et al. 2003, 52.)

Example of a solution sales process

A sales man contacts to the prospect by phone in order to agree a meeting. In the meeting sales man gathers information about customer's situation and verifies the potential of the customer. The sales representative goes back to the office and introduces the business case in the bid review to the technical people and people (depending on the size) who are in charge of the company. In the business review decisions regarding on the business case will be made.

The project team (project site) conducts a plan and a story for the second meeting. In the second meeting the sales man verifies if the story and the plan fits in the customer expectations. Often the second meeting is located in the sales representative's site as it enables demonstrations etc. Finally the customer agrees for RFQ. After negotiations a contract will be conducted. According the project plan follows the delivery. The customer relationship continues with the review and constant monitoring.

3.5 Value sales process

The value sales process looks very much similar with solution sales process Figure 10. The main difference between value sales and solution sales is the solution itself. Some solutions affects directly to the customers' business processes while some affects only to customer's workflow. Many times customer business processes need to be taken in account in the solution sales process as well.

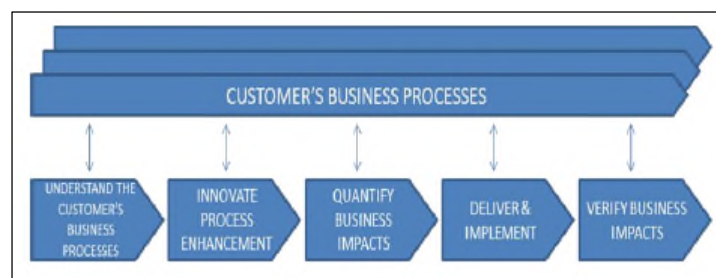


Figure 10. Value sales process (Kaario et al. 2003, 54)

At Konica Minolta the sales can support customer's business process, thus this type of sales can be called value sales. For instance new type of scanning solutions can affect directly to customers billing process etc.

“In value sales, the customer’s process that sales ought to support is a business process. Depending on the provider’s scope of business, the process may, for instance, be the customer’s production process, marketing process, sales process, or competence development process”. (Kaario et al. 2003, 54).

The sales man must gain deep understanding of customer’s business such as how the customer runs the business. Understanding of the dynamics of the value chain in which the customer operates will help the sales man. The value chain is introduced in chapter two. In value sales the sales man is creating value for the customer therefore it is important to understand the main drivers of its business. Understanding of the main drivers of the business enables one to create value for its customer and it will help the customer to reach its own target.

In value sales the provider must understand how the customer runs the business processes and what the main drivers of each process are. Understanding the main drivers ensure that the provider is able to define the way it is going to create value to the customer and help the customer in reaching its targets.

“In essence, value sales activities should enable the understanding the customer chosen business process and innovating ways to improve it together with the customer.

If the sales person is able to do this and also gets acceptance from the customer, closing the deal is no longer a major issue. If the customer whole will be asking the critical question: when can we start?” (Kaario et al. 2003, 54).

Value selling is not a sales process. It forms part of the content that the sales man uses within their existing selling process, whether they are selling transactional or consultatively.

“At it's very simplest, value is the balance between "what do I pay?" versus "what do I get?". How your sellers communicate this balance to their prospects will be reflected in the margins you achieve.

Value selling requires a level of engagement with prospects that moves beyond discussions about features and benefits”. (CPV Consulting Ltd. 2013).

In the solution sales the value-selling process is even more crucial with compensation. The management must take care of that the value-selling process is well estab-

lished in the company. The process includes the communication of the company's value proposition and indicators of the actual value delivery.

"Beyond compensation, management must install a value-selling process-one that starts with communicating the company's value proposition and ends with measures of actual value delivered". (Kaarlio et al. 2003, 200).

In order to achieve objectives, a customer value proposition needs to be clear, concise and compelling. In order to develop a strong customer value proposition, organizations need to have a thorough knowledge of their potential and current customer base.

The author thinks that it's a company's job to create a compelling value proposition for its customers. The CVP (customer value proposition) is the value that the vendor is expected to deliver to its customers as a return of the payment. (Wikipedia 2013.)

According the (Jobber & Lancaster 2009, 230) the company should equip sales representatives with tools that they can utilize in order to demonstrate the value of the companies offering to the target customers. Value-selling tools include value data, value calculators and value case histories. These tools are used to provide evidence to customers about superior value gained versus competitors.

Companies are using market research methods such as marketing analysis and marketing researches in order to identify customer's needs. With this way companies will develop clear and concise value propositions. The value proposition can be a tangible evidence that customer can reasonably expect when choosing a particular companies products or services. The value proposition can be exploited also from the customer's perspective. Customers can tell about the experiences and benefits of the products. The company can conduct a case study of the specific customer and with that way the value proposition will be proved by customer. (Wikipedia 2013.)

As it was concluded earlier in chapter two the office equipment market is constantly changing. This transition in market involves a new set of skills from sales representatives such as a consultative sales styles and deep understanding of technical solutions.

3.6 Value spendthrifts vs. value merchants

According David Jobber two different type of salespeople can be identified. Those types are value spendthrifts and value merchants. In solutions business sales representatives who understands the importance of the customer value are more likely to success.

Value spendthrifts give value away by emphasizing low price while getting little from customer in return. In office equipment market where products are very similar sales representatives are often tempted to give reductions in order to secure deals. This action of lowering prices leads office equipment suppliers in the situation where the profitability of the business is in question.

“As an excuse value spendthrift often complains to the company that its prices are too high, keeping them from winning deals; value merchants explain that they need more proof of superior customer value in order to win a customer’s business. As well as Value-merchant salespeople document and demonstrate superior value in order to capture a customer’s long-term business” (Kotler & Amstrong 2001, 500).

Solution sales representatives are value merchants as they do not have the price pressure as in product sales. In order to manage sales forces one need to be aware of the basic motivation theories. In the next chapter the basic motivation theories will be introduced.

3.7 Motivation theories

This chapter will shortly introduce the best known sales motivation theories. These theories can be applied in sales management and planning purposes. According to (Futrell 1999, 526) the motivation “mix” consists of five elements witch are:

- A basic compensation plan
- Special financial incentives
- Non financial rewards
- Leadership techniques

- Management control procedure

According to William James, a US researcher with minor motivation a human can utilize only between 20 – 30 percent of the capacity available. With a help of good motivation a person can reach between 80 – 90 percent out of it's capacitate. Thus motivation factors cover more than 60 percent out of the total performance. (Kiikkinen 2012, 11).

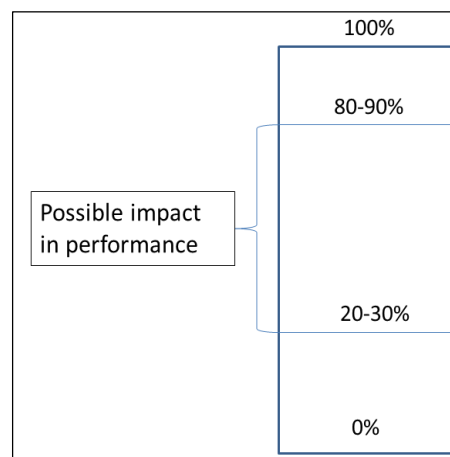


Figure 11. Impact in performance (Kiikkinen 2012, 11)

One needs to understand the value systems of salespeople while motivating them. Each sales person has their own personality. Therefore sales managers need to motivate each person differently.

“In a sense, sales managers do not motivate salespeople. What they do is provide the circumstances that will encourage salespeople to motivate themselves” (Jobber & Lancaster 2009, 405).

The relationship between needs, drives and goals is the main element in motivation. An understanding of the needs will help to set the drives in motivation.

Sales success is highly dependant to motivation factors. Motivation researches have shown that increased levels of motivation lead to:

- “An increased creativity
- working smarter and with a more adaptive selling approach
- working harder
- An increased use of win-win negotiation tactics

- A higher self-esteem
- A more relaxed attitude and a less negative emotional tone
- Enhancement of relationships". (Jobber & Lancaster 2009, 405).

There is a number of motivation theories related with salespeople that scientists have researched for several years. (Jobber & Lancaster 2009, 405). In the next chapter, the most commonly known motivation theories will be introduced.

Maslow's hierarchy of needs

Probably the best known motivation theory is Abraham Maslow's hierarchy of needs. This model suggests that there are five fundamental needs as shown in the table below.

Table 4. The Maslow motivation theory

Category	Type	Characteristics
Physical	1. Physiological	The fundamentals of survival, e.g. hunger, thirst, Protection from the unpredictable happenings in life, e.g. accidents, ill health.
	2. Safety	
Social	3. Belongingness and love	Striving to be accepted by those to whom we feel close (especially family) and to be an important person to them.
	4. Esteem and status	Striving to achieve a high standing relative to other people; a desire for prestige and a high reputation
Self	5. Self-actualization	The desire for self-fulfillment in achieving what one is capable of for one's own sake –" Actualized in what he is potentially" (Maslow).

(Jobber & Lancaster 2009, 406)

The main idea of Maslow's motivation theory is based on needs and the hierarchy. Each need should be satisfied in order from physical to self-actualization. A set of needs only become important after the lower level needs have been satisfied completely. However this theory have been criticized as this theory have limitations in sales force motivation. For instance one can disagree that esteem and status must be fulfilled before self-actualization.

However Maslows theory can be utilized in sales force motivation. For instance a sales person with a great need for esteem can be motivated by highlighting a superior sales performance at a sales meeting. (Jobber & Lancaster 2009, 406.)

Herzberg Dual factor theory

Hygiene factors can cause positive motivation. The hygiene factors include:

- Physical working conditions
- Security
- Salary and interpersonal relationships

Directing managerial attention to these factors will bring up the motivation level to zero but will not result on positive motivation. True motivation includes: the nature of the work itself that allows the person to make some concrete achievement.

Recognition of achievement the responsibility exercised by the person, and the interest value of the work itself.

The salary has been included as a hygiene factor rather than as motivator. This inclusion has been criticized among sales managers. It has been generally believed that commission paid to salespeople was a powerful motivator in practice. However according Herzberg argued that higher commission resulted higher motivation through the instant recognition it gave to sales achievement. Herzberg's theory helped one to gain deeper understanding of motivation at work. Especially the theory have seen as extension to Maslow's theory. (Jobber & Lancaster 2009, 406 - 407).

Vroom's expectancy theory

According Vrooms expectancy theory the motivation is depending on person's expectations for success. This theory is based on three factors that are: expectancy, instrumentality and valence.

Expectancy refers to a person's assumptions about effort versus performance. For instance one can expect that increased effort will lead to higher performance.

Instrumentality refers to person's expectations of performance versus reward. For instance one can expect that higher performance will lead to promotion.

Valence refers to a valuation that person gives to a reward. The valuation of a reward is depending on the value system of the person. For instance a promotion is a highly valued for someone while for somebody is less so.

Because each person have different values, expectations it is a sales managers duty to communicate to the sales force performance criteria. Understanding of sales force performance criteria will help sales teams to achieve targets and relate criteria with rewards. (Jobber & Lancaster 2009, 407 – 408.)

Adam's inequity theory

According the theory one can experience unfairness when efforts or performance is out balanced with rewards. Sales person can sense inequity in several areas such as: monetary rewards, workload, promotion etc. (Jobber & Lancaster 2009, 408 – 409.)

“Sales managers must monitor their sales force to detect any feelings of unfairness. This can be done informally during sales meetings or through the use of questionnaires” (Jobber & Lancaster 2009, 408).

Likert's sales management theory

This theory is based on research that looked specifically at the motivation of sales people. In the research different characteristics and managerial styles were related to performance. Likert tested how sales managers own behavior was related to behavior of salespeople. A link was founded between high performance sales teams and sales managers who themselves had high performance goals. Methods of running sales meetings were tested and two alternative styles were compared: group method versus monopolist method.

The group method encouraged salespeople both to discuss sales problems and to learn from one another. Monopolist method discouraged interaction between salespeople. Higher productive sales teams had stronger tendency to use group method. (Jobber & Lancaster 2009, 409.)

“The research conducted by Liker suggests that to produce a highly motivated sales force, the sales manager should have high performance goals and encourage analysis and discussion of salespeople's perfor-

mance and problems through the group method of conducting sales meetings” (Jobber & Lancaster 2009, 409).

The Churchill, Ford and Walker model of sales force motivation

This model of sales motivation suggests that “the higher the salesperson’s motivation, the greater the effort, leading higher performance. This enhanced performance will lead to greater reward which will bring about higher satisfaction. The circle will be completed by the enhanced satisfaction causing still higher motivation”

The research indicated that the value of reward differed according to salesperson type (Jobber & Lancaster 2009, 410.)

3.8 Compensation plans

As introduced earlier compensation have relation with motivation. The author of the thesis thinks that compensation plans have important role in sales force motivation especially in office equipment business. According (Röksä 2012, 53) latest research related to salaries done by the Union of Sales and Marketing Professionals (SMKJ) the average gross salary of the member was 4 300€ per month in December of 2012.

According SMKJ there are five (5) different salary models used among sales professionals that are: fixed salary plus bonus, fixed salary, fixed plus commission, fixed plus commission and bonus and commission. (Röksä 2012, 53.)

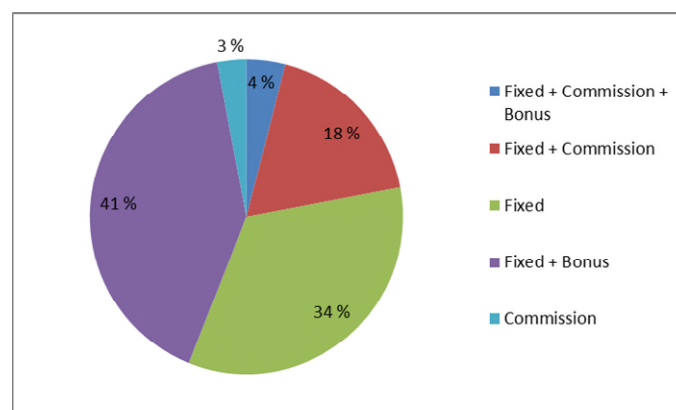


Figure 12. Salary models (Röksä 2012, 53)

Incentives are commonly used in sales field and the typical share of fixed salary is between 70 % to 100 %. Straight commission model is a marginal phenomenon it leads usually to weak salary development. (Röksä 2012, 53.)

According the authors personal experience typical salary model in the industry is fixed salary plus commission. This salary model is called commission based salary model. The share of the fixed salary varies depending on the company and the position of the employee.

The author of the thesis believes that commission based salary model with low fixed salary is suitable in order to motivate sales people closing deals fast as their salaries are depending on monthly billings. This model has down sides as low performance results low salary it can lead to slight motivation. In addition commission based salary model supports weakly solution sales strategy because in the solution business sales cycles are longer and often commission based sales representatives have very little time to wait in order to get commission.

According (Jobber & Lancaster 2009, 448) compensation plans plays an important role while motivating sales representatives to seek return on value instead of simply cutting price to gain or retain business. Management should pay attention to compensation plan as it should reward value selling behavior and profitable outcomes rather than short term winnings. The author of the thesis thinks that the commission based salary system supports value spendthrift type of sales behavior rather than value-merchant behavior because sales cycles tend to be long in solution sales.

“The commission system can be used not only to stimulate greater effort in general, but also to direct salespeople toward expending greater energy on those products the company particularly want to sell” (Jobber & Lancaster 2009, 412).

Sales quotas

In order to have effective in motivating a salesperson the settings must be fair and attainable and it must offer a challenge. Jobber suggests that establishment of the quotas is the sales manager responsibility; however it is sensible to allow salesperson to be involved in setting sales target.

“An advantage of the sales quotas is that it can be used flexibly to motivate salespeople to attain specific goals. For example, sales quotas can be based on overall sales targets, sales to new customers, or sales of particular type of product. However they have their drawbacks: non-quota areas may be neglected, they may encourage cheating and result in unethical selling practices when the pressure to meet a sales quota is great.” (Jobber & Lancaster 2009, 413).

4 VALUE SELLING TOOLS

Sales representatives can be supported with the help of value tools. This chapter gives a short overview of the tools that can be used in solution sales. In addition, the author of the thesis has selected one tool that is covered more in detail. Case studies will be paid attention to as they have been the topic among of the sales and marketing in Konica Minolta recently.

In solution sales it is important to have tools that the sales persons can demonstrate use. In this chapter we are going to have a short preview of solution selling tools. Konica Minolta uses several tools but due to the limited time resources we are going to mainly focus on case studies. Solution selling tools can be categorized in three groups that are; Assessment tools, justifying tools and differentiation tools. Grouping of the tools can help the sales persons to collect the right tool at the right time in a sales process. (Alienean Inc. 2013.)

For example when sales representative presents the solution to the customer he or she can use a ROI calculator in order to convince the customer that the investment in the solution is reasonable.

Konica Minolta sale representatives have access to several value selling tools that are provided by the marketing department and solution team. The best known value selling tools in Konica Minolta are; TEC calculator, OPS, Prinfleet and iDOC. In addition there are some customer case studies. As an effort to support Konica Minolta's solution sales, a short preview of customer case studies is included in this thesis.

4.1 Creating value with the customer references

One advanced group of tools is documents, testimonials, whitepapers and case studies. The author of the study believes that the customer reference process is still unknown concept for majority of sales staff in Konica Minolta BSF. Sales men usually possess plenty of silent information about their successful cases. It would be necessary to share that silent information among sales teams in order copy success effectively. Case studies can be also used for sales training purposes.

“Case studies are particular appropriate for developing analytical skills. Trainees are asked to analyse situations, indentify problems and opportunities and make recommendations for dealing with them. They can be used, for example, in setting call objectives. A history of a buyer-seller relationship is given and the trainee is asked to develop a set of sensible objectives for their next visit” (Whiteley 1996, 244).

One of the main challenges in solution sales is to translate competencies to sales arguments. With a help of case studies sales representatives can empower sales arguments by using case studies as evidences that supports their sales story. This chapter will focus on customer references utilization in solution sales process.

“Visiting to customer and observation of their product”

“Thoughtful study of customers in the setting in which they actually use your product probably provides the greatest intimacy of any technique”

“This is probably the most underutilized method. When people who know what the product is designed to do see how people are actually using it, they get ideas for improvement that customers themselves could never have proposed.” (Whiteley 1996, 244).

This method has fewer disadvantages than you’d expect. Many customers are delighted to be visited. Visits, however, require planning. Establish a systematic idea of what you’re looking for before you go” (Whiteley 1996, 244).

“Reinard (1988) says that “the effects of evidence used on credibility invite the suggestion that evidence may contribute to one's credibility and, in turn, produce persuasive effects.”

“According to Burgoons (1975) evidence can increase the impact of influence and that is necessary when changes in attitudes are expected”.

4.2 The modes of persuasion

According (Ruokola 2008, 81) the relationship marketing consists of three phases that are, ethos, pathos and logos. Those phases are originally derived from Aristotle's theory of rhetoric and argumentation. These phases are also known as modes of persuasion. This model is often used in marketing and sales. The first phase is concentrating on credibility. Credibility is achieved by understanding the opponent's characteristics. The second phase focuses on emotions of the opponent's or intentions. After one have gained both credibility (ethos) and emotions (pathos) it's possible to deliver arguments successfully in the logical (logos) phase.

Table 5. Case study usability in sales process

Mode of persuasion	Tool category	Affection in sales process
Credibility (Ethos)	Justify	Quantify business impact
Emotions (Pathos)	Differentiate	Innovate process enchantment
Arguments (Logos)	Justify	Quantify business impact

(Source own creation)

Case study or success story affects directly to the customer decisions. As learned earlier value tools can be categorize in three groups: diagnose, differentiate and justifying tools. From the table above can be concluded that case studies with a diagnose tool is a powerful combination in the sales process.

At the ethos phase the company claims that what it can do. Customer references, case studies and white papers helps companies to build positive believes about the company. Often well implemented customer reference can make positive difference in sales as well as it boosts company image and credibility. Sales managers are often offering a new type of solutions that possess lower credibility due to newness of the technology. Customer references can help sales managers to gain as it will provide vital evidences about usefulness of the solution thus it will embower the credibility (ethos).

A customer reference proves the intentions of the company. Especially in the case of a new solution to a specific customer's problem that has been solved before. The emotional values (pathos) can be empowered with a help of customer references for instance a story of the customer will have emotional impact on the customer. In the customer reference the objectives of the customer can include testimonials of achievements of relevant competencies. That shows that the company is not only interested to gaining benefits for itself as it is also interested to help customer. (Internet.)

With a help of reference it is possible to leverage a customer sense of risk that is related to a new solution or to a new sales man. It is helpful to present concrete examples of the benefits that customer have achieved. Experiences of successful customer projects will empower the trust towards the company or its solutions. However one needs to remember that these types of testimonials do not substitute the sales work or they do not alone make the difference in sales. They are valuable as a support material and with a right use they can empower the sales impact. In the next chapter the Konica Minolta customer references will be introduced.

4.3 Case study process

Konica Minolta's intention is to start sharing these studies and stories between sales teams. The author of the thesis is convinced that by collection and sharing this type of information about customers will benefit the sales organization of Konica Minolta.

This study focuses on one specific tool that is customer case references. Customer case references are tools that can be utilized in solution sales. Customer references are just a one useful tool among of many other useful value selling tools as introduced earlier.

For that purpose companies like Konica Minolta have established a process to generate data about solution sales. At Konica Minolta sales directors and managers are working hard to change sales person's ideology and practices from hardware oriented sales towards solution oriented sales. However it looks like to me that similar conversion is needed among of marketing people and analyst as among of sales

managers. This conversion of ideologue and practices is a challenging as the roots of the field are based on hardware oriented sales and marketing as the office equipment market evolution theory shows in chapter two.

As explained before, companies in the office equipment industry are seeking for new ways to support solution sales. In Konica Minolta BSF have started a project that will support solution sales with a help of customer cases. This project is about learning and distributing existing customer cases inside Konica Minolta.

Case studies are one great tool to learn from successful and unique installations and to repeat the success in other areas and markets/verticals. Konica Minolta has, for this reason, established a certain process which will generate stories and cases on a regular basis. This information collected from case studies will be incorporated in our sales processes and sales trainings.

A case study typically examines all the variables of a customer situation in order to provide a complete understanding of that customer situation. The document created is the result of an interview which involves an in-depth description of the entity being evaluated, the circumstances under which it is used, the characteristics of the people involved in it and the nature of the community in which it is located. Such study can be utilized by other parties as a reference case, where the customer brand or name do not play any significant role in the business and process he is doing. Sometimes such stories can be described artificially with imaginary clients.

In this study case studies will be provided in two different categories: Optimized Print Services (OPS) and Application/Solution sales. Konica Minoltas intention is to start sharing these studies and stories. The author is convinced that by establishing this process it will be possible to mutually benefit from the valuable information received from the field.(Eckert & Lorenz Konica Minolta BEU 2011.)

These studies can be utilized by other parties as a reference case, where the customer brand or name do not play any significant role in the business and process at hand.

Success Stories

Konica Minolta success stories are published officially in the company web site.

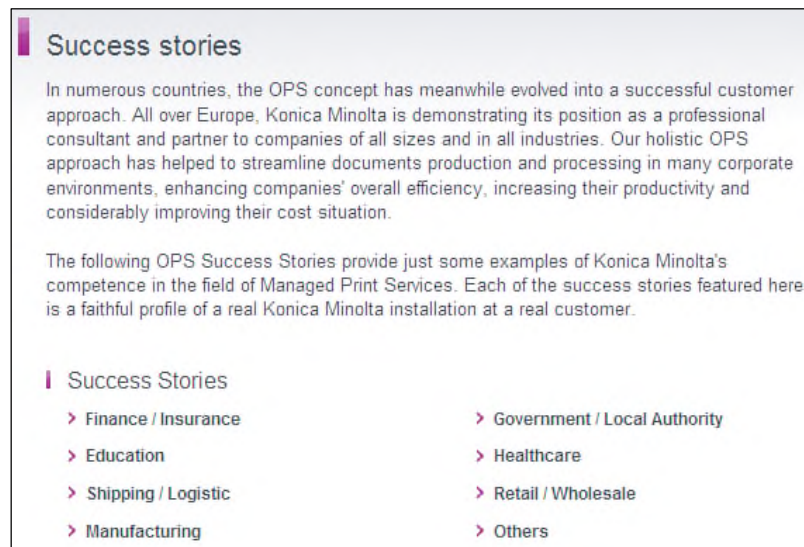


Figure 13. Screen shot from Konica Minolta web sites

(<http://www.konicaminolta.eu/en/business-solutions/services-solutions/optimized-print-services/success-stories.html>)

Stories that are connected to customer references can empower customer interest. Stories are exciting if the sales man can tell them with interesting and correct way. Stories have body where the most important part is the climax. Good stories have description of real people and environment. The character of the story should have a motive and a target. (Kallioma 2011, 94.)

In the web site there is a function that sends the success story directly to the e-mail with a message. In the practice this could be used in the way that after the sales meeting a relevant case story can be sent to the customer. Case studies are divided in two different categories: Case studies and OPS Success stories. In the official web site only success stories are available.

There are seventeen published success stories. Most of the success stories are coming from manufacturing field. There are no published success stories that are originated from Finland. The author recommends that the marketing team would publish some Finnish success story in the future.

The structure of a case story

Stories are built in such a way that they have action points. Typically there is a crisis and there will be a solution for it. (“happy end”). A story that is interesting and believable will interest the customer. A story will describe a similar kind of situation or customer as the potential customer is and a solution that a salesman has delivered. A story should be told in every day English about a similar kind of a situation and problems from the point of view of the customer. A story should have some mystery and challenge in it. One needs to remember to tell all of the stages and opinions of the story.

The criterion’s of a good story:

1. Real people and companies
2. The message is simple. The customer will understand the idea of the message and he can tell what the learning from the story was.
3. The message of the story is new and innovative. It will produce a new implementation of thinking or how to work around of the problem.
4. The core message will bring up the benefits and the values.
5. The message is believable and the customer can trust on it. The story will support some quantitative experience or discovery.
6. The message will impact to emotions (fear, happiness, oddness, and success), the story is personal and it arouses both positive and negative emotions.
7. A story should be built with a help of action points and climax for the good result.

(Kallioma 2011, 94 – 95.)

5 DEFINITION OF RESEARCH TASK

This thesis attempts to exploit the current situation of the solution sales at Konica Minolta BSF. The author believes that the examination of the current situation is needed in order focus on developing the right areas in the future.

According to several research institutions e.g. Infotrends and Gartner, success in solution sales is becoming the most important factor in the industry. Sales representatives involved in the solution sales are required a new set of advanced skills different from traditional product sales.

This research attempts to explore what kinds of support Konica Minoltas sales representatives need to have in order to perform better in solution sales. Konica Minolta encourages their sales representatives to change their roles from product sales to solution sales as the company strategy is to promote success in the solution business. Sales representatives need to have all the possible support from the sales management, marketing and solution teams in order to succeed in this challenging transition from product centric to solution centric sales. The main question is that are they receiving enough support and the right kind of support at the moment?

The questions of the research are:

1. What is the current situation of the solution sales at Konica Minolta BSF?
 - What is the current stage of the sales evolution?
 - What is the level of the support from the teams?
 - What motivates to sell solution?
2. How to utilize customer references in the solution sales?
 - What is the current situation of the customer references?
 - What are the needs and the motivation for the case studies and the success stories?

In the theory part the short overview of the tools was discovered thus customer references seems to have relation with solution sales. This research will explore the situation with customer references at the company. The addition of the customer references has an experimental function. The author aims to examine that how a possible development of the customer references would reflect with the sales motivation and the sales performance. The results of this study can be used in sales training, marketing and strategic planning in the organization.

5.1 Study methods and the target group

The author of the thesis will apply triangulation methods in order to reach a comprehensive understanding of the current situation and the possible future needs of the development.

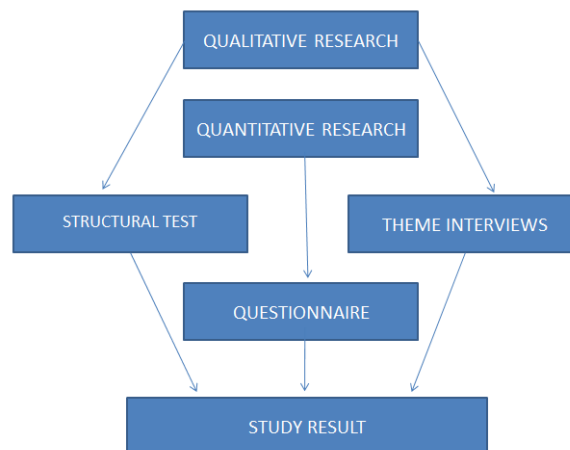


Figure 15. The study strategy (Source own creation)

There will be two of the study methodologies realized in order to reach a comprehensive understanding of the current situation and find out the possible future needs of development. The target group of this research is sales representatives, sales managers and marketing teams at Konica Minolta. Konica Minolta has twenty five (25) sales representatives, five sales managers and three sales directors. The questionnaire will be sent to all of the sales representatives of the company. Theme interviews will be done with directors and managers.

5.1 Qualitative research methodology

This study includes theme interviews with Konica Minolta's sales managers and the marketing director of the company. The theme of the interviews will be the current situation of the solution sales and future needs of the development in Konica Minolta.

The theme interview will be made with the help of the Lync system used in the company. The system makes it possible to perform interviews remotely and also to record them. The data from the theme interviews will be processed and converted into the table format by using MS Word. The author of the thesis will attempt to conduct analysis based on the interview material. All of the material will be stored in the database and it will be used in order to formulate the questionnaire for the quantitative part of the study.

5.2 Quantitative research methodology

The second part of the study includes a questionnaire that will be distributed to sales staff of Konica Minolta BSF. All of the data will be processed by using Microsoft Excel. After saturation of the data collection it is possible to conclude the main the current situation of the solution sales and the use and usefulness of the case studies.

5.3 Validity

Validity refers to the question of how research results match reality and if they capture the true story of reality? Are researchers measuring what they think they are measuring? (Merriam 1998, 201.)

The research process has been explained earlier in order help reader to understand how the information will be gathered and analyzed in this study. The most practical data collection methods will be utilized in order to get work done inside the given time frame. All of the questions that are presented in the questionnaire are based on the theoretical frame work that is covered in this thesis.

The results of this study can be generalized and applied in other sales teams that are operating in the field of solution sales. However further research should be done as the skill level and attitudes varies between different companies sales teams. In order to increase the validity of this thesis the author of this thesis has sent the interview questions for approval to the supervisor.

5.4 Reliability

Reliability deals with the consistency of a measure in terms of obtaining the same research findings when repeating the research. It is difficult to measure reliability in the qualitative studies since it is difficult to measure abstract phenomena such as feelings, thoughts and perceptions which make each qualitative study very unique in its concept. (Merriam 1998, 205.)

The most important way to give credibility to the thesis is documentation. The researcher must ensure accessibility of the methods and the whole thesis. (Kananen 2011, 67.)

All of the research material will be stored and attached with this study in order to increase the reliability of this study. Reliability of the work can be increased by using triangulation. Several different research methods combined in one study refers to triangulation. (Kananen 2011, 69.)

In this study triangulation has been selected in order to increase the reliability of this study. All of the study methodologies have been presented earlier in this chapter.

5.5 Sources

The sources that will be used are: the Internet, Konica Minoltas intranet, research data and books. Silent information from work life will be utilized as much as it's possible in this thesis. The author of the thesis will use several well-known research institutions for the source support such as Infotrens, Gartner and Infotrens.

6 RESEARCH RESULTS

This study produced in theme interviews, questionnaire and the structural test. In this chapter the research results will be exposed, starting from the theme interviews following the questionnaire and finally the structural test of a success story.

6.1 Theme interviews

Interviews took place between 26TH of March and 8th of April. All interviews were recorded by using Microsoft Lync system and they have been stored in the database in WMV (Windows Media Video) format. The Lync -system enabled interviews to be carried out from Jyväskylä there for plenty of time was saved.

Selection of interviewees

The CEO, the Marketing director, sales directors, managers, a sales representative and a solution specialist were interviewed. Persons were selected on the basis of the author own judgment. However all of the interviewees are involved in sales and some of the persons are members of the board.

Table 6. The Interview plan

Interviewee	Titel	Date
Ahonen Jarno	Marketing Director (Case 1)	8th April
Kemppinen Simo	Solution Specialist (Case 5)	3th April
Kujanpää Markus	Areal Director (Case 2)	28th March
Majala Mika	Sales Representative (Case 3)	2th April
Maronen Pasi	Areal Director (Case 4)	28th March
Mäkitalo Pertti	CEO (Case 8)	27th March
Salminen Jarkko	Sales Director (Case 6)	4th April
Tarjamo Petri	Sales Director (Case 7)	4th April

After eight interviews the saturation was reached as results started to repeat similar type of indications. The average duration of the interview was about 40 minutes.

The author of the thesis used the theoretical part of the thesis as a support material for the interviews as well as the theme selection was based on the theory part of this work. One of the main challenges was to set up the interview appointments in the middle of the hectic work season.

Documentation and transcription

The interviews were recorded and saved in the database as introduced earlier. In addition a simple template with columns and rows was conducted by using MS Word. This transcription method was introduced in the book (Kananen J. 58). The author of the thesis found this transcription technique practical while collecting and organizing data.

The transcription of the interviews was made during and after the interviews. The interview template was used but it was not exposed to the interviews. The author of the thesis made a collection of themes that he believed to come up turning the interviews. The new themes introduced by the interviewees were collected to the template. Interviews were held in Finnish as the target group was native Finnish speakers. That made the process a bit slower as results were translated in English for this thesis. The author of the thesis offered a possibility for English interview for the first interviewee but interviewees preferred Finnish. In the following interviews the choice of the language was not offered because of the simplicity of the data collection.

The Lync system worked as planned, interviews and recording was made with a little effort as there was no need to travel. The author of the thesis thinks that without Lync it would be impossible to carry out this amount of interviews in the given time window. However one of the files (.wmv) was corrupted for unknown reason. This corrupted file (Case 6) contained only 15 minutes of interview and a transcription was made during the interview so not all of the data was lost. This case was included in the result. Next the results of the theme interviews will be introduced in com-

posed format. Results are presented in the following order respectively with the key themes of the research:

- i. Examination of the current situation.
- ii. Challenges vs. Sales process.
- iii. General challenges in solution sales.
- iv. Examination of the motivation factors.
- v. Examination of the case study
- vi. Other themes.

Solution sales are setting in at Konica Minolta

The current situation of the solution sales was examined. The examination was made by simply asking the interviewees how the current situation looks like from their viewpoint. The author collected themes to the templates that were discussed during the interview. The table below indicates themes and the distribution between interviewees (cases). Each of the interviewee was identified by using the coding that is shown in the table above (table 6). Some of the themes were introduced by the interviewees and then added in the interview template.

Table 7. Examination of the current situation

Theme	Case 1	Case 2	Case 3	Case 4	Case 5	Case 6	Case 7	Case 8
Low sales results	X	X		X		X	X	X
Trainin and development	X	X						
The customer abroach	X				X			
Smaill customers	X							
Need for Productization		X	X		X	X		
Low sales budget	X	X						
Competition				X				
Market potential		X			X			
Lack of resources		X			X			
Solution sales						X		
Sales are still setting in	X	X	X	X	X	X	X	X
Trends	X				X		X	X

According to all of the interviewees solution sales are still setting in Konica Minolta. Six out of eight (C1, C2, C3, C4, C6, C7, C8) interviewees felt that the current sales results are low. However five of the interviewees (C1, C2, C5, C6, C8) made a statement that sales have increased or they are about to increase.

The interview results suggest that there is a lack of productization (C2, C3, C5, C6). The lack of productization was mainly shown by request of simple product type of presentation. The trend of solutions is driving the demand according 5 interviewees (C1, C5, C7, C8) in solution sales. However it was said that productization of the solutions sales is challenging as customers have individual configurations (C1, C7). Productization and resources were mentioned again when asked the main challenges in solution sales.

The collection of the answers regarding on the current situation of solution sales presented below:

“Solution sales are starting up slowly. It has been going along the traditional way by so far. We have more and more deals in solution sector.” (C3)

“In its infancy” the current situation is close to zero” (C4)

“The sales are increasing, the need and demand comes from the customers. This is not ready (solution sales) by any means. Solutions are a necessary part of this business” (C5)

The pressure from the customers is speeding up solution sales. Customers are no longer in need of simply printers and copiers instead they demand more value for their investments. The functionality of the machine and the reliable services is a self-evidence rather than competitive advance. The customers have needs to connect their MFPs with their business processes. The challenge is to train and develop sales forces towards the value oriented sales.

“It is about continuous development and training. We are going to better direction. Some challenges exist.” (C6)

There are some limitations from the technical viewpoint well. Some of the software products are still under development and that makes selling more demanding.

“We have some limitations. Not all of our solutions are ready for sales. Solution sales are bundled with machines already” (C5)

Sales representatives need to understand the value that Konica Minolta can provide to its customers. The demonstration of the value and tense competition is challenging.

“We are still at the starting position. We have quite some pressure from the owner’s viewpoint. The traditional business has shrinking our markings and competition is really tense. There are some low cost brands involved in MFP market.

What kind of extra value we are able to provide in product business and around the brake and fix? How can our customer share be increased and in which way the extra value can be added? How existing customers can be kept? What is the thing that will provide more billing from the outside of the product sales?

We are taking our first steps, folks have realized that we are going in to it, but it is still exciting and scary. One part of this process is that some talking around the subject will take place.” (C7)

The conversion from product sales to solution sales takes time and not all of the product sales representatives are willing to change their sales style. For that reason The company may need to require some new sale representatives who are willing to adapt new sales strategies.

“Solution sales were clear product selling, about three years ago when I started. The software licenses were a part of the machines. Even we have moved on, we still have at least 80 % or 90 % of our solution cases that are similar with the product cases.

We are very close to our machine at all the time as that is the area we know most. A German sales director described the situation as follows a sales man goes to the customer and he sees only that machine no matter what the customer tells his sight is attached with the machine. A sales man needs big ears and a small mouth that is the basic principle in sales. The customer must be encouraged to tell thins.” (C8)

The main challenge with the product sales representatives is that they need to go out from their comfort zone in order to learn new ways to do business. Continuous training is a necessity as the new technical innovation merges with a fast rate.

Market potential

The study resulted in solution business seen as potential market area at Konica Minolta (C2, C5). In addition it was estimated that Konica Minolta may have smaller customers than the competitors Canon and Xerox (C1). According the marketing director the smaller customers has less demand for solutions.

“There are more changes to have more. Perhaps one factor that may limit us is our customer base. We have smaller companies in our customer base compared with Xerox and Canon. Going to the bigger customers means more possibilities. Our customer base has been very machine orientated.” (C1)

“We have that kind of engine in here that can provide these (solutions). In one or two ears we will have a positive problem. We will have too much cases compared to our capacity to provide.” (C5)

Resources

It was seen as a positive event that the company has taken steps towards solution business as hiring new talent in solution sales.

“We simply need more resources. We have taken steps and have started to requiring new people focused in solution sales.” (C2)

Challenges vs. sales process

The challenges regarding to Konica Minolta’s sales process was explored during the theme interviews. The table below indicates the challenges mentioned regarding on the sales process.

Table 8. Examination of the sales process

Challenge	Case 1	Case 2	Case 3	Case 4	Case 5	Case 6	Case 7	Case 8
Customer sales plan							X	
Customer work flows	X							
Process management	X	X	X	X	X	X	X	X
Right contacts							X	
Team selling: Bid review					X		X	X
Value creation							X	X

According all of the interviewee's the process management is the area where most of the challenges were felt. All of the interviewees stated that there is room for improvement in process management.

“Processes are not handled very well yet. There is room for improvement. How is the process managed? How projects that are started will be carried to the end?” (C3)

However Konica Minolta BSF has recently launched a new project related to customer management system. New Microsoft Dynamics CRM system is believed to levitate challenges related to the process management in the near future. The new CRM-system will solve this problem only if there will be commitment from the end users. The new system itself does not solve any problem automatically. The author believes that this matter of the weak process management is recognized in the company and recommends all of the users and the IT-support to pay extra attention to this important implementation.

The team selling is linked to the sales process in a way that people involved in the sales projects need to know their own responsibilities and their place in the sales process. Konica Minoltas sales process contains elements that are planned to ease up team selling and accelerate decision making.

“Nobody of us knows all of the solutions from inside out. One can gain a vision and the idea with a help of the customer plan. Then we are ready to test if our understanding of the customer situation is right.” (C7)

Selling solution is always an investment as it requires physical and psychical resources. Therefore it is vital to make right decisions regarding on sales projects. Konica Minolta has a sales process that starts from the bid review.

One of the main challenges is to make sure that all the sales representatives will understand the sales process and work according that process. If the process is not followed there is a risk that resources are not used in the most productive way.

“The importance of sales process is highlighted when selling solutions. The identification of the need at the earliest stage is extremely important for the company in order to be profitable. This function can be implemented with a help of the sales process.

“Our sales process should start with a bid review but this is sparsely used and it is weakly understood. Too often one comes to the bid review at the point when we should offer something and the pricing issues is expected to be solved this is not the right way. One should come to the bid review as soon as the frame work has been developed then it can be decided if we will continue the process.” (C8)

Product sales representatives are used to follow the product sales process and they are used to communicate with limited amount of contact persons. The sales process attempts to affect purchasing process in product sales different than solution sales. This is the dilemma in solution sales as the solution sales process aims to affect to customer’s business processes thus the scope of the connection must be widened up. The author of the thesis assumes that the majority of sales representatives are product sales representative rather than solution sales representatives in Konica Minolta.

“One needs to get in touch with the customers who are responding of the information management in order to get out of the printing issues.

The challenge is the change of the contact person. One should be able to discuss about business with people who are in charge of the development of the business. As there is no connection made before the problem is that one doesn’t know what to talk with those persons.” (C7)

Having right contacts helps the sales representatives to add more value in their offerings. However customer’s workflows and business processes need to be examined properly before conducting a business offer.

“Before one can talk about solutions the customer work flows must be understood.” (C2)

Productization is needed

The research resulted in several challenges that are related with solution sales. The author presented a question about challenges that the interviewee sees as a main challenge. The table below shows the themes that were covered during the interviews.

Table 9. Examination of the solution sales challenges

Challenge	Case 1	Case 2	Case 3	Case 4	Case 5	Case 6	Case 7	Case 8
Corporate image								X
Rationalization								X
Focus in marketing	X							
Geographical distances		X						X
Performance meters and salary						X		
Pricing		X			X			
Productization	X	X	X	X	X			X
Project management					X			
Resources		X			X			X
Sales skills	X				X		X	

The result indicates that the productization was felt as the most challenging theme (C1, C2, C3, C4, C5, C8). This result was expected as it was known that there are about 48 solutions and each of the customers has individual needs.

For a company who is transforming its offering from product centralized approach to solution approach may face this dilemma of productization especially as product sales mans are used to have the standard brochures and product specifications.

A standard product can be specified in one simple product sheet. Solutions are usually a combination of several products and solutions are configured each time differently. It can be challenging to get use to of the idea that solutions are not to be sold from catalogues or product sheets.

"There is a lot of solutions but we don't know how to combine them as a one entirety." (C3)

“Document Navigator combined with SharePoint could be productiolized as a simple product. Around this solution it is possible to implement product, maintenance and helpdesk. We have a number of products. Is there a way to clarify this in order to have a few explicit products? (C2)

Konica Minolta has more than 48 different products therefore it is challenging to tailor solution packages. The author believes that the team selling is the key solution for this difficult issue. Nobody can master all of the solutions alone therefore it is important that a sales team get support from other the presales and solution specialists.

“If we start from the customer oriented approach then not every customer needs all of these solutions. For this reason it is impossible to implement a brochure that suits for many customers.” (C1)

“These solutions will never become similar products as they are now. Because we are talking about solutions and services the entity has all of this: hardware, software, configurations, maintenance, support and monitor service. Every customer has different processes.” (C7)

The traditional brochures of a product have less use in solution sales. The author thinks that it is the duty of the marketing team to co-operate with the sales in order to produce the service descriptions.

Geographical challenges vs. resources

Konica Minolta BSF has offices in six different locations. Most of the technical knowledge is located in Espoo thus area offices are depending on the support of Espoo office. Having several small offices requires more resources than just one central office. However based on the authors own experience local offices are needed since customers values the local services.

“The challenge of the Finland is the size of the country. Sales are slivered in six different area offices. Each of the area office is relatively small. There are more people in Espoo but still this is very small compared to the market. We have symptoms of smallness”. (C8)

“In big cases we need to relay on Espoo’s team of the specialists. This makes things slower. We cannot act fast. Locality! If we had resources we could act faster and locally”. (C2)

Rationalization

As mentioned before there resources are limited and one need to ensure that all of the work will be done with the most effective manner. With the help of rationalization the resources can be directed to support solution sales.

“These changes regarding on sales aims to run the basic business more effectively and the spare resources can be used for this new approach. This will bring the results after some time”. (C8)

Team selling

The result of the theme interviews indicates that new solutions such as Lync and CRM system will make team selling easier than ever before. A fewer resources can be directed with a more effective way. The author believes that the sales mans should be aware of their own roles and responsibilities. Solution sales representatives should understand technical issues to the some extend. However the technical team is there for to deal with more technical and time consuming matters. The first responsibility of the sales representative is to generate sales and meet the sales budgets the second is to act as an ambassador between the customer and the solution team. As it was said in the interview “Keep it simple stupid” (C5).

“There are 48 of different software to offer. There is so much knowledge involved in that not just one guy cannot handle all of it. One should operate in a bit general level”. (C5)

Corporate image

The quality of the offerings is depending on the team of the specialists. It is about how talent is the team, not only the physical product.

“In the solution business the fact that how good is the product is the same as how good are the specialists. Can we: A attract and B: to keep that kind of specialists that we need in order to run this business. That has to do with corporate image”. (C8)

Examination of the motivation factors

The motivation factors were explored during the interviews. The table below indicates the themes that were believed to effect to motivation. The author suggested the main theme (the motivation and solution sales) but did not suggest any of the subthemes shown in the table. The subthemes came up spontaneously during the interviews.

Table 10. The motivation themes

Subtheme	Case 1	Case 2	Case 3	Case 4	Case 5	Case 6	Case 7	Case 8
Equaty	X							
Incentives		X	X	X	X			
It -Infrastructure (demo)		X	X					
Personal interest								X
Rutine	X							
Support	X	X	X					X
The trend	X							

The half of the interviewees (C1, C2, C3, C8) felt that support from other teams and incentives in various forms were the most important factors while motivating sales forces. According the interviewees, sales teams needs support from every direction (management team, presales, solution and marketing). One interviewee believed that inequity between sales persons may deteriorate motivation in sales teams.

“Sales mans are not in an equal position regarding on customer base. Some of the sales man and managers have a remarkably different customer base than the others”. (C1)

However this assumption was not proved in any other theme interview. The author believes that it is possible that inequity exist thus the matter of inequity was included in questionnaire. The author believes that if inequity exists in sales teams it will rise up when processing questionnaires. From the bases of the authors own experiences it is assumed that inequity may exist in sales teams if salaries are depending on individual sales performance thus individual sales representative may protect its own customer base as a matter of livelihood.

The management of the company should make sure that potential sales representatives have enough changes to success in solution sales. Other vice there is a risk that potential solution sales representative gets frustrated and that may result low motivation.

“Often a good solution sales representative doesn’t know that he or she is a good solution sales representative, because they haven’t had a change to do that kind of thing”. (C8)

Training and support from the solution team was underlined as important motivation factor especially in the area offices. Area offices have less resource due to long distances to the head office. Personal visit by the solution specialists was seen as a positive event.

“The fact that solution specialist have game over to give training is a good thing. Every time when that has happened some little peak in sales has been seen. There should be more of this, tours around the area offices”. (C2)

Besides of the personal visits, short Lync -trainings sessions were asked. A solution specialist believed that short training session’s trough the Lync will ease up their work load and it was said that the Lync –training sessions will take place in the future. However the Lync does not substitute completely the face to face session as hands on training and demos are needed. Freedom to manage area offices IT – infrastructure was asked as administrative limitations was seen slowing down solution demonstrations.

“Work tools are good, although everything is located in Espoo’s or Germanys servers. This is difficult. The IT –infra should be handled by each area office. This is a small slowing factor.” (C4)

In addition it was said that the importance of the solution sales need to be shown around the company.

“The importance of solution has been recognized already”. (C2)

“Solution sales have been seen one of the most important factor. These guys who sell software are not brought up enough compared with product sales mans. Sometimes there is a feeling that solution sales are seemingly important”. (C4)

The incentives were believed to be important motivation factor. However not all of the interviewees believed that by developing salary system the motivation can be increased. It was said that it is up to sales person whether he or she has an inner desire and curiosity to finding out things and solve problems. The conversion of a product sales representative to solution sales representative can be done only by the person itself thus not all of the sales representatives are suitable for solution sales.

The research shows that one motivation factor is the current trend that is driven by the customers. The customers are more aware of solutions and they are asking this type of solutions.

"One motivator is this trend. It is starting from the customers and their needs. The IT is looking for this type of solutions. The fact is that customers have a need to administrate machines, users and maintenance that will help solution sales.

The need is increasing at the customer side. It was difficult imaging customer needing to have color couple years ago, now everyone has. Customer needs grown enormously during the years". (C1)

"Solution sales are increasing. The pressure is coming from the customers. Solution sales are a necessity in this business. Solutions enables the extra features that are needed by the customers". (C5)

Tools & ideas

Finally other issues and ideas were explored during the interviews. Next some of the ideas will be introduced.

Solutions cannot be sold from the brochures although there should be some brochures for instance a brochure about scanning solutions. Descriptions about specific work flows in any format a Power Point or paper version.

There should be some already made entireties. Those entireties could be success stories with descriptions of work flows. There should be some more of productilazed solutions that can be offered to customers. For instance a brochure about sophisticated scanning solution or that type of marketing material that could work". (C3)

"The customer plan is the survey template. When one follows the customer plan then thinks will get shorted out. When you make a first customer plan then the next one is already easier to make. When there are

many of them then the framework already exists. Then you can present smarter questions. When you have done enough of them then you know how to do them. It is not about writing down what the customer says. The point here is that one can understand the big picture". (C7)

"If we think about solution sales and tools then we must have those abstracts as it is about that when we move from machines and start to sell solutions then we move from concrete to abstract. In the other words you sell something that does not exist yet. That service will be implemented with the interaction the customer.

Even these products are not physical products they are still service products. Productization means that you have a framework and description of the service and the price otherwise one cannot sell". (C8)

"Mentoring works learning business processes is not about rocket science. Take our business processes as an example". (C7)

"Information sessions for instance we can inform that somebody sold a PSES -solution and because of that we managed to keep our customer. This way other sales mans can see that these thinks are sold.

Lync is a good tool for training. Solution team could help trainees to teach them how to talk about these. Trainees could have use for case studies". (C5)

"We have this idea about bundling. The need for solutions is growing at least the need for basic solutions. For instance PRO Office goes always with one unit. There is a need to simplify sales. Bundling solutions could be possible with hardware sales. The customer need is so general. This is going to be probably the next step. We have been thinking about this how these can be bundled. (C1)

Training

"The fact that solution specialist have game in our office to train us is a good thing. The training has been shown as a little peak in sales every time after training. There should be more tours by the solution team if it is possible. If our resources allow this then hands on training is good. For example DN training was good". (C2)

"Without training the sales man cannot sell solution. The training has been good this training about our products and systems.

Sales mans should have general knowledge about information technology for example Sharepoint or Active Director. IT terms should be clear not only our products but in general. Training of the most common information systems". (C3)

"Training is needed. The right type of solutions with a smart price. The Lync should be used more for training purposes. Training about the thinks that should be emphasized in order to get the benefits shown better from the customer point of view". (C4)

"Training, training". (C6)

Sales material (C1)

"To being honest the sales support material is in its infants. Product material is in a good level for example web sites, procures, presentation material. This are in good shape. There is less sales material as our foreman is a hard ware distributor it is not use to of implementing sales material they are doing product material. This apply in every country. The company has changed to be a bit more customer orientated. One wants to understand and to be in the same level with the customer. Material about customer segments and material about customers work flows etc. One tries to understand customers business better. There will be more sales material. Flashes about software. Solution and i-training flashes". (C1)

Marketing (C1)

"There is no segment specific marketing. More marketing about solutions. For instance Canon has campaigns for some moments. A general marketing. There are good market niche for our segment. We have had campaigns that have the hardware at the front". (C2)

"The product manager has a relatively small role at the moment. It is the responsibility of product manager that solutions will be promoted etc. Nothing happens in there at the moment.

It is the responsibility of the product manager to develop these things together with sales. Co-operation between sales and marketing is needed. The role of the product manager is a bit seem less at the moment that is not good". (C4)

Sales roles (C3)

"This thing about roles has been recently on the surface. The roles of the sales mans that we are looking for specialist in solution sales. This is a good movement form the company. Hopefully this will clarify the sales processes". (C3)

Competition (C5)

“We are very much in the same situation with the competitors. Competitors have also third party solutions and they have partly the same products.

We have own products and they will be expanded and they can be connected with the machines of other manufactures.

“We have that kind of engine in here that is capable to provide these. In one or two years we will have a positive problem. We will have too much cases compared with the capacity that we can provide”. (C5)

The case study analyses

The familiarization of the Konica Minoltas case study process and analyzes of existing case studies was made earlier in the chapter four by the author of the thesis. The current situation of the case studies was exploited with a help of the theme interviews and the questionnaire.

The current situation

The results of the studies both theme interviews and questionnaire proved that there is a use for the case studies.

Table 11. Case studies

Challenge	Case 1	Case 2	Case 3	Case 4	Case 5	Case 6	Case 7	Case 8
Low quantity	X	X	X	X	X	X		
No permission	X				X		X	
No sales					X			
utilizaiton			X		X			
Utility & Ideas								
Impact	X							
Dublication of the ideas	X	X	X		X			X
Information charing		X	X		X	X		X

The result indicates that most of the interviewees (C1, C2, C3, C4, C5, C6) feels that there is a lack of case studies. Some of the interviewees (C1, C5, C7) felt that the main challenge is to get the permission from the customer to publish them. Some other challenges were mentioned such as low solution sales and the fact that case studies are not been utilized in sales teams (C3, C5).

Most of the interviewees felt that case studies can help to duplicate and transfer ideas in other sales teams (C1, C2, C3, C5, C8). The result shows that case studies can be used for information sharing purposes (C2, C3, C5, C6, C8).

"We must have case studies otherwise it is difficult. More references are coming constantly. There is a lack of big companies. Global references are too big. More of national references are needed". (C6)

"There are not too many case studies we should have more. We should be able to utilize them more. For example if sales man finds out a specific niche and a solution for that niche this type of cases should be copied.

We are not using success stories. To being honest I don't know where I can find references. This matter should be improved. Case studies should be assembled in central location". (C4)

"For example if we get a case then we should describe what has been done etc. For example a commission could motivate to do this. There would be need for them for sure". (C2)

6.2 The questionnaire

The questionnaire was sent to Konica Minolta BSF sales representatives at 7th April. The target group consists of 23 sales representatives. All of the sales representatives were from the SMB sales team.

The questionnaire was implemented with Phinxs –program at the JAMK University of Applied Sciences. The questionnaire was sent directly to interviewees by the e-mail and they were requested to return back to the author by scanning.

The original due day for the answers was 12th April but the answering period was extended by five days due to low amount of answers. The author called to some of the interviewees for requesting answers and that resulted more answers. The answering percentage was 57 % (13 out of 23).

In the next chapter the main foundations of the questionnaire will be introduced. The questionnaire is attached (Appendix 3) with the thesis. The results were analyzed by using Microsoft Excel and the results are presented in the form of tables and figures. The result can be divided in two parts: first the current situation of the solution sales and the second customer references.

The theme interviews indicated that customer references can be used for several purposes in the solution sales. There were 19 questions related to customer references and 11 related with the current situation of solution sales at Konica Minolta.

The reason why not the all results are not presented in this report is that some of the question related with the customer references, appeared to be irrelevant with the total result due to weak design of the questionnaire. However this has not reduced the reliability of this report because the main idea was to explore the current situation of the solutions sales and to generate new ideas at Konica Minolta.

The current situation with solution sales

In the questionnaire it was explained that sales can be divided in four groups: solution sales, application sales, connected MFP and standalone. This division is based on the theory introduced in chapter 2.3. In order to identify the current situation of the solution sales at Konica Minolta BSF it is important to understand how the sales representatives feel about their own sales performance. It was asked from the answerers to identify that in which category the most of their sales belongs to by their own opinion.

Table 12. The sales category

		Age					Total
		26-35 years	35-45 years	46-55 years	Under 25 years	Over 55 years	
Sales category	Solution Sales	25,0 %	0,0 %	33,3 %	0,0 %	0,0 %	15,4 %
	Application Sales	25,0 %	50,0 %	0,0 %	100,0 %	0,0 %	23,1 %
	Connected MFP	50,0 %	50,0 %	33,3 %	0,0 %	66,7 %	46,2 %
	Standalone	0,0 %	0,0 %	33,3 %	0,0 %	33,3 %	15,4 %
	Total	100,0 %	100,0 %	100,0 %	100,0 %	100,0 %	100,0 %
	n	4	2	3	1	3	13

Statistically the difference is not significant
($\chi^2 = 9,57$; $df = 12$).

Almost half (46,2 %) of the sales representatives felt that their sales are mostly related with connected MFPs. Almost every third (23,1 %) categorized their sales as application sales. The rest of the answerers evenly (15,4 %) felt that their sales belonged to solution sales or standalone sales. This result reinforces the indications of the theme interviews as it was said that solution sales are still setting in. It was a surprising result that still 15,4 % of the sales representatives feels that they were selling standalone machines. The table above examines the distribution of sales categories between the age groups. Sales representatives were divided in five age groups. There are no sales representatives in age group over 55 years who feels that their sales are mostly solution neither application sales. Most of (33,3 %) the solution sales was indicated in the age group of 46 to 55 years.

Solution sales are still setting in at Konica Minolta

It was asked from sales representatives about their own estimation of how many of their deals belong to solution sales category.

Table 13. The current situation

	Amount	%
All deals	0	0,00 %
Most of the deals	3	23,1 %
Only few	10	76,9 %
None	0	0,00 %
Total	13	100,0 %

Most of the sales representatives estimated that only few of their deals can be defined as solution sales. However almost a quarter of the answerers (23,1 %) believes that most of their deals are solution sales. The author believes that the result should be at least 92,3 % in a group 2 "Most of the deals". This result indicates that solution sales are still setting in at Konica Minolta BSF.

Motivation

It was examined that what motivates sales representatives to sell solution.

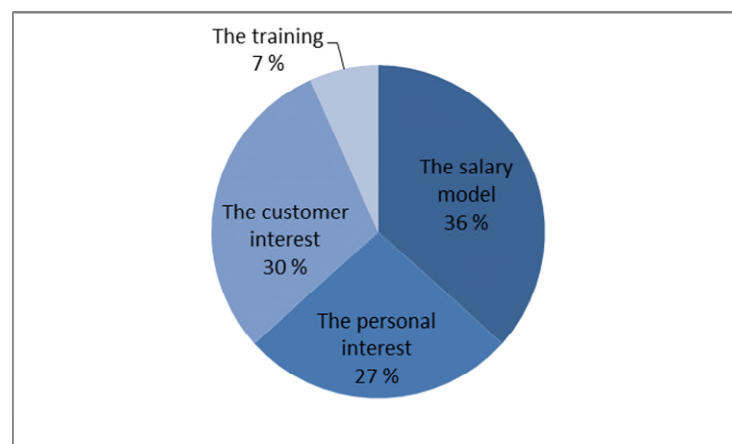


Figure 16. Motivation

It seems that the salary model effects mostly (36 %) in the motivation. However the customer interest (30 %) and the own interest (27 %) are both important motivation factors. The training has less impulse (7 %) in motivation.

Equity in the sales teams

It was suggested in the theme interview that some sales representatives have unfair customer base compared with other sales representatives and the sales managers. The author of the thesis knows from the experience that junior sales representatives tend to have less assigned customers as they have just started. One expects that they will attain new customers and gain the customer base with that way. The author believes that it is the manager's duty to make sure that all of the sales representatives have equal chances to sell. The equity can be ensured by supporting and making sure that the sales man has a sales territory with enough potential.

Table 14. Equity in the sales teams

		Years in service				Total
		11-15 years	1-3 years	6-10 years	Over 25 years	
Equity in sales teams	I fully disagree	0,0 %	14,3 %	0,0 %	0,0 %	7,7 %
	I partly disagree	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %
	I partly agree	0,0 %	42,9 %	75,0 %	0,0 %	46,2 %
	I fully agree	100,0 %	42,9 %	25,0 %	100,0 %	46,2 %
	Total	100,0 %	100,0 %	100,0 %	100,0 %	100,0 %
n		1	7	4	1	13

Statistically the difference is not significant ($X^2 = 4,18$; $df = 6$).

The fairness of the customer divisions was examined. Almost all (92,3 %) of the sales representatives partly agreed or fully agreed to feel that the customer division is fair in their sales team.

The result was tested by using gross tabulation as shown above. This result indicates that sales representatives who have been in service more than 11 years fully agreed that the customer division is fair for them. The result in between 1 and 3 years in service indicates that fairness is fully disagreed by (7,7 %) of the answerers.

As this matter of inequity was brought up in the theme interview and these indication shown above it can be concluded that some inequity may exists in some sales teams.

However the validity of this research must be taken in consideration as the answering present was 56 % and the target group is 23 sales representatives.

On the bases of these results the author suggests that the sales management should investigate this matter in the sales teams. This can be done by taking this issue up in the next performance appraisal.

The examination of the support

Solution sales involves team selling as it was concluded earlier in the theme interviews there for it was examined if sales representatives feels the support is sufficient. Next the results will be introduced in a simple frequency table. The support regarding on solution team was examined as shown table below.

Table 15. Support from the solution team

	Amount	%
I disagree	2	15,4 %
I partly disagree	0	0,0 %
I partly agree	9	69,2 %
I fully agree	2	15,4 %
Total	13	100,0 %

More than half (69,2 %) of the sales representatives felt that support from the solution team is sufficient. One quarter of the answerers fully disagreed (15,4 %) that the support is sufficient. The author thinks that the indication of the weak process management may have something to do with this weak result. The author recommends that the solution team co-operates more with the sales.

The support regarding on marketing team was examined as shown table below.

Table 16. Support from the marketing team

	Amount	%
I fully disagree	3	23,1 %
I partly disagree	5	38,5 %
I partly agree	4	30,8 %
I fully agree	1	7,7 %
Total	13	100,0 %

Less than half (30,8 %) partly agreed and 7,7 % fully agreed that support from marketing team was sufficient. Almost every third (23,1 %) felt that the support was insufficient in addition 38,5% of the sales representatives felt that support is partly insufficient. This result indicates that there is room for improvement in marketing team. The author recommends that the marketing team should pay more attention to need of sales team. In addition the sales should co-operate with the marketing team in order to develop marketing material and campaigns. In addition there were indications in the theme interviews that the marketing team should support more sales. The support regarding on the management was examined as shown table below.

Table 17. Support from the management

	Amount	%
I fully disagree	0	0,0 %
I partly disagree	4	30,8 %
I partly agree	7	53,8 %
I fully agree	2	15,4 %
Total	13	100,0 %

Almost half (53,8 %) of the answerers partly agreed that the support from the management was sufficient. In addition one quarter (15,4 %) felt that support from the management is completely sufficient. 30,8 % partly disagreed the sufficiency from the management.

The support regarding on the IT -team was examined as shown table below.

Table 18. Support from the IT –team

	Amount	%
I fully disagree	0	0,0 %
I partly disagree	1	7,7 %
I partly agree	9	69,2 %
I fully agree	3	23,1 %
Total	13	100,0 %

The majority (69,2 %) of the sales representatives partly agreed that the support from the IT –team was sufficient. In addition almost every third (23,2 %) fully agreed the support to be fully sufficient. Only 7,7 % partly disagreed that the support is sufficient.

This result indicates that sales representatives are mainly satisfied with the support that they receive from the IT –team. However it was suggested in the theme interviews that the IT –team should give more privileges to manage IT –infra in the local area offices. The support regarding on nearest manager was examined as shown table below.

Table 19. Support from the manager

	Amount	%
I fully disagree	0	0,0 %
I partly disagree	0	0,0 %
I partly agree	6	46,2 %
I fully agree	7	53,8 %
Total	13	100,0 %

All of the sales representatives fully agreed (53,8 %) or partly agreed (46,2 %) that the support from their own manager is sufficient. The author thinks that this is an excellent result and it indicates that sales managers in the SMB sales will take care of their sales team.

The second part of the questionnaire contained question related to customer sales process. The main foundations will be presented in the following chapters.

THE CUSTOMER REFERENCES

The current situation of the customer references were examined in the questionnaire. The rest of the questions were related with the usability and the motivation of the use of customer references.

The purpose of these this question was to find out how the sales representatives feel about using the customer references in solution sales. As introduced earlier customer references can be used to help solution sales representatives in order to convince customers and to share information inside the company. Next the main foundations of the questionnaire will be introduced.

Familiarization with the reference process

There were a number of questions that were for finding out how customer references are used in Konica Minolta sales and how useful they are.

Table 20. Question 14

	Amount	%
I fully disagree	2	15,4 %
I partly disagree	7	53,8 %
I partly agree	4	30,8 %
I fully agree	0	0,0 %
Total	13	100,0 %

Almost half (53,8 %) of the sales representatives felt that they are partly unfamiliar with the customer reference process. None fully agreed to be familiar with the customer reference process. However 30,8 % fully agreed to knowing the process and a quarter of the answerers fully disagreed to knowing the process.

Motivation to contribute

It was explored that what are the main motivation factors that drive the sales representatives to contribute case studies. The question 21 was related to motivation and four options were given to choose that what motivates the most. The opinions of the sales representatives can be seen from the figure below.

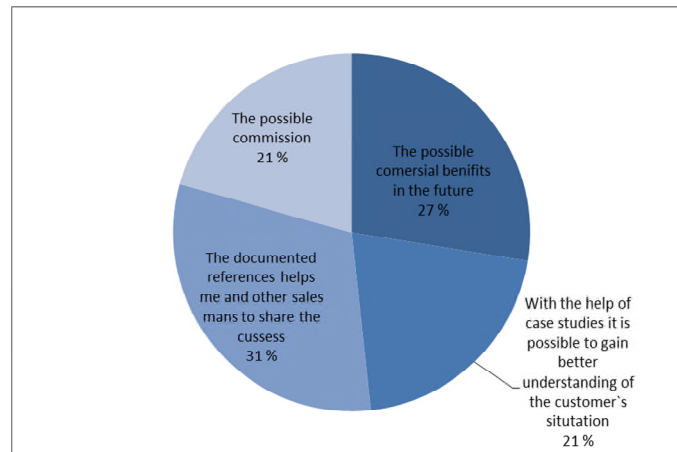


Figure 17. Motivation to contribute

The result indicates that sales representatives could be motivated to contribute case studies if managers will pay attention to the motivation factors presented above.

The current situation of the case study process

Table 21. Question 31

	Amount	%
1-2	4	30,8 %
3-5	2	15,4 %
6-7	7	53,8 %
Over 10	0	0,0 %
Total	13	100,0 %

Over half (53,8 %) of the sales representatives have made between 6-7 descriptions and shared them. 30,8 % have made between 1-2 and one quarter of the answerers have made between 3-5 descriptions. No one had made more than 10 case studies.

6.3 An experimental structural test

The final part of this thesis was an experiential structural test based on the theory introduced in chapter four. A success story report (Appendix 4) was analyzed based on its structure. One success story was sufficient to verify the functionality of the Konica Minolta success story template as all of the success stories respect the similar formula.

The success story was downloaded from the web site introduced in the chapter four. The original file (pdf) was converted to text file by using PDF Pro Office software. The text file was cleaned from images and then converted to a text table. The core text was analyzed by driving a patrol of test questions. The questions were driven from the criteria's of a good story presented earlier in chapter four.

Table 22. The test question patrol

Test question/items	Creditability (Ethos)	Emotions (Pathos)	Arguments (Logos)
Information of the people and companies?	X		
The simplicity of the message?	X		
The innovativeness of the story?	X		
Benefits and the values?			X
Reliability of the message?	X		X
The message impacts to emotions?		X	
The structure (action points, climax and the good result)?			X

This test consists three phases that are: creditability, emotions and arguments. The purpose of the each phase is to find out the relevant context related with each of the phase. The distribution of the questions can be seen from the table above.

Phase 1 creditability

This phase includes four test questions:

- Information of the people and companies?
- The simplicity of the message?
- The innovativeness of the story?
- Reliability of the message?

Next the test results will be presented with the similar order as the question above.

Table 23. Test question 1

Sweden Luea University of Technology (LTU) 1500 employees 14000 student turnover of 1.4 billion kronor Konica Minolta Consultants Project manager Patrik Harlin, Process Manager for IT Services at LTU Koneo is a 100% Konica Minolta -owned company for office and information technology (IT) services.

There was plenty of information about companies and the people involved in the project. This information empowers the creditability of the story. There was only one name shown in the story. The author thinks that the creditability of the story would be increased if there were more names shown in the text. The question two was related with the simplicity of the message. There were only 823 words thus the structure of the story appears to be compact and the message is clear.

Table 24. Test question 3

After the implementation of Konica Minolta's OPS solution, there was a reduction to 250 units and 8,250,000 printouts within approximately three years. Moreover, there was a reduction of total costs and a service improvement. In the new solution, LTU's existing print fleet was heavily reduced and was replaced with 80 modern, multifunctional printers of Konica Minolta, in addition to the already existing 80 business printers. The remaining challenge is to keep improving the centralized printout service and adding more value to the users.

A centralised printout service offers users an improved service and leads to fewer printouts and considerably lower costs. One of the major advantages with the new printout service at LTU is that the printers have a follow-me print queue. The users also have an overview of the available printers and are able printouts are delivered until the person who has ordered the printout has gone to the selected printer at any of LTU's campuses and identified himself or herself with an identity card. Payments for student printouts are made via PayEx, which avoids LTU acting as a bank and handling cash. Koneo looks after all servicing and support for printers and deals with toner and paper refills. The printers issue an alarm when they are in need of servicing or repair. to choose the one that is best suited to the occasion.

The main idea and the message is that with the help of Konica Minolta OPS solution the customer can reduce the amount of printouts and units. This solution helps the customer to save money and the centralized print out services add more value to the end-users. The new innovative solution regarding on payment system was introduced in the text this increases the innovativeness of the story. The final question in phase one is related with the reliability of the message.

Table 25. Test question 4

After the implementation of Konica Minolta's OPS solution, there was a reduction to 250 units and 8,250,000 printouts within approximately three years. Moreover, there was a reduction of total costs and a service improvement.

Elements in the text such as quantitative data were increasing the reliability of the text. The text indicates that with the help of the solution the customer was able to reduce its machine fleet and prints.

Phase 2 Emotion

In this phase only one question was tested related to emotions.

This phase includes four test questions:

- The message impacts to emotions?

Table 26. Test question 1 (phase 2)

“Our customers were of course familiar with our previous centralised printout service, but now have improved functionality and services, and this is appreciated a lot. In addition, we now have a better overview and monitoring, and our costs have fallen by about 25-30 per cent”, says Patrik Harlin, Process Manager for IT Services at LTU.

“The main issue we put a lot of effort into during this project is SLA – the Service Level Agreement – and SLA reporting. It is extremely important that we at LTU and Koneo/Konica Minolta agree on what should be delivered and how it should be delivered and followed up. Together, we have come a long way in terms of developing comprehensively functioning working tools and routines. But I’m sure we could do even better”, continues Patrik Harlin.

The customer statement makes the story personal and it awakens emotions. There are only little emotional elements in the story. However the customer comments presented earlier in the phase two can be counted as emotional elements as they are comments from the customer.

Phase 3 Arguments

This phase includes two test questions. However the reliability of the story can be related with the arguments but that question was dealt in the phase one.

- Benefits and the values?
- The structure (action points, climax and the good result)?

Table 27. Test question 1 (phase 3)

During the first phase, statistics from LTU and information collected by consultants were analysed. Based upon the results, a new solution was created together with LTU. In the optimised solution, the number of devices was reduced from 250 to 160. Furthermore, the user accessibility was increased for functions like colour and A3 printing as well as scanning. By reducing the power consumption and CO₂ emission, the systems reliability had been improved. But the central part of the new solution was a billing system for students and employees together with follow-me functionality

The message brings up the benefits as shown above. The customer reduced its devices from 250 to 160. Also green values are shown “CO₂ emissions”.

The structure of the presentation is clear and it has action point that follows the idea of the OPS –consulting concept. The good result of the story is presented in the text several times. The author believes that the whole story is new and innovative because there is a description of the customer challenge and a presentation of the innovative solution.

This final part of the research was made for experimental. It was tested how the theory introduced in chapter four can be apply in the practice in the means of structural testing of success stories. The result indicates that the structure of the Konica Minolta success story template is well established as all of the test questions was answered.

7 DISCUSSION AND CONCLUSION

This project has been an interesting journey that started with an idea of developing solution sales at Konica Minolta. The project started with the research plan and a literature research that resulted in the theory. The theory was partly inspired by the master degree courses attended by the author at the JAMK University of Applied Science.

The second phase was to implement the research. The qualitative research was done by collecting source data with a help of theme interviews. The quantitative part of the research was the questionnaire that was performed after theme interviews. In addition there was an experimental structural applied from the theory.

The improvement areas and the study methodology

The author thinks that the inclusion of the questionnaire made this study deeper than it could be if only one of the methodologies were applied. However it must be admitted that the target group for the questionnaire was relatively small. Therefore the results of the questionnaire were not reliable.

Some of the questions related to customer references were irrelevant due to weak design of the questionnaire. There is a possibility that some of the questions presented in the questionnaire were misunderstood by the answerers because of the complexity of the questions. A bigger population and fewer well selected questions could increase the reliability of this study.

The author believes that this study could be even better if the topic of the customer references was compromised because that topic took relatively big role in this thesis. The author admits that this type of research could be implemented merely utilizing theme interviews. However there was experimental interest to test other methodologies besides theme interviews and some of the results were confirmed in both theme interviews and in the questionnaire.

The author feels that the theory of the thesis was integrated with the research problem and the theory can be utilized for further studies and development projects. The theory explored several areas such as the future of the business solutions the future markets and theories related with value selling. A number of practical examples from the work of live were integrated in the theory.

Conclusion of the results

The study resulted in indications of the current situation of the solution sales at Konica Minolta. It can be concluded that solution sales are still setting in. There is room for improvement in co-operation between sales and support functions.

The sales team should pay attention to sharing information with the marketing and solution teams. There is a need for productization and it seems that sales team has motivation and ideas to support marketing team in order to develop marketing material and tools.

Some sales representatives felt that they did not receive sufficient support from the solution team. In addition training was seen as a one more important element in solution sales. The research resulted in that some of the sales representatives were in need for extra support as the study indicated that 15,4 % of the sales representatives feels that they are selling standalone machines instead of solutions. The author believes that lack of the familiarization of the topic area of the question was misleading the result. However this indication needs to be taken into consideration in the sales training.

The motivation factors were explored in the research. Sales forces at Konica Minolta can be supported to sell solution. The current customer trend was indicated to increase motivation. However motivation implies personal interest from the sales representatives towards solution sales.

In addition the utilization of the customer references was examined. It was discovered in the study that Konica Minolta has well established portal for customer references with a number of success stories. The structure of the success story was tested and it can be concluded that the structure was well established. However sales rep-

representatives were not aware of them. It was also concluded that documented references could be used for sales training. According to the research sales representatives do have motivation to contribute customer references but they need support from the marketing team.

The main challenges of the solution sales can be conducted from the research:

1. Process management
2. Marketing
3. Team selling
 - a. Use of the bid review.
 - b. Use of the sales plan.
4. Idea sharing between sales teams.
5. Resources

There were several factors exposed in the research that will help the solution sales in the future. The Lync –system can be used for information sharing, new CRM can help in the process management and the current trend that drives the solution sales.

This research provided a number of new ideas that can be utilized for sales development in the future. The best ideas came up in the theme interviews. There were some marketing related ideas such as: product bundling, productization, the segment specific marketing and the use of case studies for information sharing. Ideas related to solution sales were explored in the theme interviews such as: team selling, mentoring and the right use of the bid review.

The author believes that this thesis project was successful and the foundations of the thesis will be shared in the company. This thesis project opened avenues for further research. The development of the information sharing, solution marketing and sales training could be potential areas for future research. Lastly, I want to address my greatest gratitude for the people involved in the research.

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APPENDICES

Appendix 1. Infosource

Table 1 Infosource Europe

<u>Brand</u>	2012 3rd quarter		
	Total		
	Units	Share	Rank
RICOH	65 408	21,7%	1
CANON	39 162	13,0%	2
KONICA MINOLTA	38 997	13,0%	3
KYOCERA	33 748	11,2%	4
XEROX	27 694	9,2%	5
SHARP	17 616	5,9%	6
TOSHIBA	17 295	5,7%	7
SAMSUNG	10 347	3,4%	8
HP	10 271	3,4%	9
TRIUMPH-ADLER	9 952	3,3%	10
OKI	7 424	2,5%	11
Others	23 204	7,7%	
	301 118	100,0%	

According the latest results from Infosource Ricoh is ranked as number one in European MFP market by holding almost quarter of the markets (21.7%). Canon, Konica Minolta and Kyocera are having more than ten percent of the market share. The market in Europe is fragmented as it is possible to conduct from the result.

Table 2 Infosource Finland

<u>Brand</u>	2012 3rd quarter		
	Total		
	Units	Share	Rank
CANON	952	28,5%	1
KONICA MINOLTA	503	15,0%	2
XEROX	485	14,5%	3
TOSHIBA	449	13,4%	4
RICOH	381	11,4%	5
HP	172	5,1%	6
SHARP	157	4,7%	7
KYOCERA	84	2,5%	8
OKI	69	2,1%	9
Others	91	2,7%	
	3 343	100,0%	

Canon is holding more than one quarter of the Finnish market (28.5 %). Konica Minolta, Xerox, Toshiba and Ricoh have over 10 % of the market share. Konica Minolta is holding 15 % of the total market in Finland.

Appendix 2. Theme Selection

Theme	Marketing	Markets	Sales	Motivation	General issues
Case studies	X				
Competition	X				
Corporate image	X				
Customer sales plan	X				
Customer work flows	X				
Equaty				X	
Focus in marketing			X		
Geographical distances			X		
Incentives				X	
It -Infrastructure (demo)		X			
Market potential				X	
Performance meters and salary				X	
Personal interest		X			
Pricing				X	
Productization				X	
Project management					X
Prosess management					
Rationalization					X
Resources					X
Right contacts			X		
Rutine				X	
Sales budget			X		
Sales results			X		
Sales roles			X		
Sales skills			X		
Sales tools			X		
Solution sales			X		
Succes stories	X				
Support				X	
Team review			X		
Team selling:			X		
The customer abroach		X			
The customer base		X			
The stage of the sales			X		
Trainin and development			X		
Trends		X			
Value creation			X		

Appendix 3. Questionnaire

KYSELYLOMAKE

Myynti voidaan jakaa neljään eri luokkaan seuraavasti: Solution sales (ratkaisumyynni), Application sales (ohjelmisto + MFP) Connected MFP (monitoimilaite), Standalone (kopiokone)

1. Oman arviosi mukaan. Mihin luokkaan suurin osa omista kaupoistasi kuuluu?

1. Solution Sales
 2. Application Sales
 3. Connected MFP
 4. Standalone

2. Oman käsityksesi mukaan kuinka suuri osa kaupoistasi kuuluu edellä mainittuun luokkaan yksi (Solution Sales)?

1. Kaikki 2. Suurinosa
 3. Vain muutama 4. Eiyhtään

3. Mitä seuraavista ratkaisuista olet myynyt edellisen tilikauden aikana?

1. Best sovellukset
 2. Document Navigator
 3. eCopy
 4. Everyone print
 5. Pcounter
 6. ShareScan
 7. OPS - palvelukonsepti
 8. Paycon
 9. PDF PRO Office
 10. PSES
 11. Unity Document Suite
 12. Suchy BENS
 13. jokin muu ohjelmisto

More than one response can be selected (7 maximum).

4. Mitä seuraavista työkaluista olet käyttänyt edellisen tilikauden aikana?

1. TEC-laskuri
 2. OPS - palvelukonsepti
 3. iDOC
 4. Printfleet
 5. Case story
 6. vertikaaliesitteet
 7. jokin muu

More than one response can be selected.

5. Jos valitsit edelliseen kysymykseen, kohdan seitsemän. Ole hyvä ja kerro mitä asiaa tarkoittit?

6. Mikä seuraavista asioista motivoi sinua myymään ratkaisuja enemmän?

1. Palkkausmalli
 2. Oma kiinnostus ratkaisumyynniä kohtaan
 3. Asiakkaiden kiinnostus ratkaisuja kohtaan
 4. Yhtiön tarjoama koulutus
 5. Jokin muu asia

More than one response can be selected.

7. Jos valitsit edelliseen kysymykseen, kohdan viisi. Ole hyvä ja kerro mitä asiaa tarkoittit?

8. Mielestäni myyntiryhmäni asiakasjako kohtelee minua tasapuolisesti, muihin myyjiin nähden?

1. Täysin eri mieltä
 2. Joksseenkin eri mieltä
 3. Joksseenkin samaa mieltä
 4. Täysin samaa mieltä

9. Mielestäni saamani tuki solutiimiiltä (asiantuntijat) on riittävä?

1. Täysin eri mieltä
 2. Joksseenkin eri mieltä
 3. Joksseenkin samaa mieltä
 4. Täysin samaa mieltä

10. Mielestäni saamani tuki markkinointitiimiltä on riittävä?

1. Täysin eri mieltä
 2. Joksseenkin eri mieltä
 3. Joksseenkin samaa mieltä
 4. Täysin samaa mieltä

11. Mielestäni saamani tuki yrityksen johdolta on riittävä?

1. Täysin eri mieltä
 2. Joksseenkin eri mieltä
 3. Joksseenkin samaa mieltä
 4. Täysin samaa mieltä

12. Mielestäni saamani tuki IT -tiimiltä on riittävä?

1. Täysin eri mieltä
 2. Joksseenkin eri mieltä
 3. Joksseenkin samaa mieltä
 4. Täysin samaa mieltä

13. Mielestäni saamani tuki esimieheltä on riittävä?

1. Täysin eri mieltä
 2. Joksseenkin eri mieltä
 3. Joksseenkin samaa mieltä
 4. Täysin samaa mieltä

Konica Minoltalla on prosessi, jonka avulla jaetaan tietoa onnistuneista projekteista. Dokumentoitua projekteja kutsutaan nimellä Case Study tai Success Story, riippuen asiakkuuden tyypistä

Seuraavat kysymykset selvittävät asiakasreferenssien käyttöä ja tarpeellisuutta myyntitöissä. Ole hyvä ja vastaa kuhunkin kysymykseen.

14. Tunnen mielestäni Konica Minoltan asiakasreferenssi prosessin hyvin?

1. Täysin eri mieltä
 2. Joksseenkin eri mieltä
 3. Joksseenkin samaa mieltä
 4. Täysin samaa mieltä

<p>15. Kerron useasti myyntitilanteissa kertomuksia onnistuneista projekteista, esimerkkien omaisesti elävää elämästä?</p> <p><input type="radio"/> 1. Täysin eri mieltä</p> <p><input type="radio"/> 2. Joks eenkin eri mieltä</p> <p><input type="radio"/> 3. Joks eenkin samaa mieltä</p> <p><input type="radio"/> 4. Täysin samaa mieltä</p>	<p>21. Mikä seuraavista asioista motivoi tai motivoisi sinua tekemään case studeja?</p> <p><input type="checkbox"/> 1. Mahdollinen kaupallinen hyöty tulevaisuudessa</p> <p><input type="checkbox"/> 2. Case studen avulla saan paremman käsityksen asiakkaan tilanteesta</p> <p><input type="checkbox"/> 3. Documentoitu referenssi auttaa minua ja muita myyjä jakamaan onnistumisia</p> <p><input type="checkbox"/> 4. Mahdollinen palkio case studyn tekemisestä</p> <p><input type="checkbox"/> 5. Jokin muu asia</p> <p><i>More than one response can be selected.</i></p>	<p>27. Minulla on useita onnistuneita ratkaisumyynni caseja, joista on mahdollista tehdä myyvä kertomus?</p> <p><input type="radio"/> 1. Täysin eri mieltä</p> <p><input type="radio"/> 2. Joks eenkin eri mieltä</p> <p><input type="radio"/> 3. Joks eenkin samaa mieltä</p> <p><input type="radio"/> 4. Täysin samaa mieltä</p>
<p>16. Käytän referenssejä apuna myynti keskusteluissani. Esimerkiksi kerron asiakkaalle, asiakkuuksien nimiä joita hallitsemme.</p> <p><input type="radio"/> 1. Täysin eri mieltä</p> <p><input type="radio"/> 2. Joks eenkin eri mieltä</p> <p><input type="radio"/> 3. Joks eenkin samaa mieltä</p> <p><input type="radio"/> 4. Täysin samaa mieltä</p>	<p>22. Jos valitsit edelliseen kysymykseen, kohdan viisi. Ole hyvä ja kerro mitä asiaa tarkoittit?</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>	<p>28. Lukisin ja käyttäisin mielusti muiden tekemiä case studeja.</p> <p><input type="radio"/> 1. Täysin eri mieltä</p> <p><input type="radio"/> 2. Joks eenkin eri mieltä</p> <p><input type="radio"/> 3. Joks eenkin samaa mieltä</p> <p><input type="radio"/> 4. Täysin samaa mieltä</p>
<p>17. Jos käytät referenssejä, niin kuinka useasti, viimeisen 12kk aikana?</p> <p><input type="radio"/> 1. En käytä referenssejä</p> <p><input type="radio"/> 2. 1-2</p> <p><input type="radio"/> 3. 3-5</p> <p><input type="radio"/> 4. 6-10</p> <p><input type="radio"/> 5. enemmän kuin kymmenen</p>	<p>23. Pidän siitä ajatuksesta, että case studyn ansiosta tekemäni asiakas projekti huomataan myös muualla myynti organisaatiossa?</p> <p><input type="radio"/> 1. Täysin eri mieltä</p> <p><input type="radio"/> 2. Joks eenkin eri mieltä</p> <p><input type="radio"/> 3. Joks eenkin samaa mieltä</p> <p><input type="radio"/> 4. Täysin samaa mieltä</p>	<p>29. Mielestäni Konica Minoltaa pitäisi rohkaista myyjä enemmän, tekemään case study kaltaisia dokumentaatiota.</p> <p><input type="radio"/> 1. Täysin eri mieltä</p> <p><input type="radio"/> 2. Joks eenkin eri mieltä</p> <p><input type="radio"/> 3. Joks eenkin samaa mieltä</p> <p><input type="radio"/> 4. Täysin samaa mieltä</p>
<p>18. Mielestäni dokumentoituja referenssejä tulisi käyttää enemmän myynti koulutuksissa.</p> <p><input type="radio"/> 1. Täysin eri mieltä</p> <p><input type="radio"/> 2. Joks eenkin eri mieltä</p> <p><input type="radio"/> 3. Joks eenkin samaa mieltä</p> <p><input type="radio"/> 4. Täysin samaa mieltä</p>	<p>24. Mielestäni case studien läpikäyminen myyntiryhmissä auttaisi myös muita muujä onnistumaan solution myynnissä paremmin?</p> <p><input type="radio"/> 1. Täysin eri mieltä</p> <p><input type="radio"/> 2. Joks eenkin eri mieltä</p> <p><input type="radio"/> 3. Joks eenkin samaa mieltä</p> <p><input type="radio"/> 4. Täysin samaa mieltä</p>	<p>30. Mielestäni dokumentoituja referenssejä tulisi käyttää enemmän myynnin tukena.</p> <p><input type="radio"/> 1. Täysin eri mieltä</p> <p><input type="radio"/> 2. Joks eenkin eri mieltä</p> <p><input type="radio"/> 3. Joks eenkin samaa mieltä</p> <p><input type="radio"/> 4. Täysin samaa mieltä</p>
<p>19. Olisin halukas tekemään case studeja enemmän, jos ohjeet olisivat selkeit?</p> <p><input type="radio"/> 1. Täysin eri mieltä</p> <p><input type="radio"/> 2. Joks eenkin eri mieltä</p> <p><input type="radio"/> 3. Joks eenkin samaa mieltä</p> <p><input type="radio"/> 4. Täysin samaa mieltä</p>	<p>25. Haluan olla mukana luomassa uusia esimerkki caseja?</p> <p><input type="radio"/> 1. Täysin eri mieltä</p> <p><input type="radio"/> 2. Joks eenkin eri mieltä</p> <p><input type="radio"/> 3. Joks eenkin samaa mieltä</p> <p><input type="radio"/> 4. Täysin samaa mieltä</p>	<p>31. Kuinka monesta myymästäsi ratkaisusta olet tehnyt kuvauksen ja jakanut sen muiden myyjien kesken?</p> <p><input type="radio"/> 1. 1-2</p> <p><input type="radio"/> 2. 3-5</p> <p><input type="radio"/> 3. 6-10</p> <p><input type="radio"/> 4. Ei yhtään</p>
<p>20. Referenssit edistävät mielestäsi kaupankäyntiä?</p> <p><input type="radio"/> 1. Täysin eri mieltä</p> <p><input type="radio"/> 2. Joks eenkin eri mieltä</p> <p><input type="radio"/> 3. Joks eenkin samaa mieltä</p> <p><input type="radio"/> 4. Täysin samaa mieltä</p>	<p>26. Uskon että case studyt auttavat minua onnistumaan paremmin asiakas neuvotteluissa?</p> <p><input type="radio"/> 1. Täysin eri mieltä</p> <p><input type="radio"/> 2. Joks eenkin eri mieltä</p> <p><input type="radio"/> 3. Joks eenkin samaa mieltä</p> <p><input type="radio"/> 4. Täysin samaa mieltä</p>	<p>32. Kuinka monesta myymästäsi ratkaisusta olet tehnyt kuvauksen omaan käyttöösi?</p> <p><input type="radio"/> 1. 1-2</p> <p><input type="radio"/> 2. 3-5</p> <p><input type="radio"/> 3. 6-10</p> <p><input type="radio"/> 4. Ei yhtään</p>
		<p>33. Oletko pyytänyt työkaaveriltasi tai esimieheltäsi referenssejä tukemaan myyntineuvottelua?</p> <p><input type="radio"/> 1. Kyllä <input type="radio"/> 2. Ei</p>

Kaikki tutkimuksen tulokset käsitellään anonyymisti.*Ole hyvä ja vastaa seuraaviin taustakysymyksiin.***34. Myyntiryhmä?**

1. Indirect sales 2. MA Private
 3. MA Public 4. SMB/ Areas
 5. PP

35. Ole hyvä ja vastaa ikäsi?

1. alle 25 vuotta
 2. 26 - 35 vuotta
 3. 35 - 45 vuotta
 4. 46 - 55
 5. yli 55 vuotta

**36. Kuinka monta vuotta olet toiminut
yhtiön palveluksessa?**

1. 1-3 2. 4-5
 3. 6-10 4. 11-15
 5. 16-25 6. Yli 25 vuotta

**37. Kuinka monta vuotta olet toiminut
nykyisessä tehtävässä?**

1. 1-3 2. 4-5
 3. 6-10 4. 11-15
 5. 16-25 6. Yli 25 vuotta

**38. Ole hyvä ja vastaa kumpaa
sukupuolta edustat?**

1. Nainen 2. Mies

Appendix 4. Success Story

Company Profile: Luleå University of Technology, Sweden

Luleå University of Technology (LTU) has 1,500 employees and 14,000 students and a turnover of

1.4 billion kronor. There are campuses at four different locations: Luleå, Kiruna, Piteå, and Skellefteå. LTU was the first university in Sweden to introduce a centralised printout facility, in 2005.

Customer's current situation/challenge

When the first Optimized Print Services (OPS) project started at LTU together with Koneo* in 2005, the printout services were totally decentralised. There were a total of 750 units and 20,000,000 prints per year. The costs were high; printing and copying took a lot of resources, and there was a demand for improved services within the information technology (IT) department. After the implementation of Konica Minolta's OPS solution, there was a reduction to 250 units and 8,250,000 printouts within approximately three years. Moreover, there was a reduction of total costs and a service improvement. In the new solution, LTU's existing print fleet was heavily reduced and was replaced with 80 modern, multifunctional printers of Konica Minolta, in addition to the already existing 80 business printers. The remaining challenge is to keep improving the centralised printout service and adding more value to the users.

Success summary

A centralised printout service offers users an improved service and leads to fewer printouts and considerably lower costs. One of the major advantages with the new printout service at LTU is that the printers have a follow-me print queue. The users also have an overview of the available printers and are able to choose the one that is best suited to the occasion. No printouts are delivered until the person who has ordered the printout has gone to the selected printer at any of LTU's campuses and identified himself or herself with an identity card. Payments for student printouts are made via PayEx, which avoids LTU acting as a bank and handling cash. Koneo looks after all servicing and support for printers and deals with toner and paper refills. The printers issue an alarm when they are in need of servicing or repair.

Optimized Print Services

OPS has three phases of implementation. The first one is OPS consult, where Konica Minolta analyses and identifies the customer's environment and needs to then propose the best solution. OPS Consult is followed by OPS Implement and OPS Manage.

OPS Consult

During the first phase, statistics from LTU and information collected by consultants were analysed. Based upon the results, a new solution was created together with LTU. In the optimised solution, the number of devices was reduced from 250 to 160. Furthermore, the user accessibility was increased for functions like colour and A3 printing as well as scanning. By reducing the power consumption and CO₂ emission, the systems reliability had been improved. But the central part of the new

solution was a billing system for students and employees together with follow-me functionality.

OPS Implement

The implementation of the new solution had three steps. Step one was a test installation in a LAB environment. Software and hardware were tested together with LTU's systems as a proof of concept. In a second step, a pilot installation was made before the complete rollout, and then installation started in the third step and was accomplished within 14 days. The implementation project was led by a project manager from Konica Minolta, who faced the big challenge of handling the implementation without affecting LTU's 14,000 students and the daily workforce of 1,500 employees, while at the same time informing and training them in handling the new solution.

OPS Manage

To manage the delivery and to measure KPIs (Key Performance Indicators) and SLAs, a monitoring solution was used, together with a case management system, shared between LTU's and Konica Minolta's helpdesks. Via the monitoring solution, automated services for toner delivery are triggered. Regular meetings with the customer and reviews of KPIs are used to follow up and continuously improve the solution.

OPS Customer's comment

"Our customers were of course familiar with our previous centralised printout service, but now have improved functionality and services, and this is appreciated a lot. In addition, we now have a better overview and monitoring, and our costs have fallen by about 25-30 per cent", says Patrik Harlin, Process Manager for IT Services at LTU.

"The main issue we put a lot of effort into during this project is SLA – the Service Level Agreement – and SLA reporting. It is extremely important that we at LTU and Koneo/Konica Minolta agree on what should be delivered and how it should be delivered and followed up. Together, we have come a long way in terms of developing comprehensively functioning working tools and routines. But I'm sure we could do even better", continues Patrik Harlin.

* Koneo is a 100% Konica Minolta -owned company for office and information technology (IT) services.