



# **Exploring the Sales Process of the Danish Design Company – Holscher Design A/S**

**Ville Strömberg**

**Arcada**

*Degree Thesis*

*Department of Business Management and Analytics  
2016*

DEGREE THESIS	
Arcada	
Degree Programme:	
Identification number:	
Author:	Ville Strömberg
Title:	Exploring the Sales Process of the Danish Design Company – Holscher Design A/S
Supervisor (Arcada):	Carl-Johan Rosenbrøijer
Commissioned by:	
Holscher Design A/S	
Abstract:	
<p>This Master Thesis project's aim is to explore Holscher Design's current challenges with their sales process and propose development ideas to their sales process. The research question is; "how to improve Holscher Design's sales process based on existing customer's feedback". The secondary research is based on books about different sales processes, modern purchasing, solution sales and business culture in the Nordics. Six customer interviews and three project manager's interviews form the basis of the qualitative primary research. This thesis is limited to Business-to-Business sales.</p> <p>A strong brand name, great design, long customer relationships, Mr. Knud Holscher and professionalism are Holscher Design's competitive advantages, whereas lack of anthropology and observation-services together with weak sales and presentation skills are areas Holscher Design should improve. Their Nordic customer's operate differently to each other because of cultural differences. Furthermore, it became clear during the interviews that Holscher Design does not currently have a sales process.</p> <p>New customer acquisitions should be focused on in order to decrease dependency on existing customers and split risk. Furthermore, a suggestion is made to communicate a transition phase towards the customers, where Holscher Design's highly respected founder, Mr. Knud Holscher, in the future might have a smaller role in the everyday business than the active role he currently holds.</p>	
Keywords:	Sales, Sales process, Nordic, Holscher Design, Hofstede
Number of pages:	70
Language:	
Date of acceptance:	

EXAMENSARBETE	
Arcada	
Utbildning:	
Identifikationsnummer:	
Författare:	Ville Strömberg
Arbetets namn:	Exploring the Sales Process of the Danish Design Company – Holscher Design A/S
Handledare (Arcada):	Carl-Johan Rosenbröijer
Uppdragsgivare:	Holscher Design A/S
<p>Sammandrag:</p> <p>Syftet med detta examensarbete är att utforska de nuvarande utmaningarna med Holscher Designs försäljningsprocess samt att ge förbättringsförslag på hur försäljningsprocessen kunde utvecklas. Forskningsfrågan lyder; “hur kan Holscher Designs försäljningsprocess utvecklas baserat på feedback från existerande kunder?”. Teoridelen baserar sig på böcker och artiklar om försäljningsprocesser, inköp, försäljning av helhetslösningar, samt nordisk kultur inom affärsverksamhet. Undersökningen är avgränsad till Business-to-Business försäljning. Den kvalitativa primära forskningen baserar sig på sex kundintervjuer och tre intervjuer med Holscher Designs projektchefer. Holscher Designs konkurrensfördelar är högklassig design, starkt varumärke, långa kundförhållanden samt den högt uppskattade grundaren av företaget Knud Holscher. Bristen på antropologi- och observationstjänster i kombination med svaga presentations- och försäljningskunskaper är områden som Holscher Design borde utveckla. Holscher Design har för tillfället inte en försäljningsprocess till sitt förfogande vilket är en brist. Det finns kulturskillnader mellan de olika nordiska länderna vilket syns i arbets sättet och beslutsfattningen av Holscher Designs kunder idag. Mera fokus borde läggas på nyförsäljning för att öka på kundmängden och således minska riskerna. Ett förslag som ges i detta examensarbete handlar om förändringsfasen som uppkommer den dag Knud Holscher inte medverkar i den operativa verksamheten. Det är av stor vikt att Holscher design redan i ett möjligast tidigt skede, informerar sina kunder om planen och förändringsfasen som uppkommer den dag den högt uppskattade Knud Holscher tar en mindre synlig position i den operativa verksamheten.</p>	
Nyckelord:	Sales, Sales process, Nordic, Holscher Design, Hofstede
Sidantal:	70
Språk:	Engelska
Datum för godkännande:	

# Contents

<b>1 INTRODUCTION .....</b>	<b>5</b>
1.1 The need for this research.....	5
1.2 Aim of this research.....	6
1.3 Company background.....	6
<b>2 LITTERATURE REVIEW .....</b>	<b>8</b>
2.1 Sales as a phenomenon .....	8
2.1.1 <i>Participants in the buying process</i> .....	8
2.1.2 <i>Business to Consumer sales vs. Business to Business Sales</i> .....	10
2.2 The B2B Sales process.....	11
2.2.1 <i>Sales process by Kotler and Armstrong</i> .....	13
2.2.2 <i>Sales process by Jobber and Lancaster</i> .....	17
2.2.3 <i>Similarities and differences in the sales processes</i> .....	20
2.2.4 <i>Kotler's and Armstrong's sales process to be used as an analytical framework</i> .....	21
2.3 Modern purchasing and sales .....	21
2.3.1 <i>Solution Sales</i> .....	23
2.3.2 <i>Purchasing has changed</i> .....	24
2.4 Business culture in the Nordics.....	25
2.4.1 <i>Cross-cultural communication</i> .....	25
2.4.2 <i>Hofstede's 6-D cultural dimensions model</i> .....	26
2.4.3 <i>Hofstede's 6-D cultural dimensions model – differences between Denmark, Sweden and Norway</i> .....	27
2.5 Conclusion of Hofstede's cultural dimensions model.....	29
<b>3 RESEARCH METHODS .....</b>	<b>31</b>
3.1 Qualitative and Quantitative research.....	31
3.2 The used research method in this research paper.....	32
3.2.1 <i>The collected data</i> .....	32
3.2.2 <i>Way of conducting the research</i> .....	33
<b>4 RESULTS.....</b>	<b>34</b>
4.1 Findings in this research .....	34
4.2 The interviewed customers' current relationship with Holscher Design.....	35

4.2.1	<i>How customers found Holscher Design</i>	35
4.2.2	<i>Project length</i>	36
4.2.3	<i>Approaching the customers</i>	36
4.2.4	<i>Frequency of face to face meetings</i>	37
4.2.5	<i>Anticipated problems and problems that occurred</i>	38
4.2.6	<i>Decision maker of co-operation</i>	39
4.2.7	<i>Reasons for customers to choose Holscher Design</i>	40
4.2.8	<i>Closing the deal</i>	41
4.2.9	<i>Holscher Design's presentation</i>	42
4.2.10	<i>Reference videos</i>	43
4.2.11	<i>Customer contact after completing a project</i>	44
4.2.12	<i>Customers' expectations on contact after a completed project</i>	44
4.2.13	<i>Improvement areas</i>	45
4.2.14	<i>Future expectations</i>	46
4.3	<i>Holscher Design's project manager's answers on the authors questions</i>	47
4.3.1	<i>Project manager's perception on active sales</i>	48
4.3.2	<i>Challenges with active sales</i>	48
4.3.3	<i>Project timeline</i>	49
4.3.4	<i>Customer prospecting</i>	50
4.3.5	<i>Reference videos</i>	51
4.3.6	<i>Presentation</i>	51
4.3.7	<i>Financial terms</i>	52
4.3.8	<i>Contacting customers after a finished project</i>	52
4.3.9	<i>Sales process</i>	53
4.3.10	<i>Improvements of Holscher Design</i>	54
4.3.11	<i>Cultural differences between the Nordic countries</i>	55
<b>5</b>	<b>ANALYSIS</b>	<b>57</b>
5.1	<i>Holscher Design's way of working benchmarked to the sales process</i>	57
5.1.1	<i>Prospecting, Qualifying and Pre-approach</i>	57
5.1.2	<i>Approach</i>	58
5.1.3	<i>Presentation and demonstration</i>	58
5.1.4	<i>Overcoming objections and closing</i>	60
5.1.5	<i>Follow-up and maintenance</i>	60
5.1.6	<i>Cultural differences between the Nordic countries</i>	61
5.2	<i>Conclusion</i>	62

<b>5.3 General observations from the customer interviews .....</b>	<b>63</b>
<i>5.3.1 How Holscher Design can improve the way they work.....</i>	<i>63</i>
5.4 SWOT on Holscher Design's current situation.....	65
<b>6 CONCLUSION.....</b>	<b>69</b>
<b>LIST OF REFERENCES .....</b>	<b>71</b>
<b>APPENDIX 1 .....</b>	<b>72</b>
<b>APPENDIX 2 .....</b>	<b>74</b>
<b>APPENDIX 3 .....</b>	<b>76</b>

# **1 INTRODUCTION**

Arcada – University of Applied Sciences, organized a study trip for its MBA students in late 2014, with the intention to learn about the, at the time, current business environment in the different Nordic countries. The students organized meetings with companies in Sweden, Denmark and Norway. The author of this Master thesis participated in the Nordic study trip. During the study trip to Denmark, a Danish company by the name of Holscher Design A/S (referred to as Holscher Design later on in this thesis) was visited. This company has been selling design services mainly within the Business-to-Business sector for decades. During the discussions about the current business atmosphere in Denmark, it became clear to the author that Holscher Design had a need to check how well their current sales process works and explore how it could be improved. This was the initial start for the Thesis.

This thesis will cover both primary and secondary research. Regarding the secondary research, the author's main focus will be to introduce existing sales processes within the business-to-business environment. The data for the secondary research is found from books that cover sales processes, buying behavior and sales as a phenomenon. The outcome from the secondary research will later on in this thesis be benchmarked to the primary research. As part of the primary research, Holscher Design's project managers and customers will be interviewed in order to get an understanding of how they perceive the effectiveness of the current sales process.

## **1.1 The need for this research**

As a result of the economic downturn in Europe that started at the end of 2008, businesses in the Nordic countries have been forced to survive within a highly turbulent market by offering competitive advantage to their customers. When looking at the Nordic business environment as a whole, it is clear that the economic downturn has resulted in lost orders as many companies strive to save costs by all means possible. Furthermore, the economic downturn has led to even tougher competition on the market, where companies need to have clear competitive advantages to offer in order to close deals. These facts have also become reality within the design sector. Holscher Design has been able to offer competitive advantage through their long experience and

professional know-how within the design sector. It seems, however, that the active sales of this organization has not been prioritized, which means that some business is most probably lost due to lack of focus within the active sales of the designers. Hence, there is a need for Holscher Design to create more competitive advantage to their customers and improve their sales process in order to conduct more business through existing customer relationships.

## **1.2 Aim of this research**

The aim of this research is to explore Holscher Design's current challenges with their sales process and propose development ideas to their current sales process. The underlying intention is to give Holscher Design ideas on which areas they should focus on, regarding their sales process. Holscher Design will decide whether they will improve the sales process themselves or if they will hire a third party to do this. This Master Thesis will investigate in Holscher Design's current sales process, which will be conducted by interviewing existing customers from Denmark, Sweden and Norway. The main research question is; "how to improve Holscher Design's sales process based on existing customer's feedback".

## **1.3 Company background**

The Danish Design Agency, Holscher Design was founded in 1995 by one of Scandinavia's most influential designers, Mr. Knud Holscher, who began his career at the Studio of the world famous designer, Mr. Arne Jacobsen. Even if Holscher Design was founded in 1995, the agency started its operations already in 1971 when it was established as a part of KHR Architects. ([www.holscherdesign.dk](http://www.holscherdesign.dk))

Mr. Knud Holscher is a Danish architect and industrial designer who studied and graduated in 1957 from the Royal Danish Academy of Fine Arts. He joined the office of Mr. Arne Jacobsen in 1960 and moved to England, where he was awarded the British Design Award in 1965. Mr. Knud Holscher has worked as an architect, however, his work as an industrial designer is what caused international recognition for his work. The Bahrain National Museum and Copenhagen airport are some of his major architectural works. ([www.wikipedia.org/wiki/Knud\\_Holscher](http://www.wikipedia.org/wiki/Knud_Holscher))



Today, Holscher Design is one of Scandinavia's most recognized and award-winning design agencies with over 70 awards and more than 40 years of experience. The studio's core output is in designing products, graphics, service design and design strategies. ([www.holshcerdesign.dk](http://www.holshcerdesign.dk))

## **2 LITTERATURE REVIEW**

In this chapter the author will go through the concept of sales. The focus will be on sales processes, what they are, how these should be worked with and how these can be utilized as tools for a sales person. Recent changes in purchasing, and how that has affected the traditional sales processes, will also be researched and discussed.

### **2.1 Sales as a phenomenon**

This Master Thesis will cover sales in many of its chapters. Therefore, we will start by defining sales in two different ways:

*Sales is a transaction between two parties where the buyer receives goods (tangible or intangible), services and/or assets in exchange for money.*

*Sales is an agreement between a buyer and a seller on the price of a security.*

(<http://www.investopedia.com/terms/s/sale.asp>)

Selling happens everywhere and is a part of human interaction. One simple example is when a person has an idea which he or she wants someone to confirm. Then he or she will introduce this idea in a way, which ultimately would result in the counterparty sharing the logic of this idea. This would be considered selling even if it is a normal everyday interaction between two persons. Selling is, however, conducted both by professionals and non-professionals and it has lately changed due to e.g. technological development which opens doors for e-commerce, to name one example.

According to a dictionary definition, selling is the “exchange of goods or services for money” or “to persuade into accepting an idea” (Hopkins and Kench 2007 p11).

#### **2.1.1 Participants in the buying process**

Decision making in a business-to-business environment is far more complex than in the business to consumer market. Therefore, it is important to understand who the

participants are from a buying perspective as these are the ones that should be positively affected by the sales process, which will be covered later on in the thesis.

“The decision-making unit of a buying organization is called its buying centre: all the individuals and units that play a role in the business purchase decision-making process” (Kotler and Armstrong 2008 p 300)

Based on Kotler and Armstrong, there are five different roles in a buying centre and all the members of an organization who play a role in any of these roles can be considered part of the buying centre. The roles are: users, influencers, buyers, deciders and gatekeepers. In this section we will look closer at these roles.

The actual end users of a product or service are called “Users”. They are part of the buying centre. A user would e.g. be a nurse at a hospital and therefore she or he would be the user of the clothes that the hospital is looking to purchase.

Influencers are, as the title describes, influencers of a certain purchase. This could be the Art Director of an advertising agency, influencing the Chief Technical Officer (CTO) regarding which software the company should purchase.

Buyers are one part of the buying centre and they often focus on negotiating price and terms, and selecting a suitable vendor for the service or product that is to be purchased.

Deciders are often the top management of a company that can decide on the solution that is to be purchased. They are, however, not always the users of the purchased solution and often negotiate with the other actors of the buying centre to confirm the most suitable solution. In smaller everyday purchases, the buyer might also be the decider.

Gatekeepers are the last group of a buying centre and they are often the most challenging group for the sales person, as they might prevent the sales person to meet up with the decision maker. An IT manager could be a gatekeeper towards the CTO, who could be the ultimate decision maker. In case a sales person never has the possibility to meet up with the CTO it might become impossible to do business. Gatekeepers might have their own preferred vendors and therefore they might not want to introduce new players to the CTO.

### **2.1.2 Business to Consumer sales vs. Business to Business Sales**

As mentioned earlier in this thesis, sales can be defined as “exchange of goods and services for money” (Hopkins and Kench 2007 p11). Normally sales is divided into business-to-consumer (B2C) sales and business-to-business (B2B) sales. The ultimate goal for both approaches is to exchange goods and services for money. There are, however, several differences in conducting business-to-business or business-to-consumer sales.

B2C sales is something most people experience on a daily basis, when shopping for new clothes or milk at the supermarket. The intention from the seller’s perspective is to sell to an individual, who will spend his or her personal money when accepting a deal. The use of personal money normally leads to a high level of price awareness, as the individual is keen to get one desired product or service as cheap as possible. Marketing often focuses on price points that look appealing which is the reason why prices such as 99,99€ are used instead of 100,00€, even if the two prices are practically the same for the consumer. This is what the author Philip Kotler would name Psychological Pricing. “Some consumers will see the 299,99€ price as a price in the 200€ range rather than the 300€ range” (Kotler, Armstrong 2008 p 665). Private individuals are part of a B2C sales process in their everyday life when purchasing goods, such as cars or bread, and this is taken into account from the seller point of view in their sales process.

B2B sales is taking place when companies sell to other companies. It could be large diesel engines that are sold to manufacturers of vessels or servers that are sold to companies that offer cloud services. The underlying element is that consumers are not involved in this part of the sales process, as businesses sell to other businesses and corporate money is used for the transactions. The price point is not necessarily as important as when comparing to B2C sales, as there are many other elements that play a huge role in the pricing. To give an example, there could be three companies offering diesel engines for a vessel, but the technology used in these engines can lead to one of the three engines having significantly smaller diesel consumption. In this case it is possible that the customer will purchase the least consuming diesel engine even if it would be the most expensive out of the three. The sales process of these three Diesel

engine vendors is of high importance in order to achieve the goal of exchanging the products into money.

Generally speaking there are differences in B2C sales and B2B sales. One of the differences is longer sales cycles, within B2B sales, which is the time from the start of the sales process until the actual transaction. Longer sales cycles in conjunction to expensive investments often relate to the fact that there are several decision makers in a B2B purchasing process, whereas there is often only one individual in a consumer related B2C purchasing process.

Because of the differences in B2C and B2B sales, the processes also differ somewhat. In this thesis the author will focus solely on B2B sales processes as Holscher Design operates purely in this sector.

## **2.2 The B2B Sales process**

Companies that conduct sales in a professional manner always have a sales process that is followed in order for sales people to remember all necessary parts within the process, from cold-calling to repeat sales. For sales organizations a good sales process that suits the company can become a major competitive advantage. The risk of not having a proper sales process is that sales people might, by mistake or by lack of understanding, skip important parts of the sales process, which can lead to lost sales.

There are different approaches to sales processes, where some focus on a sales-oriented approach and others focus on a customer-oriented approach. A customer-oriented approach “assumes that customer needs provide sales opportunities, and that customers appreciate good suggestions and will be loyal to salespeople who have their long-term interests at heart” (Kotler, Armstrong 2008 p 794). Kotler further explains that “By contrast, companies that use a sales-oriented approach rely on high-pressure selling techniques”, which means that the salesperson is just looking to close a quick deal, disregarding the satisfaction of the customer. “They (sales persons) assume that customers will not buy except under pressure, that they are influenced by a slick presentation and it does not matter even if they (customers) feel regret after signing the order” (Kotler, Armstrong 2008 p 794).

Based on the sales experience of the author of this thesis, it is a quite black and white suggestion by Kotler to state that a sales-oriented sales processes would always be as described above. Rather, the two different approaches can be seen as well working processes for different types of goods. The customer-oriented sales process could work very well as part of solution selling, when selling complex solutions that the customer do not necessarily know they have a need for, whereas the sales-oriented sales process can be an effective tool for selling everyday goods, such as copying paper to offices. Both of these approaches can and should still have the same underlying desire to meet the requirements of the customer even if the strategies differ.

There are a great number of different sales processes and most of them follow merely the same logic. AIDA (attention, interest, desire, action) is a globally acknowledged process describing a sales process from start to the end in an extremely simplified manner. Sales processes often consist of several steps that describe what the sales person should do at any given point of the sales process. Oftentimes, the starting point is contacting the customer and the last process is re-contacting the customer after successfully conducted business. This means that the process should never end, but continue from the beginning after the desired outcome has been achieved.

In this chapter we will look at two different B2B sales processes and highlight the differences in them. The author will choose one of the two sales processes and benchmark the outcomes of the primary research to the chosen sales process

### **2.2.1 Sales process by Kotler and Armstrong**

There are different sales processes that companies' sales staff use depending on the strategy of the company in question. They are all based on similar steps with an intention of successful sales.

In this section we will look closer at Kotler's and Armstrong's major steps in effective selling. (Kotler and Armstrong 2008 p 794-796)

There are seven major steps that are all covered in this section;

1. Prospecting and qualifying is the first of the seven steps and relates to finding suitable, possible future customers, to contact. A significant amount of sales people's time is invested in this step of the process, as it is very important to conduct good background research in order to contact highly potential customers. The correct prospects can be found through references, on the web, or the company can even supply these prospects to their sales force. Salespeople often need to do several sales calls (also called cold-calling) in order to find prospects that are willing to meet up and discuss the products or solutions the sales person in question wants to offer. Therefore it is crucial that the prospects are relevant as wrong prospects only waste both the sellers and the prospects time. Sales people qualify a large amount of prospects and end up with only the realistic prospects.

2. Pre-approach is the second step of Kotler's and Armstrong's major steps in effective selling and refer to the tasks done before calling the prospect. In the pre-approach phase the sales person tries to find out as much as possible of the organization and its buyers, and how they operate. This can be done for instance by asking other sales people that have sold to the organization in question. Internet can also be an efficient tool if used correctly as for instance press releases that sometimes can be found on the web, can help in stating who the decision maker of a company might be. This will allow the sales person to contact the correct person at once and set up a strategy and target of the upcoming phone call.

3. Approach, which is the third pillar of the seven steps in Kotler's and Armstrong's sales process, focuses on approaching the customer after all the background research that was earlier mentioned. In this step the sales person has to be very alert as it is normally a somewhat short phone call with an intention of making the prospect

interested in the sales persons offering. Therefore it is very important to maintain a positive feeling throughout the phone call and touch upon facts that the prospect is interested in. Usually sales people ask questions in this step of the process in order to understand first hand how their offering can help the prospect. Normally a sales person would, at this phase of the sales process, have a target to book a meeting with the prospect in order to have a chance of selling further down the process. This, however, requires that the approach is planned, well formulated and clear in conjunction to listening to what the prospect is saying.

4. Presentation and demonstration, which is the fourth step in Kotler's and Armstrong's "major steps in effective selling" is normally the first time when the seller and the buyer meet up in person. In this step the seller has the opportunity to show how his or her products or solutions can help the prospect in their operations. The product or solution might for instance save costs or add efficiency to the buyer's organization. In today's hectic world, purchasers do not have time to meet up with every sales person that contact them. Therefore, it is of utmost importance for the sales person to be well prepared for the meeting, have the correct material and while presenting his or her solution, the seller has to be very careful to thoroughly listen to what the customer is saying, while this will be important later on in the process. As with all other of the previously presented steps, the seller should have a target for the meeting.

5. Handling objections, which is the fifth step of the sales process, focuses on how the seller can find hidden objections, that is, prospect's reasons for not placing an order. This is one of the most difficult parts of the process from the seller's point of view. Prospects often have objections, which might be logical or psychological and the seller's job is to find out what they are and positively overrule them. Finally, when all objections are solved, the seller has a real chance of closing the deal and converting the prospect into a customer. Training and experience will help a sales person very much in this step.

6. Closing, which is the sixth step of this sales process, is also a crucial part of the process. Closing requires good self-confidence from the seller and it can be as easy as asking for an order. In reality this is not always easy and some sales people feel more comfortable doing it than others. It also requires lots of sensitivity from the sales person to understand when the moment is reached, where he or she can close the deal. If doing



it at the incorrect moment, the deal might be lost and if never asking for it, the deal is inevitably lost.

7. Follow-up is the last step of Kotler's and Armstrong's sales process. This might be a surprise for new sales persons as many new sales persons think that the process is done after signing a contract. Follow-up is, however, a very important phase if there is a desire to sell more products or services to the same customer in the future. Follow-up includes contacting the customer after the sold solution has been used for a while and the intention is to make sure the customer is satisfied with what was purchased. If there are any problems, the sales person should actively be involved in overcoming these problems, as this will enable much easier closing of the next deal because at this point, the seller has gained trust in the eyes of the purchaser.

As stated above this sales process starts from prospecting of potential customers and ends at the following-up stage, including a total of seven steps. This process can be considered a fairly normal B2B sales process, which requires plenty of personal selling skills and an ability to listen to the prospect and his or her needs with an intention of finding a solution that will add value to the prospect's organization.

## Major Steps in Effective Selling

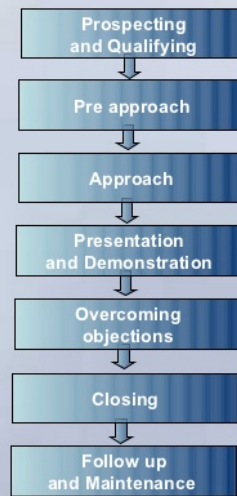


Figure 1. Major steps in effective selling by Kotler and Armstrong 2008 p 794-796

### **2.2.2 Sales process by Jobber and Lancaster**

In the book *Selling and Sales Management* (Jobber and Lancaster 2000 p 103-122) that's written by David Jobber and Geoff Lancaster, the different elements of sales and sales management are covered in a practical and educational way. As mentioned in the foreword of the book, by Professor Peter Doyle, "Lancaster and Jobber are experienced teachers of sales and marketing, and it is this training which has enabled them to produce an outstanding book".

Similarly to Kotler and Armstrong, Jobber and Lancaster have compiled a step-by-step sales process for sales people to use in order to close sales opportunities. In this section of this thesis, we will have a closer look at Jobber's and Lancaster's seven-step model of a personal selling process.

1. The opening is the first out of seven steps of a personal selling process and refers to the initial contact with the customer, highlighting the important part of opening a discussion in the correct manner so that the purchaser feels positive towards engaging in discussions with the seller. The focus is on external factors, such as the sales person looking business-like and in firm handshakes. Jobber and Lancaster focus on opening remarks in this part of the process and emphasize that they should be business-related as the meeting is a business-based meeting. Opening remarks are to be positive in their nature and most often include a question that might be of relevance for the seller later on in the sales process.

2. The second step of this seven-step model is "need and problem identification". This relates to identifying the underlying needs of the purchaser, which is often conducted through open-ended questions. As sales people normally have a wide range of products and services, it is of outmost importance to understand what the purchaser's needs are so that the sales person can concentrate on presenting solutions that are relevant to the purchaser. This saves time from both parties and comprises the time spent on the sales process. In order to focus on the correct products or services, the sales person needs to ask open-ended questions, which are part of the need and problem identification step of the personal selling process.

3. Presentation and demonstration is the third phase of this personal selling process. In this step the seller should focus on not giving a general sales presentation of all products including their features, but to listen to the customer carefully in order to understand the

underlying needs of the purchaser. Jobber and Lancaster also state that there are, or the purchaser can feel, that there are many risks in doing business with a new seller. Therefore, this step gives suggestions and tools for minimizing the risk of the purchaser. These tools include reference selling, demonstrations, guarantees and trial orders. Reference selling implies to showing the purchaser references of other customers who have bought the same product or service. Demonstrations refer to showing in real life how the product or service operates. Guarantees can for instance be warranties that minimize the risk of making an order, whereas trial orders refer to purchasing and testing a few products before placing a larger quantity order.

4. Dealing with objections is the fourth step of this personal selling process. This step emphasizes the positive aspect of objections, as they are often expressions of interest towards the seller's products or services. Effective approaches for dealing with objections are of outmost importance as there are risks of getting into a debate, which in turn reduces the probability to close a deal. Jobber and Lancaster highlight the importance of "answering objections in a manner which permits the acceptance of these answers without loss of face on the part of the buyer" (Jobber and Lancaster 2000 p 112). Sales people also have to be careful not to interrupt the customer even if they would have a good argument, as interruption denies the buyer the kind of respect they are entitled to receive. In this sales process the author's stress that it is possible to shift to closing the deal directly without going through the negotiation step, which is described below.

5. Negotiation, which is the fifth step of this sales process, refers to negotiating a deal that can be closed. This correlates very much to pricing strategy and refers to starting at a fairly high price and offering rebates in order to make the purchaser have the chance of closing a good deal from the purchaser's perspective. This step also covers general buyer's negotiating techniques and how to tackle arguments from the purchaser's side. The intention of negotiation is, however, to create a package that is reasonable and can be accepted by the purchaser in the following step, which is closing of the deal.

6. Closing the sale, which is the sixth step of this sales process focuses on getting the order. It is surprisingly tough for many sales people to ask for an order, which is because there is a possibility to be rejected even if plenty of time has been invested in the whole process. Some sales people believe it should be enough to have an effective

sales presentation and these sales people expect the customer to place an order without the seller asking for it. This scenario is, however, very rare even if it happens. The sixth step relies much on personal selling skills of the sales person and emphasizes the importance of looking for buying signals as timing of closing is of outmost importance. In this step different tools for closing a deal are presented, the most straightforward way is simply to ask; “do we have a deal?”

7. The final step of this sales process is the follow-up step. In this part of the process, the importance lies in contacting the customer when he or she has received the product or service. This is done because it gives the customer the possibility for questions if there is something he or she is unsure about. In addition the follow-up part creates trust, as the purchaser knows that the sales person is interested in how everything worked out for the customer. Some sales people neglect this step as it seldom leads to more business in the short term and there is the possibility that the customer is unhappy. Follow-up is, however, crucial in order to increase the probability of future sales.

### **2.2.3 Similarities and differences in the sales processes**

As previously stated, sales processes are based on steps to achieve successful business. These steps normally start before meeting up with a potential customer and end at the follow-up stage. The two different sales processes covered previously in this chapter are both based on a seven-step process with an ultimate goal of closing a deal. When looking closer at the two sales processes, it is clear that there are some similarities and some differences even if they both have the same goal of successfully closed sales.

Both the sales process of Kotler and Armstrong, as well as the sales process of Jobber and Lancaster share some steps and emphasize the importance of similar functions and capabilities. Both processes stress the importance of personal selling skills. This seems reasonable as a person always conducts personal selling, and the skills of this person are very important for the final outcome of conducted sales.

Dealing with objections and follow-up are both steps that are emphasized in both sales processes. Both authors have a similar view of these steps, which is probably because they are generally viewed as very important steps in any sales process.

Some differences are also revealed in the two earlier described sales processes. One remarkable difference is that Kotler's and Armstrong's process start from prospecting, long before the customer is met for the first time, whereas Jobber's and Lancaster's sales process start from the initial contact with the customer. In Jobber's and Lancaster's process Prospecting and Pre-approach are steps that are excluded from the process. These steps are found in Kotler's and Armstrong's sales process.

Jobber and Lancaster have a flexible process in the sense that they suggest that the fifth step of the process, which is negotiation, can be excluded completely. As described in the previous chapter they suggest, contrary to Kotler and Armstrong, that the sales person can jump from dealing with objections directly to closing, without covering the negotiation phase. In the author's view this requires strong personal selling skills and can be managed in some cases.

#### **2.2.4 Kotler's and Armstrong's sales process to be used as an analytical framework**

Sales processes within the B2B sales sector have many similarities as covered in the previous chapter. The author has compared two sales processes that are constructed by well-known author's in the academic world. These sales processes have many similarities, which makes sense as they are built to regain the outcome of successful sales. There are also some differences, which probably relates to the background of the authors. Kotler's and Armstrong's sales process seems more theoretical than the straight-forward process described by Jobber and Lancaster. When studying the background of Jobber and Lancaster, it feels that they have a long hands-on background in sales, which would explain the difference to Kotler's and Armstrong's more academic and theoretical approach towards a sales process.

For this Master thesis project, the author has decided to use Kotler's and Armstrong's sales process as an analytical framework in the primary research part. This means that the outcomes in the primary research will be compared to Kotler's and Armstrong's sales process (figure 1). This sales process will be used because it seems to be more suitable for this thesis project as it starts with "prospecting and qualifying" and "pre-approach" which are steps that take place before contacting the customer. The author feels that these are important steps that should be looked into in Holscher Design's sales process as well. It is important to have a clear sales process that can be benchmarked to Holscher Design's current sales process in order to identify room for improvement. Therefore Kotler's and Armstrong's process will be chosen for this purpose.

### **2.3 Modern purchasing and sales**

Since the start of the economic downturn in 2008 companies are, more than before, hesitant to new investments unless they are certain that these new investments will have a positive return on their investment. In fact, it is common, in today's economic circumstances, not to make any investments unless it is clear that these investments are as profitable and as risk-free as possible. This means that it is crucial for sellers to have a thought through sales process, which they follow in order to win deals. As buyers' purchasing decisions are more hesitant than before the economic downturn, sellers need

to react to this change. In this chapter we will look at recent changes in the business environment, and how that should be tackled.

There is a lot of public information available on almost any product or service. Therefore, purchasers are not as dependent on sellers as they were before the Internet era. As Keith M. Eades states in his book; “Buyers are no longer dependent on sellers to provide them with information. In fact, they can find more useful sources of information to form opinions and start an evaluation for potential purchases without any help from a seller’s organization.” (Eades, 2014 p 17) This means that modern buyers often contact the seller far later in the sales process than they used to. This needs to be taken into account by the sellers’ as “Sellers can no longer control buyers by dictating how and when they get access to information about solution alternatives. Instead, sellers need to recognize buyers as knowledgeable and empowered partners, and learn to collaborate effectively with them as a valued advisor and counselor.” (Eades, 2014 p 34)

As Keith M. Eades states in his book Collaborative Sale: Solution Selling in a Buyer driven world, the previously mentioned change of buyers behavior has changed the reality of sellers as well. Sellers should strive to collaboration with buyers in order to be successful in modern sales. This is because buyers have information available but the seller can still add value if collaborating with the buyers. In this chapter we will go through collaborative sales, which is also called solution sales. (Eades, 2014 p 34)

Based on the fact that buyers nowadays have more information available and they connect to the seller later than previously, it would be a validated statement to state that traditional sales processes are not needed any longer, or that a sales process is not as important as before. This is, however, not the case. “Insight studies prove that implementing a defined sales process is strongly correlated to customer satisfaction and relationship, and to improved business results”. (Eades, 2014 p 133) The book Collaborative Sale: Solution Selling in a Buyer driven world continues by stating that “A defined sales process that aligns with buyer 2.0’s (modern buyer) behavior enables sellers to collaborate in harmony with buyers’ concerns, and help them to a buying decision.



### **2.3.1 Solution Sales**

Sales in the business-to-business sector has changed dramatically especially after the economic downturn in 2008. This has happened as a result of several factors. Firstly, as stated earlier, buyers have more online information at their disposal, leading to less dependency on sellers'. In addition to this, many buyers are reluctant to take big financial risks and tend not to buy anything if they feel they are unsure of the return of Investment.

The previously mentioned facts have led to a change in sales, where the leading sales organizations shift from traditional sales to solution sales (also called Collaborative Sales or Consultative Sales).

“From its inception, Solution Selling has always been based on the philosophy that a solution is an answer to a business problem or opportunity. And if sellers are in the solutions business, they must help buyers discover problems or opportunities, consultatively diagnose the issues, and then create or reengineer visions of solutions, determine the value of the proposed ideas, reach mutual agreement, and track business results. This philosophy, and the approach based on it, is as relevant today as the day it was first introduced. Solution selling changed the dynamic between the buyers and the sellers by requiring sellers to engage consultatively with buyers about their problems and opportunities, rather than about the products or services the sellers represent.” (Eades, 2014 p 14)

To shift from traditional product or service sales towards solution selling requires training and coaching from the seller's organization as it is a “new way” of doing business in the modern world. This approach is far more complex as the seller needs to have a profound understanding of the buying company and the industry in question.

As Eades states the shift from traditional towards solution sales in his book; “Sellers had to become adept at diagnosing buyer's business problems and helping to shape visions of applicable solutions”.

The reason for conducting solution sales instead of traditional sales is to add more value to the buyer, and therefore have a competitive advantage over competition, even if being contacted later than traditionally in the sales process. In addition, solution sales

enables more profitability, which is crucial, as global competition between companies has resulted in difficulty to stay alive from the margin of solely products and services.

### **2.3.2 Purchasing has changed**

Sales coaches Mika D. Rubanovitsch and Tero Nieminen have a long experience in sales processes and B2B buying behavior. In their most recent book, *Ostovallankumous*, which freely translated means the revolution of purchasing, they cover recent changes in buying behavior and state that changes in purchasing processes take place much faster than changes in sales processes. (Rubanovitsch, Mika D & Nieminen, Tero. 2016. p20-21)

“Purchasers examine the Internet for information and compare different products and services in an urge to find answers to their questions long before entering into agreements or even meeting up with sales representatives. The winners are those organizations, capable of communicating relevant information as early as possible in the purchasers’ purchasing process.” Rubanovitsch and Nieminen continue by underlying that the knowledge of customer’s purchasing processes is the key for successful business. Once specific customer’s purchasing processes are known, all efforts shall be targeted at modifying the sellers sales process to match the purchasing process. There are three ways of achieving this target;

1. In solution focused sales the seller needs to get the purchasers interested and maintain the purchaser’s interest on a very high level consistently before the first face-to-face meeting. This can be achieved by keeping in contact repeatedly before the initial meeting. Accordingly to Rubanovitsch and Nieminen contact at this point of the sales process means e.g. sharing relevant information about the sales organizations knowledge, competence or references.
2. The second way of learning the potential customers purchasing process can be identified by digitally supported sales, including web conferences, chats and online case demonstrations.
3. The third way of learning about the seller’s leads, before a meeting, refers to web shops that can be either automated- or interactive in nature. An interactive web shop enables communication between the seller’s organization and the

purchaser and will help the seller to receive relevant information about the potential customer.

One can ask if there is a need for sales people in the future as sales is moving towards the digital world. “Sales will be needed, more than ever, in the future. The role of knowledgeable and professional sales is what customers want, but new skills must be learned. A change in sales professional’s attitudes, towards new technology, is what is needed. (Rubanovitsch, Mika D & Nieminen, Tero. 2016. p20-21)

## **2.4 Business culture in the Nordics**

Even if the Nordic countries share many similarities regarding economics, demographics, culture and social systems, there are substantial cultural differences within the Nordic countries when considering “soft” and “hard” values, which many individuals in the Nordics base their decisions on. These cultural differences are a substantial challenge in cross-cultural business communication and it is of importance to take into consideration these differences in this Master thesis project as the interviewed customers of Holscher Design are from Sweden, Denmark and Norway. The findings in this chapter are based on the comparative article “Comparing national and business culture in the Nordic countries – a Finnish perspective”. (Jakobsson C, Lokteva D, Lawson A, Strömberg V, Rosenbröijer, C-J. 2014)

### **2.4.1 Cross-cultural communication**

Geert Hofstede (1991) has created a comparative framework for cross-cultural communication, referred to as the cultural dimensions theory. In this theory the effects of a society’s culture on the values of its members is addressed. The theory also describes how these values relate to people’s behavior and form cultural differences between countries. This theory is widely used in several fields as a benchmark for research, particularly in cross-cultural communication and international management.

Hofstede’s cultural dimensions model should be viewed as a framework to explain the cultural drivers in order to evaluate a specific culture and assist in decision-making. Factors, such as family, wealth and history, in addition to national characteristics, could influence the findings.

## **2.4.2 Hofstede's 6-D cultural dimensions model**

Grouping different values into clusters, which are called intercultural dimensions, sets up Hofstede's cultural dimensions model. These six dimensions deal with cultural values that the different national societies handle differently to each other. The author thinks these cultural dimensions are of high importance for this thesis as the interviewed persons in the primary research are from different Nordic countries. Therefore, it is important to understand how cultural differences between these countries might play a role in the interviews that will be conducted for this research.

The six cultural dimensions are the following;

1. Power Distance: Power Distance measures the degree to which the less powerful members of organizations and institutions accept and anticipate that power is shared unevenly and how much a culture values hierarchical relationships and respect for authority. Societies where the power distance is high tend to have a hierarchical structure, whereas societies with low power distance tend to equalize the distribution of power. (Jakobsson C, Lokteva D, Lawson A, Strömberg V, Rosenbröijer, C-J. 2014)
2. Individualism vs. Collectivism: This dimension determines the extent to which individuals are integrated into groups. In individualistic cultures, people focus on reaching personal goals and base their actions on self-interest. In collectivist societies, the group's interests are prioritized, which manifests in a strong work group mentality. (Jakobsson C, Lokteva D, Lawson A, Strömberg V, Rosenbröijer, C-J. 2014)
3. Masculinity vs. Femininity: A measure of a society's goal orientation and distribution of emotional roles between the genders: masculine cultures value materialism, competitiveness, ambition, status and power, whereas feminine cultures emphasize human relations and quality of life. In masculine societies, the gender roles are strictly separated, while in feminine societies, tasks are shared more equally between men and women. (Jakobsson C, Lokteva D, Lawson A, Strömberg V, Rosenbröijer, C-J. 2014)
4. Uncertainty avoidance: The degree to which individuals require set boundaries and clear structures. This dimension measures a society member's tolerance for uncertainty and ambiguity. A high uncertainty culture allows individuals to cope better with risk and innovation. A low uncertainty culture emphasizes a higher level of standardization,

preference for laws, rules, safety and security. (Jakobsson C, Lokteva D, Lawson A, Strömberg V, Rosenbröijer, C-J. 2014)

5. Pragmatic vs. Normative: The degree to which a society either follows procedures to produce results or produces results rather than to follow procedures. Normative cultures are more ideologically driven, rigid and exhibit short-term orientation traits. These societies promote steadiness, stability, respect for tradition and social conventions, fulfilling of social obligations, focus on quick results and little predisposition for savings. Pragmatic cultures, on the other hand, are more future oriented, flexible and market-driven. In pragmatic societies people tend to adapt to the environment and circumstances, they accept long time commitment, are persistent in achieving results and have a good ability for adaptation even if it involves contradictions. (Jakobsson C, Lokteva D, Lawson A, Strömberg V, Rosenbröijer, C-J. 2014)

6. Indulgence vs. Restraint: Indulgence stands for a society that allows relatively free gratification of basic and natural human drives related to enjoying life and having fun. It defines the extent to which people try to control their desires and impulses. Restraint stands for a society that suppresses gratification of needs and regulates it by means of strict social norms. (Jakobsson C, Lokteva D, Lawson A, Strömberg V, Rosenbröijer, C-J. 2014)

### **2.4.3 Hofstede's 6-D cultural dimensions model – differences between Denmark, Sweden and Norway**

As the primary research of this Master Thesis project is based on interviews conducted with Holscher Design's customers from Denmark, Sweden and Norway, it is of importance to understand how these countries rank and differ from each other in Hofstede's 6-D cultural dimensions model. In this chapter these differences will be studied.

#### **1. Power Distance.**

Power distance measures the hierarchical perception of the members in a society, giving a very hierarchical society a high number whereas a hierarchically flat society receives a low number.

In this study the Danes receive the lowest number (18) whereas Sweden and Norway are in line with a higher number (31), which can be seen globally as a low number. However, there is a clear difference, supporting the fact that Danes expect to have a high impact and equal say within organizations disregarding the individual role of a person in an organization.

## 2. Individualism vs. Collectivism

Denmark, Norway and Sweden all score very similar results in this cultural dimension, suggesting that these are all highly individualistic countries that are giving high value on personal goals versus collective goals. In short, people are being appreciated more as individuals rather than being considered as part of a larger group.

## 3. Masculinity vs. Femininity

As stated previously, a masculine society appreciates power, materialism and competitiveness whereas a feminine society appreciates softer values, such as quality of life and caring for each other. On a global scale Denmark, Sweden and Norway rank very high on the feminine values. In fact, Sweden (score 5) is the most feminine country in the world, followed by Norway (score 8), which scores second in the same study. Denmark (score 16) is clearly not as feminine as Sweden and Norway, which might turn out to be interesting in the secondary research, when comparing the input of the interviewed persons from Denmark, Norway and Sweden.

## 4. Uncertainty avoidance

Cultures with low uncertainty avoidance are characterized by a relaxed attitude, where practice counts more than principles and deviations from norms, such as cultural differences are more easily tolerated. A low score in uncertainty avoidance also states a higher appreciation for safety and security.

Denmark and Sweden both have a low score for uncertainty avoidance (23 and 29) whereas Norway score 50, meaning that Norwegians are not as strict with rules and regulations at least accordingly to Hofstede's model.

## 5. Pragmatic vs. Normative

The Danish and Norwegian cultures are normative in nature as these countries score the same (35) in Hofstede's research. Sweden, on the other hand, scores higher (53) leading to them neither being a normative society, nor a pragmatic one. In practice this means that Swedes do not have a need to understand everything happening around them and their need to follow e.g. traditions is not as high as in Norway and Denmark. In general Sweden has a more relaxed attitude towards life than in their neighboring countries, studied for this project.

#### 6. Indulgence vs. Restraint

Indulgence is the dimension describing how much people try to control their desires and impulses and how they socialize, which is strongly based on how they have been raised. Sweden and Denmark score very high in this Hofstede's dimension, suggesting that these societies are indulgent. Sweden's score of 78 and Denmark's score of 70 are in line, whereas Norway scores 55, suggesting that the Norwegian society is pending between a desire for control and desire. However, control is more important for Norwegians than for the other two countries.

## **2.5 Conclusion of Hofstede's cultural dimensions model**

To conclude the cultural differences between the Nordic countries based on Hofstede's 6-D model, it is clear that the neighboring countries are quite similar to each other. This is not a surprise, given the close co-operation between the countries. There are, however, some differences. The fact that Danes score lowest on the Power Distance table, indicates that Danes are used to flat organizations and that they, to a higher extent than Swedes and Norwegians, expect to have a high impact in the organizations they work for.

Danes are also less feminine than Swedes and Norwegians, which indicate that they are less reluctant to make "tough" decisions based on harder values than Sweden and Norway.

All studied countries are on a global scale strict with following rules and regulations, even if Norway is more liberal than Sweden and Denmark accordingly to Hofstede's

study. In general it could be said that Swedes have a more relaxed attitude towards life than the other studied countries and the author would, based on this research, anticipate that the Dane's values differ most compared to the other Nordic countries. This could result in seeing harder values from the Danish companies being the base for decisions later on in the primary research.



### **3 RESEARCH METHODS**

In this chapter the author will cover differences between Qualitative and Quantitative research. In addition to the differences of Qualitative and Quantitative research, the author will describe the used method in this research, which was used to obtain the results of the research.

#### **3.1 Qualitative and Quantitative research**

One of the first steps an author of a Masters thesis needs to take into account is whether to use Qualitative or Quantitative research methods for his or her thesis. The choice of method largely depends on the nature of the research and what it is that will be investigated.

The nature of Qualitative research is based on interviews in order to receive as much information as possible. Through an interview the respondent has the possibility to share his or her current situation in detail and reflect on his or her thoughts in a detailed way that only interviews allow. By using a Qualitative research method, the researcher aims at getting a large amount of information from a very limited, even small, group of people. This allows the researcher to get a deeper insight into the subject in question. Truthful results are obtained when the interviewed respondents are given the chance to freely analyze and describe their own feelings on the subject in question. The interviewer should be very careful not to steer the respondent in a certain way or influence the respondent by revealing his or her own thoughts. Instead, the interviewer should let the respondent discuss his or her thoughts freely in order to obtain the best possible outcome from a Qualitative research perspective. In order to get results of high quality, the interviewer should be certain to interview people with a sufficient amount of knowledge within a specific area (Carson; Kvale; Lundahl)

Quantitative research is usually conducted when a large number of respondents are needed to answer questions that are very straight forward in nature. Unlike with Qualitative research, there is no, or very limited, room for personal reflection of the respondent. A normal setup is to hand out questionnaires to a large group of respondents and collect data to verify or rule out pre-determined hypotheses. Normally Quantitative research is the chosen method when a researcher want's to measure data and either

explain or describe the data in question. Quantitative research can be divided into three phases; the planning phase, the data collection phase and the analysis phase. One important matter to keep in mind with the data collection phase is to follow the researcher's research plan carefully, since there is a big possibility that the outcome will be faulty in case the data collection is not managed based on the planning phase. (Lundahl Ulf & Skärvad, P-H)

### **3.2 The used research method in this research paper**

The intention with this research paper is to review, whether there is a possibility to improve Holscher Design's sales process or to pinpoint areas that Holscher Design should focus on. Interviewing Holscher Design's customers does this determination. The intention is to hear how they have experienced Holscher Design's sales approach in the latest joint projects. The interviews are conducted by phone calls that will be recorded and the collected data will be benchmarked to Kotler's and Armstrong's sales process described earlier in this research paper.

In order to receive enough in-depth information the author has decided to use a Qualitative research method. This method is chosen as the nature of the interviews will be detailed and specific. Hence, a qualitative research method is needed. This method will enable the ability to collect as much detailed information as possible, which will be needed for a realistic and truthful outcome.

#### **3.2.1 The collected data**

The author of this research paper wanted to ensure that the quality of the interviewed persons was as accurate as possible. Therefore, the decision was made to interview Holscher Design's existing customers who know how they operate and how their contact persons behave in different states of a project. All customers and Project Managers will be anonymous in this thesis project. Because of this the customers will be referred to as "A,B,C etc." and the Project managers will be referred to with numbers, such as "1,2,3 etc."

The interviewed customers were picked by the author from a list provided by Holscher Design. The criteria for choosing the interviewed contact persons was based on their

geographical presence. All interviewed customers operate in the B2B market and to get a Nordic customer view on the current sales process, the author decided to interview existing customers from Denmark, Sweden and Norway. It would have been of high interest also to interview Finnish customers. However, Holscher Design does not have Finnish customers currently.

The questions in Appendix 1 are set up in a way that enables Holscher Design's customers to describe their relationship to Holscher Design. Furthermore, the questions enable the customer to explain about their latest joint project with an intention for the author to understand how a possible sales process has been followed in all Holscher Design's customer's projects. The main purpose was to find out if a sales process has been followed and in case both Holscher Design's customer and Project manager have experienced the process in the same way. Therefore, Holscher Design's Project managers were asked standardized questions, which can be found in Appendix 2. The questions in Appendix 1 and Appendix 2 are relevant in order to be able to answer the underlying question for this research paper, which is; "how to improve Holscher Design's sales process based on existing customer's feedback".

### **3.2.2 Way of conducting the research**

The customer interviews were conducted in March and April 2016 based on a pre-defined interview guide, generated by the author. The exact times for all interviews and their length are described in detail in Appendix 3. All interviews were done by telephone and they were recorded in order to be able to go back to them later on in the writing process. The author received these customers' contact information from Holscher Design and scheduled a time for the interviews with them, both by calling and by e-mailing them prior to the real interview. The lengths of the customer interviews were between 20-30 minutes per customer. Six customers and three project managers were interviewed for this thesis.

The telephone interviews with Holscher Design's project managers were held in April 2016. The earlier interviewed customers had altogether three different project managers from Holscher Design's side. All three project managers were interviewed after the customer interviews in order to get a truthful view on the latest joint projects, both from the sellers and the buyers side

## **4 RESULTS**

In this chapter we will go through results based on the conducted interviews. Both Holscher Design's customers' and Holscher Design's Project managers' interview results will be the foundation of this chapter. Instead of going through all answers, the author decided to pick out the most interesting answers for this project, keeping in mind the underlying agenda, which is to improve Holscher Design's current sales process based on the findings from the interviews. Therefore, the nature of the earlier conducted interviews will be explanatory with relevant citations of the interviews.

### **4.1 Findings in this research**

There were several common denominators in this research, which is probably because Holscher Design operates similarly, from a sales process point of view, with all their customer's.

All interviewed companies were existing customers and the interviewed representatives were very happy with Holscher Design. As a matter of fact they were generally extremely happy, which at the beginning raised two questions in the author's mind, the first being; How can we find something to improve if the customers are truly happy with Holscher Design, and two; Do we only have the success stories to work with here? Later on it became clear that a mere part of the interviewed customers have a significantly long history with Holscher Design, some as long as 40 years. This is incredible when thinking about the economically challenging landscape these companies operate in or if we think about the globalization and how that has affected businesses in the past ten, fifteen or forty years. From this perspective it has been a pleasure to hear about the co-operation between Holscher Design and their customers at the same time as one can't neglect the fact that new customers are needed to split risks and secure a strong position also in the unknown future. Nevertheless, it was clear from the very beginning that Holscher Design has done many things correctly and accordingly to their customers they deserve applauds for having been such a good partner for their customers.

## 4.2 The interviewed customers' current relationship with Holscher Design

The interviewed customers, which in this Master Thesis project go by the names A, B, C, D, E, F in order to secure the promised anonymity, have all conducted at least one joint project together with Holscher Design, which means that they can all be considered Holscher Design's customers. A majority of the interviewed customers have a long history with Holscher Design. The lengths of these companies cooperation with Holscher Design generally range from a few years up to 40 years.

All of these companies operate in the business-to-business sector and all except two of the interviewed companies have a long history with Holscher Design. All six companies have purchased solely Design Services from Holscher Design.

### 4.2.1 How customers found Holscher Design

As stated earlier, all customers have had joint projects with Holscher Design and two of these companies have recently conducted their first project together with Holscher Design.

Below are listed some findings when the author requested how they initially came across Holscher Design

*Table 1. How customer's found Holscher Design*

<i>Company A; "We talked about what they have made and we talked about our company. Then they made a suggestion of a product, which we chose."</i>
<i>Company B stated; "We wanted to create a new flagship, so we got to know them after we filed a tender or contest and we later on chose Holscher Design for the job."</i>
<i>For companies C, D, E and F it was not a question of finding Holscher Design as they had done business previously and these customers contacted Holscher Design themselves.</i>

### 4.2.2 Project length

When the author asked about the length of the customer's and Holscher Design's joint projects, it turned out to be surprisingly long. This indicates that it is, as anticipated, a question of project sales with average project cycles of several years.

*Table 2. Project length per customer*

<i>Company A: 12 month</i>
<i>Company B: Approximately 24 months</i>
<i>Company C: Approximately 12 months</i>
<i>Company D: Approximately 24 months</i>
<i>Company E: Approximately 30 months</i>
<i>Company F: Approximately 40 months</i>

With the earlier described information regarding the project cycle times it is obvious that when selling design services one can expect long cycle times. Companies A-F have an average of 23,6 months, meaning almost two years. It is, however, important to keep in mind that Holscher Design cannot always affect the project cycles. Company E stated that one reason for such a long cycle time relates to the delay in the core product's delayed production time, which is needed in order to enable Holscher Design start their design project.

### 4.2.3 Approaching the customers

As indicated earlier in this Thesis paper (figure 1), approaching is one of the seven steps in an effective sales process.

In the customer interviews held in March-April 2016, the author asked all customers whether the initial contact for the latest conducted project was initiated by the customer or by Holscher Design.

Interview question; "Did you contact Holscher Design or did they contact you?"

Table 3. Initiation of the first contact between the parties

<i>Company A: Holscher Design contacted the customer</i>
<i>Company B: Customer contacted Holscher Design</i>
<i>Company C: Customer contacted Holscher Design</i>
<i>Company D: Customer contacted Holscher Design</i>
<i>Company E: Customer contacted Holscher Design</i>
<i>Company F: Customer contacted Holscher Design</i>

Company A was contacted by Holscher Design whereas companies B, C, D, E and F contacted Holscher Design themselves, indicating that active sales has been used in one out of six projects that are investigated in this research paper.

When asking company A about the message Holscher Design contacted them with they replied; “I don’t remember exactly. They sent information on what they have done. We checked the web page and liked the design.”

#### **4.2.4 Frequency of face to face meetings**

As part of a sales process, customer meetings are of high importance in order to understand what the customer is looking for and what the current challenges might be. Therefore, the interviewed customers were asked how often they had face-to-face meetings with Holscher Design during their latest project. This can be seen of high importance especially as the length of these projects is 23,6 months on an average for the interviewed companies.

Interview question; “Can you remember how many meetings you had with Holscher Design regarding your latest project and was that enough?”

Table 4. Frequency of face-to-face meetings

<i>Customer A; “We met physically only one time, but that was enough.”</i>
<i>Customer B; “We had weekly video meetings for a long time. No need for more face to face meetings”</i>
<i>Customer C; “We started with workshops. Mostly online and maybe once a month. I think that was enough”</i>
<i>Customer D; “We started with workshops and it was enough. As I said before, if there has been a concern about the design or the structure, then we have a meeting immediately. So that’s no problem.”</i>
<i>Customer E; “In the beginning we had more meetings but now we have not had one in at least six months”</i>
<i>Customer F; In the beginning it was more. We had telephone meetings up to three times a week and met face-to-face when needed.</i>

#### **4.2.5 Anticipated problems and problems that occurred**

In design project sales it is normal that many questions may be unanswered before the start of a project. This can be the case e.g. because a similar project has never been conducted previously or that there are several external factors that influence the project once it moves on. External factors can be the use of chosen raw materials, acquisitions during a project etc.

For this thesis project the author asked Holscher Design’s customers which problems they had anticipated prior to the start of the project and which problems actually occurred.

The stated question for Holscher Design’s customers was;

“Can you remember which problems you anticipated before the start of the project and did they occur?”



*Table 5. Anticipated problems and problems that occurred*

<p><i>Company A: “We anticipated the chosen technique and costs to become possible problem. The largest challenge was to find the right technique, and the right cost structure as it has to be cost efficient.”</i></p>
<p><i>Company B; “We didn’t know what problems to anticipate. The main challenge was that this was something new for us too and we were for the first time looking at a total experience and not a product.”</i></p>
<p><i>Company C; “I can’t remember that we would have anticipated any problems. We had no problems with Holscher Design but one challenge was to get all the feedback”</i></p>
<p><i>Company D; “We did not expect any problems. Of course the design was a challenge but also some of the new features that we don’t have done before. We have to work with certain standards so that is always a challenge”</i></p>
<p><i>Company E; “We had no problems”</i></p>
<p><i>Company F; “We anticipated that living up to the City’s (end customer) requirements would be a challenge and that turned out to be the case.</i></p>

#### **4.2.6 Decision maker of co-operation**

As mentioned in chapter 2.1.1 there are different stakeholders in a business buying process. Therefore the intention with these customer interviews was partly to find out who has made the decision of hiring Holscher Design for the job.

The interview question was “Who from your company decided to use Holscher Design for your latest project?”

Table 6. Decision maker of co-operation

<i>Company A; “Me and my business partner (owners) together made that decision”</i>
<i>Company B; “Our Design Manager chose Holscher Design”</i>
<i>Company C; “I (customization and site manager) decided that we will go with Holscher Design”</i>
<i>Company D; “It’s our marketing that made that choice”</i>
<i>Company E; “I (product and project manager) was the one deciding that”</i>
<i>Company F; “We had a consensus to use Holscher Design but the ultimate decision was made by me as CEO”</i>

#### **4.2.7 Reasons for customers to choose Holscher Design**

In order to explore how the current sales process of Holscher Design could be improved, it is important to understand why these interviewed customers chose to work with Holscher Design. Therefore customers A, B, C, D, E, F have been asked why they chose to work with Holscher Design in their latest project.

Interview question: “Why did they win your trust?”

Table 7. The reason why customers chose Holscher Design for the job

<i>Company A; “We simply liked their ideas of Design.”</i>
<i>Company B; “It was mainly based on their ideas and design and we liked them in person.”</i>
<i>Company C did not comment specifically on this question</i>
<i>Company D; “They have nice design, know how and we have a long cooperation.”</i>
<i>Company E; “We didn’t evaluate anyone else. Knud Holscher is such a strong brand.”</i>
<i>Company F; “The functionality was good, the design was good and the pricing was good.”</i>

#### **4.2.8 Closing the deal**

As seen from the earlier answers, many of the interviewed customers have a long history with Holscher Design and therefore they know that Holscher Design is a good partner for the interviewed customers. However, other aspects, such as financial terms etc. also play a role when choosing which Design Agency to work with. Therefore, the interviewed customers were asked if it was tough or easy to come to an agreement.

Interview question; “Was it tough to come to an agreement with Holscher Design?”

Table 8. The degree of difficulty to come to a deal with Holscher Design

<i>Customer A; “We considered several companies as we normally evaluate between 3-10 companies. However, it was easy to get to an agreement with Holscher Design”</i>
<i>Customer B; “It was not that hard because we had a good budget to use for this project.”</i>
<i>Customer C; “It was no problem. Upfront payments are however unusual. Normally it is just royalties, which were pretty low at the end.”</i>
<i>Customer D; “No problem. It’s always a small discussion regarding terms but never a hard discussion”</i>
<i>Customer E; “No, we just did as we previously had done. It is smooth to do business with Holscher”</i>
<i>Customer F; “We don’t discuss pricing of their services a lot because we have been working so closely together that we normally ask them to do something and they do it. But we are getting better at asking for a quotation first. So when we ask them, there is a possibility to get a preliminary offer.</i>

#### **4.2.9 Holscher Design’s presentation**

All interviewed customers were asked if Holscher Design showed them a presentation and in case that presentation was general or tailor made for these customers.

Interview question; “When Holscher Design met you regarding this project, did they show you a tailor made presentation or a general presentation?”

*Table 9. The type of presentation that was initially shown by Holscher Design*

<i>Company A; “They showed a general presentation.”</i>
<i>Company B; “I don’t know”</i>
<i>Company C; “I don’t know”</i>
<i>Company D; “I can’t say”</i>
<i>Company E; “Can’t remember”</i>
<i>Company F; “They showed a tailored presentation”</i>

#### **4.2.10 Reference videos**

Reference videos can be powerful as part of a sales process. Therefore the interviewed customers were asked in case they were shown any reference videos.

Interview question; “Did they show you any relevant reference videos at any point in time?”

*Table 10. The extent to which Holscher Design showed reference videos to their customers*

<i>Company A; “They showed a video, but I cannot remember what the video was about.”</i>
<i>Company B; “I’m not sure”</i>
<i>Company C; “That is not of interest to us”</i>
<i>Company D; “That’s not very interesting for us”</i>
<i>Company E; “No”</i>
<i>Company F; “No”</i>

#### 4.2.11 Customer contact after completing a project

It is possible that new sales opportunities are lost because of lack of contact with the customer after a completed project. Therefore the interviewed customers were asked in case Holscher design has been in contact with them after the completion of the latest project.

Interview question; “Have they been in contact with you after the completion of the latest project and how long did it take until they contacted you?”

Table 11. Holscher Design’s way of doing follow-up

<i>Customer A; “It took six months, but that’s ok for me”</i>
<i>Customer B; “We have had lots of contact after the project and they still keep sending us Christmas cards, which we appreciate! I can’t remember how soon they contacted us after the project as we are in regular contact”</i>
<i>Customer C; “Yes, I would say that they contact us every second month”</i>
<i>Customer D; “I would say they contacted us after 1,5 months. If there should be some questions regarding design, then we will contact each other so that’s no problem”</i>
<i>Customer E; “There is no need to contact us. We can contact them if we need something”</i>
<i>Customer F; “The project is still ongoing”</i>

#### 4.2.12 Customers’ expectations on contact after a completed project

In addition to asking Holscher Design’s customers when they were contacted after the latest joint project, the author also asked about their wishes on when they should be contacted after the completion of a project.

Interview question; “How soon after completing of the project would you hope that they are in contact with you?”

*Table 12. Customer’s expectations regarding after-sales contact*

<i>Customer A; “I really can’t say”</i>
<i>Customer B; “It’s hard to say, but they could easily contact us shortly after to see how things are going or about next projects”.</i>
<i>Customer C; “I don’t know really”</i>
<i>Customer D; “If there should be some questions, then we will contact each other”</i>
<i>Customer E; “I don’t know”</i>
<i>Customer F; “Oh, you know, we will put up thousands of Holscher Designed products in our city so we will be in constant contact.”</i>

#### **4.2.13 Improvement areas**

Holscher Design has generally done a great job with their customers There is, however, always room for improvement accordingly to some of the interviewed customers. The improvements are more on a general level and not tied to the latest project.

Interview question; “Which aspects of this project could Holscher Design improve?”

Table 13. Areas where Holscher Design could improve accordingly to their customers

<p><i>Company A; “We only did one small project so I can’t give a good answer on that.”</i></p>
<p><i>Company B; “In general we have learned from this project that we went into too many details. We could have been more focused on what we wanted to achieve and not concentrate on all things that we didn’t know how to solve.”</i></p>
<p><i>Company C; “They were perfect. Or actually, they could offer both design services and sell. Now they only offer services and we sell.”</i></p>
<p><i>Company D; “Yes of course they can improve. Because there is Knud Holscher who is the boss still and then he has some colleagues that have worked with other customers, which we have not been involved in. But we have no problem with them”</i></p>
<p><i>Company E; “One competitive advantage that other Design Agencies have over Holscher Design is that they do plenty of market surveys and anthropology. That is more and more becoming common before developing a product. Normally Design agencies ask customers in advance how the products are used and they observe. This would be of high value for us as it decreases the chance of developing a product that does not sell. One other thing is this transition phase, where Knud Holscher might not be there forever. They really need to know which ground they will stand on in the future”.</i></p>
<p><i>Company F; “I think compared to their competitors, they are not very good at presenting their ideas. They are not very good at selling their ideas and designs to us. Once they have to present what they have, it’s always a very basic presentation, whereas other, maybe more modern design companies, are always very up to date and their presentation look more professional. So when they are pitching to get the project they should update their presentation, because I think other design companies are better on that.”</i></p>

#### **4.2.14 Future expectations**

At the end of the customer interviews the author asked about Holscher Design’s customer’s expectations towards Holscher Design.



Interview question; “What do you expect from Holscher Design in the future?”

Table 14. Future expectations

<i>Customer A; “We like them to make new design for us. We have no hurry but we are always interested in looking at new things. We expect them to send suggestions on new ideas to us.”</i>
<i>Customer B; “We expect them to be a part of our team and take ownership in our projects. We need to build trust in both ways.”</i>
<i>Customer C; “I expect them to react on requests”</i>
<i>Customer D; “I hope that the decision makers of our company will choose them also for the next project”</i>
<i>Customer E; “I hope they will start doing anthropology. When Knud Holscher is not there, then an evaluation of the used Design Agency will be done so I expect them to have a plan for this.”</i>
<i>Customer F; “They do a bit of anthropology and observing, but once they pitch for a project it would be good if they could say; ok, we have spent 20 hours on just observing how people actually used a designed product. They don’t do that but that would be good. It would also help them in the pitching process as they could say that their design is based on something that they have researched.</i>

### **4.3 Holscher Design’s project manager’s answers on the authors questions**

In the previous chapter Holscher Design’s customers’ answers were addressed. In this chapter we will look at Holscher Design’s project managers answers to the questions in Appendix 2. The author will address the most relevant questions and their answers, from a sales process approach. These questions will be compared to Holscher Design’s customers view in chapter 5. Whereas Holscher Design’s customers are referred to with letters A-E, the project managers will be referred to with numbers. Project Manager 1 is

responsible for Customer D, whereas Project Manager 2 is responsible for Customer A, Customer B, Customer C and Customer E. Project Manager 3 is responsible for customer F.

#### **4.3.1 Project manager's perception on active sales**

The author asked all project managers if they feel that they are working with active sales regarding the earlier interviewed customers.

Interview question; "Do you do active sales?"

*Table 15. The extent to which project manager's do active sales*

<i>Project Manager 1; "Well being a good partner for Customer 4 requires that we understand them fully and understand what problems they have. Instead of saying that we are just designers we must understand and fulfill the needs they have".</i>
<i>Project Manager 2; Yes, we have sales force here of five persons and we have a sales manager. I'm part of that team and my main area is lighting.</i>
<i>Project Manager 3; "Yes, but mostly with existing customers. I also contact new customers if they are in my field"</i>

#### **4.3.2 Challenges with active sales**

The project managers were asked to describe what is the most challenging part of active sales.

Interview question: "What is the most challenging part with active sales?"

Table 16. Challenges with active sales

<p><i>Project Manager 1; “Many things such as who are the competitors, which are really the important people in the organization, even unofficially. One challenge is that you must understand the political situation in the customer’s organization. My job is ultimately to understand what the customer needs. All the time I need to figure out what are the next steps. Financially it is also challenging. Earlier we could just work and invoice. Now we have to send a quotation every time the total sum exceeds 20 000DK. The company landscape looks very different nowadays and we have to adapt to that.</i></p>
<p><i>Project Manager 2; It’s to find the time and resources to make a good sales effort. If we are busy towards a deadline, it is easy to forget the sales.”</i></p>
<p><i>Project Manager 3; “The most challenging part is to find the correct person to talk to.”</i></p>

### 4.3.3 Project timeline

The Project Managers were asked the same question as their customers regarding the length of the latest project

Interview question: “How long was the latest project from the start until the end?”

Table 17. The length of the project manager’s projects

<p><i>Project Manager 1; “It hasn’t actually ended yet as there will be a launch in September 2016, but I think three years is quite accurate. However, out of that time it is 100% only for three or four months.”</i></p>
<p><i>Project Manager 2; With customer 1 it took about 10-12 months. But we have another project which took 3-4 years.</i></p>
<p><i>Project Manager 3; “The latest project was started in summer 2015 and it is still ongoing.”</i></p>

#### 4.3.4 Customer prospecting

As earlier mentioned, Holscher Design has a good relationship to their existing customer. A question on new customer contacting is of interest for this project as it is a vital part of active sales.

Interview question; “How much time do you spend on finding new customers?”

*Table 18. The amount of time spent on new-customer acquisitions*

<i>Project Manager 1; “Not enough. I’m the project leader of six projects. I actually like more to work with old business. I do that sometimes but normally in periods where I don’t have so much to do.</i>
<i>Project Manager 2; Yes, the sales force here is identifying new customers in different areas.</i>
<i>Project Manager 3; “We spend quite much time on investigating the market, reading papers and evaluating if there are some new customers that we should contact. This is usually done outside of our daily work.”</i>

Follow up question; “If you contact 10 new prospects, how many of these are willing to book a meeting with you?”

<i>Project Manager 1; “It’s not easy and even if we have a meeting it is difficult to get to the point where they need design services. It is very rare that we get new customers in this way”</i>
<i>Project Manager 2; I don’t think we have made statistics on that. It is hard to say but I would say that 4 out of 10 would be willing to meet us.</i>
<i>Project Manager 3; “I would say between 3 to 4 would meet us. Probably closer to 3.”</i>

### 4.3.5 Reference videos

The same question was asked both from Holscher Designs customers and Project Managers.

Interview question; “Do you usually show reference videos to your customers?”

*Table 19. Project manager’s understanding on how they show reference videos to customers*

<i>Project Manager 1; “Actually we do tailor made presentations to our customers based on the vertical they work with as customers are not interested in other verticals. We do not have that many videos and we are not strong in that field.”</i>
<i>Project Manager 2; “We have tried showing videos to our customers but it is actually easier to show sketches. Videos are good if you want to show functionality”</i>
<i>Project Manager 3; “Yes, we show reference videos”</i>

### 4.3.6 Presentation

Holscher Design’s Project Managers were asked if they show general company presentations or tailor made presentations at the customer meetings when a new project is discussed.

Interview question; “Do you show a general presentation or a tailor made presentation when there is a new case?”

*Table 20. Presentations showed to customers by the project managers*

<i>Project Manager 1; Actually, we do tailor made presentations to our customers based on the vertical they work with as customers are not interested in other verticals.</i>
<i>Project Manager 2; “We always show a tailor made presentation”</i>
<i>Project Manager 3; “We show tailored presentations to our customers”</i>

### 4.3.7 Financial terms

Despite superior products or services companies always need to be in line with pricing and financial term, in order to close deals. Therefore this question regarding financial aspects is important for this thesis.

Interview question; “Is it easy or difficult to get the deal closed regarding the financial aspects?”

*Table 21. Level of difficulty to come to an agreement regarding financial aspects*

<i>Project Manager 1; “ We have a tradition and we have Knud Holscher who has been the anchor of this cooperation. He has made an agreement with Customer 4 a long time ago and we also have a written agreement that is continued. The fee per hour is therefore already agreed upon.”</i>
<i>Project Manager 2; “It’s quite easy as we use the same payment methods with our existing customers as we have previously used with them. There is a standard in Scandinavia regarding royalty agreements, which makes it easier for us. The projects that are not based on royalties are also quite easy, for instance hourly rate.”</i>
<i>Project Manager 3; “It is easy (with customer 6) as we have a long history and we just continue in the way we have done before.”</i>

### 4.3.8 Contacting customers after a finished project

For sales people and project managers it is often difficult to state when they should re-connect with customers after a finished project. Holscher Design’s project managers were asked when they believe it is a suitable time to contact a customer after a finished project.

Interview question; “When do you normally contact your customer after a finished project?”

Table 22. Suitable time for re-contacting customers accordingly o project managers

Project Manager 1: <i>“It is very individual.”</i>
Project Manager 2: <i>“We are very proactive and most of the time we have constant contact with our customers. I would say that a follow-up call is good to do after one month”</i>
Project Manager 3: <i>“It depends, but normally we have a continuity meeting 1-2 months after a finished project.”</i>

#### **4.3.9 Sales process**

As this research paper is ultimately exploring the possible challenges Holscher Design might have with their sales process, the author felt that the following question is of importance in order to understand how Holscher Design’s Project Managers receive the current sales process.

Interview question; “Do you have a sales process at Holscher Design and can you describe what it looks like?”

Table 23. The existence of a sales process at Holscher Design

<p><i>Project Manager 1; “Actually, we ought to be stronger in that field. As I told you before, we are strong individuals each of us and we have our own approach. We try to synchronize it and talk about what is good and what works well. We try to do these strategic things all the time, but the customers are so individual and I find it is very hard to streamline the process. This is also because every time we meet a new customer it might be that he does not have much time, or then he has plenty of time. But we ought to have one process. It would be much easier if we had one.</i></p>
<p><i>Project Manager 2; “I don’t think you can have one sales process. I think we have many sales processes because if we are at a fair, that’s one sales process and if we are at a customer that’s another sales process. If we use direct marketing companies that’s another kind of a process. So it’s a question of which one to use in different situations. In our sales team we have meetings and give feedback on what works and what doesn’t and we always try to find new methods and develop our sales process. It’s not a fixed process.</i></p>
<p><i>Project Manager 3; “Yes, we have a sales process. We have one person that is in charge of sales and we target different geographical areas where we want to make a specific effort. To these areas we allocate people, so to give an example we have a Chinese person who can help us with the Chinese market. We try to find which kind of Business would be the easiest for us to get into the market in question and then we make a specific presentation for that company with relevant references.</i></p>

#### **4.3.10 Improvements of Holscher Design**

Holscher Design’s customers have been asked how Holscher Design could improve the way they work with their customers in different projects. The Project Managers were asked the same question.

Interview Question; “Which aspects do you believe your customers think Holscher Design can improve?”



Table 24. Anticipated improvement suggestion

<p><i>Project Manager 1; “I think Customer 4 probably would say that we should know more about new processing in porcelain. Sometimes we need too much help from them. On the other hand it would be very expensive for us to have all the know how that is needed in niche areas.”</i></p>
<p><i>Project Manager 2; “ Customer 1 is a step by step process. Their strategy is to have 20 designers, but we will never be the only designer they use. We will be proactive and try to extend our cooperation.”</i></p>
<p><i>Project Manager 2; “Customer 2 could potentially think that we should have more knowledge in technology as they work in that industry”.</i></p>
<p><i>Project Manager 2; “Customer 3 is a huge company and we should learn to get to know more people in their organization. We have to continue have relations to key persons.”</i></p>
<p><i>Project Manager 2; “Customer 5 is different because we work on a fixed assignment but they are open to work even with new areas together with us as they are very happy with the job we have done previously.</i></p>
<p><i>Project Manager 3; “Customer 6 would probably say that we can improve our presentation. Maybe, as we have such a long history, they think that when we do presentation they already know what we are talking about and they might get some more elaborated presentations from the other design companies they are using.”</i></p>

#### 4.3.11 Cultural differences between the Nordic countries

Holscher Design’s project managers were asked how business customs between the Nordic countries differ from each other. Only the project managers with customers from several countries were asked about the differences.

Interview Question; “Can you see any differences related to decision making, or hard versus soft values, between your customers in the Nordic countries?”

Table 25. Cultural differences in the Nordics

Project manager 1: *“If we compare Danish and Swedish customers I would say that you can generally not make a Swedish employer tell their opinion about a design concept. They need to know the opinion of the rest of the company and find “consensus” before giving a response. This means that the process is very slow, since everybody must be heard. Afterwards, nobody can be blamed if the decision does not result in success and nobody can take credit for a possible success. The decision is made on a very broad level. Danes speak out with less authority. This means that you can get different answers depending on the persons you talk to. Later you get the official answer, but the process is much faster, since everybody has an opinion. Persons in the top management often have a strong opinion and they seem to go after their intuition.”*

Project manager 3: *“I don’t have a comment on this.”*

## **5 ANALYSIS**

The aim of this Master Thesis is to explore Holscher Design's current challenges with their sales process and propose development ideas to their current sales process. The underlying intention is to give Holscher Design ideas on which areas they should focus on, regarding their sales process.

In chapter 4 the author has covered the interviews that were done with Holscher Design's customers and Project Managers. The intention was to reveal how both parties have interpreted different stages of Holscher Design's sales process regarding the latest joint project that has been done.

In this chapter the results will be discussed in detail. Holscher Design's answers will be benchmarked to their customer's answers in order to verify, whether the customer's and the sellers view on the same matter are in line. Furthermore, the results of the conducted interviews will be benchmarked to the theoretical framework, covered in chapter 2.

### **5.1 Holscher Design's way of working benchmarked to the sales process**

In this section Holscher Design's way of working will be benchmarked to the sales process by Kotler and Armstrong described in Chapter 2 of this thesis. Please see figure 1 for a visual description of the sales process in question.

#### **5.1.1 Prospecting, Qualifying and Pre-approach**

As stated in chapter 2 (figure 1) Prospecting, Qualifying and pre-approach are the two first steps of an effective sales process' seven steps. In this study for Holscher Design, Prospecting, Qualifying and pre-approach are affected by the long history they have with most of the interviewed customers. Only two out of six customers were new customers and the remaining part have a very long history together with Holscher Design. Based on the conducted interviews, Prospecting, Qualifying and pre-approach

are not something that Holscher Design project managers do very much as they clearly nurture existing customers more than they contact new customers.

### **5.1.2 Approach**

Approach is the third pillar of the seven steps in Kotler's and Armstrong's sales process and the intention generally in this step of the process is to book a meeting with the prospect.

In order to understand how actively Holscher Design's Project Managers contact their customers, the customers were asked who contacted whom for the latest conducted project. It turned out that five out of six customers contacted Holscher Design for the project. This indicates that the nature of Holscher Design's sales activities is more passive than active at this stage of the sales process.

### **5.1.3 Presentation and demonstration**

As stated in chapter 2, Presentation and demonstration is the fourth step of Kotler's and Armstrong's seven major steps is effective selling. In this step the seller has the opportunity to show how his or her products or solutions can help the prospect in their operations. The product or solution might for instance save costs or add efficiency to the buyer's organization.

Both the interviewed customers and project managers were asked different questions regarding Holscher Design's presentations. In this chapter some results from chapter 4 will be analyzed. It is worth noting that for Holscher Design a presentation is not necessarily only a typical Power Point presentation that pinpoints their strengths. It can also be a presentation of a design that will be compared to their competitor's designs. In the latter case this is often when the end customer decides whom they will choose for the project.

All project managers emphasized that Holscher Design always makes tailored presentations to their customers, even if this view was not fully supported by their customers. Tailored presentations are something Holscher Design should focus on as

they increase the interest of the customer. This will also increase the chance of staying in competition to the following parts of the seven step sales process.

When the customers were asked the following question; “When Holscher Design met you regarding this project, did they show you a tailor made presentation or a general presentation?” It turned out that 1 out of 6 customers said they showed a general presentation. 1 out of 6 said they showed a tailor made presentation and the remaining part could not remember what had been showed. This clearly indicates that Holscher Design should work on their presentations as they clearly have a different perception of their presentation compared to what their customers perceive.

One of the interviewed customers commented the following, when asked about an example of what Holscher Design could improve based on their customers experience;

*“I think compared to their competitors, they are not very good at presenting their ideas. They are not very good at selling their ideas and designs to us. Once they have to present what they have, it’s always a very basic presentation, whereas other, maybe more modern design companies are always very up to date and their presentations look more professional. So when they are pitching to get the project they should update their presentation, because I think other design companies are better on that.”*

This is clearly something worth focusing on from Holscher Design’s point of view. However, it must be said that the project manager in question seems to be very aware of what his customer thinks as the project manager is asked which aspects he believes that his customer thinks Holscher Design could improve. He replies the following;

*“Customer 6 would probably say that we can improve our presentation. Maybe, as we have such a long history, they think that when we do a presentation they already know what we are talking about and they might get some more elaborated presentations from the other design companies they are using.”*

To summarize the above, one could say that presentation and demonstration is clearly one part of the sales process that should be reviewed. Losing a potential deal because of a weak presentation would cost much more than the effort required to create a good presentation. It would make sense for Holscher Design to put effort on this, fairly easy part of the process, as it would probably be worth the effort.

#### **5.1.4 Overcoming objections and closing**

Handling of objections and closing, which are two separate parts of the sales process visualized in figure 1, are where the seller tries to find hidden objections and convert them into the sellers favor, leading to closing the deal.

Regarding the interviewed customers, however, the set up is somewhat different compared to a normal sales process as five out of six customers contacted Holscher Design at the time they needed professional help with design services. Therefore, the objections never occurred in most of these cases as they were more or less overcome at the time Holscher Design's customers contacted them. Ultimately the presentations lead to closing a deal.

In case Holscher Design had been following a pre-defined sales process the outcome had been different, as the nature of the process would have been based on active sales.

#### **5.1.5 Follow-up and maintenance**

As stated in chapter 2, a sales process does not end on the completion of a project. Follow-up is a very important phase if there is a desire to sell more products or services to the same customer in the future.

This phase is well taken care of by Holscher Design. The fact that Holscher Design's cooperation with their customers continue for decades is already a proof of them being able to nurture existing customers from a sales process perspective.

When Holscher Design's Project managers are asked when they feel they should be in contact with their customers after a completed project, it is clear that they work actively on maintaining a good contact constantly after a finished project. This is, as a matter of fact, probably one of Holscher Design's competitive advantages from a sales process point of view. It should also be mentioned that all Holscher Design's customers were happy with the way, in which they had been contacted by Holscher Design, after a finished project.

### **5.1.6 Cultural differences between the Nordic countries**

There are cultural differences between the Nordic countries, based on the conducted interviews. Hofstede's 6-D cultural dimensions model proposed differences between the cultures in the Nordic countries, which this research supports.

Danes are less feminine than Swedes and Norwegians, as stated in chapter 2.5, which indicates that they are less reluctant in making "tough" decisions based on harder values than Sweden and Norway. Project manager 1 support this when asked about the differences. As project manager 1 said, Swedes need to find a consensus internally before they can state their opinion, whereas Danes are more individualistic, have their own opinions and freely share their own view on a preferred design. This supports Hofstede's Power distance cultural dimension. Accordingly to Hofstede's study, Denmark has a lower number than Sweden and Norway, which indicates that Danes expect to have a high impact and equal say within an organization disregarding which role the person in question has within the organization. Swedes and Norwegians have a more hierarchical perception of the members in an organization.

## 5.2 Conclusion

Holscher Design's way of working in relation to Kotler's and Armstrong's sales process is concluded in table 26. Both Holscher Design's customers and project manager's answers work as a base for table 26. The first column indicates if a certain step of the process is recognized. The second column states if that step is a strength or a weakness for Holscher Design and the third column includes suggestions for improvements and comments.

*Table 26. Holscher Design's way of working compared to the sales process in figure 1*

	Confirmed steps by customers' and project managers'	Strength/ Weakness	Comments/development ideas
Prospecting & Qualifying*	No	Weakness	Not enough, if any recourses dedicated for new sales
Pre-Approach*	Yes	Weakness	Holscher Design follows the market through newspapers and looks for prospects actively. Conducted on the side of normal work. Cannot be considered part of active sales.
Approach*/**	Yes	Weakness	Approach is active when initiated but the request comes mainly from the customers. The active approach to new customers is low
Presentation and Demonstration**	Yes	Weakness	Presentations are conducted but competition generates better presentations and demonstrations. Not enough focus on this matter
Overcoming objections**	No	Weakness	The low volume of new customers result in a limited amount of cases



			with objections
Closing**	Yes	Strength	Once the design is accepted, closing is easy. Financial aspects are easily agreed upon
Follow-up and maintenance**	Yes	Strength	All interviewed customers were happy with the current follow-up

*Table x: Consolidated overview of Holscher Design's strengths and weaknesses related to Kotler's and Armstrong's sales process based on all gathered information from customer's and Holscher Design's project managers*

*\*Based on Holscher Design's project manager's answers*

*\*\*Based on customer's answers*

### **5.3 General observations from the customer interviews**

In this chapter the focus is on matters that are interesting from a business development point of view, but not necessarily tied to the sales process.

#### **5.3.1 How Holscher Design can improve the way they work**

All interviewed customers were asked how Holscher design could improve the way they work in the future. The reason for asking this question became interesting for the author because all the interviewed customers were very happy with Holscher Design and had mainly only positive things to say about them. In order for Holscher design to be able to improve the way they work with their customers in the future, they need feedback on what can be done even better, which was the background for this interview question.

The following customer comments will explain in short what Holscher Design can improve in the future based on customer feedback. More in depth answers can be found in chapters 4.2.13 and 4.2.14.

- **Customer 2:** *“We could have been more focused on what we wanted to achieve and not concentrate on all things that we didn’t know how to solve.”*
- **Customer 3:** *“They could offer both design services and sell. Now they only offer services and we sell.”*
- **Customer 4:** *“Yes of course they can improve. Because there is Knud Holscher who is the boss still and then he has some colleagues that have worked with other customers, which we have not been involved in”*
- **Customer 5:** *“One competitive advantage that other Design Agencies have over Holscher Design is that they do plenty of market surveys and anthropology. That is more and more becoming common before developing a product. Normally Design agencies ask customers in advance how the products are used and they observe. This would be of high value for us as it decreases the chance of developing a product that does not sell.”*
- **Customer 5:** *“One thing is this transition phase, where Knud Holscher might not be there forever. They really need to know which ground they will stand on in the future.”*
- **Customer 6:** *“I think compared to their competitors, they are not very good at presenting their ideas. They are not very good at selling their ideas and designs to us. Once they have to present what they have, it’s always a very basic presentation, whereas other, maybe more modern design companies, are always very up to date and their presentation look more professional. So when they are pitching to get the project they should update their presentation, because I think other design companies are better on that.”*
- **Customer 1:** *“We expect them to send suggestions on new ideas to us.”*
- **Customer 2:** *“We expect them to be a part of our team and take ownership in our projects. We need to build trust in both ways.”*
- *“I hope they will start doing anthropology.”*
- **Customer 5:** *“When Knud Holscher is not there, then an evaluation of the used Design Agency will be done so I expect them to have a plan for this.”*
- **Customer 6:** *“They do a bit of anthropology and observing, but once they pitch for a project it would be good if they could say; ok, we have spent 20 hours on just observing how people actually used a designed product. They don’t do that*

*but that would be good. It would also help them in the pitching process as they could say that their design is based on something that they have researched.*

#### **5.4 SWOT on Holscher Design's current situation**

For the author the interviews with Holscher Design's customers were very valuable. A lot of, mainly positive, feedback was given by the customers. However, they also had some feedback that was negative in nature, which is fully normal. To sum up some of the valuable information that was shared by Holscher Design's customers, the author decided to create a SWOT analysis based on the feedback given by Holscher Design's customers. The benefit of a SWOT analysis in this project is to pinpoint important factors that Holscher Design's Management should look into.

A SWOT analysis states the strengths, weaknesses, opportunities, and threats that, in this case, a company might face. It is important understand that strengths and weaknesses are based on internal factors, whereas opportunities and threats are based on external factors.

Table 27. SWOT of Holscher Design's current situation

	Beneficial	Harmful
Internal	<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>- Strong Brand</li> <li>- Knud Holscher</li> <li>- Professionalism and know how</li> <li>- Long customer relationships</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>- Presenting</li> <li>- Selling ideas</li> <li>- Anthropology and Observing</li> </ul>
External	<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>- Globalization</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>- Acquisitions and mergers of current customers</li> <li>- Knud Holscher</li> </ul>

Figure 2. SWOT analysis based on Holscher Design's customer's feedback.

### Strengths

The strengths stated in Figure 2 are based on feedback from Holscher Design's customers. All interviewed customers felt that Holscher Design has a very good reputation and the Holscher Design brand is very strong. Knud Holscher, as a person, was brought up in the discussions frequently as a clear strength. All interviewed customers had chosen Holscher Design because of their nice designs, so this should definitely be seen as a competitive advantage. The long, up to 40 years, customer relationships are also one competitive advantage and therefore a clear strength for Holscher Design.

### Weaknesses

It is fair to say that a majority of Holscher Design's feedback was positive in nature and the author had to focus during the interviews to find underlying weaknesses.

Presenting is one weakness that was brought up. Holscher Design would benefit by investing time and resources in presenting so that the presentation would look and feel as professional as the outcome of their design does. Currently the authors' impression is that customers are very happy with the design but the presentation does not match the end result.

Sales is an area in which Holscher Design should focus more accordingly to some of their existing customers. This is something that should be taken seriously as existing customers imply that this area needs focus. It is probable that selling to new customers is far more difficult than to existing ones. Therefore, there is a need to have a process in place and some coaching in this field is suggested.

Solution sales, which is presented in chapter 2.3.1, is an area where Holscher Design could be strong because of the nature of their business, which is solution oriented. This is, however, not the case currently. Holscher Design offers design services to customers but in order to convert sales in to solution sales they should concentrate on consultatively engaging in their customer's problems and opportunities, rather than focusing on the design services they offer. A good starting point for converting towards solution sales would be to offer services that their customer's can't get from Holscher Design today

Anthropology and observing were areas that several of Holscher Design's customers hoped that Holscher Design could offer. This is great news as it, at its best, enables Holscher Design to create new services for their customers, which can generate additional incomes in the future. Currently, however, the lack of these services can only be seen as a weakness compared to Holscher Design's competition.

### Opportunities

Globalization is clearly one external factor, which can be seen as an opportunity for Holscher Design. The company has traditionally been successful on the Nordic market but has lately expanded its operations to central Europe as well as China. This creates new opportunities and decreases risks if successful business is conducted on the new markets.

## Threats

Mr. Knud Holscher is a well-known and highly appreciated professional in the field of design. The author knew this prior to starting this thesis project, but the broadness of the customer's appointed respect towards Mr. Holscher, especially in Denmark, was beyond the author's expectations. Mr. Knud Holscher is truly a respected man for the great design he and his teams have managed to offer throughout the years. Therefore, Mr. Knud Holscher is both a strength and a threat from a SWOT-analysis perspective.

One surprise that came up during the customer interviews was, however, the extent of worry within Holscher Design's existing customers regarding the era in Holscher Design's future, where Mr. Knud Holscher might not be part in the daily operative business. It is worth mentioning that that several customers commented on this matter. The customer's expect Holscher Design to have a plan for the era, where Mr. Knud Holscher may not be part of the daily business. This is because his name is such a strong brand in the end-customers eyes. It was obvious that the customers will evaluate Holscher Design again if Knud Holscher is not part of the daily operations. From a business perspective the author gets the impression that Holscher Design is somewhat vulnerable because the company brand is heavily tied to the founder of the company. A suggestion would be to have an internal strategy for the coming era, without Mr. Knud Holscher being actively involved in the daily operations. Also a communication strategy towards existing customers is clearly of high importance.

Acquisitions and mergers of Holscher Design's current customers can be seen as a threat. One of the interviewed customers has been part of a recent acquisition and quite some efforts needed to be done in order to keep Holscher Design as the main design agency. This risk can be decreased by increasing the number of customers, which can be done through a focus on new sales. An up to date sales process will help in this matter.

## 6 CONCLUSION

This Master thesis project has been very interesting for the author and it has truly been a privilege to do this project for the highly appreciated company, Holscher Design. Their customers as well as project managers proudly value and appreciate Holscher Design and everything the brand stands for. Holscher Design has clearly done many things correctly as they have a significantly long history with their existing customers and these customers are very happy with Holscher Design.

As a result of the interviews it is clear that Holscher Design focuses mainly on existing customers and benefit from the strong brand name they hold. It is clear that new customer acquisition is a field, which has not been focused on by Holscher Design and based on the interviews it is obvious that a sales process for new customer acquisition is lacking. This should be focused on in order to decrease dependency on the existing customers and in order to split risk. Sales coaching in conjunction with a tailored sales process for Holscher Design would, accordingly to the author, be an investment worth doing. A tailored sales process would also enable future development of Holscher Design's sales towards a solution sales-oriented approach, which in turn would create more competitive advantage compared to Holscher Design's competition.

Holscher Design is a company with a strong brand name. Their customer's highly value the strong brand and the design services provided by Holscher Design. Mr. Knud Holscher is highly appreciated for the great work he has done during his long and successful career. However, this research has shown that there is a threat involved with the strong relationship with Mr. Knud Holscher as a person, and Holscher Design as a company. Existing customers are worried about the transition phase, where Mr. Knud Holscher might not be part of the daily business. The threat is that business might be lost in case the famous designer is not personally involved. Therefore, a strategy should be made to introduce "new" Holscher Design employees to all existing customers. Furthermore, a communication plan would be in place well in advance prior to the transition phase.

New business opportunities could be created, both among existing and new customers, through new services. Based on the interviews, Holscher Design's customers would appreciate anthropology and observational research as part of the services that Holscher

Design offers. These services could create new revenue for Holscher Design or, if offered as an add on service, secure more future deals as the offered design services would be based on proven research. This would, accordingly to existing customers, decrease the purchaser's risks and increase the probability of winning future business.



## LIST OF REFERENCES

Carson, David; Gilmore, Audrey; Perry, Chad; Gronhaug, Kjell. 2001, *Qualitative Marketing Research*, London: Sage Publications, 256 pages.

Definition of Sales. 2016. Available from [www.investopedia.com/terms/s/sale.asp](http://www.investopedia.com/terms/s/sale.asp)  
Accessed 25.2.2016

Eades, Keith M & Sullivan, Timothy T. 2014, *The Collaborative Sale – Solution Selling in a Buyer driven world*, Hoboken, New Jersey: Wiley & Sons Inc, 240 pages.

Holscher Design A/S history. 2016. Available from [www.holscherdesign.dk](http://www.holscherdesign.dk) Accessed 25.2.2016

Hopkins, Tom & Kench, Ben. 2007, *Selling for Dummies*, West Sussex: John Wiley & Sons Ltd, 390 pages.

Jobber, David & Lancaster, Geoff. 2000, *Selling and Sales Management*, Harlow, England: Pearson Education, 472 pages.

Knud Holscher 2016. Available from [www.wikipedia.org/wiki/Knud\\_Holscher](http://www.wikipedia.org/wiki/Knud_Holscher)  
Accessed 25.2.2016

Kotler, Philip & Armstrong, Gary. 2008, *Principles of Marketing*, 5<sup>th</sup> European edition, New Jersey, USA: Upper Saddle River, 1020 pages.

Kvale, Steinar. 1997, *Den kvalitativa forskningsintervjun*. Lund. Studentlitteratur, 306 pages.

Lundahl, Ulf & Skärvad, Per-Hugo. 1999, *Utredningsmetodik för samhällsvetare och ekonomer*, 3<sup>rd</sup> edition, Lund: Studentlitteratur. 282 pages.

Rubanovitsch, Mika D & Nieminen, Tero. 2016, *Aloita vuoropuhelu ennen tapaamista: Myynti & Markkinointi*, Vol. 1/16, No. 1, pp. 20-21

Jakobsson C, Lokteva D, Lawson A, Strömberg V, Rosenbröijer, C-J. 2014, *Comparing national and business culture in the Nordic countries – A Finnish perspective*, No. 1, pp. 1-17

## APPENDIX 1

### Questions for Holscher Design's customers

- What is your relationship to Holscher Design (HD) ?
- What services have you purchased from HD?
- Which project is your last joint project?
- Who is the Project manager?
- How did you find HD?
- Did you contact HD or did they contact you?
- Which were the main challenges in your joint project?
- Can you remember which problems you anticipated before the start of the project and did they occur?
- How long was the project from the start until the end?
- Can you remember how many meetings you had with HD regarding your latest project and was that enough?
- Who from your company decided to choose HD for the latest project?
- Why did they win your trust?
- Was it tough to come to an agreement?
- Had you done projects previously with HD?
- What, in particular, do you remember from your meeting at the time they wanted to assure you that they are the correct partner for you in this project?
- When HD met you regarding this project, did they show you a tailor made presentation or a general presentation?
- Did they show you relevant reference videos at any point in time?
- In case not, would you have appreciated this?
- Was it convincing/why?
- When did the project end?
- Have they been in contact with you after the completion of the latest project and how long did it take until they contacted you?
- How soon after completing of the project would you hope that they are in contact with you?
- Can you remember how much time passed before they actually contacted you?

- Which aspects of this project, or generally, could Holscher Design improve?
- What do you expect from Holscher Design in the future?

## APPENDIX 2

- **Questions for Holscher Design's project managers**
- Could you please describe your job and what are your main responsibilities?
- Do you do active sales?
- If no, why not?
- If yes, what is the most challenging part with that?
- I understand you are the responsible sales person for project X. Could you please describe how that project started and continued?
- Did you know this customer from before?
- Did you contact them or did they contact you?
- How much time did you have to spend before getting a deal with them?
- What was the most challenging part?
- How much time do you spend on finding new customers?
- How many of these accept a meeting with you (X / 10)
- What is the most challenging part?
- Do you usually show reference videos to potential customers?
- If not, would you like to and do you believe it would be appreciated by your customers?
- Normally, when do you contact a customer after a completed project?
- What do you say to them?
- What do they normally want to discuss?
- Do you have a sales process at HD?
- What does it look like?
- Do you follow it precisely or do you use it as a guideline?
- Which parts of your sales process do you see problematic/why?
- Can you see any differences in decision making between Danish, Norwegian and Swedish customers that could be related to the nationality of these companies?
- Have you experienced that the nationality of your customers reflect in some of them having softer values whereas others are "tougher" (more hierarchal) decision makers?

- Can you see a difference in the impact that individuals of your customers firm have within the company, when comparing Denmark, Sweden and Norway?

## **APPENDIX 3**

### **Dates and duration of the conducted interviews**

	Date	Duration
Customer A:	March 30 <sup>th</sup> , 2016	19 minutes
Customer B:	March 29 <sup>th</sup> , 2016	29 minutes
Customer C:	April 8 <sup>th</sup> , 2016	21 minutes
Customer D	March 29 <sup>th</sup> , 2016	25 minutes
Customer E	April 5 <sup>th</sup> , 2016	30 minutes
Customer F	April 27 <sup>th</sup> , 2016	21 minutes
Project Manager 1:	April 20 <sup>th</sup> , 2016	42 minutes
Project Manager 2:	April 21 <sup>st</sup> , 2016	41 minutes
Project Manager 3:	April 28 <sup>th</sup> , 2016	37 minutes