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# Building the Sales Process

Case: Intunex Ltd.

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Helsinki Metropolia University of Applied Sciences

Bachelor of Business Administration

International Business and Logistics 2009

Thesis

May 2013

Author(s) Title	Jere Eriksson Building the Sales Process
Number of Pages Date	51 pages + 18 appendices
Degree	Bachelors of Business Administration
Degree Programme	International Business and Logistics
Specialisation option	International Business and Logistics
Instructor(s)	John Greene, Senior Lecturer
<p>As indicated by the title, the thesis focuses on building a sales process for a small Finnish IT-firm called Intunex. The company develops and sells a software as a service product (SaaS) based on cloud computing technology. The purpose of this thesis is to formulate and document Intunex´s sales process to support the company´s sales operations and to identify possible improvement areas in their current sales model.</p> <p>The literary part concentrates on sales processes and SaaS sales models. To give insight to business-to-business sales, the literature review also converses business buying process and business buyers. This acts as a basis for the methodology part.</p> <p>Methodology consists of qualitative research and interviews with different stakeholders in the sales process. Qualitative data together with theory are used support the formulation of Intunex´s sales process. The author has also used his own work experience with Intunex to make the sales process practical and applicable for the company.</p> <p>In addition to the sales process, the thesis gives several improvement suggestions for Intunex´s sales operations and pricing. Further research topics would be internationalization and using channel sales.</p>	
Keywords	Business buying process, Cloud computing, SaaS, Sales funnel, Sales process, Sales models, Software as a service,

## Contents

1	INTRODUCTION	2
2	LITERATURE REVIEW	3
2.1	Business to business market	3
2.2	Sales process	4
2.3	The sales funnel	4
2.4	Software as a service	7
2.5	SaaS sales models	9
2.5.1	SaaS strategic spectrum	10
2.5.2	Price	11
2.5.3	Complexity constraints	13
2.6	Self-service SaaS	15
2.7	Transactional SaaS	16
2.8	Enterprise SaaS	17
2.9	SaaS sales funnel	18
2.9.1	Automatisation	20
2.9.2	Market orientation	20
2.9.3	Customer convenience	21
2.9.4	Monitoring and optimizing	21
2.10	Transactional sales process	22
2.11	Business buying process and B2B buyers	25
3	METHODOLOGY	29
3.1	In-depth interviews	29
4	RESULTS	31
4.1	Current sales model analysis	31
4.2	Towards improving the current sales model	33
4.3	Customer´s perspective	35
5	INTUNEX SALES PROCESS	38
6	CONCLUSIONS AND RECOMMENDATIONS	44
7	REFERENCES	46

## Appendices

Appendix 1. Interview with Janne Ruohisto

Appendix 2. In-depth Interviews with Katri Luukka, Vice Principal at Salpaus further education and Matti Pihkala, Personnel Director at Kalliola Settlement

Appendix 3. In-depth Interview with Jussi Ahtikari, Customer Executive at Tieto

Appendix 4. Intunex 's sales and deployment process for customers

Appendix 5. Self-service sales process

Appendix 6. Enterprise sales process

## 1 INTRODUCTION

The author of this thesis has worked with a Finnish software company called Intunex as a sales & marketing manager since autumn 2012. The company has developed a software called xTune, that helps experts to solve the challenges of today's complicated business environments by working together. xTune is a social business application that makes it easier to share and connect expertise inside organizations.

xTune's demo-version was launched in 2009 and the software was piloted with trial customers. After developing the software together with customers, the first commercial version of xTune was launched in spring 2011.

As a start-up company, Intunex's sales process is still undeveloped and is not documented adequately. The purpose of this thesis is to formulate and document Intunex's sales process to support the company's sales operations. In addition, the thesis focuses on identifying possible improvement areas in their current sales model. To build the sales process and sales funnel, the author researched literature on sales processes focusing on software as service business sales models. Qualitative research consists of interviews with different stakeholders in the sales process. In addition to theory and qualitative research, the author has used his own knowledge and expertise on xTune and its sales to make the sales process practical and applicable for Intunex.

## **2 LITERATURE REVIEW**

The intention of this literary review is to cover concepts, terms, and theories that will aid in formulating a sales process for Intunex.

Considering that the commercial version of xTune was already launched in 2011 and has been sold to several businesses, the focus of this review will be to develop their sales operations by optimizing their existing sales process.

The literature review starts with introduction to the traditional sales process and sales funnel. After this the emphasize shifts towards software as a service by introducing the concept, sales models involved and different sales processes. The end part of the review gives a brief glance to business buying process and B2B buyers.

### **2.1 Business to business market**

As xTune is sold to businesses, it is good to start by defining the business to business market. The B2B market has been defined to include organizations that buy goods or services for variety of purposes. It also includes retailing and wholesaling firms that acquire goods for reselling or renting (Kotler and Armstrong 2001). This definition is a bit narrow as the full B2B market also includes customers like institutions, charities and all levels of government. Businesses generally buy to increase their profits. Institutional buyers buy for the same concerns but are usually more focused on providing an adequate surplus. There are two ways of increasing profits: boosting sales or lowering costs. These objectives are achieved either through increasing efficiency or purchasing lower-cost products/services. (Blythe & Zimmerman 2005, 4)

## **2.2 Sales process**

Sales process is a series of ordered and value-added steps towards a predetermined goal which is a sale. Almost every business has their own sales process which dictates how their sales operations are managed. Usually business's sales process is well planned and used in day-to-day sales activities.

Acquiring customers involves using a variety of marketing, sales and support steps with the goal of converting prospective customers into paying ones. The sales process is often illustrated as a funnel which consists of several steps. Prospective customers are inputted at the top and some percentage of the prospects is successfully converted to the next stage, making the funnel narrower as the process continues. (Skok, D. 2010)

Business to business markets have greater emphasis on personal selling than in the consumer markets, mainly due to larger order values and smaller number of buyers. Buyers and sellers are also more likely to have a long-term business relationship therefore there is a greater emphasis on personal contact. (Blythe & Zimmerman 2005, 223)

## **2.3 The sales funnel**

There are several approaches to sales funnel and as a result for different approaches, there exists different names for different funnel stages.

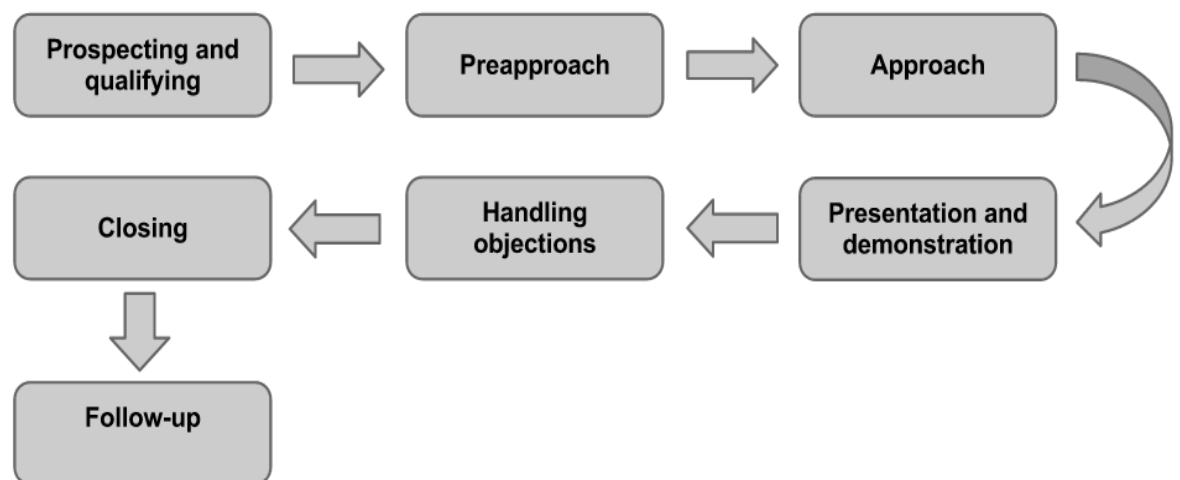


Figure 3: Model of selling process (Kotler & Armstrong 2012)

Kotler and Armstrong's more traditional model consist of seven steps: prospecting and qualifying, pre-approach, approach, presentation and demonstration, handling objections, closing, and follow-up.

The first step in the selling process is prospecting which means identifying qualified potential customers. Approaching the right potential customers is crucial to the selling process and increasing prospecting effectiveness is the fastest way to boost sales. Prospects can be qualified by their financial ability, volume of business, special needs, location, and possibilities for growth. For salespeople the best sources of leads are referrals such as current customers, suppliers, dealers, noncompeting salespeople, and Web or other social networks. Prospects can also be searched in newspapers, trade journals, phone or web directories and tracked down by telephone and email (Kotler & Armstrong 2012, 502, Blythe 2005, 51).

Pre-approach is the second step in the selling process. Before contacting a prospect, the salesperson must learn as much as possible about the organization and its buyers. Gathering information allows the salesperson to understand possible problems even before discussing them with the prospect (Blythe 2005, 55). The salesperson can



consult standard industry and online sources, talk to acquaintances and others that might have valuable information about the company. At this point the salesperson must also determine the best approach method (personal visit, phone call, email) and the best timing of the approach. (Kotler & Armstrong 2012, 502-503)

The objective of the approach step is to get the relationship off to a good start. During the approach it is important to ask key questions about the customer's needs or otherwise attract the buyer's attention. As in all the stages, listening to the customer is crucial. (Kotler & Armstrong 2012, 503)

During the presentation, the salesperson explains the "value story" to the buyer and shows how the company's offering solves the customer's problems. This is called a customer-solution approach. The buyer wants to know how the offering will add value to their business. Buyers want the salespeople to listen to their concerns, understand their needs, and respond with the right products and services. The sales presentation must also be carefully planned. In today's information-overloaded environment customers demand richer presentation experiences. (Kotler & Armstrong 2012, 503-504)

Most customers will always have objections during the presentation that are either logical or psychological and often unspoken. To handle these objections, the salesperson should try to find out hidden objections, ask the customer to clarify any objections and taking these objections as opportunities to present more information. If properly handled, these objections can be turned into reasons for buying. (Kotler & Armstrong 2012, 504)

At the end the salesperson tries to close the sale. For some salesperson this might prove difficult as they might lack the confidence, feel guilty about asking for the order, or fail to recognize the right moment to close the sale. Salespeople can use several closing techniques: asking for the order, reviewing points of agreement, and offering

to help in writing the order. The salesperson can also offer special reasons to close such as lower prices or extra quantities if the order is done right away. (Kotler & Armstrong 2012, 504)

The final step in the process is follow-up which is necessary if the salesperson wants to ensure customer satisfaction and continuity of the business relation. A follow-up call or a meeting should be done after the buyer receives the initial order to make sure proper installation, instruction, and serving occurred. This assures the buyer of the salesperson's interest, and reduces buyer concerns that might have arisen after the sale. (Kotler & Armstrong 2012, 504)

## **2.4 Software as a service**

As xTune is a SaaS-solution, this thesis will focus on covering terms, theories and concepts related to SaaS business.

Software as a service (SaaS), which is a part of cloud computing<sup>1</sup>, is a software delivery model in which software and associated data are centrally hosted on the cloud. The term Software as a service can have multiple definitions and varies by the context it is used, for example the term SaaS is also used to refer to a business model (Järvi et al. 2011: x, Mell & Grance: 3).

Mell and Grance (2011: 3) define SaaS as the capability provided to the consumer to use the provider's application running on a cloud infrastructure. SaaS application can be accessible from various client devices (computers, smartphones, tablets, etc.)

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<sup>1</sup> Cloud computing is a model for enabling ubiquitous, convenient, on-demand network access to a shared pool of configurable computing resources (e.g., networks, servers, storage, applications, and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction. This cloud model is composed of five essential characteristics, three service models, and four deployment models. (The NIST Definition of Cloud Computing)

through a thin client interface, such as a web browser or a program interface. The consumer does not manage or control the cloud infrastructure (network, servers, operating systems, storage, etc.).

Software as a service has provided new opportunities both technology and business-wise. New SaaS solutions and companies appear in the market daily. Most of us have actually used Software as a service in some form, probably without even knowing. For example, web-based e-mail services and on-demand video streaming services like YouTube are SaaS.

SaaS and other cloud based solutions are mostly utilized for the same purposes as traditional software. Especially in the enterprise software industry, cloud technology based applications and services are replacing traditional locally installed software. SaaS has become a common delivery model for many business applications such as customer relationship management (CRM), management information systems (MIS), enterprise resource planning (ERP), and human resource management (HRM).

The following table illustrates the potential advantages of SaaS to business customers and software vendors. The advantages are divided into three different benefit categories; flexibility, financial and strategic.

BUSINESS CUSTOMERS AND END-USERS	SOFTWARE VENDORS
<p><b>Flexibility benefits:</b></p> <ul style="list-style-type: none"> <li>- enables prompt deployment of application</li> <li>- offers flexibility in case of changing requirements</li> <li>- offers better service through SLA (service level agreement)</li> <li>- enables customers to use the latest update and version of the software</li> <li>- reduces dependency on a platform or an</li> </ul>	<p><b>Flexibility benefits:</b></p> <ul style="list-style-type: none"> <li>- enables remote management of the software and the platform</li> <li>- mitigate version control</li> <li>- enables new features to be deployed promptly and with minimal costs</li> <li>- facilitates maintenance with only one configuration</li> <li>- enables utilizing a single platform for all applications</li> </ul>

<p>equipment</p> <p><b>Financial benefits:</b></p> <ul style="list-style-type: none"> <li>- requires less resources for installation and maintenance</li> <li>- scales based on the actual volume</li> <li>- has lower costs on hardware and platforms</li> <li>- has more predictable software cost</li> <li>- requires less dedicated IT personnel</li> <li>- has lower up-front costs</li> <li>- has lower TCO</li> </ul> <p><b>Strategic benefits:</b></p> <ul style="list-style-type: none"> <li>- customers are not locked into single license</li> <li>- enables acquiring best practices with low costs</li> <li>- enables focusing on core competences</li> </ul>	<p><b>Financial benefits:</b></p> <ul style="list-style-type: none"> <li>- increases the predictability of the cash flow</li> <li>- increases the predictability of the required capacity</li> <li>- reduces the need for customer training</li> <li>- lowers the costs of customer acquisition</li> <li>- enables light RFI and RFQ processes</li> <li>- decreases the software piracy</li> <li>- enables achieving economies of scale</li> </ul> <p><b>Strategic benefits:</b></p> <ul style="list-style-type: none"> <li>- supports achieving long-term contracts</li> <li>- enables achieving larger contracts with lower valuation and risk</li> <li>- enables packaging and providing several software cost efficiently</li> </ul>
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Table 1 - Potential advantages of SaaS. (Juntunen et al. 2010)

## 2.5 SaaS sales models

SaaS sales models can be generally categorized to three basic models. These models are generalizations that help to understand the diversity of SaaS business and the strategic and operational choices related. In reality the same business can choose and pick different procedures from each of the basic models or implement all of them. The three distinct SaaS sales models or business models used in this thesis are self-service, transactional and enterprise (Järvi et al. 2011: 11, York 2012: 3).

Selecting the right sales model especially in the startup phase is extremely important. While a more mature company could implement all of the sales models, a startup company usually has the resources to master only one of them. Choosing the wrong model will result in wasting resources and can lead to the failure of the business (York 2012: 3).

As the term business model tends to be loosely defined, some sources define and use the aforementioned sales models as business models but the content and meaning stays the same. Ojala, A. & Tyrväinen, P. (2010), define the term business model as follows:

*"A business model is a description of the value a company offers to one or several segments of customers and of the architecture of the firm and its network of partners for creating, marketing, and delivering this value and relationship capital, to generate profitable and sustainable revenue streams."* - Ojala, A. & Tyrväinen, P. (2010)

As the goal of the sales process is to generate profitable and sustainable revenue streams as well, the term business model becomes mixed with the term sales model especially in literature concerning SaaS business. This thesis uses the term sales model in context of using variety of marketing, sales and support steps with the goal of converting prospective customers into paying ones.

### **2.5.1 SaaS strategic spectrum**

A good illustration of the different SaaS sales models can be achieved with a strategic spectrum analysis. In this analysis price and complexity defines a strategic spectrum for different sales models. (York 2012: 3)

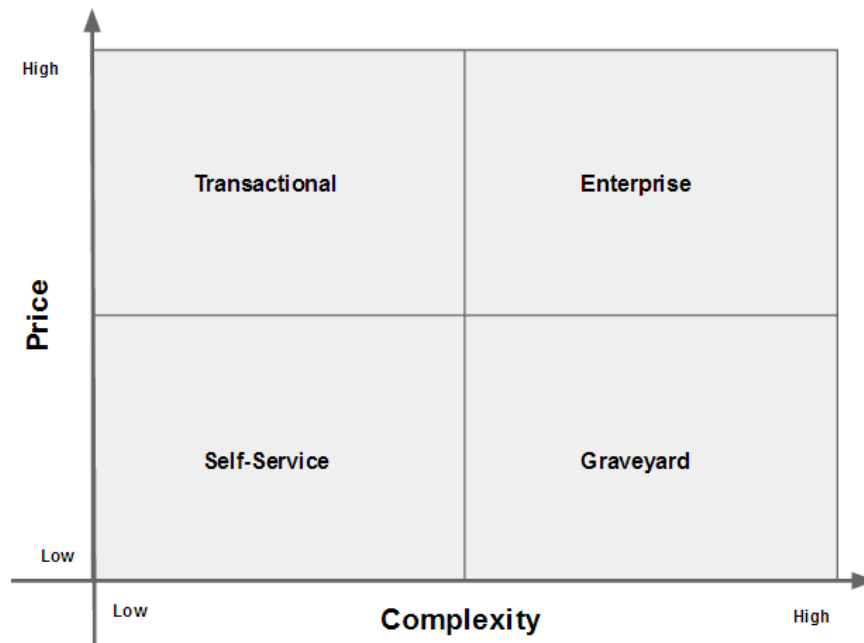


Figure 1 - SaaS strategic spectrum (York 2012: 3)

### 2.5.2 Price

To better understand the strategic spectrum, this chapter will explain how SaaS businesses usually build their pricing and how price affects the choosing of appropriate sales model.

Price is the amount of money charged for a product or service, or the sum of the values that consumers exchange for having or using the product or service. (Kotler & Armstrong 2012: Glossary)

Contrary to traditional business software which is usually sold as a license with an up-front cost and with an optional support fee, SaaS providers generally build their pricing using a subscription fee that is usually a monthly or an annual fee. The initial deployment costs for SaaS applications are typically lower than the equivalent enterprise software. SaaS providers typically charge their software based on a usage

parameter, such as number of users using the application. In SaaS environment customers' data reside with the SaaS provider thus opportunities also exist to charge per transaction, event, or other usage parameter. (Järvi et al. 2011: 56-57)

If the selling of the application includes service sales, the customer can also be charged with so called deployment fee. Also support services can be made available including training, usage support, consultation and integrations which can be charged separately or be partly included in the subscription fee. (Järvi et al. 2011: 56)

Valuable insight on a software as a service business gives the average selling price (ASP) of the application. ASP is the intersection of supply and demand. It can be used to measure external factors such as customer value and competitiveness and it also constrains operational measures like volume, costs and risk. (York 2012: 4)

ASP narrows the choices of a company's SaaS sales model as it puts a limit on customer acquisition costs. For example, an average selling price of €600 annual recurring revenue (ARR) which makes €50 per month, is unlikely able to fund a direct sales force. Single sales representative would have to make hundreds of deals per year to cover the customer acquisition costs. Whereas with higher ASP like €50 000 ARR, a sales representative would only have to make a few deals to cover any costs. (York 2012: 3)

Price also correlates with deal volume as low ASP requires a lot of customers and vice versa. To achieve a turnover of one million with ASP of €1000 annually requiring revenue requires a thousand customers, whereas reaching the same turnover with €10 000 ASP would only require a hundred customers. Therefore, lower ASP requires larger target markets, more leads, higher customer conversion rates and shorter sales cycles to sustain business operations. High volume of customers puts on emphasizes on customer self-service and automation tools as labour costs are high. (York 2012: 3)

With higher ASP comes increased risk. Seldom customers are willing to pay high sums relying only on self-service as the risks involved are higher. Because of this, customers will desire a personal business relation with the provider. Some well established companies such as Google or Salesforce can overcome this risk relying on their high brand security but for a startup to overcome this fear, it needs to have a personal relationship with the customer. (York 2012: 3)

### **2.5.3 Complexity constraints**

Startup companies must spend significant time thinking about the complexity of their sales process and the cost of customer acquisition. These factors will strongly determine whether the company will be make money or not. (Skok, D. 2010)

Complexity consists of customer acquisitions costs (CAA) and total costs of service (TCS). It contains every obstacle that stands between a company´s offering and its customers. This includes question such as: is the offering easy to find, easy to understand, can it be tested, how easily is it bought, deployed and used. (York 2012: 3)

Some applications are easily sold and buyers are comfortable buying them online the first time they enter a web site. Other applications require more complex sales cycles with multiple on-site visits, meetings with various decision makers and trials of the product. (Skok, D. 2010)

Figure 2 illustrates the sales model spectrum that exists from the simple to complex.



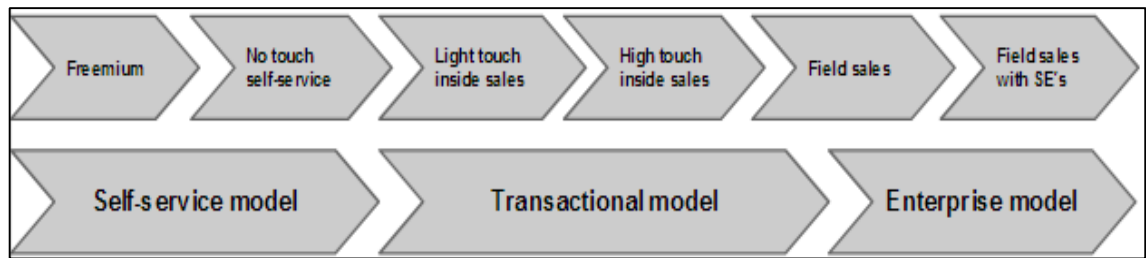


Figure 2: SaaS sales models (Skok, D. 2010; York 2012)

The more complex the sales process, the more customers will require help. Complexity reduces sales velocity, decreases close rates, and increases customer acquisition costs. (York 2012: 3)

The right SaaS sales model will help customers to navigate through the complexity. Different sales, marketing, and support operations will drive complexity out of the buying process but they will also increase customer acquisitions costs.

With higher complexity come higher costs which require higher ASP. It is important to balance these two out. The customer value of a company's offering must always exceed the price, risk and time customers are willing to pay for it. (York 2012: 3)

To reduce sales complexity one must understand its causes. In the following list, David Skok has identified factors that will make a product or service have high sales complexity.

- Complex to understand, evaluate, install, configure
- Requires multiple people to get a purchasing decision
- Mission critical (failure will or disruption will cause significant problems in business operations)
- Has high cost if it fails (e.g. data loss, significant financial impact), and the risks of failure are high
- Expensive – high cost to the purchaser, and/or takes a long time to get an ROI

- Affects many other IT systems, people or departments
- Requires significant change to the way people work
- Requires the purchase of other elements, or integration/development work to make a complete solution
- No customer references that have the same usage needs as the buyer
- Pricing complexity, where the buyer can't easily figure out the right configuration, etc.
- Custom contracts need to be negotiated

## 2.6 Self-service SaaS

Self-service SaaS sales model is based on customer self-service. It is characterized by high volume of transactions and low pricing. Biggest drivers towards this model are low customer value or insignificant market entry barriers which lead to extreme competition that drives price levels down. (Järvi et al. 2011: 11)

In order to achieve sustainable revenue at low pricing requires driving complexity and costs out of the sales process to dispose possible obstacles for high volume sales. To achieve this, self-service customers must be able and willing to service themselves. The sales and deployment process must be straightforward and risk-free and the value of the product must be nearly self-explanatory to the customer. (York 2012: 3)

The self-service sales model breaks down across customer-facing operations illustrated in the table below.

<b>Product</b>
Simplistic product with a large target market. Unified and clear value propositions to all customer segments. Product almost fully standardized. Examples: Dropbox, Mailchimp, Facebook

<b>Sales</b>
Fully automated sales process from new customer acquisition to aftersales without any contact to sales personnel.
<b>Marketing</b>
Full revenue, awareness and lead generation responsibility. Educational content and automation drives customers through the entire sales process from awareness to closing and after-sales. Mostly utilizes high coverage marketing channels that generate a lot of leads with low average lead cost.
<b>Support</b>
Product control and service happen as self-service, often through the product itself. Automation, support tools, templates and educational content enables customers to resolve any issues that they might encounter. As the product is simple, need for support is minimal.

Table 1: Self-service sales model (Järvi et al. 2011: 20, York 2012: 5)

## 2.7 Transactional SaaS

Self-service model stops working simultaneously in many areas - the product is more complex, customer value no longer self-explanatory and can vary from customer to another. The deployment process and usage requires planning and is time consuming. Higher price brings more risk and customers are no longer willing to buy a product without having an actual business relationship with a real person. This involves things such as signed contracts, service level agreements (SLA), billing options, support services and the ability to speak to a person if problems arise. (Järvi et al. 2011: 11, York 2012: 6)

This model is characterized by relatively high sales volume, short sales cycles, rapid deployment and support operations. Sales operations require active sales work which is possible because the revenue received from the customer is higher than in the self-service model.

<b>Product</b>
A non-trivial product that serves a continuous need. This requires trust to the provider and into the continuation of the service. Can offer several value propositions to different customer segments. Examples: Sales Force, Google Adwords, SnapEngage.
<b>Sales</b>
Aiming for low CAC and fast sales cycle that is heavily supported by automation. Online presence including company website, presentation materials, educational content, trial versions and pricing is easily found and supports the sales process. These enable many transactions per sales representatives.
<b>Marketing</b>
Marketing aims to provide highly qualified customer leads for the sales team. Lead quality is essential due to high costs of the labor intensive sales work. Marketing also removes obstacles through educational content and automation in order to drive complexity from the purchase. More targeted marketing is required.
<b>Support</b>
All the same support resources as in self-service are in use and depending on contracts and SLAs more extensive services are also available. This usually involves limited pre-sale support to premium post-sale support. Also educational and deployment services and support can be available.

Table 2: Järvi et al. 2011: 20, York 2012: 6

## 2.8 Enterprise SaaS

Majority of SaaS startups gravitate toward self-service and transactional model because enterprise model is no longer in the core of SaaS business. Some of the essential benefits of SaaS such as low CAC, high transaction volume and fast sales cycles are forfeited. Even if these benefits are lost there are still few benefits left such as scalability and the cost effectiveness of the SaaS deployment (Järvi et al. 2011: 11)

However some products provide so much customer value and are extremely complex that the natural sales model is enterprise sales. These kinds of products are usually

vital or an integral part of a customer's core business processes at which point the customer's commitment to the product and the value the product provides are high. As the complexity is high, the price has to be able to cover long sales cycles and extensive sales, marketing and support operations. (York 2012: 6)

<b>Product</b>
Comprehensive product that is custom tailored and usually integrated to existing systems and processes. Provides extensive customer value. Examples: Sales Force CRM, Microsoft Dynamics Nav CRM, NetSuite ERP.
<b>Sales</b>
Operations consist of traditional IT-software sales with long sales cycles. Sales representatives focus on a narrow set of target prospects supported with extensive product marketing, sales engineering resources and technical support throughout the sales process.
<b>Marketing</b>
Marketing builds and facilitates brand awareness, trust, education and relationship building. This is complemented by support from the sales team including telemarketing and detailed sales tools such as ROI calculators and product roadmaps.
<b>Support</b>
High touch support such as consultative usage support, on-site problem solution, educational tools and training tailored to the needs of individual customer.

Table 3: Järvi et al. 2011: 11, York 2012: 6

## 2.9 SaaS sales funnel

For a SaaS business, the existing customer base is its most important asset. Taking care of the customer base is vital as existing contracts and subscriptions must be maintained. Current customers have also the most potential for additional sales. Because of the importance of the existing customer base, SaaS business should perceive the sales process as an hourglass rather than a narrowing funnel. The top of

the hourglass represents new customer acquisition and the bottom deals with customer relationship management and after sales. (Järvi et al. 2011: 13)

Figure 4 illustrates SaaS business's sales funnel. In reality the different steps in the process can vary but generally the structure stays the same.



Figure 4: SaaS sales funnel (Järvi et al. 2011: 13)

The three different SaaS sales models (self-service, transactional, enterprise) are different in terms of products and customers. Therefore the sales process must be modified adequately to fit the different models. However the three distinctive models have underlying key principles that are essential for the sales process regardless the model. The key principles are: automation, market orientation, customer convenience, and monitoring and optimizing (Järvi et al. 2011: 13). These are covered through chapters 2.9.1 to 2.9.4.

### **2.9.1 Automatisation**

Cost-effectiveness is essential for the sales process, as the revenue received often starts small and the size of the sale is unknown in the beginning. The scalability of the sales funnel is also important to enable the fast growth often required in SaaS business. Some steps in the funnel are more labor intensive and can become bottle necks to slow down growth. Automatisation in different stages of the funnel and customer conversion from step to another is therefore the most important tool for cost-effectiveness and scalability. (Järvi et al. 2011: 13)

### **2.9.2 Market orientation**

Market oriented approach means that a business reacts to what customers want. The decisions made are based on information about customers' needs and wants, rather than what the business presumes is right for the customers. (Riley, J. 2012)

SaaS is fundamentally different than a licensed software product. It offers a service as a complete solution not just a product. This difference is reflected in all areas of the business, including sales and marketing positioning. Even more than for licensed software, marketing and sales are about solving a customer problem and the benefits of service to the customer. Not only marketing a list of product features. All customer interaction must reflect this "customer comes first" orientation. (Software marketing advisor, 2013)

In SaaS business the customer segment is strongly determined by how the customer purchases, who purchases and what are the essential value propositions. The product itself can stay the same for different customer segments. The sales funnel should concentrate on the biggest common nominator for different customers. Different

customer segments might require their own versions of the sales funnel or some steps in the funnel can vary. (Järvi et al. 2011: 13)

### **2.9.3 Customer convenience**

SaaS delivery model's value propositions are easy, fast and risk-free purchase and deployment. This should be reflected in the planning of the funnel - customer's buying process must be an essential part of the sales process. Effortless and convenient buying process for the customer reduces the length of the sales cycle and decreases customer acquisition costs. From the customer's perspective, a well-planned and supported self-service sales process can be the easiest one. For SaaS deployment, self-service can be the best possible service (Järvi et al. 2011: 13)

### **2.9.4 Monitoring and optimizing**

It is not possible to build the sales funnel as optimal as possible right away for it is often a long process of trial and error. On each step of the funnel, a business must consider and identify what are the objectives, methods, and metrics that can be used to measure the funnels functionality and effectiveness. Based on these variables a business can seek to optimize the sales funnel, reduce costs by targeting non-automated sales better and even recognize new customer segments (Järvi et al. 2011: 13).

No matter how well business's sales funnel has been designed, it will probably have at least one step that is a blockage point. Blockage point is the point where conversion rates from one step to the next are not satisfactory or the point where a business has a scaling problem – for example, inability to profitably increase the number of prospects coming out of that part of the funnel because the business has maxed out



the capability of one marketing or sales technique). Solving the blockage point usually causes another to appear somewhere else in the funnel. (Skok, D. 2010).

An example of this would be that you have too few people coming to your website which would be a blockage point in the front of the sales funnel.

## 2.10 Transactional sales process

This chapter identifies essential tasks related to different stages in the SaaS sales funnel presented in chapter 2.9, figure 4. This literature review only covers the transactional sales process but the two other sales model processes are described in the appendices (Self-service - Appendix 5, Enterprise - Appendix 6). These tasks are based on SaaS-manual (Järvi et al. 2011: 14-16).

Each step in the sales funnel has specified objectives and methods how to reach them. In addition, metrics how to follow and optimize the process further has been added.

### Marketing

**Objective:** Producing leads in to the sales process and creating public awareness.

**Methods:** Emphasize on internet marketing: search engine optimization, banner ads, blogs, social network advertising, and e-mail marketing. More traditional marketing channels might also be used if proven cost-effective. Active sales work increases costs therefore lead quality must be high. This requires better targeted marketing and prospect qualification.

**Metrics:** Site visits; how many, from where and when.

**Measurement objective:** Better target marketing

**Tools:** Web-analytics (e.g. Google Analytics)

### **Leads**

**Objective:** Getting a potential customer to register and tryout the product. Deciding on follow-up contacting.

**Methods:** Offering a trial period free of charge and supporting the customer during it.

**Metrics:** Amount of product subscriptions and monitoring trial usage.

**Measurement objective:** Targeting sales - to whom and when. Learning about customer needs and identifying different customer segments.

**Tools:** Monitoring functions in the product and sales support systems.

### **Prospects**

**Objective:** Helping the prospects via telephone or web site content to understand the value of the product. Motivating prospects to research your materials and customer cases. As the product is more complex the value of the product may not be as easily understood as a pure self-service product

**Methods:** Using effective and low cost sales methods that also enable short sales cycles. In addition to website content sales also require personal contact which is typically telemarketing.

**Metrics:** Amount and quality of sales calls. Web-analytics: visited sites, downloaded materials and time spent browsing.

**Measurement objective:** Improving website and sales operations.

**Tools:** Web-analytics, Sales statistics and sales support systems.

### **New customer**

**Objective:** Closing the deal.

**Methods:** Establishing a real business relationship which includes signed contracts, service level agreements, billing options, support services and the ability to speak to a person if problems arise

**Metrics:** Sales volume and ASP. Sales cycle length and CAC.

Measurement objective: Improving sales operations and reducing the complexity of the sales process.

**Tools:** Sales support systems.

### **Deployment**

**Objective:** Creating a good customer relationship by helping in the deployment. This also opens possibilities for service and after sales.

**Methods:** Using all of the same methods as in the self-service model and in addition offering support services described in the SLA. Also offering additional training and consultation services.

**Metrics:** Number of support requests, user feedback, volume of service sales and deployment process feedback.

**Measurement objective:** Mitigating the deployment process, improving customer support and increasing service sales.

### **After sales**

**Objective:** To renew existing contracts and increase after-sales to current clients.

**Methods:** Keeping the customer relationship active by having regular contact with the customer depending on the importance of the relationship. Also utilizing all the same methods previously described in the self-service model.

**Metrics:** Churn<sup>2</sup>, ARC, customer satisfaction metrics.

**Measurement objective:** Targeting after sales and collecting information to extend the customer life time value of the product.

**Tools:** Monitoring functions in the product and sales support systems.

### **Community**

**Objective:** Creating awareness and critical mass. The goal is to achieve viral marketing through word of mouth and enhanced networking effect.

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<sup>2</sup> Churn is the percentage rate at which SaaS customers cancel their recurring revenue subscriptions. It is a key SaaS metric of historical SaaS business performance and an important parameter in revenue forecasting. (York, J. 2012)

**Methods:** Offering communication channels for users and developers to exchange their ideas. The community solves usage problems, creates awareness and educates other users. Through open application programming interfaces (API) the community can build new functionalities to the product thus create additional product value.

**Metrics:** Following the community.

**Measurement objective:** Getting customer feedback, creating new products and features.

## 2.11 Business buying process and B2B buyers

Understanding the drivers and obstacles of buying is usually a crucial factor for the effectiveness of marketing and sales. This requires knowledge about consumer and business buying behaviour and decision making process.

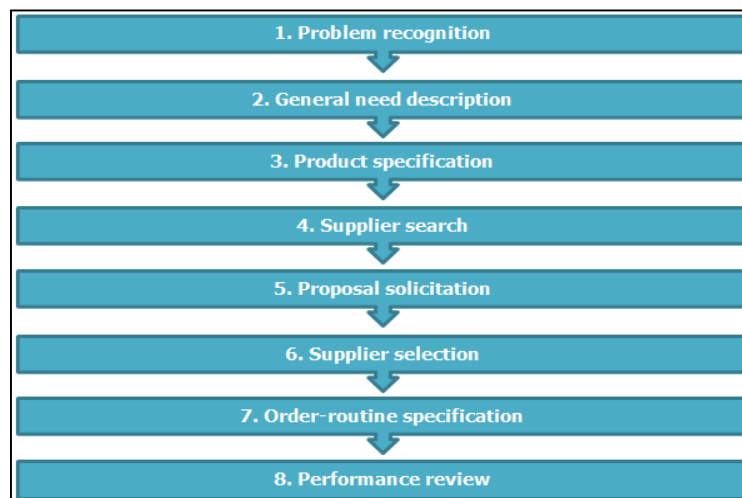


Figure 5. Business buying process (Kotler & Armstrong 2012, 200)

The business buying process consists of eight identified stages as can be seen in the figure 5. In routine purchases some of the stages can be bypassed, but as the decision becomes more complex and the product is more expensive, these stages are handled with greater precision and improved accuracy.

Business purchasing usually involves more decision participants and more professional purchasing. Often business buying is done by trained purchasing agents and the more complex the purchase, more likely it will have several participants in the decision making process. B2B buyers are buying in order to meet organizational needs but it is also important to remember that the buyers have also personal needs such as: prestige, career security, and social needs. The buying process can also be affected by the buyer's personality, attitudes and beliefs. (Blythe 2005, 34; Kotler & Armstrong 2012, 200)

Today's B2B buyers are flooded with online information. Practically every business problem, product, process or service seems to have accumulated at least a small bit of information online. Majority of business searches turn up almost endless amount of result varying from product descriptions, news articles, videos, books, free trials, blogs, Wikipedia articles, and so on. The internet is the 21<sup>st</sup> century business to business buyer's first step for researching products and services. It is not the only source of information but the Internet has significant influence throughout the B2B buying process. (York 2012, 3, 5)

The adaptation of Internet has evolved B2B buyer behaviour. They are more connected, more impatient, more elusive, more impulsive, and more informed than ever before. Like the B2B buyers, B2B sales and marketing professionals have to adapt their strategies and tactics to the needs and expectations of the new breed of buyers. (York 2012, 3-4)

B2B buying process will not probably start nor stop at a supplier's website. It is likely to begin at a major Internet search engine, social media or other professional network. Therefore it is crucial that the supplier's content appears wherever the B2B buyer goes online at every step of the decision making process. It is not enough to have blogs or

documents available online on a website, because a prospect might never discover the website if it does not show up in a search or social media. (York 2012, 5)

In the table 4 Yoel York has identified six B2B buyer ´s behavioural traits and rules of engagement to maximize B2B sales and marketing effectiveness.

B2B Buyer Trait	Rule of Engagement
Connected	Publish Deep and Wide
Impatient	Efficient Self-Service
Elusive	Measure, Model & Move
Impulsive	Lifecycle Marketing
Informed	Consultative Selling
Only human	Trust

Table 4: B2B buyer traits & Rule of engagement (York 2012, 4)

Businesses that insist on engaging B2B buyers with out-of-date sales and marketing tactics will only drive customers to their competitors. Successful marketing and sales relies on mastering the new rules of engagement and understanding the B2B buyer ´s new motivations and behaviours. (York 2012, 4)

To connect with B2B buyers, a business must publish deep and wide about the problems their prospective customers encounter and the solutions the business offers. The content must be relevant to prospects at every step of the buying process. This means creating content for every kind of prospect interest and attention span including tweets, blog posts, ads, to detailed documents and videos. The content must also be distributed across various online channels such as websites, social networks, blogs, directories, media sharing sites, etc. The basic needs of the buyer stay the same, only the behaviour for meeting those needs have changed. The content must still address

the basic buying needs, but it has to be provided in the right location and through the right media so it is easily discovered and absorbed online. (York 2012, 5)

The new impatient B2B buyer wants independent and efficient self-service. If a prospect cannot find the wanted information on a business's website, it can be the end of a potential business relation. The CEB Marketing Leadership Council surveyed over 1900 customers regarding their B2B buying behaviour. The research indicated that B2B buyer is on average 60% through the buying process before engaging a salesperson (Lapter, A. 2011). This means that the Internet gives the B2B buyer control over the buying process by allowing the prospect to regulate the flow of information. A business's strongest strategy is to enable efficient self-service for the prospect by giving access to its content. (York 2012, 6)

B2B buyers can find a product, learn about it, see what others say about it, evaluate it, and in some cases try and buy it, all without contacting a salesperson. As indicated before, the elusive B2B buyer spends more and more time going solo through the buying process and only contacting sales when there is clear value to be gained. This is made even more complex as organizational buying often involves several people. No longer is it easy for the salesperson to merge all the influencers and decision makers to a meeting and have a simple sales cycle from the beginning to the end. A business will have different stakeholders visiting their website, checking the knowledgebase, contacting the sales team for questions, signing for a trial account, discussing the product on social media and making internal decisions without any need for a face-to-face meeting. (York 2012, 9)

Internet has made the B2B buying process harder to define and control. This new breed of B2B buyers might appear elusive to a salesperson but this is not necessarily the case. The Internet has varying monitoring methods for businesses' - web browsers have cookies, hyperlinks have tracking codes, and every online interaction has meta-data that can indicate buyer intent. A business must simply adapt to the new B2B

buyer by developing more efficient measures and models that move buyers through the buying process. (York 2012, 8)

### **3 METHODOLOGY**

The methodology of this thesis focuses on exploratory and descriptive research aimed to facilitate and gain different perspective for the formulation of Intunex´s sales process and sales funnel for their product xTune. Exploratory research is often used to gain a better understanding of a situation but not to provide definite answers or decisions. Descriptive research is used to provide a clearer picture of phenomena or situation and it can be an extension for the exploratory research.

For data collection, qualitative methods were used to gain empirical evidence to support the formulation of the sales process and to give insight on different stakeholders involved (provider´s and customer´s perspective). To accumulate this information, the research was conducted through in-depth interviews. The literature review was used as a basis for planning the interview questions.

As a part of the methodology, Intunex´s CEO Janne Ruohisto was interviewed (Appendix 1) first in order to assess the company´s current sales process and to find out possible problem areas. The interview questions covered their customer segmentation, value propositions, sales models/methods, perceived blockage points and problems in the current sales process. The interview was also used to help in planning the other in-depth interviews.

#### **3.1 In-depth interviews**

In-depth interviews are utilized for collecting qualitative data for various purposes such as needs assessment, program refinement and strategic planning. Situation that



require asking open-ended questions eliciting depth information from a relatively few people are ideal for using in-depth interviews. For this method to be utilized effectively, questions should be open ended in order to allow thorough answers from the respondents, and structured in manner that facilitates participant responses while taking account probing. The interview should be made to feel more like a conversation and answers should be interpreted, paraphrased and relayed to the respondents to make sure the authenticity of the communication. (Diehl et al. 2012)

For the interviews four different participants were chosen due to their extensive knowledge and expertise related to sales processes and business buying from the seller's and the buyer's perspective. The participants were the CEO of Intunex, a Customer executive at Tieto and also an advisor for Intunex (well informed of Intunex's business), and two of Intunex's customer representative that were involved in the buying process of xTune. Intunex's advisor's interview covered much of the same topics as the CEO's interview and also his expertise on software business. Customer representatives had the same questions.

To get effective responses, participants were asked open ended questions and given plenty of time to respond to allow thorough thought process. In a situation where the respondent seemed unsure of the questions, probing techniques were used to give clarification. Also, if the answers were too vague, could have more in depth in them, or could be interpreted in different manners, the interviewer paraphrased and relayed the respondent's answers back to them for confirmation.

## 4 RESULTS

The first part of the results section concentrates on giving a simplified illustration of Intunex's current sales model based on the company interviews. In addition it contains possible improvement areas that the company should focus on in the future. The second part of the results section concentrates on analyzing the customer's perspective to the sales process by going through their buying process. This information combined with the literature input is then used to build a sales process for Intunex.

### 4.1 Current sales model analysis

Based on the interviews with Janne Ruohisto and Jussi Ahtikari (Appendix 1, 3), Intunex's current sales model is a mix of transactional and enterprise sales models described in the literature review. The sales process can be described complex and sales cycle length is usually from few to several months. Majority of the sales work consist of labor intensive face-to-face meetings and high level contact.

In the following table the curly bracket illustrates how Intunex's current sales is mostly comprised of high-touch inside sales, field sales and field sales with SE's.

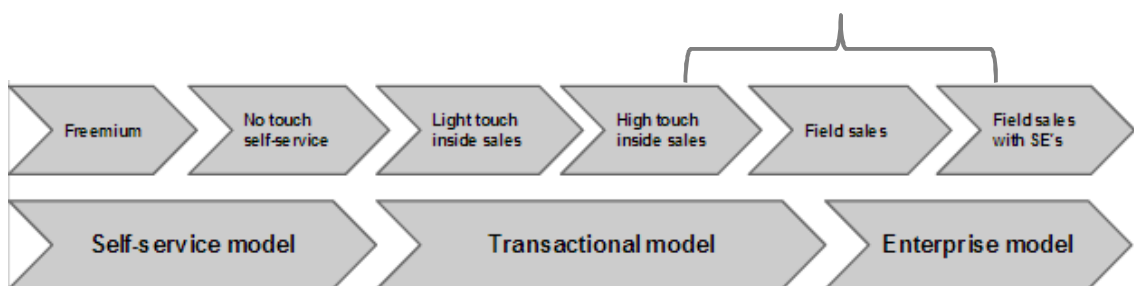


Figure 6: Intunex current sales spectrum

Table 5 gives a simple representation of Intunex´s current sales model consisting of sales, marketing, and support operations.

<b>Sales</b>
Sales operations consist of face-to-face meetings and as negotiation go further usually more technical expertise (sales engineers) are required. Sales representative focuses on relatively few target prospects and the sales cycles are long.
<b>Marketing</b>
Marketing aims to build brand awareness, trust, education and evangelism. Main emphasize in marketing is on digital marketing and especially on social media marketing.
<b>Support</b>
High touch support such as consultative usage support, educational tools and training. This involves limited pre-sale support to premium post-sale support. Emphasize on deployment services.

Table 5: Intunex current sales model

Figure 7 shows how Janne Ruohisto and Jussi Ahtikari perceives (Appendix 1, 3) Intunex´s current position in the SaaS strategic spectrum analysis. Both of the interviewees perceived that the complexity of the current sales process was high enough to reach the Enterprise model. Price-wise the positioning falls into the lower end of the enterprise model and dangerously close to the graveyard.

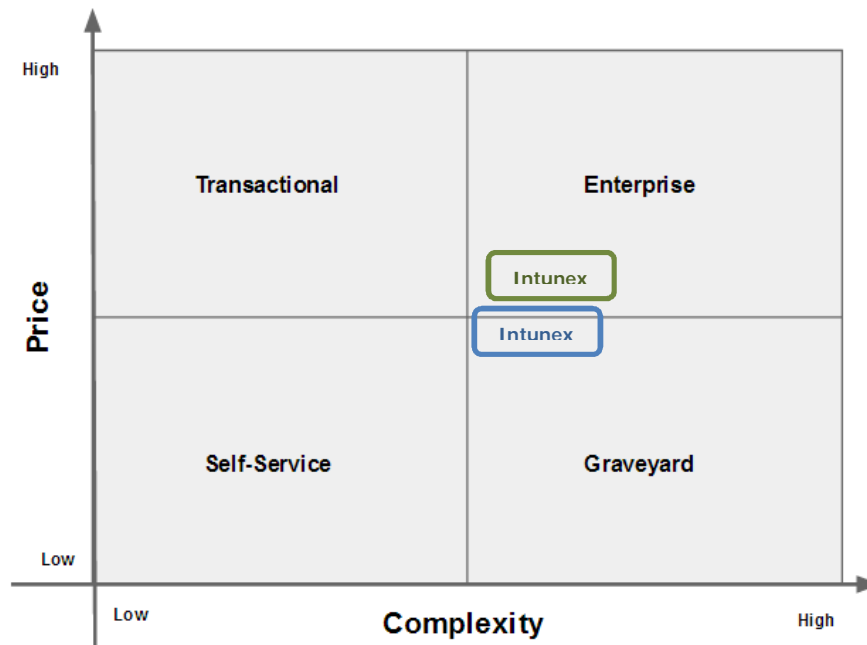


Figure 7: Intunex strategic spectrum

Jussi Ahtikari (Appendix 3, q. 4)

Janne Ruohisto (Appendix 1, q. 4)

## 4.2 Towards improving the current sales model

Both of the company interviewees saw that the sales model should be improved both complexity- and price-wise. Janne Ruohisto states (Appendix 1, q. 5) the following regarding the complexity of the sales process:

*“The goal is to lower the complexity of the sales operations. To some extent field sales will also be required in the future but the aim is to enable more of the labor intensive work to be done through high touch inside sales (phone, email, teleconference, etc.). There are two reasons for this; to lower current customer acquisition costs and to have shorter sales cycles.”*

Jussi Ahtikari states (Appendix 3, q. 3) the following when discussing about the current sales model and its problems:

*“As the current pricing is not on enterprise level, the goal should be to lower the costs of the sales process. This means moving towards high touch inside sales supported by field sales. At the moment, this not plausible as the product is still relatively new. Intunex is still in the phase of creating demand (educating about the problem and solution to it), this requires active field sales especially when targeting medium and large size organizations.”*

Both the interviewees see that the aim should be to lower costs by moving towards high touch inside sales supported by field sales. Simply changing the way the sales work is done is not possible as the company is still quite unknown and the product hard to understand.

High customer acquisition costs are caused by the long sales cycle length due to the labor intensity of the sales work. Long sales cycle length is a symptom of the complexity of the sales process and in order to reduce the sales cycle length the company must identify factors causing complexity and seek to improve those areas. In question six (Appendix 1) Janne Ruohisto identifies three major factors that increases complexity; product hard to understand, product requires a change in the way people work and usually requires several people in the decision making process.

When discussing how Intunex´s sales process could be improve, Jussi Ahtikari states (Appendix 3. q.4) the following:

*“The sales process should be as transparent and straightforward as possible. This means that during the first sales meeting the sales process should be planned and presented to the potential customers. When the steps in the sales process are transparent to the customer, their decision making process is made more simple by not offering “too many” possibilities. Every decision that the customer has to make slows the sales process.”*

### 4.3 Customer´s perspective

A good way to start analyzing customer´s perspective to Intunex´s sales process is to begin how the customer entered the process. Before first contact, both of the customers had already gone through the first four decision making stages starting from problem recognition and already trying different solutions (supplier search). (Appendix 2. q. 2, 3, 4)

Salpaus entered the sales process during the supplier search stage as a result of active community engagement on Intunex´s behalf. Awareness came through professional social media where Intunex was participating. Kalliola entered the process as a result of direct marketing (phone call). The company had also tried different solutions but the general need description was still unclear. (Appendix 2. q. 2, 3, 4)

With both customers, face-to-face meetings played vital role in the sales process and several meetings were required to reach the final buying decision. Interviewees stated (Appendix 2, q. 8) the following when discussing about the importance of face-to-face meetings:

*“Face-to-face meetings played a vital role in the procurement process. Other channels would have been insufficient to create proper rapport and for understanding the product and its deployment.”* Katri Luukka, Vice Principal, Salpaus Further Education.

*“Face-to-face meetings were very important in order to understand the product and the idea behind it. Also as the firm and solution was previously unknown, building trust to the provider needs personal contact and face-to-face communication. As the proper rapport had been established and the product became familiar, the need for face-to-face meetings lowered.”* Matti Pihkala, Personnel Director, Kalliola Settlement.

Both of the customer interviewees were executive level decision makers and played a major role in the sales process. Going straight to the executive level hastened the process as both interviewees had the ability and budget to make the buying decision. As the xTune is meant to be used by majority of the organization, the decision making process required participants from different departments. For Salpaus, the IT-department was not involved in the process, as for Kalliola the IT played an important role. (Appendix 2. q. 9)

For both customers, Intunex offered a separately invoiced supervised deployment period that included the right to use the service for the personnel, planning of the deployment, setting configurations, consultation meetings and personnel training. After the deployment period ends, invoicing will be based on the amount of users using the software.

Both customers saw that the pricing was not a major factor for reaching the purchasing decision. Katri Luukka described the price as being “cheap” when considering the overall volume of their business. Matti Pihkala also thought that the pricing was moderate when considering all the support services that were offered by the provider. Customers were also satisfied with the user based subscription fee but as the amount of user does not tell anything about the usage of the software, the pricing could also be based on some other parameter than just the amount of user. (Appendix 2. q. 11)

The supervised deployment period of xTune was still ongoing with both of the customers. Deployment was well planned together with the customer and has included everything needed. Both interviewees underlined the importance of technical/usage support and personnel training from the provider. For the length of the deployment, both interviewees agreed that successfully implementing this kind of solution requires at least few months. (Appendix 2. q. 10)

For maintaining customer relationship, both interviewees thought that xTune works well for this purpose. Matti Pihkala stated the following (Appendix 2. q. 13) about the importance of managing customer relationship:

*“It’s important that the provider shows interest how the software works for the customer and is in regularly contact. Maintaining the relationship does not have to be complicated, just an occasional phone call. xTune also works as a good medium for maintaining the customer relationship as the provider can see if there are any problems with the usage. The provider can also give advices and solve issues through the software itself.”*



## 5 INTUNEX SALES PROCESS

Figure 8 presents Intunex's sales process which is divided into six stages. The fourth stage which is the deployment process has been further divided into different stage due to its importance for the overall sales process. To compile the new sales process, Kotler's more traditional selling process has been merged with the SaaS sales funnel. As illustrated in the results section of the thesis, personal selling is extremely important for acquiring new customers and for this reason the sales process has a heavy emphasize on personal selling. In reality, the content of the different stages in the process can vary but generally the structure stays the same.

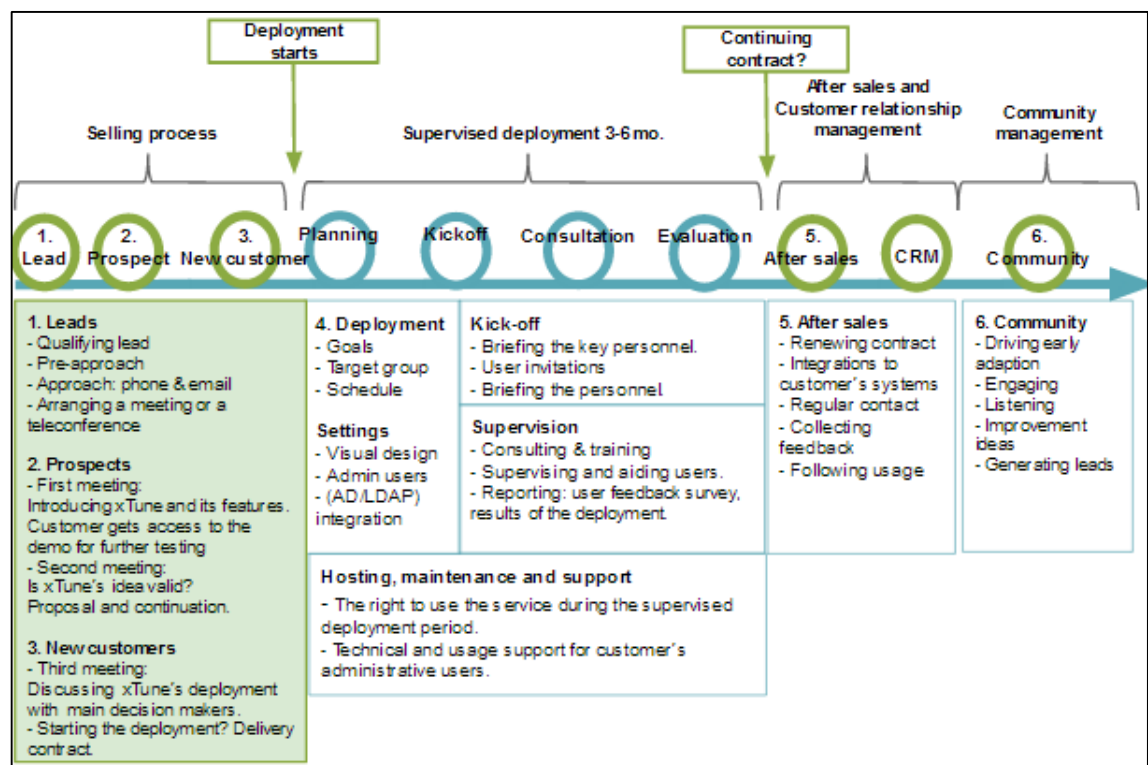


Figure 8: Intunex's sales process

Each stage in the sales process has specified objectives and methods how to reach them. In addition, metrics how to follow and optimize the process further has been added.

## **1. Leads**

### **Qualifying leads:**

Identifying potential customers from leads and approaching them. Increasing prospecting effectiveness is the fastest way to boost sales. Prospects can be qualified by their financial ability, volume of business, special needs, location, and possibilities for growth. Also businesses that operate in complex and fast changing operating environments that require high levels of expertise and are geographically scattered are highly qualified leads.

### **Pre-approach:**

Before contacting a prospect, the salesperson must research the organization and its buyers/contact persons. This information allows the salesperson to understand possible problems even before discussing them with the prospect. The salesperson can consult standard industry and online sources, talk to acquaintances and others that might have valuable information about the company.

### **Approach:**

The salesperson must determine the best approach method – preferably a phone call followed by an email and presentation materials. The goal is to arrange a sales meeting or a teleconference.

**Metrics:** Amount and quality of sales calls. Web-analytics: visited sites, downloaded materials and time spent browsing.

**Measurement objective:** Improving website, lead qualification and better targeting sales

**Tools:** Web-analytics, sales statistics and sales support systems.

## **2. Prospects**

### **First meeting:**

During the first meeting, the salesperson explains the “value story” of xTune to the buyer and shows how the offering will add value to their business. At the meeting it is important to ask key questions about customer’s needs and as in all the stages, listening to the customer is crucial.

Towards the end, the salesperson must establish a plan how to proceed with the sales process. Arranging the next meeting and asking the contact person to involve possible decision makers by inviting them to the meeting. The contact person should be presented with a draft that shows how the sales process proceeds (example in Appendix 4). The customer should be given access for xTune’s demo version for further testing and provided with materials that enable the contact person to present the product internally.

### **Second meeting:**

In the second meeting the salesperson takes in feedback from the customer and clarifies issues that have risen during the testing. Most customers will have objections that are either logical or psychological and often unspoken. The salesperson should ask the customer to clarify any issues and turn them to opportunities for presenting more information. Usually the second meeting will have more participants and some of them might still be unfamiliar with the product, therefore a short recap of the first meeting and demoing might come to question.

Objective of the meeting is to find out if the idea of xTune is valid and what is required to continue with the sales process. At this point it is important to go through how the deployment period of xTune proceeds. The SaaS deployment offers a service as a

complete solution not just a product. This means that xTune is not just a list of product features but the hosting and support services come along with the software.

For the third meeting, the salesperson should involve all the necessary decision makers. Based on the earlier discussion, Intunex provides the customer with a proposal that the customer goes through internally before the third meeting.

**Methods:** Targeting sales efforts to different departments or levels of the customer's organization - decision makers. Giving prospects access to xTune's demo version

**Metrics:** Amount and quality of sales meeting and monitoring trial usage.

**Measurement objective:** Targeting sales - to whom and when. Learning about customer needs and identifying different customer segments.

**Tools:** Monitoring functions in the product and sales support systems

### 3. New customers

#### **Third meeting:**

The salesperson goes through the proposal and deployment process with customer's main decision makers. Towards the end salesperson tries to close the sale. Salesperson can use several closing techniques: asking for the order and reviewing points of agreement. The salesperson can also offer special reasons to close such as lower prices if the decision is done now. Objective is to get a decision to start the deployment period of xTune.

**Methods:** Negotiating the deployment contract which can include issues like customization, consultation, integrations, training and support services. Contracts have readymade templates which are customized based on customer's wishes.

**Metrics:** Sales volume and ASP. Sales cycle length and CAC.

**Measurement objective:** Improving sales operations and reducing the complexity of the sales process.

**Tools:** Sales support systems.

#### 4. Deployment

Intunex has a well defined and documented deployment process (Appendix 4) therefore this thesis will not cover the deployment in detail.

As illustrated in the customer interviews (Appendix 2), the supervised deployment process is vital for successful implementation. After the deployment period ends, Intunex reports the results of the deployment and customers review their need for the software. Therefore, whether customers will want to continue their contract or not is heavily influenced by the results of the deployment period. Successful deployment will also increase after sales, as customers often require integrations to their other software.

**Methods:** Aiding in the deployment process - helping if any problems arise, offering consultation and personnel training.

**Metrics:** Number of support requests, user feedback, volume of service sales, and deployment process feedback.

**Measurement objective:** Improving the deployment process and customer support. Increasing integration and service sales.

**Tools:** xTune, phone, email.

#### 5. After sales

After sales and customer relationship management is necessary if the provider wants to ensure customer satisfaction and continuity of the business relation. This is especially important as Intunex's contracts are based on monthly user based subscription fees. It is important that the provider shows interest how the software works for the customer and is regularly in contact. . This assures customers that the

provider is interested in their business and reduces concerns that might have arisen after the sale.

As customer data in SaaS environment resides with the provider, Intunex can monitor the usage of the software. This allows to target after sales and customer relationship management effectively. For example, if the usage of the software appears to be dropping, Intunex can contact the customer to see if there are any problems with the software or its usage.

**Objective:** Renewing existing contracts and increasing after-sales to current clients.

**Methods:** Using automated and direct sales methods to increase customer value. This includes offering support services, updates or additional functionalities and other services.

**Metrics:** Churn, ARC, and customer satisfaction metrics.

**Measurement objective:** Targeting after sales and collecting information to extend the customer life time value of the product.

**Tools:** Monitoring functions in xTune and sales support systems.

## 6. Community

This is often the first line in engaging customers and helping potential prospects to understand your product and business. Community management helps to drive sales, retain customers and to grow brand awareness. As Intunex has an extensive social media plan already, this thesis will not go into detail with community management.

**Objective:** Producing leads into the sales process, driving sales and growing brand awareness.

**Methods:** Using various social media platforms for discussion with potential users and creating, distributing, and sharing relevant content. Creating personal connections with users and customers by communicating with them on regular basis.

**Metrics:** Following the community, company's social media and website analytics.

**Measurement objective:** Collecting feedback, following industry trends, creating new products and features.

## 6 CONCLUSIONS AND RECOMMENDATIONS

Customer interviews indicated that Intunex's sales operations will rely on personal contact and field sales in the near future as well. By having a formulated sales process, Intunex can start following how the process works and seek to optimize it using the different metrics provided. As mentioned before, no matter how well the sales process has been designed it will probably have at least one step that acts as a blockage point. As the author of this thesis is personally involved in Intunex's sales operations, he will observe how well the process actually works and how it can be improved further.

To lower customer acquisition costs caused by the long sales cycle, the formulated sales process contains three sales meetings from leads to new customer stage that should be sufficient for reaching a decision to start the supervised deployment period.

Another improvement area that stood out from the company interviews is that Intunex lacks a proper customer segmentation strategy. By doing this, the company can better identify the most potential prospects, have more targeted marketing, and more focused product development. Furthermore, better prospect qualification should reduce the sales cycle length and lower customer acquisition costs.

Several suggestions for improving the sales model were found from the interviews both complexity- and price-wise. For the future, Intunex should aim to mitigate the causes of complexity in the sales process; product hard to understand, product requires a change in the way people work and usually requires several people in the decision making process. As Intunex is still in the phase of creating demand by informing and

educating the market, moving to lighter sales models (high touch inside sales) might be counterproductive. Changing the sales model would be better timed when the product and the market is more mature.

Further considerations for Intunex should be how their sales model functions when the company starts expanding to international markets. SaaS deployment model enables fast growth as the software is accessible through the cloud but doing field sales abroad with the current pricing is not feasible. Further research topics for Intunex could be building a retailer network and start doing channel sales combined with direct sales. This is especially important for international growth. The company is already taking steps towards using partners as retailers but this cooperation is still in the infant phase.

Another factor that should be taken into consideration is the pricing of the supervised deployment period that Intunex offers to its customers. The customer interviews indicated that the pricing could be higher, as the services Intunex provided were extensive. Higher pricing would enable longer sales cycles and higher customer acquisition costs.



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## Interview with the CEO of Intunex, Janne Ruohisto

1. What are the different customer segments (industries, types of organizations, etc) xTune is targeted for?

*xTune is primarily targeted for medium and large sized organizations. Based on the current client base, xTune is not tied to any specific industry type or organization.*

*Current client size varies from 100 - 5000 employees. There are no size limitations on how large the organizations can be but ideally there should be more than 150 people in order to fully utilize the benefits of xTune.*

*As Intunex is still in the startup phase, no specific customer segmentation has been done.*

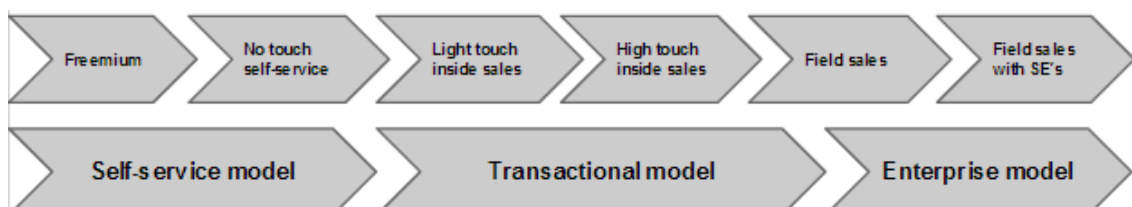
2. What are the biggest common nominators for these different segments (needs and wants/value propositions)?

*Businesses that operate in complex and fast changing operating environments that require high levels of expertise and are geographically scattered are ideal customers for xTune.*

*In these types of businesses experts are faced with challenging problems which require expertise and know-how from different business areas/disciplines and the expertise is often scattered in different parts of the organization.*

*Competitive advantage is gained through finding and connecting the right people fast and effectively and by facilitating their collaboration.*

3. What sales models would you see most relevant and would best describe Intunex's sales operations? Explain why?

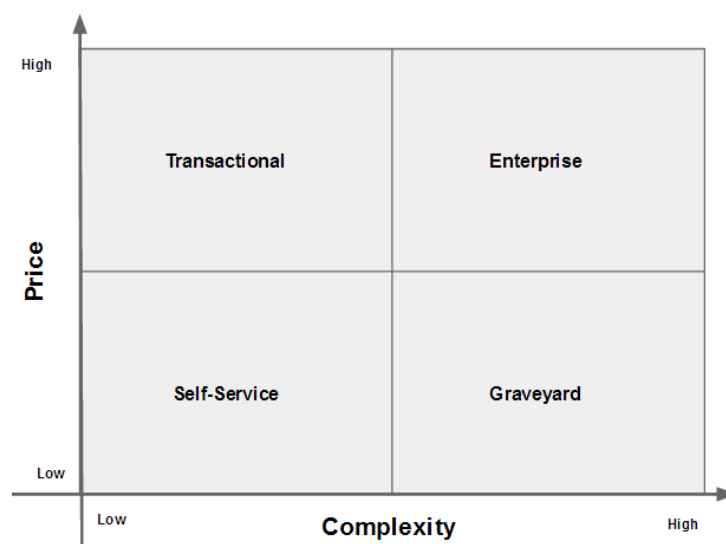


*At the moment Intunex's sales operations are done on the field through face-to-face meetings and as the negotiation go further usually more technical expertise (sales engineers) are required.*

*Main reason for heavy field sales is that the company doesn't have enough reputation or "brand security". Therefore the salespeople/CEO has to establish a personal relationship with the customer to gain their trust and to assure the legitimacy and continuity of the service.*

*Also as the product requires a change in the way people work, consultative selling is in important. Often customers have to be educated how xTune facilitates this new work method and what the benefits of it are. Usually this also requires organizational culture that can enable and facilitate collaboration.*

4. Where would you current place xTune in the following spectrum?



5. Are the current sales models optimal for the sale of xTune or would it be possible/desirable to move towards some other model? Explain why?

*The goal is to lower the complexity of the sales operations. To some extent field sales will also be required in the future but the aim is to enable more of the labor intensive work to be done through high touch inside sales (phone, email, teleconference, etc.). There are two reasons for this; to lower current customer acquisition costs and to have shorter sales cycles.*

*This is of course going to be difficult but it can be done. There are three factors that will lower sales complexity:*

- 1. Getting more customer references and recommendations from existing customers.*
- 2. Building automation that will help users to use xTune.*
- 3. Using partners.*

6. In the following list are factors that will make a product or service have high sales complexity. What factors do you see most relevant and complexity increasing for xTune?

- Complex to understand and/or evaluate, install, configure
- Requires multiple people to get a purchasing decision (frequently caused by a high price)
- Mission critical (failure will or disruption will cause significant problems in business operations)
- Has high cost if it fails (e.g. data loss, significant financial impact), and the risks of failure are high
- Expensive – high cost to the purchaser, and/or takes a long time to get an ROI
- Affects many other IT systems, people or departments
- Requires significant change to the way people work
- Requires the purchase of other elements, or integration/development work to make a complete solution
- No customer references that have the same usage needs as the buyer
- Pricing complexity, where the buyer can't easily figure out the right configuration, etc.
- Custom contracts need to be negotiated

*1. Technical side (installation, configuration, hosting, etc.) is pretty easy and do not hinder the sales process. The product itself is easy to use but as it requires a new way of working it increases sales complexity significantly.*

*2. As xTune is gradually meant to be used by the whole or a big part of the organization, it of course requires several people in the decision making process. By going*

*straight to the high level decision makers that have the ability and the budget to make the purchase, it often lowers the complexity of the sales process.*

*3. Not so relevant.*

*4. Not so relevant.*

*5. Not expensive and with the right deployment ROI should be easily covered.*

*6. Used by the whole organization and can require integrations but can be easily managed*

*7. As mentioned before, requires change a in the way people work -> complexity increases*

*8. Not relevant*

*9. Not relevant*

*10. Easy to purchase, invoice, configure*

*11. Contracts have readymade templates that require little customization or specific terms.*

7. Do you see any other factors that could help Intunex to lower its sales complexity?

*Main emphasize at the moment is to concentrate on developing better automation that will help users to use the product. This will help prospects to understand the product and its value easier and to reach a buying decision during the trial phase. This eliminates the need for extensive face-to-face demonstrations and education.*

*Automation will also help during the deployment phase which is extremely important for the continuity of subscriptions. If the deployment isn't done properly, the value of the product will diminish.*

*The company can also use partners to distribute and sell the product. Currently Intunex has several partner consultation agencies but the co-operation is still under development. Using VARs is definitely a way to boost growth in the future.*

8. By looking the sales funnel below, does Intunex have an existing sales process that covers these stages and what are the different methods and objectives for the sales funnel stages?



*The whole sales process is still undeveloped and most operations are based on experience and intuition and refined through trial and error.*

### **Marketing**

*Main emphasize in marketing is on digital marketing and especially in social media marketing. For a startup these are the most cost-effective marketing channels.*

*Also different events, articles and presentations in seminars are a major part of the overall marketing operations.*

*The objective is to create awareness, evangelism, and educating about problems.*

### **Leads / Prospects**

*Currently there are no specific processes how to distinguish leads from quality prospects. Majority of the lead generation is done through cold calling but also some in-bound leads come.*

### **New customers**



*Converting prospects to customers is done through field sales, which involves several on-site visits, emails back and forth and teleconferences.*

### **Deployment**

*As the deployment phase is extremely important, more work has been put in refining the deployment. Intunex offers 3-6 month deployment periods in which the company pretty much offers all the necessary aid for the deployment. This includes planning the deployment, making the necessary settings/configurations, briefing and training admin users and key personnel, instructing in the communication, supervising usage, and offering usage support.*

### **After-sales**

*Currently there are no readymade processes for after sales and customer relationship management.*

### **Community**

*As much of the marketing evolves around social media, the community is extremely important factor in creating awareness, educating potential customers, and developing xTune further.*

*Objective is to create good communication channels which would allow current users, customers and prospects to exchange their experiences, educate and discuss with each other. Currently Intunex mostly uses Facebook, Twitter, Uservoice, blogging, LinkedIn and few other social networks as communication channels.*

9. Looking at the model presented above what would you see as the main blockage points in Intunex ´s sales funnel?

(Blockage point: conversion rates from one step to the next are not satisfactory or the point where a business has a scaling problem. For example inability to profitably increase the number of prospects coming out of that part of the funnel because the business has maxed out the capability of one marketing or sales technique).

*The whole package is still so undeveloped that identifying blockage points is a bit irrelevant. Based on current experience there are four important stages that need optimizing.*

*1. Prospect → New customer. Getting the decision to start the deployment period is time consuming.*

*2. Deployment is time consuming but is not an obstacle in the sales process.*

*3. Lead → Prospect – No existing process for distinguishing leads from quality prospects.*

*4. After-sales operations are still undeveloped.*

**In-depth interviews with Katri Luukka, Vice Principal at Salpaus further education and Matti Pihkala, Personnel Director at Kalliola Settlement**

1. How did you hear/find out about Intunex and xTune?

*Awareness of xTune came through social media network (LinkedIN). Katri also knew Janne Ruohisto (CEO of Intunex) through some before.*

*Katri was interested in swarming (swarm work) and Intunex was the first company that had incorporated this new work method to their application. After hearing about the application Katri contacted Janne.*

*First contact came as a cold call from Intunex which lead to a face-to-face meeting.*

2. What was the problem/need that wanted to be solved with xTune?

*Salpaus was interested in developing talent management practices and online collaboration.*

*Kalliola´s operations are physically scattered and it has a lot of versatile expertise. There was a need to bring forth the different expertise in the workforce so that it could be easily accessed and utilized. Basically finding the right experts in different areas.*

*Kalliola needed a tool which could do this and would be easily kept up-to-date. Also it was important that the tool could facilitate online collaboration inside the organization.*

3. Had the problem/need already been identified before finding out about xTune or did the problem/need recognition happen after?

*Salpaus had tried out a few social collaboration tools such as Yammer and Sharepoint to facilitate online collaboration and group work.*

*The need had already been recognized but how to approach it was still unclear. Upon learning about xTune the problem/solution description become clearer.*

4. Did you search for alternative solutions? Were other solutions considered?

*There were no similar solutions that incorporated swarm work in to the application like xTune does. For online work they had tried different solutions.*

*Employees' competence information had been previously gathered but it was still unclear how to utilize it and what tools to use. Kalliola had used Sharepoint but the system was too complex to use effectively for talent management. They had also tried Microsoft Access but they system was too stiff and would have required personnel training. It was also hard to keep the competence information up-to-date.*

5. Did you search for information about Intunex or xTune during the buying process? Where and how (information provided by the supplier, Internet, colleagues, references, etc.)?

*Company website was easily found and was the first source of information and for contacting Intunex. After this the main source of information was face-to-face meetings and materials provided by Intunex. There was no need to search for more information from other sources after the meetings.*

*After the initial contact call, Matti used internet search engine (Google) to find more information about Intunex and xTune. He easily found more info (articles, newspapers, blogs) which were enough for the beginning of the purchase process. From there on the main source of information were materials provided by Intunex and sales meetings.*

6. Did you find the all the necessary information? How easily was it found and accessed?

*Main source of information was face-to-face meetings and materials provided by Intunex. Company website acted as secondary source of information for the buying process and it was easily accessed.*

*Information was easily found and accessed*

7. Have you previously bought software as a SaaS-solution (cloud service)? Did you require more information about the SaaS delivery model?

*xTune was the first SaaS-solution procured by Salpaus. Previous IT-management had a negative/hesitant opinion for utilizing SaaS and towards using social networking services overall.*

*Supplier´s info on SaaS delivery and its benefits were adequate and there was no need to research the subject further. An important factor for the purchase was the scalability of xTune to different devices (tablets, smartphones).*

*Kalliola had previously purchased cloud services therefore they were well informed about the SaaS deployment model and the benefits and risks involved.*

8. How important were the sales meetings for the buying process? Could the buying decision been made with lighter/less sales work (phone, email, teleconference, etc.)?

*Face-to-face meetings played a vital role in the procurement process. Other channels would have been insufficient to create proper rapport.*

*Face-to-face meetings were very important in order to understand the product and the idea behind it. Also as the firm and solution was previously unknown, building trust to the provider needs personal contact and face-to-face communication. As the proper rapport had been established and the product became familiar, the need for face-to-face meetings lowered.*

9. What was the buying process like for the company? What kind of people were involved (roles/positions)?

*Katri was the main initiator and participant in the procurement process. The sales director was also involved and mainly dealt with practical issues (contracts, procurement plan, etc.). The IT department did not play a major role in the process.*

*Matti was the main participant in the buying process. Kalliola does not have strict specifications/plans how the procurement process is done.*

*As the xTune was meant to be used by the whole organization, the decision required high level decision makers. Executive director gave the final approval together with the executive board. IT- was also involved and their opinion and support played an important role.*

10. What are your thoughts about the supervised deployment phase? Does it include everything needed? What about the length?

*The deployment phase is still ongoing (two months so far). Technical/usage support and personnel training from the provider is important. The deployment phase has gone as planned and has included everything needed.*

*The deployment phase is nearing to its end. It was well planned and had clear steps how and when to advance. Technical/usage support and personnel training from the provider has been vital.*

*The deployment phase has gone as planned and included everything needed. It requires time get this kind of solution and work method implemented in the organization therefore the length of the deployment period (four months) could not have been much shorter.*

11. What do you think about xTune´s pricing (deployment phase and user based subscription fee)?

*xTune´s pricing was not a major factor in the buying process. Due to the large size of the organization the pricing was seen as "cheap" and wasn´t an important issue overall.*

*The deployment period was moderately priced and it included a lot of support from the provider. User based subscription fee is not a lot but the amount of user does not tell anything about the usage of the software. There can be a lot of users that are not ac-*

*tively using the software. Therefore the pricing could also be based on some other parameter than just the amount of user.*

12. How did the buying process go overall? Was it complex or easy? What improvement suggestions for Intunex would you have?

*The process went smoothly and without any difficulties. xTune was used as a communication channel during the process and it worked well.*

*No improvement suggestions came to mind.*

*Overall the process went smoothly and without any complications. The sales process was well planned and very customer centered. Kalliola´s problems and opinions were well addressed without any overselling or pressuring the customer to make quick decisions.*

*No immediate improvement suggestions came to mind.*

13. How important do you find actively maintaining customer relationship? Is xTune a good medium for this?

*Maintaining the customer relationship through xTune works pretty well.*

*It´s important that the provider shows interest how the software works for the customer and is regularly in contact. Maintaining the relationship does not have to be complicated, just an occasional phone call.*

*xTune also works as a good medium for maintaining the customer relationship as the provider can see if there are any problems with the usage. The provider can also give advices and solve issues through the software itself.*

## **Interview with Jussi Ahtikari, Customer Executive at Tieto, Advisor for Intunex**

1. What are your thoughts on SaaS delivery model on business software targeted for medium and large size organizations? Are firm ready to move from On-premise solutions towards SaaS?

*SaaS deployment model is gradually starting to lift off but is still taking baby steps towards being a replacement for traditional On-premise solutions. Information security especially in systems that are part of critical or core business process is a big factor concerning SaaS solutions.*

*When it comes to larger organizations, they tend to buy from other large providers. It is quite clear that bigger companies have more credibility and resources to deliver solutions and maintain their performance capability. Organizational culture (buyer´s) is also a big factor when it comes to buying behavior. This of course depends also on how unique and good the solution in question is. If it is not easily substituted and a smaller company is seen trustworthy, even larger companies will want to purchase the solution.*

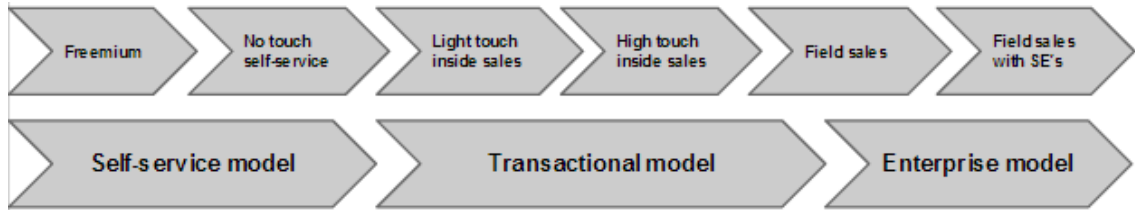
2. What do you think about xTune´s pricing (deployment phase and user based subscription fee)?

*The pricing overall is quite moderate and could be higher. For larger organizations xTune´s price is probably not the most significant factor for reaching a buying decision.*

*Companies need to be able to predict the costs of procuring and using software. This might be difficult when the pricing is based on users using the application. For smaller companies it is vital to make the pricing as transparent and easy as possible.*

3. What are your thoughts regarding Intunex´s current sales operations?





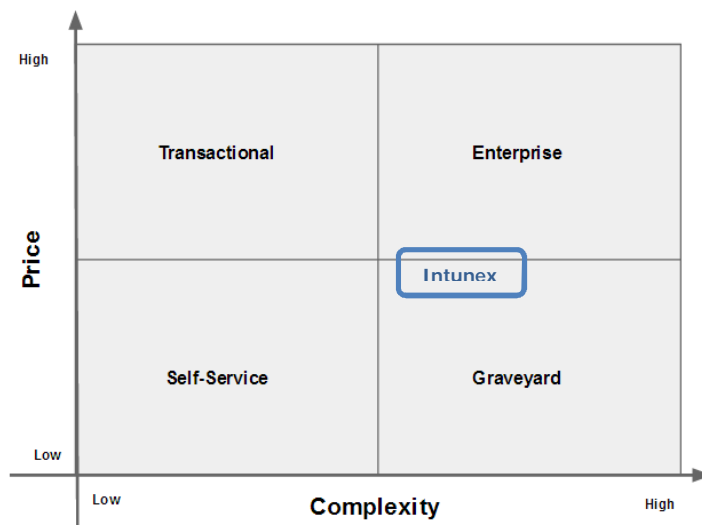
*As the current pricing is not on enterprise level, the goal should be to lower the costs of the sales process. This means moving towards high touch inside sales. At the moment, this not plausible as the product is still relatively new. Intunex is still in the phase of creating demand (educating about the problem and solution to it), this requires active field sales especially for medium to large size organizations.*

4. Do you see any factors that could help Intunex to lower its sales complexity?

*The sales process should be as transparent and straightforward as possible. This means that during the first sales meeting the sales process should be planned and presented to the potential customers. When the steps in the sales process are transparent to the customer, their decision making process is made more simple by not offering "too many" possibilities. Every decision that the customer has to make slows the sales process.*

*For example, after the first meeting the customer is allowed to test the solutions and for the next meeting the people needed for reaching a decision should be involved in the sales process. This commits the customer to follow the sales process after the first meeting.*

5. Where would you current place Intunex in the following spectrum?



*Based on the current pricing and the costs of customer acquisition, xTune still falls into or near the Graveyard. The priority would be to increase pricing as it should not be a major obstacle for xTune's target customers. This can also be done by further developing Intunex's revenue model.*

*As the awareness of Intunex and xTune increases, the sales complexity will be easier to lower.*

6. Are supervised deployment period common in business software sales? What do you think about Intunex deployment period model?

*Trial periods are common for software sales but supervised deployment periods that last several months are uncommon.*

*For Intunex, three month deployment periods should be enough. If there is a need for this kind of solutions, then three month should be more than adequate to bring out the benefits of the solution.*

7. How important do you find actively maintaining customer relationship? Is xTune a good medium for this?

*It is of course important to establish strong customer relationship as the SaaS model requires renewing/continuing current subscriptions. This means making sure the customer satisfied the deployment and responding to any issues with the product or its*

*usage. One of the purposes of actively maintaining relations is to create demand for additional sales. This could include consultation and training services.*

*xTune can partially function as a channel for this but occasional meetings and phone calls are more important.*

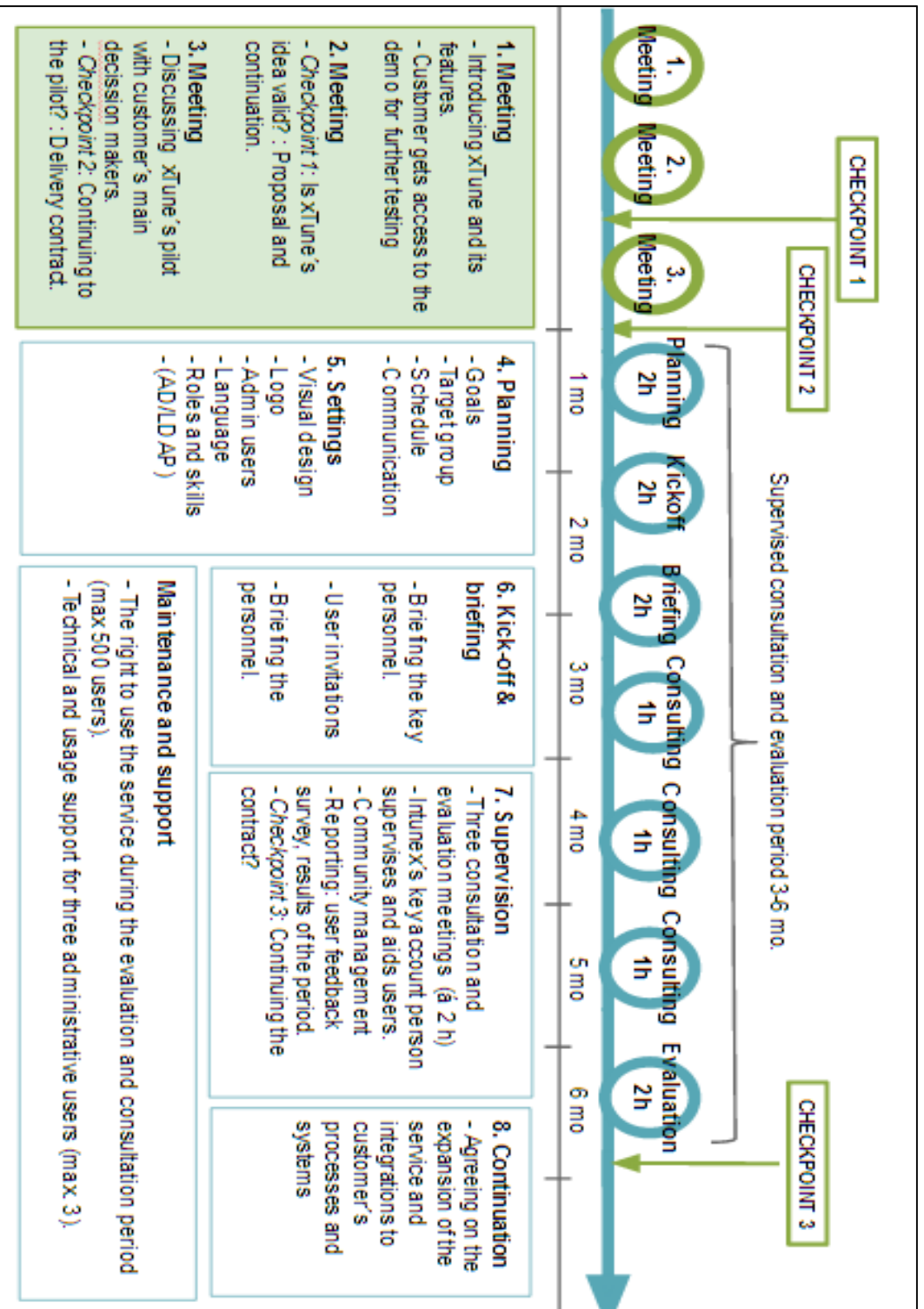
8. What are your thoughts on using digital marketing especially social media marketing for business software?

*More traditional marketing channels are better when targeting larger organizations.*

*Some marketing usually does not reach the high level decision makers in large organizations.*

9. Has B2B buyers and buying processes changed due to the rise of the Internet? Has this affected companies' sales process?

*Business customers have become better informed in terms of price and professional B2B buyers have increased. Overall the business buying process has not changed significantly.*



<p><b>Marketing</b></p> <p><b>Objective:</b> Increasing supplier and product awareness and creating customer needs. Objective is to get a potential customer to enter and browse the website.</p> <p><b>Methods:</b> Emphasize on internet marketing for example; search engine optimization, social media and blogging. More traditional marketing channels might also be used if proven cost-effective.</p> <p><b>Metrics:</b> Site visits; how many, from where and when.</p> <p><b>Measurement objective:</b> Better target marketing</p> <p><b>Tools:</b> Web-analytics (e.g. Google Analytics)</p>
<p><b>Leads</b></p> <p><b>Objective:</b> Getting the customer to spend time and explore the website and its content (materials, customer cases, etc.)</p> <p><b>Methods:</b> Presenting a clear value proposition – what customer problems does the product solve. Educating potential customers about the value and functionalities of the product. Offering customer cases from different industries or business branches.</p> <p><b>Metrics:</b> Web-analytics: visited sites, downloaded materials and time spent browsing.</p> <p><b>Measurement objective:</b> Improving the website</p> <p><b>Tools:</b> Web-analytics and testing different landing pages</p>
<p><b>Prospects</b></p> <p><b>Objective:</b> Getting a potential customer to register and tryout the product</p> <p><b>Methods:</b> Offering a trial period free of charge. Providing instructions and online support using videos, presentations and FAQ lists.</p> <p><b>Metrics:</b> Amount of product subscriptions and monitoring the usage.</p> <p><b>Measurement objective:</b> Improved and better targeted automated sales; to whom and when.</p> <p><b>Tools:</b> Monitoring functions in the product.</p>
<p><b>New customer</b></p> <p><b>Objective:</b> Closing the deal and gaining more information about the customer.</p> <p><b>Methods:</b> Making buying and invoicing as easy as possible in order to get a positive decision during the trial phase without any human contact. The product must fit the individual customer's needs therefore different product packages to suit different customers might come to question. The product itself can function as a sales channel and the supplier uses standardized contracts.</p> <p><b>Metrics:</b> Number of closed deals and their price.</p> <p><b>Measurement objective:</b> Market analysis and understanding of the customer segments.</p>
<p><b>Deployment</b></p> <p><b>Objective:</b> Creating a good customer relationship by providing instructions for the deployment without the need for human contact.</p> <p><b>Methods:</b> Deployment and usage must be easy and straightforward. Providing instructions and online support in the form of training material and support pages. The product itself is standardized with possible customer self-service configurations.</p> <p><b>Metrics:</b> Number of support requests. User feedback: amount and quality.</p> <p><b>Measurement objective:</b> Improving the automated deployment process.</p>
<p><b>After sales</b></p> <p><b>Objective:</b> To renew existing contracts and increase after-sales to current clients</p> <p><b>Methods:</b> Collecting usage data through the product and asking customer feedback. Advanced sales automation helps customers with after sales. Product administration is self-service including purchasing additional features and renewing existing subscriptions. This automation is built into the product itself. The product can also be used for marketing purposes</p> <p><b>Metrics:</b> Churn[1], ARC, customer satisfaction metrics.</p> <p><b>Measurement objective:</b> Collecting information to extend the customer life time value of the product.</p> <p><b>Tools:</b> Monitoring functions in the product.</p>
<p><b>Community</b></p> <p><b>Objective:</b> Creating awareness and critical mass. The goal is to achieve viral marketing through word of mouth and enhanced networking effect.</p> <p><b>Methods:</b> Offering communication channels for users and developers to exchange their ideas. The community solves usage problems, creates awareness and educates other users. Through open application programming interfaces (API) the community can build new functionalities to the product thus create additional product value.</p> <p><b>Metrics:</b> Following the community.</p> <p><b>Measurement objective:</b> Getting customer feedback, creating new products and features.</p>

<p><b>Marketing</b></p> <p><b>Objective:</b> Bringing leads to the sales process. Objective is to create and maintain brand image by improving awareness and trust. Also supporting sales directly.</p> <p><b>Methods:</b> Targeting marketing efforts to specific and well defined customer segments.</p> <p><b>Metrics:</b> Site visits; how many, from where and when.</p> <p><b>Measurement objective:</b> Better target marketing</p> <p><b>Tools:</b> Web-analytics (e.g. Google Analytics)</p> <p><b>Leads</b></p> <p><b>Objective:</b> Helping the customer via sales meetings, telephone conferences or web site content to understand the value of the product.</p> <p><b>Methods:</b> The sales methods used are similar to traditional business software sales. Long sales cycle with several customer meetings and negotiations.</p> <p><b>Metrics:</b> Amount and quality of sales meetings and sales calls. Web-analytics: visited sites, downloaded materials and time spent browsing.</p> <p><b>Measurement objective:</b> Improving website and sales operations.</p> <p><b>Tools:</b> Web-analytics, sales statistics and sales support systems.</p> <p><b>Prospects</b></p> <p><b>Objective:</b> Collecting information about the customer's needs and demoting the product. Agreeing on how to continue (next meeting, teleconference, etc.).</p> <p><b>Methods:</b> Targeting sales efforts to different departments or levels of the customer's organization - decision makers, IT management and end users. Offering a trial period if possible.</p> <p><b>Metrics:</b> Amount and quality of sales meeting and monitoring trial usage.</p> <p><b>Measurement objective:</b> Targeting sales - to whom and when. Learning about customer needs and identifying different customer segments.</p> <p><b>Tools:</b> Monitoring functions in the product and sales support systems</p> <p><b>New customers</b></p> <p><b>Objective:</b> Closing the sales deal.</p> <p><b>Methods:</b> Negotiating the deployment contract which can include issues like customization, consultation, integrators, training and support services. Contracts are always customized.</p> <p><b>Metrics:</b> Sales volume and ASP. Sales cycle length and CAC.</p> <p><b>Measurement objective:</b> Improving sales operations and reducing the complexity of the sales process.</p> <p><b>Tools:</b> Sales support systems.</p> <p><b>Deployment</b></p> <p><b>Objective:</b> Creating a good customer relationship by delivering a product that fits the customer's business environment and business processes. This also includes any necessary support services the customer might require.</p> <p><b>Methods:</b> Aiding in the deployment process. Helping if any problems arise, offering consultation for the use and possible integration and customization services.</p> <p><b>Metrics:</b> Number of support requests, user feedback, volume of service sales, and deployment process feedback.</p> <p><b>Measurement objective:</b> Mitigating the deployment process and improving customer support, increasing service sales.</p> <p><b>After sales</b></p> <p><b>Objective:</b> To renew existing contracts and increase after-sales to current clients.</p> <p><b>Methods:</b> Using automated and direct sales methods to increase customer value. This includes offering product extensions such as updates or additional functionalities and other services.</p> <p><b>Metrics:</b> Churn, ARC, and customer satisfaction metrics.</p> <p><b>Measurement objective:</b> Targeting after sales and collecting information to extend the customer lifetime value of the product.</p> <p><b>Tools:</b> Monitoring functions in the product and sales support systems.</p> <p><b>Community</b></p> <p><b>Objective:</b> Creating awareness and critical mass. The goal is to achieve viral marketing through word of mouth and enhanced networking effect.</p> <p><b>Methods:</b> Utilizing the same methods as described in the transactional model.</p> <p><b>Metrics:</b> Following the community.</p> <p><b>Measurement objective:</b> Getting customer feedback and creating new products and features.</p>
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