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**CUSTOMER CARE AND ACCOUNT
MANAGEMENT IN INTERNAL
FINANCIAL SERVICES**

Case Company X's Shared Service Center

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Asiakkaat, erityisesti sisäiset asiakkaat, ovat tärkeitä jokaiselle yritykselle. Yritysten menestys riippuu heistä ja erinomaisella sisäisten asiakkaiden palvelulla yritykset voivat alentaa kuluja, lisätä tuottavuutta, parantaa kommunikaatiota ja yhteistyötä, nostaa työntekijöiden moraalaa, asettaa yhteisiä tavoitteita, yhtenäistää prosesseja ja toimintamalleja, ja palvella ulkoisia asiakkaita paremmin tuloksin. Tämän tutkielman tarkoituksena on selvittää, kuinka tyytyväisiä yrityksen X company controllerit ovat yrityksen X:n Shared Service Centerin sisäiseen asiakaspalveluun ja asiakasvastuuseen.

Opinnäytetyön teoria osuudessa käsitellään olemassa olevia teorioita liittyen sisäiseen asiakaspalveluun ja asiakasvastuuseen. Customer Relationship Managementtiin liittyviä systeemejä ja työkaluja käydään myös läpi. Läpi käydään myös SERVQUAL-kysely, jonka pohjalta asiakaskysely tehtiin tutkimukseen, ja menetelmät joiden pohjalta asiakashaastattelut suunniteltiin. Näiden avulla lukija saa laajan kuvan eri toimintatavoista tällä alueella.

Empiirisessä osuudessa käytettiin laadullista ja määrällistä tutkimustapaa. Tiedot kerättiin company controllereilta, ja tämä kerätty tieto näytti että controllerit ovat tyytyväisiä yrityksen X:n tarjoamiin palveluihin ja asiakasvastuuseen. Mutta silti tutkimuksessa paljastui asioita, joita pitäisi parantaa.

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ABSTRACT

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Customers, especially internal customers, are important to every company. A company's success depends on them as a resource and with excellent internal customer service companies are able to cut costs, increase their productivity, improve communication and cooperation, raise employee morale, set common goals, unify processes and procedures, and service their external customers with much more satisfied results. The purpose of this study is to find out how satisfied the company controllers of company X are with the internal customer care and account management offered by company X's Shared Service Center.

In the theoretical part of this thesis the existing theories regarding internal customer care and account management are presented and, in addition, a little bit about Customer Relationship Management, the system and tools, is briefly reviewed. Also the SERVQUAL method, which is used to create the service quality questionnaire, and the methods used to create the customer interviews are reviewed. These will provide the reader with broad knowledge concerning the different approaches in the area.

The research methodology chosen for the empirical part is both a qualitative and a quantitative method. The information was gathered from the company controllers. The gathered information showed that the controllers were ultimately satisfied, however, there areas for improvement nonetheless.

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1 INTRODUCTION

This thesis deals with issues regarding internal customer care and internal account management in the setting of a large international company's shared service center. This topic was assigned by company X's shared service center and the research is conducted for them. The company itself is a global leader in offering complete lifecycle power solutions for both the marine and energy markets and their shared service center offers financial services for the company's internal customers. These services include financial matters like accounts payable, payments and handling travel expenses.

The purpose of this chapter is to present the aim and objectives of the research, the reason why this topic is researched and why customer care and account management are important when it comes to a company's internal customers. The chapter also includes the research problem, research questions, the limitations of the research and the structure of this thesis.

1.1 Background of the study

Customers are the lifeblood of every company. The success of any business depends on them as a resource. The importance of customers can be summarized in the following points:

- Repeat business from established customers provide revenue and certainty.
- Businesses depend on their customers, thus it is important to keep them satisfied and loyal to you by developing the relationship.
- Without customers there is no business.
- A company exists to fulfill their customers' needs.
- Without customers the company's business aims will not be met.

However, there are two distinct customer categories that companies need to take into account. The first category are the external customers. This is the category that most people think about when referring to customers. These are people who make use of your company's products or services and who are not included in the

organizational chart. For example, they are people who frequent your place of business and buy products. External customers have the luxury of choice, so if they do not like your products or services they can, and in most cases will, take their business elsewhere.

The second category are the internal customers. This category of customers is not a new one as a concept, it was first introduced by Sasser and Arbeit in 1976. These include people who are members of your company's organization. They can be colleagues, a whole other department or distributors who rely on the company to provide them their products or services which the distributor then uses to create deliverables to external customers. This means that, unlike the external customers, internal customers do not have a choice on what products to use or on which services to rely on. For example if the accounting department does not like the HR department's new policies, they cannot fire that department and hire a new one.

The phrase "Internal Customer Service" has become a buzz phrase and companies have begun focusing more on the aspects of giving good service to internal customers. But why, when the retention of internal customers is not an issue and when clearly external customers are the key contributors to any business' success, as they are the ones who purchase the products and services, thus providing the company their revenues and the means for their survival?

The simple answer is that excellent internal customer service is just good business. Companies that have effective internal customer service are able to cut costs, increase their productivity, improve communication and cooperation between departments, raise employee morale, set common goals, unify processes and procedures and service their external customers with much more satisfied results. But positive internal customer service can only happen in an environment where communication is endorsed. To make this happen, every department needs to work together cooperatively by agreeing on processes and procedures and have similar expectations.

The more complicated and full answer can be derived from the fact that when a company's internal customer service practices are healthy, then the employees are

satisfied and they can deliver better service to the external customers. If the company's different business units that depend on each other work together in ways that the needs of every party are met and that common goals are reached, then high quality services and products can be delivered to external customers, and their expectations can be, met or even surpassed, much more easily. Delivering excellent external customer service means that customers are satisfied, therefore they can become loyal and hence they will continue using the company's services and buy your products and additionally your company will become more attractive in the eyes of other customers.

1.2 The aims and objectives of the study

The aims and objectives of this study is to research how customer care and account management can be handled in the best possible way when it comes to the internal customers of a company. The emphasis is on the internal customers of a company because they are a very important part to consider, because they include all of the company's employees. Therefore, taking good care of them and the services they receive within the company is essential, because this makes them satisfied, which leads to higher employee retention rates and it also leads to better services and products being offered to external customers.

In this thesis the internal customer care and account management of company X's shared service center (SSC) is studied. The aim of the research is to find out how they manage their internal customer services and the accounts of the different business units and companies of company X, and whether or not their internal customers are satisfied with their way of handling the financial services they offer. Additionally, conclusions and suggestions are given based on the results if some improvements could possibly be made to improve their interaction with the internal customers and the management of their accounts.

1.3 Research problem and research questions

When considering the fact that the company that this research is done for is a SSC that is part of a large international company and that this department needs to be

in contact with internal customers all over the world, and the topic of this thesis, one question emerged, which then formed the research problem:

What is the best and smartest way to handle internal customer service when it comes to financial services in an international company?

Concerning this question, there are various issues that can be examined, but the intention in this thesis is to examine the question on a general level when it comes to internal customer care and not going too deep into issues involving different financial services.

It is important to have research questions that can offer a somewhat more profound insight into the research problem:

- What is the best way of handling company X's SSC's internal customer care and managing internal accounts?
- What issues need to be taken into account when dealing with international internal customers?
- How well is company X's SSC handling their internal customers and accounts?

1.4 Limitations of the study

As the research in this thesis is conducted for, and in, only one large international company and only for their SSC, I do not assume that the research results and implications can be used to a great extent in other companies as development or learning material. But, then again, the theory regarding the customer care and account management of internal customers is studied from a general point of view. Hence maybe some companies, which are struggling with their internal customer services, could possibly use this as some sort of learning material to try and implement better services within their internal customers and ways of managing them better.

1.5 Structure of the thesis

This thesis is divided into two parts: the theoretical framework and the empirical study. The theoretical framework will start with chapter 2, that presents the theory of internal customer care. Chapter 3 will continue on with the theory concerning internal account management. The final chapter, chapter 4, in the theoretical framework part is about Customer Relationship Management (CRM).

The rest of this thesis consists of the empirical study, where chapter 5 is about the research methodology used in the thesis. In chapter 6 there is a quick overview of the case and it deciphers the results of the empirical study and they will also be evaluated. Finally, chapter 7 is the concluding chapter where the results are summarized and suggestions and recommendations are made based on the data acquired from the empirical study.

2 INTERNAL CUSTOMER CARE

Before going into the theory of internal customer service one needs to understand what separates the internal customer from the external customer. Normally customers are identified as people or organizations external to a company. These are the external customers whose needs have to be fulfilled so that they are satisfied with the company's performance. Inside companies there are also user-service provider relationships, meaning that customer contact employees and other departments need to be supported by other people and departments. (Grönroos 2007: 355.)

The importance of internal customers and the internal service functions is too often belittled in too many organizations because the people involved do not realize the effects their performance has on the final service quality (Cook 2000: 21-22). Internal customer service is provided for colleagues, other departments and suppliers. This helps get the work done quicker and easier, but it can be thought of as an interruption to one's work. If there are thoughts like these, they need to be changed, since helping others helps the company to succeed (Entrepreneur 2002).

Supplying products and services to external customers in a specified time and meeting the agreed specifications of the product or service will most often involve people from different parts of the organization. For example, people from product development, manufacturing, purchase and from other departments are usually involved, which makes their internal relationship one of supplier and customer. (Cook 2000: 21-22; Grönroos 2007: 355.)

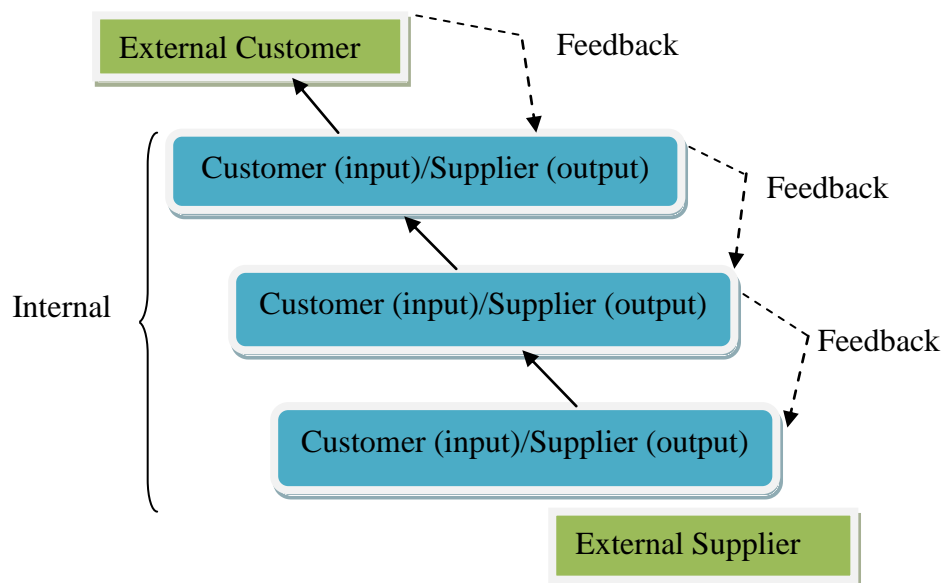


Figure 1. The internal customer and internal service functions (Cook 2000: 22)

All service operations are full of these internal service functions and it can often be difficult for employees involved in these functions to realize the effect they can have to the final service quality. They may think that the service they give their fellow employees does not affect external customers, because they are never in contact with them. This is where the internal customer-concept can help, by bringing the supplier-customer relationships inside the organization, as illustrated in Figure 1. There can be one or more of these internal service functions, illustrated here with the blue boxes. These functions are internal customers to other internal suppliers and they exist to support one another and the departments that are in contact with external customers. There are often more internal service functions than external customer service functions. (Grönroos 2007: 355.)

For a company's internal customer service to be effective, an atmosphere of sharing and helping needs to be created. This kind of atmosphere would include looking at your colleagues and other departments as customers and understanding that to help them, means to help the company and yourself. And when a colleague asks for help, do not think of it as an annoying interruption, but rather as a way of helping him/her and the company. And exceed your colleagues expectations by for example being fast in delivering information he/she requested. And finally by simply thanking your colleagues for the help they provided. (Entrepreneur 2002.)

It is important that everyone in this internal relationship treats their colleagues, the internal customers, with respect and satisfies their needs by passing on defect-free work and thus ensuring the development of customer orientation (Conduit & Mavonado 2001: 11). This means that the end product or service the external customer receives is much more likely to be of excellent quality and this also makes employees more committed. (Cook 2000: 122.)

2.1 Service quality

As the standards for service quality have risen, the need for organizations to commit to higher levels of employee care has become an issue that needs to be tackled. As the founder of the Marriot Hotel chain has said: "How can we, in a service industry, make customers happy with unhappy staff?", and even Marriot's philosophy is, "Take care of your employees and they will take care of your customers."

Grönroos (2007: 52) defines services as: "A service is a process of a series of more or less intangible activities that normally, but not necessarily always, take place in interactions between the customer and service employees and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems". Parasuraman, Zeithaml & Berry (1988: 13) say in their article that service quality is much harder to measure than the quality of goods. This is because service quality is an abstract and hard to define concept what with them having three unique features, which are intangibility, heterogeneity, and inseparability of production and consumption.

There are also three basic characteristics for services according to Grönroos (2007), the first one being that they are processes consisting of activities or a series of activities. The second one characterizes services as being to some point produced and consumed simultaneously. The final being that customers take part in the service production process, to some extent, as a co-producer. (Grönroos 2007: 53.)

So as the definition and the characteristics of services say, services are processes that companies use when they are in contact with customers, to create value for the customer's activities and processes. Services can be, therefore, called value-supporting processes (Grönroos 2007: 55). The services provided by the internal customers are essential for enhancing customer satisfaction and as such, employees have to receive good quality service in order for them to provide high quality services to the end-users (Conduit & Mavonado 2001: 12). Because the customers are also involved in the service processes as one resource and as the consumer or user, both the company and the customer are responsible for the service process and for the creation of value. (Grönroos 2007: 55.)

2.1.1 Perceived quality

Whenever service quality is being considered it is important to remember that the quality of a service is whatever the customer perceives it to be. Perceived quality is what the customer thinks about the greatness or superiority of an item of goods or service (Parasuraman et al. 1988: 15). This is why quality is difficult to define, because usually the definition is too narrow, focusing only on the technical aspects of the service. When in fact the technical aspect are not the most important aspects to consider in perceived quality. It is usually so that customers think of quality in a much more broader sense, featuring other aspects that are more important than the technical ones (Grönroos 2007: 73).

Services are basically processes that every customer experiences mostly subjectively. The perception of this quality experience has two dimensions, which are the technical or outcome dimension and the functional or process-related dimension. The technical dimension includes *what* the customer gets when interacting with a company. This dimension is fairly straightforward and can be measured objectively, because it is a technical solution to a problem. The functional dimension of the service means *how* the customer receives the offered service and how the simultaneous production and consumption process of the service is experienced by the customer. This second dimension is much harder to measure compared to the technical dimension because the experience of the service is subjective and it can be perceived differently by different customers.

These two dimensions along with the image of the company affect the experienced quality of the service. (Grönroos 2007: 73-74.)

These two basic quality dimensions are not the only things that determine the perceived quality. Perceived service quality is also affected by the expected service quality. This means that good perceived service quality is achieved when the experienced quality, of the two quality dimensions, meets the expectations that the customer has of the service (figure 2) (Grönroos 2007: 76-77). Parasuraman et al. (1988: 15) also defined perceived quality the same way, saying: "it is a form of attitude related, but not equivalent to satisfaction, and results from a comparison of expectations with perceptions of performance".

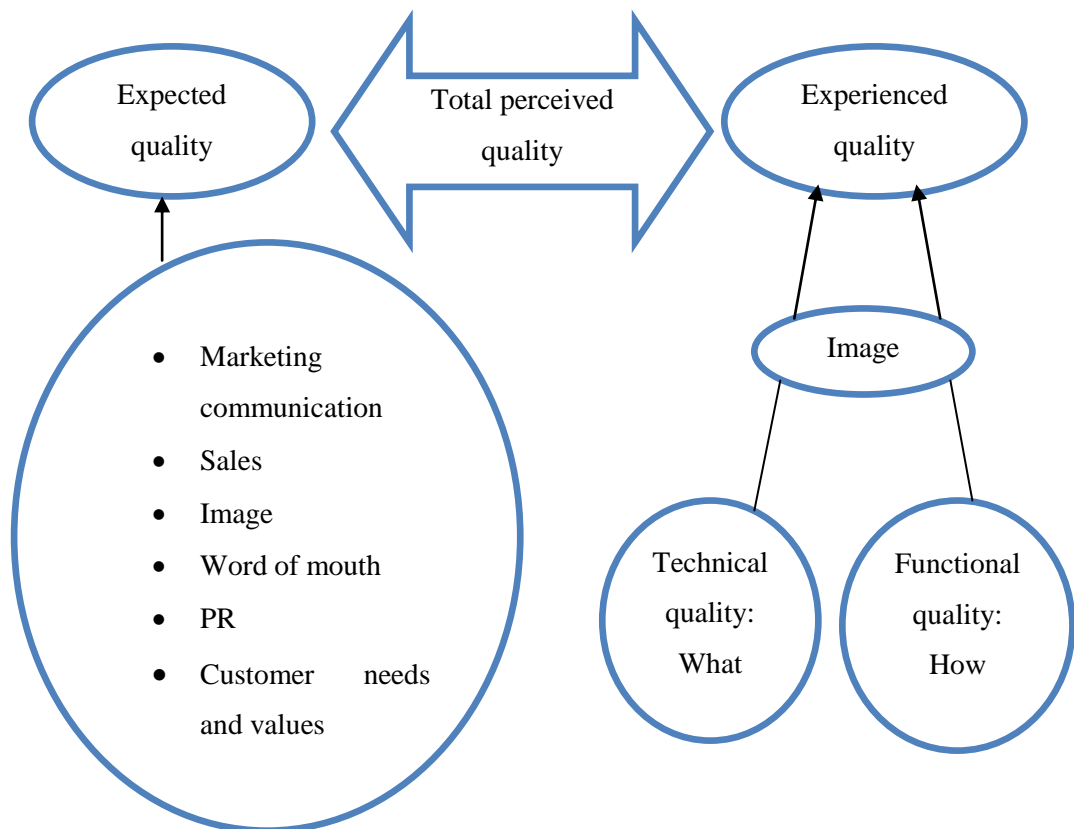


Figure 2. Total perceived quality (Grönroos 2007: 77)

From this figure it can be seen that if the expectations are unrealistic then the total perceived quality will most likely be low, because it will be hard to live up to those expectations. This will be the case even if the experienced quality is good.

The total perceived quality level is, as Figure 2 shows, determined by the gap between the expected and experienced quality. (Grönroos 2007: 76.)

When a customer perceives high service quality they also show favorable intentions in their behavior and the relationship with the company also strengthens. This also means that, vice versa, when perceived service quality is low, the customer shows unfavorable intentions and the relationship with the company will most likely weaken. (Zeithaml, Berry & Parasuraman 1996: 33.)

A big part of managing the total perceived quality of customers is managing the expectations of customers. As figure 2 shows, the expected quality is influenced by a series of factors. So it is important for the company to influence these factors in a way that the company comes out in a positive light. But it is important not to overpromise, because this raises the customers' expectations to a level so high that it is impossible for the experiences to match the expectations, and this will lead to low perceived quality. It is wise to make promises that can be kept or even keep the made promises on a lower level than the actual experiences so that the customer will never be dissatisfied with the perceived quality and will be positively surprised. So it is better to underpromise than overpromise, to be sure that perceived quality is good. Or even underpromise and overdeliver. (Grönroos 2007: 77-78.)

2.1.2 SERVQUAL

SERVQUAL was developed by Parasuraman, Zeithaml and Berry, as a way to measure how customers perceive the quality of a service. They thought it up by studying the works of other researchers of service quality and by conducting a comprehensive qualitative research on service quality and how consumers perceive service quality (Parasuraman et al. 1988: 15). SERVQUAL is an exact, multiple-item scale, with which companies can improve their services by learning to understand the expectations and perceptions that their customers have (Parasuraman et al. 1988: 30).

Measurements done with this instrument are based on the perceived service quality concept and on the five service quality determinants (originally ten) by Berry and his colleagues. These determinants of service quality are (Grönroos 2007: 84) (Parasuraman et al. 1988: 23):

1. **Tangibles:** Meaning how the workplace and service employees look and what kinds of equipments and material are being used.
2. **Reliability:** Meaning that the services provided are accurate and devoid of mistakes, and what has been promised has also been delivered at the agreed time.
3. **Responsiveness:** Meaning that services are performed willingly and promptly and responding to requests.
4. **Assurance:** Meaning that the behavior of employees' raises the level of confidence customers have with the company and makes them feel safe and that services are performed courteously and knowledgeably.
5. **Empathy:** Meaning that problems are understood while working with the customers best interests in mind and giving personal attention to customers.

In addition to SERVQUAL measurements being based on these five determinants, they are also based on a comparison between the customers' expectations of the service and their experience of the service, either confirming or disconfirming the expectations. These five determinants are described by 22 attributes and these attributes are used to figure out what was expected of the services of a company and how the services were perceived and then based on the differences of the expectations and experiences over the 22 attributes a quality score can be calculated. If this score shows that experiences are lower than expectations then the perceived quality is low. (Grönroos 2007: 84.)

When answering a SERVQUAL survey, respondents are asked to evaluate both their adequate-/desired-service levels and also their perception of each of the five determinants. This gives researchers ratings on two different 7-point scales (1 = low, 7 = high) from the perspectives of adequate service-/desired-service and perceived service. (Zeithaml et al. 1996: 37.)

2.1.3 Other ways of measuring service quality

Since SERVQUAL is not always the most accurate scale to apply when measuring service quality, it should be used carefully. The determinants can be stable in many types of services, but then again it has been found that the five standard determinants do not exist in some services. Also the 22 attributes cannot be trusted to always describe all the aspects of a service in a specific manner. So both the attributes and determinants should be applied differently in all cases, for example, by adding or excluding aspects of a service by taking into account the situations. (Grönroos 2007: 84-86.)

There is a way of measuring perceived service quality, called the critical incident method. This is used because there are problems when measuring service quality by comparing expectations with experiences, related to validity-issues with expectations. These problems include expectation measurements done during or after the service experience, and expectation measurements done before the service experience. In the first case problems arise because the expectation have been tainted by experience and in the second case problems arise because prior expectations are not necessarily the ones the customer uses to compare to the experiences, because the experiences can change the customer's expectations. (Grönroos 2007: 87-88.)

Returning to the critical incident method, which is used by asking customers, that have some experiences with a company's services, to think of a time when the service was out of the ordinary in some way, in a good or bad way. These are the critical incidents that the researcher uses to determine the quality issues and why they have occurred, by analyzing the customers description of events. This method is a good indicator of problem areas and strengths and gives clues when it comes to development of perceived service quality. (Grönroos 2007: 88-89.)

Cooper (2002) defines a successful service process to have three distinct measures, which are, first contact resolution, successful resolution and minimum time to resolution. First contact resolution means that a customer finds the service process more satisfying or successful when he/she has had to contact as few a

number of people as possible to reach a satisfying resolution. So, whether the customer is external or internal, the only way of achieving a highly satisfying resolution is to resolve the customer's issue with the first person, after the first contact, every time, which may seem quite harsh but it should be what companies strive for every time. (Cooper 2002: 71.)

Number two in the successful service process measures, successful resolution, means that every issue raised by every customer is resolved for them. A company should not focus only on the customers that are thought of as being important or on the ones who have the attention of the management. Any single issue should not be left unresolved. If the issue cannot be resolved on the first call then the company should do what it has promised to do in the mean time and follow up on the issue, so that the customer knows something is being done. (Cooper 2002: 72-73.)

Number three, and the final one, in the successful service process measures is time to resolution. From an internal viewpoint this means the total amount of time an employee needs to resolve the issue. From an external viewpoint this means the time that has passed between the initial contact and the final resolution. For example an employee might resolve an issue in an hour but the activities that have lead to the resolution might have been done over a period of days. This means that the goal is to spend less time on resolving an issue and to arrive at a resolution faster for the customer. (Cooper 2002: 74.)

Zeithaml et al. (1996) raise an interesting point regarding this topic of problem resolution. They say that a stronger bond can be formed when the problem solving has been superior than had there not been a problem to be solved in the first place. This is because problems give the companies the chance to prove themselves and their commitment to customer satisfaction. So to summarize; for a company to have highly satisfied customers:

1. All customer issues need to be completed
 2. After the first contact and before the second one
 3. As quickly as possible
-

2.2 The service/profit chain

With all the research that has been done on how service quality effects profits, it has become clear that the link between these two is not easily understood nor is it simple. This relationship is made complex by the intermediate links and other relationships which are all important to the whole. (Zeithaml et al. 1996: 31.)

The service/profit chain is a good way to show how everything is connected, all the way from employee treatment to the retention of clients and employees and to profit figures, in companies (figure 3). (Cook 2000: 22-23.)

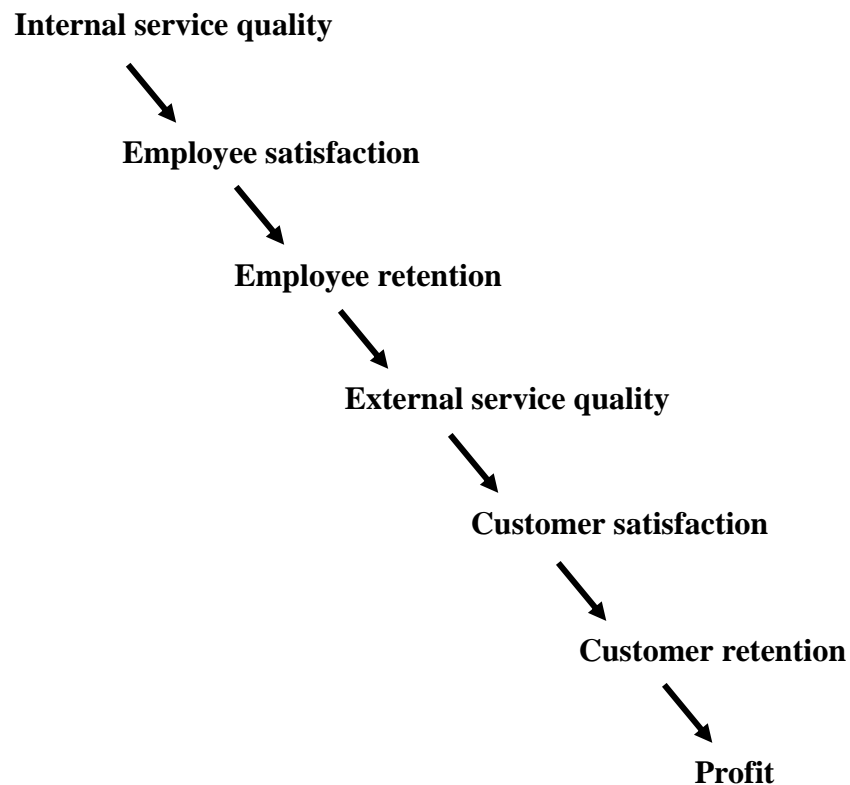


Figure 3. The service profit chain (Cook 2000: 23.)

What figure 3 ultimately shows is that internal service quality has a huge effect in the big scheme of things on companies, so special care should be taken when it comes to internal service quality. It can enhance interdepartmental relationships, by every employee knowing what other employees need. This would lead to better quality services and increased performance of the company, and it could also help

everyone to focus on the strategy of the company. (Conduit & Mavonado 2001: 13.)

Some may still believe that improved service quality leads to higher costs inside companies. This is due to the thinking that improving service quality will get in the way of additional revenues and generating new business, and it will harm productivity. But this way of thinking could not be any more wrong. It is in fact the opposite, that a lack of service quality will lead to higher costs. This can be deduced from the fact that when tasks need to be repeated in order to correct errors, it will raise operating costs. In fact there has been suggestions that 35 percent of operating costs are due to a lack of service quality. So improving the quality of services, for example, by training employees or implementing better systems, is a sure way to reduce costs and make a visible difference to the profits, it could even lead to new business and even more profits. (Grönroos 2007: 142-143.)

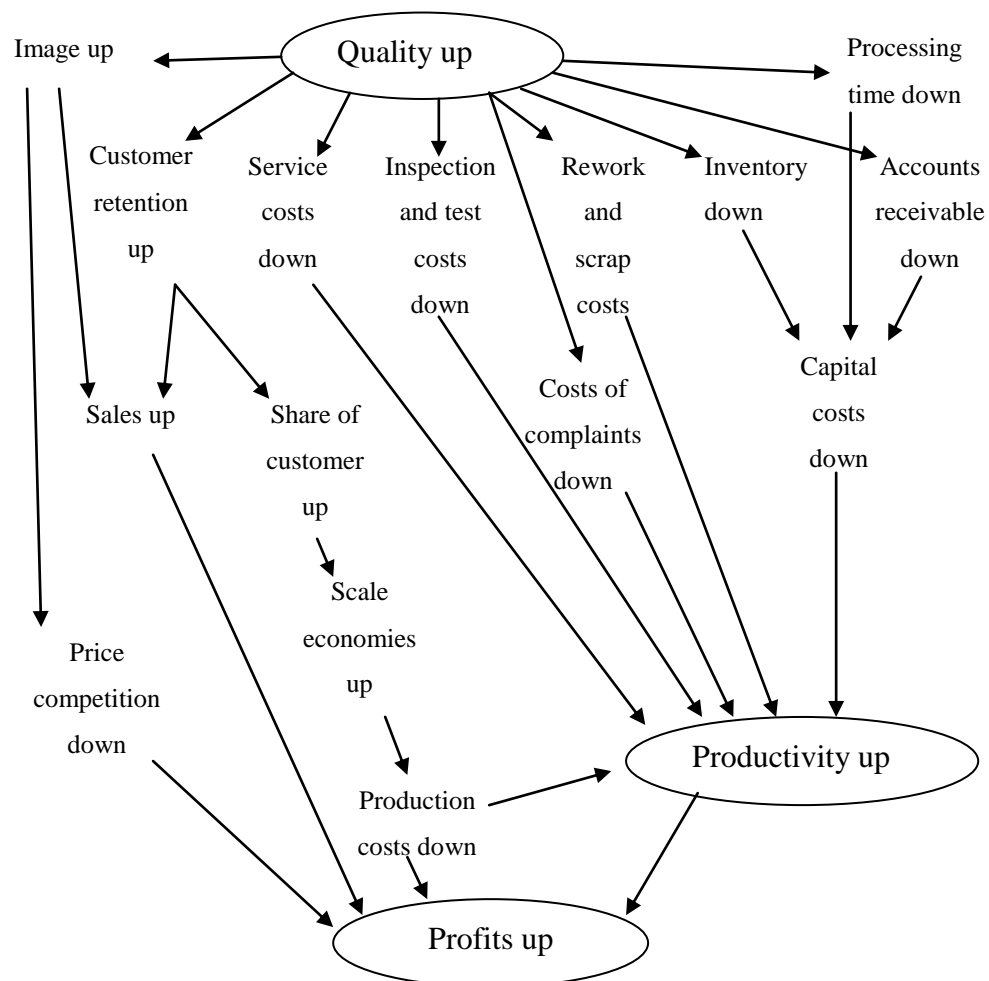


Figure 4. Relationship between quality, productivity and profit (Grönroos 2007: 253.)

Figure 4 illustrates in a more detailed and complicated way how quality effects profits. This figure also takes into account the quality of products in addition to the quality of services. As is shown in the figure better quality can have various internal and external effects. And these in turn have a positive impact on productivity and ultimately profits. The welfare of the organization is related to quality, productivity and profitability. (Grönroos 2007: 253-254.)

2.3 Customer focused organization

For an organization to be focused on their customers with regards to their culture and climate, there needs to be quite a few elements in place. So there are no shortcuts to creating customer focus. A crucial part of any organizational culture should be internal customer orientation. It would shape the employees' attitudes and behaviors so that they would focus on quality services for other employees. (Conduit & Mavonado 2001: 12.)

The organization needs to be focused on customers in their mission, vision, values and key objectives and both top management and senior management needs to show this in their work. Managers need to be good listeners, encourage teamwork and communication, delegate responsibility, require and recognize excellence, encourage problem-solving request feedback and come up with ideas and improvements (Conduit & Mavonado 2001: 14). These requirements mean that more consultation, involvement and communication is required with team members. This also means that the traditional management style, where employees help the manager needs to be scrapped and a new way, where the manager helps the employees serve their customers, needs to be implemented (Cook 2000: 22-23, 45, 53).

Other things a customer focused organization needs to focus on include measuring how satisfied both internal and external customers are, in order to make improvements. The employees should also have the possibility to develop

themselves in their customer care abilities and get to make decisions on their own and take responsibility for those decisions. A focus on the customers should be held up all the time and customers' needs should also be matched with the way the organization does business. (Cook 2000: 23-25.)

Speaking of meeting the customers' needs, figure 5 illustrates this in a way that can be applied for both external and internal customers. The organizations resources, that are responsible for the quality - personnel, systems and physical resources - have to achieve a balance so that the quality of the service is perceived as good quality. (Grönroos 2007: 374.)

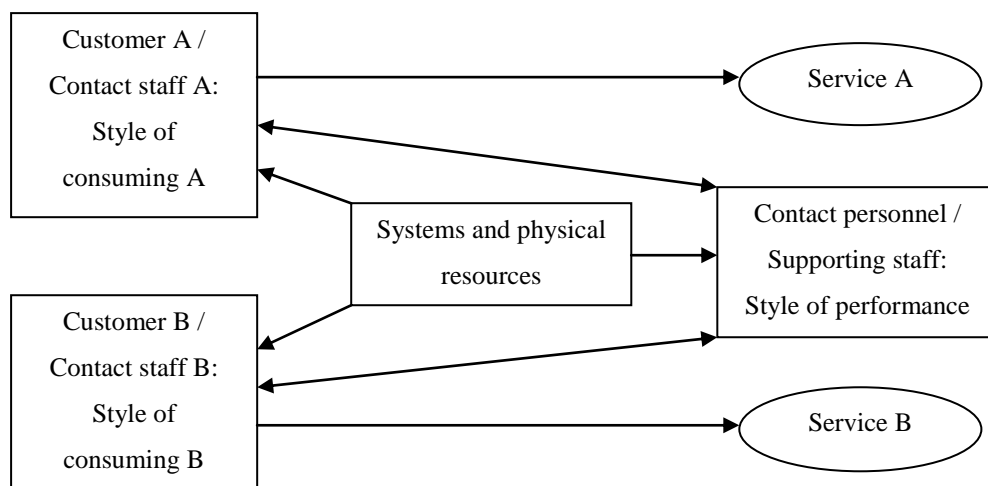


Figure 5. The service style / consumption style model (Grönroos 2007: 375.)

In the external customers case the contact personnel's style of performance needs to match the style of consuming of the customer. If they do not match then the perceived service quality will be low. The systems and physical resources need to fit both the contact personnel's style of performance and the customers' style of consuming. If there is a mismatch here, the employees will be frustrated and the customers will not want to take part in the process and again the perceived service quality will be low. In the internal customers case the supporting staff's style of performance need to match the internal customer's, in this case the contact staff's, style of consuming. And in this case if there is a mismatch then the internal climate will be bad and the contact staff will not be happy with the support. Also

the systems and physical resources need to fulfill the same requirements as with the external customer's case. (Grönroos 2007: 374-375.)

2.3.1 Listening to and monitoring employees

A vital part of developing the organization's services is listening to your employees and getting their feedback. This is important for developing the internal customer relationships and also for employee satisfaction. By listening to your employees and getting their feedback companies can save money. This can be proved by the 1-10-100 rule, which states that (Cook 2000: 64-65):

"For every Euro your company might spend on preventing a quality problem, it will spend ten to inspect and correct the mistake after it occurs. In the worst case, the quality failure goes unanswered or unnoticed until after your customer has taken delivery. To fix the problem at this stage, you probably pay about 100 times what you could have paid to prevent it from happening at all."

Improvements in service quality begin happening when you listen to your employees and ask for their feedback. Probably the best way to go about this is for there to be a department committed to identifying your customers needs. For this there needs to also be some formal and informal ways of understanding your customers needs both now and in the future (Conduit & Mavonado 2001: 15). But monitoring your employees' satisfaction is useless if the management step is not convinced of this process and willing to do what is needed based on the findings. The two methods used to gather information are the qualitative and quantitative methods. Qualitative methods include for example face-to-face interviews and they provide information about employees' opinions and their feelings and attitudes. Quantitative methods include for example questionnaires or surveys and this method makes it possible to quantify the employees' opinions with numbers to fit a predefined scale. The best way to go about gathering the information is to use a mix of these methods (Cook 2000: 68-69, 74).

2.3.2 Empowerment

Empowerment means to give employees the authority to make decisions about how to handle and what to do in situations that are problematic or require immediate attention. Although there should be limits on how much authority different employees can exercise and in which situations they can make decisions. These limits can be illustrated with the three levels of empowerment (Grönroos 2007: 402; Cook 2000: 109):

1. Employees can make some decisions and take responsibility for them and are encouraged to take part in improvement initiatives, but the manager makes overall decisions.
2. Different teams and employees can make bigger decisions concerning their work and take responsibility for this, however the managers still make the strategic decisions.
3. Different teams manage themselves by making all the decisions concerning how they operate, their tasks and rewards.

There can be problems with empowerment because this type of situation will probably not be popular with everyone. This can be true with the staff and managers, because they will probably be happy with the status quo. Another problem can be that once an empowerment system has been introduced the employees will not necessarily abide by it. A way to help people that have problems with empowerment is for the managers and employees to have a trusting and encouraging relationship. The managers need to respect the employees' authority and decision making capability in different situations and they need to hold up the conditions that enable empowerment so that the employees' do not feel discouraged. Also there needs to be a set of guidelines so that employees know how much responsibility they can take. (Grönroos 2007: 402; Cook 2000: 112-113.)

So empowerment does not work without enabling employees to take responsibility. Enabling means supporting employees so that they are able to make effective independent decisions and it includes (Grönroos 2007: 402-403):

- Support from management, which means that managers share information and make the harder decisions and leave the appropriate decisions to the employees themselves.
- Knowledge support, meaning that employees have enough knowledge to cope with different situations and make the right decisions.
- Technical support, which means that proper information, services and tools are provided to the employees by the support staff, systems, technology and databases so that they can deal with different situations.

Without enabling the employees they would be confused and frustrated and they would not experience job satisfaction and be motivated. They would also probably make bad decisions. So it is important to enable your employees, because the benefits of empowerment include (Grönroos 2007: 403):

- Faster responses to customers questions and needs, because there is no need to find a supervisor for the decision.
- Faster responses to dissatisfied customers, for the same reason that the manager is not needed for the decision making.
- Employees feel satisfied with their job and can feel better about themselves, because they feel that they are trusted and have responsibilities.
- Customers are treated with more enthusiasm, because employees have more motivation.
- New ideas can come to light from empowered employees, because they work with the customers and the technology so they can shed light on the problems and share the opportunities that exist.
- Empowered employees create good word-of-mouth and increase customer retention, because of the fast and skillful way they serve customers, so the customers spread the word and stay with the same company.

But just because the employees are empowered it does not mean that managers should have any less responsibility. Their responsibilities will just change, with more leadership, more independent judgment calls and understanding when the

manager needs to step up and make decisions. This empowerment will probably involve extra costs, because employees will need training and they can get better salaries and there is a risk that bad decisions are made that can cost money to the company. (Grönroos 2007: 403.)

2.3.3 Communication

Without communication, quality in services is almost impossible to achieve. It helps develop and sustain a culture of service quality in a company by getting the service message into all of the company's activities. There are multiple ways of communicating in a company and two-way communication is an important part of the service culture. It is a good way of conveying the support of management and provide their employees with feedback in order for them to improve on their work results. (Conduit & Mavonado 2001: 14.)

The communication methods include verbal communication, written communication and visual media. Verbal communication is the most common one, what with it being immediate and it allows for all the parties to participate. But there are some drawbacks with this communication type and they are that the message can be forgotten quite soon and different people may understand it differently. The same goes for written communication. It can be interpreted in a different way by others although it should be a way of delivering a consistent message. Visual media on the other hand is a great way to get the message through, because people learn effectively by seeing. So before communicating messages it is important to know the negatives and positives of each medium. It is also important to keep in mind that too much communication can be confusing and too little communication can be demotivating for the employees. (Cook 2000: 157-158, 168.)

Employees should be the first ones to get targeted by the company's communication plan so that they are aware of the company's service culture and understand the importance of good service quality. They should also be involved in developing the internal standards and charters which state how customer service, whether internal or external, is to be performed. These standards should

be known by all the employees, so that internal service quality would not suffer. Another way to improve internal service quality is to communicate to the employees, for example with organizational charts, who does what in the company. This would be of great help to employees when they need help with, for example IT issues, so they know who to ask and where to go. (Cook 2000: 162, 164, 167.)

2.4 Internal marketing

Internal marketing is a process of marketing your company's products, services, technologies, operating systems and communications to your employees. Any process that somehow influences, either negatively or positively, an employee can be considered as internal marketing. In fact, the subjects the previous chapters have discussed, that is communication, personnel management and management support all have to do with internal marketing (Conduit & Mavonado 2001: 13).

Employees are the first market for companies' and a way to measure whether or not the external marketing will be successful. Internal marketing is not a recent development. Companies' have been using it for ages for the purposes of raising employees' morale with different activities and campaigns, because they want them to be satisfied in their job. But it has raised three new issues for companies to take into consideration, and they are (Grönroos 2007: 383-384):

1. Employees are the first market for the company's products or services or marketing programmes that are aimed for the external customer.
 2. All efforts that are aimed at the employee are done in an active, coordinated and goal-oriented manner, to then turn these efforts into external efficiency.
 3. The different employees, processes and departments are thought of as internal customers and to these internal customers, the internal services need to be executed in the same customer-oriented fashion as external customer service is executed.
-

Number one on this list of issues is important because it highlights the fact that all the company's offerings for their external customers go through their employees first and get evaluated. It is important for the employees to believe the company's offerings, because this means they can be effective at part-time marketers, by performing according to requirements of the service process. Number two is just as important because all the internal activities need to contribute to the improvement of company's external performance. Number three is important for the internal relationships of the company, emphasizing the fact that internal customers need to be treated just as well as external customers by not providing them with slow or careless services so they can provide the external customers with great services. (Grönroos 2007: 384.)

For internal marketing to work in a company the employees need to be customer-focused and service-oriented. For them to be these things they need to fulfill two sets of requirements that are divided into general requirements and specific requirements. These requirements are shown in table 1 (Grönroos 2007: 385).

General requirements

- Understand the company's relationship with its customers
- Maintain these relationships by fulfilling their role and obligations
- Focus on customers

Specific requirements

- Be skillful in communicating with customers
- Have the motivation to interact and communicate
- Get rewards when interaction and communication supports customer-focused behavior

Table 1. Employee requirements (Grönroos 2007: 385).

For internal marketing to be successful, top management needs to constantly support their employees. This is because internal marketing is basically a management strategy where employees need to be trained properly to handle their jobs and customer interactions, both internal and external, and with the support from systems and personnel needing to be adequate. If this is not clear to the managers then the internal marketing efforts will have been wasted. Management support can include, taking the previous training programs into account in management actions, actively encouraging employees and involving them in planning and decision-making, giving employees feedback and information, and finally sustaining an internal climate of openness and encouragement. (Grönroos 2007: 386, 394.)

Managing the employees for the purposes of internal marketing can be divided into attitude and communications management. The attitude management part is simply managing the employee's attitudes and motivation to help customers if they are in need of your company's services. The other one, communications management, is about providing crucial information for all the different employees in the company, so that they can effectively do their jobs. It also includes communications from the employees to the managers with regards to their own needs and requirements and also about information on what customers want and how to improve the service performance. Both of these management principles are necessary for a successful internal marketing process, but attitude management is thought of as being more important when considering services because it is a constantly ongoing process as opposed to the communications management process which may have different activities at different times. (Grönroos 2007: 387-388.)

Parasuraman and Berry have set up a few guidelines that have to do with effective internal marketing. These include, to hire talented employees, having a vision which brings purpose and meaning to the job, to confirm that employees have the needed skills and knowledge to do the job, to make teams so that the people inside them support each other, promote empowerment, give rewards for achievements, and use research when designing jobs. These are all relevant guidelines, but some

of them may require quite a lot of effort to implement successfully. (Grönroos 2007: 404-405.)

3 INTERNAL ACCOUNT MANAGEMENT

Investopedia defines account management as taking responsibility for managing the everyday activities related to a specific or a variety of customer accounts. The manager of these accounts is a point of contact, and provides support for the customer with technical issues or just with general relationship issues. Account management is a tool for making sure that customers feel like their needs are being taken care of (Investopedia, Account Manager 2014). Account management can be considered as a process for developing and maintaining relationships, with no specified time period and which involves a number of different levels and function within the company and customer (Kempeners & Hart 1999: 311).

Account management has become a popular topic during the end of the 90's in every industry. This is mostly due to the attention that concepts like interactions, relationships and networks got when companies' started focusing on supplier-buyer relationships (Kempeners & Hart 1999: 310). Nowadays with the fast development of technology, with the interconnectivity of everything and with the large amounts of information readily available for everyone, good account management has become more difficult in the field of information and relationship management. Especially effective information management has gotten much more difficult, because of search engines like Google, which make information instantly accessible to everyone, even to your customers (Miller, Heiman and Tuleja 2011: 8).

The internet, with its massive amounts of information, has had another effect on customers. It has made them more discerning and demanding when it comes to services. Because you can get instant, personalized and cheap responses over the internet, customers now expect to get the same quality and speed from services everywhere. The only way you can keep customers happy nowadays is to respond to their needs and make it clear to them that their accounts are being managed for mutual advantage. (Miller et al. 2011: 3, 10-11.)

For the account management team to be able to respond to the customers' needs they have to have the internal resources and authority to do so. They need

executive support to meet the needs instantly. But this should be a two-way street meaning that both the company and customer add value to each other's businesses. If this does not happen in the relationship between them the relationship will become unbalanced and not beneficial.(Miller et al. 2011: 13, 14, 18.)

3.1 Key Account Management (KAM)

Cheverton (2004) describes KAM as being an effort which considers a team and also a business as a whole. He continues on saying that customers want something more than the normal relationship between a seller and a buyer and they also want someone else than just a salesperson to manage the relationship. So strictly speaking, KAM is not about making short-term sales, nor is it about doing something to the customers, but rather about doing something with the customers. Workman, Homburg & Jensen (2003) describe one of the base ideas of KAM as companies being more readily available to respond to the needs of important customers and perform additional activities, and for companies to have ways of responding and treating Key accounts differently to normal accounts.

The reason why KAM is not about creating short-term sales is because implementing a KAM strategy most likely will not show any growth on the bottom line in a short period of time. Mainly because implementing a KAM strategy involves different investments. In fact if a KAM strategy is to succeed it should not be thought of as a sales process at all, but as a management process involving the whole business. (Cheverton 2004: 14.)

But why should a business implement a KAM strategy? Well, Cheverton (2004), outlines in his book three purposes why KAM should be implemented. These purposes are:

- With KAM the future can be attempted to be managed.
- KAM can give a competitive advantage.
- With KAM you can become a key supplier.

The objectives of KAM, according to Cheverton (2004), include developing intimacy with customers' needs and values, and balancing business objectives,

market opportunities and business resources. They also include allocating and deploying resources, especially personnel, identifying activities that focus on customers and committing to them, and giving a direction to the business, especially the supporting functions.

But the most important aspects KAM, or as Cheverton (2004) describes them, "the defining features" of KAM, are to develop customer relationships in such a way as to avoid misunderstandings, and to align the company so that the knowledge about the customer is used to gain competitive advantage.

3.2 The organization structure

The implementation of an account management system for any organization is a process which can take a long time and should not be taken lightly. Because this process will involve many strategic decisions and there is no one way of going about organizing an account management system (Kempeners & Hart 1999: 311-312). For an organization to be effective in managing their accounts and in answering to the customers' needs, the organization has to be, quite literally, turned on its head. This is because in a traditional organizational structure, where there are clear hierarchies, answering the customers' needs and satisfying them takes more time than it is necessary. The managers are at the top in these traditional organizational structures and the employees who are in some way in contact with the customers are at the bottom of the structure. This is an inefficient way of working and it inconveniences the customer because the decisions needed to be done may need to be gone through with the management before they can be made (Cheverton 2004: 186-187).

In one example of an account management structure the hierarchies are flipped over. This is illustrated in figure 6, and it shows that the employees who come in contact with customers are at the top of the hierarchy and the managers are at the bottom. (Cheverton 2004: 187.)

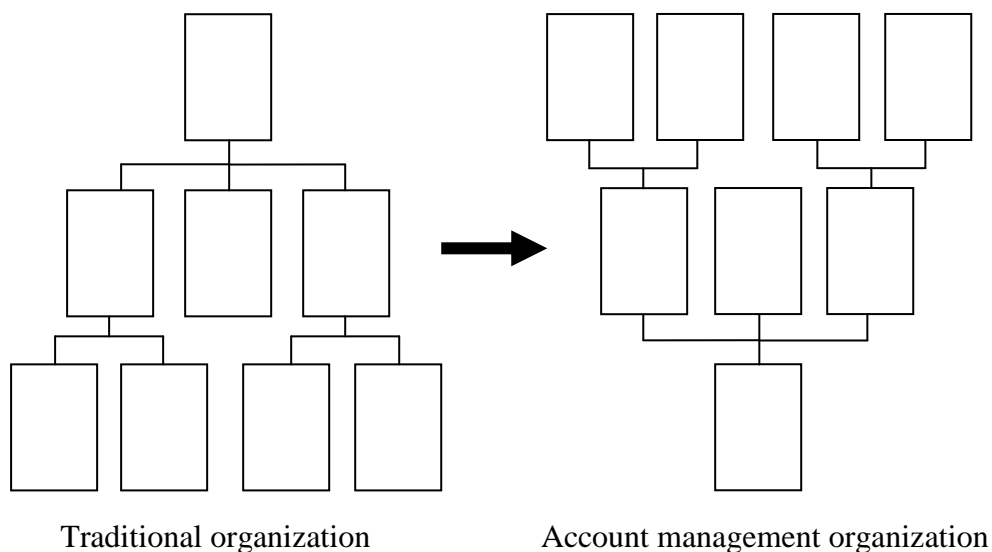


Figure 6. Turning the organization on its head (Cheverton 2004: 187.)

This sort of account management structure requires that the managers service the customer contact employees, making sure that they can do their best to service the customers. This would also mean that the customer contact employees would be empowered to some degree to make decisions on their own for the benefit of the customer (Cheverton 2004: 187). An account management structure like this has been found to increase companies' information processing capabilities and to increase their bargaining power with their accounts. This structure change can also lead to activities being done more intensely, leading to improved communication between the company and the customer (Workman et al. 2003: 4, 8-9).

A change like this does not however mean that the top management is not involved in customer accounts. On the contrary they should set the example and show commitment. They can do this with their actions by committing the necessary resources and by encouraging cross-organizational responsiveness and communication. (Workman et al. 2003: 9.)

But, to practically make this kind of organization change happen the entire organizations support is needed, especially the support of the different teams that come in contact with the customer. This can be done by aligning the teams with

the goals and vision of the account management hierarchy (Cheverton 2004: 200-201). You also need to make sure that there are cross-functional cooperation and coordination in your own organization, that your teams and the customer's teams are linked with persons of equivalent levels of authority, and to make sure that the teams have the right resources available at any time. And the account manager needs to be able to handle all the contacts and make sure that a common strategy is followed when customer contacts are made (Miller et al. 2011: 65; Workman et al. 2003: 6).

Other account management structures include (Kempeners & Hart 1999: 315):

- Part-time structure: a structure in which persons with different responsibilities also take on the responsibility of taking care of major accounts.
- Full-time structure at an operating unit level: a structure in which a certain business unit or division takes care of the organizations certain accounts as a full-time job.
- Corporate-level structure: an account management structure which is centralized.
- National account division structure: A wholly independent and integrated unit which takes care of all the accounts' and their needs.

3.3 Value and trust

Different customers will realize value differently. Some might prefer service options that are cheaper, are done quickly, but might result in, for example reclamations, and some might favor the more costly option with the added security of knowing that things are done properly. So in essence value is something that is realized when the service or product is really needed. Or value can also come from experience, knowing what the customer needs and performing accordingly. But this all depends on what the customer measures to be the most important aspect; the price, cost, or value. (Cheverton 2004: 123.)

Your company's products or services must bring the kind of value to your customer accounts as they define as being valuable to them. For example if your company has two activities, activity A and activity B, that they are performing for an account or are thinking of starting to do for an account, and activity A is of value to the account while activity B has significantly less value to the account. In this case activity A should be continued or started and activity B should be stopped or not started. (Miller et al. 2011: 76, 112-113.)

It is very easy to think that doing more for the customer account will always add value for them, but in some cases doing less is more beneficial. If there are activities that the customer account perceives as being unnecessary, then the activity will surely be viewed as producing unnecessary costs. In this case why should you not stop this activity? It would raise the customer account's perception of value and lower costs and with lower costs you could lower the customer account's price they pay raise their value perception even more. (Cheverton 2004: 303.)

Rather like value, trust is a factor that is important to the customer accounts. Even though it is thought that this is a factor of low importance, surveys have shown that honesty and reliability are highly valued by the customer accounts. Trust is a factor that is not easy to quantify, because what counts here are the feelings of the customer account. This is influenced by the history of the company, their honesty and reliability, and by ethical standards and matching moral values. (Cheverton 2004: 129, 131.)

The definition of trust is that one party to a relationship can expect that the other party will act according to a specific way in a specific situation. If there is some deviation from the expected behavior of one party, the other party will perhaps experience a lower perceived quality of the "transaction" than they would normally. Trust can also be described as a customer or business partner having enough confidence in a company or their business partner to willingly rely on them. (Grönroos 2007: 40.)

To win the trust of a customer account you need to have patience. You need to behave properly and keep your promises of, for example, answering promptly. And you need to take into account the customer accounts wants and needs (Cheverton 2004: 129, 131). The intensity of which the company goes about performing the activities for the customer also matters because it will show the customer that the company is committed and therefore foster trust in them (Workman et al. 2003: 8)

4 CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

Customer relationship management as a term means exactly that what it reads. It is about how companies manage their customer relationships and interact with their customers, and what guidelines they follow when dealing with customers. CRM takes into consideration, not only the direct contact with the customer but also the analysis of the company's customers to predict any changes in their habits so that the company can then respond appropriately and keep the customer satisfied. (Investopedia, Customer Relationship Management - CRM, 2014.)

To understand CRM, you have to know that a single universally accepted definition of it does not exist. It can be defined in three different ways (figure 7): as a single technology solution, as a wide-ranging technology solution and as being customer centric. As a technology system it is usually used to describe some kind of a technology based solutions for customers. It can be a system that is comprised of all the ways a business interacts with its customers, including how the business works with the customers, solves their problems, takes care of their financial needs and how they persuade the customer to stay as a customer. (Cunningham 2002: 6, Payne & Frow 2005: 167-168).

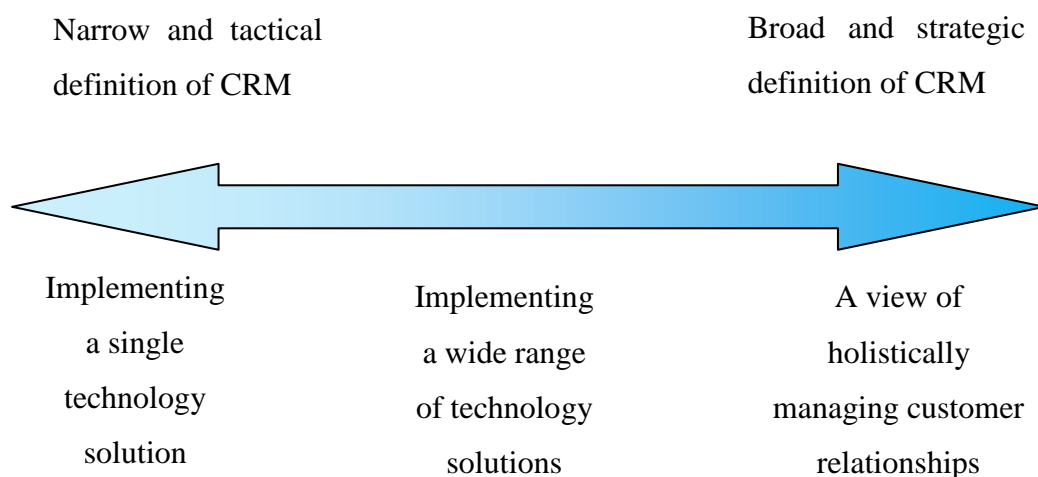


Figure 7. CRM perspectives (Payne & Frow 2005: 168.)

CRM is used in companies to acquire information in order to analyze it and find some ways of using it to improve the relationships with customers. This is mainly done electronically as are so many other processes nowadays, because not only is it a faster way of communicating with customers it is also an efficient way of getting information about customers' needs, perceptions and concerns. With this information the company can make an effort to improve based on the findings (Cheverton 2004: 318).

So basically this means that the more information a company has on their customers the better it is for both parties. The gathered information allows the company to add value to the customer and in turn the lifetime value of the customer for the company will be improved by for example easier and faster processes with the use of data that is more readily available and relevant. (Cook 2000: 18-19.)

CRM can be very complex, not just because of the massive amounts of information, but also because doing business is complex. CRM needs to effectively manage all of the elements that have something to do with the customer and connect them in a comprehensible manner. As most of the working day in any company is spent dealing with different customers and their issues, CRM should provide the company with systems that can improve these customer contact situations and so make the company more successful. (Cunningham 2002: 6.)

4.1 CRM system

CRM is a mixture of business processes, technology and rules that govern how customers are dealt with. These are usually applied to the entire organization, but to get the best result out of CRM the systems should contain all the data on the customers, but only give the most relevant information to different functions in the organization. For CRM to be implemented effectively throughout the different functions, the ownership of the systems is distributed according to the functions and companies should adopt the broad and strategic definition of CRM by holistically managing customer relationships. This would help the whole company

in accepting the CRM system and affect the way it is practiced. Every business unit has to be involved depending on the breadth of the system. The important functions that are managed with CRM include contact information about customers and partners and the relationship data, which includes information about sales, marketing, finance, support and operations. (Cunningham 2002: 6-7, 113, Payne & Frow 2005: 168.)

CRM systems have the benefit of storing all the customer information in the same place. This is good for companies because it means that there cannot be duplicate or inaccurate information in the system. For the sake of having correct information in the system, the CRM system needs to have segmented access to the information for different parties so that they can then update it when needed. (Cunningham 2002: 15, 19.)

The most common applications that are included in a CRM system are (Cunningham 2002: 7):

- A contact management system such as Outlook, which should be the base for every CRM system.
- Customizable packaged applications that link the sales force to a Website.
- Connection to a Web-based contact center, which allows the staff, and to some extent, the partners to view clients' databases for information.
- Analytical software that identifies different habits, in order to develop processes.
- And self-service products.

Intranets are also a part of the CRM system. They come with their own applications that help different parts of companies to work together. These can include chat, bulletin boards, mail list servers and newsgroups and they make it possible for employees to have quick access to resources and information. (Cunningham 2002: 25, 85.)

4.2 Communication and interaction tools

Having tools with which to communicate with customers is crucial in order to have successful relationships with customers. There is a variety of different tools for communicating and interacting with customers, in addition to a plain e-mail, and they include (Cunningham 2002: 17):

- project management/collaboration
- instant messaging
- remote access
- e-learning
- webcam and web audio
- customer and sales support

Since there are so many different ways of communicating, information can be shared fast and in any part of any process. This will reduce costs in sharing information and help prevent mistakes from happening in different services and processes. The e-learning tools can be used to deliver support information and to help procedures and certifications. The instant messaging tools can be used in a more effective manner than answering the phone, meaning that with the tools one can handle more customer calls and the dialogue with the customer is stored. (Cunningham 2002: 17-19.)

4.3 The need for CRM

The two reasons why most companies take on the development of their own CRM system are that they want to improve the processes of their internal operations and that with a system like this they can reach a wider client base in their marketplace with their partners. These CRM systems will become the company's key information repository making the company grow and become more valuable. (Cunningham 2002: 30.)

External reasons for implementing CRM systems include an ever changing economy, low barriers of entry into markets, because of all the available information, the value of effective customer management, the possibility to

change processes for the better and globalization. Together these factors can pressure the company into making a change, because with CRM, larger partnership networks become available. (Cunningham 2002: 30-31.)

A CRM system also brings collaborative benefits to both external and internal parties of a company. Especially to how the staff can improve on the way they operate to support customers and also to support external companies. But it should be remembered that a CRM system is only technology and that alone will not be enough to satisfy customers as much as great customer service does, so there has to be a culture of customer service too. (Cunningham 2002: 44, 10.)

5 RESEARCH METHODOLOGY

Both the quantitative and qualitative research methods are used in this study. This is because both quantitative and qualitative data is available for studies of this nature. As this case study involves the satisfaction of internal customers' both methods can be used in order to get a more deeper picture and understanding of how satisfied the customers are. Because with a quantitative approach you can put a number to the level of satisfaction and with the qualitative approach you can ascertain the human opinions of the interviewees.

As Saunders, Lewis & Thornhill (2009) describe the quantitative and qualitative methods, the quantitative method is mostly exercised by data collection techniques like a questionnaire or data analysis procedures such as graphs which lead to or examines numerical data whereas qualitative methods collect data through interviews and analyze data through categorizing it, which leads to a non-numerical outcome. So both of these methods provide a different type of outcome, which will hopefully lead to a more complete answer to the research questions.

5.1 Research method

As this study is done by using both the quantitative and qualitative methods it is called the multiple method. This is a choice that is gaining increasing popularity among business and management research. Using this type of method also has four different possibilities of data collection techniques. The first two are the multi-method quantitative study and the multi-method qualitative study. What these mean is that if you choose the multi-method quantitative study you might collect quantitative data with both a questionnaire and using structured observation and the analyze the data with statistical procedures. It is the same with the multi-method qualitative method, where you might collect qualitative data through interviews and diary accounts and then analyze the data by using non-numerical methods. These two methods would mean that the quantitative and qualitative techniques and procedures would not be mixed. (Saunders et al. 2009: 151-152.)

The other two techniques are the mixed method research and the mixed model research. In the mixed method research one would use both qualitative and quantitative data collection techniques and analysis procedures without combining them. What this means is that the quantitative data is analyzed quantitatively and the qualitative data is analyzed qualitatively. In the mixed model research you would also use both the data collection techniques and analysis procedures but you would also combine them, meaning that you would qualitise the quantitative data, converting it into words, and also quantitise the qualitative data, turning it into numbers. (Saunders et al. 2009: 152-153.)

5.2 Data collection

The one method that suits this study is the mixed method research, as the data collections will be done both by a questionnaire and interviews to get results in both a qualitative way and a quantitative way. It is also the most suitable as the data will then be analyzed in their own respective way, so the qualitative data will be analyzed qualitatively and the quantitative data quantitatively. This will hopefully show a correlation between the two techniques, when it comes to the answers and if not it will reveal some more information if the answers in the two techniques fail to correspond to each other.

6 CASE STUDY: SURVEY OF INTERNAL CUSTOMERS' AND ACCOUNTS' SATISFACTION WITH THE ACCOUNTS PAYABLE TEAM'S CUSTOMER SERVICES

6.1 Case company X

Company X was first established in the 19th century. It started out as a completely different company to what it is today and has gone through many changes from being a sawmill to what it is today. These changes have come by through a number of acquisitions and through changes in the management and management structure. (Company X, 2014.)

Nowadays company X is an international company that works in the field of manufacturing, sales and service of engines for the marine industry and power plants for the energy industry. With their projects, plants, and establishments spread throughout the world they employ over 18,000 persons internationally. Company X is counted among the largest companies that operate in the industry and it is a global leader in the area because of the focus on technological innovation and on total efficiency. (Company X, 2014.)

In 2013 company X's net sales were almost EUR 4.7 billion but compared to the previous year this was a one percent decrease. It is the same thing with order intake, which also decreased by one percent to about EUR 4.9 billion. The company's operating profit was EUR 552 million. The newest estimated prospects for the year 2014 include the profitability to be 11.5% and the net sales to grow about 5%. (Company X, 2014.)

6.1.1 Company image

During the year 2014, company X has had some good news and bad news to deliver both internationally and in its home country. Earlier in the year company X was in the middle of consultation negotiations which would see the reduction of employee amounts in different parts of the company's organization. Most of the redundancies took place in the company's home country with over a hundred

employees being made redundant. In other countries the redundancy figures have varied. These consultation negotiations were started because of a group-wide efficiency program with plans to secure future profitability and competitiveness (Company X press release, 2014). Other more recent news in 2014 include, from all over the world, entering into a new market in Paraguay, winning a couple of new design contracts, and forming a joint venture with a Chinese based corporation (Company X, 2014).

Most of its incomes company X receives from the Asian region, 38%, from Europe they receive 29% of the incomes, from the Americas the figure is 23 %, from Africa 9% and the rest comes from different markets (Company X, 2014). As company X operates internationally, it is directly influenced by different international economic shifts. With the power generation markets situation being challenging and the seaborne trade markets suffering from overcapacity, company X faces challenges in innovation and complying with ever stricter environmental regulations (Company X, 2014).

6.1.2 Management structure

With company X being a publically traded company, it is listed on the NASDAQ OMX Helsinki, Finland, the governance duties that apply to it are defined in the Finnish companies act. The company runs on a single-tier governance model, meaning that the responsibility of managing the company is with the general shareholders assembly, board of directors, and with the company CEO and president. (Company X, 2014.)

The company's board of directors and the auditors are appointed by the general shareholders gathering. The board of directors are imbued with the strategic duties of company X. They have the responsibility of appointing the president and CEO of the company, who in turn is responsible for the day-to-day operational aspects of company X and who can participate in short- and long-term incentives schemes. The CEO and president is assisted by the board of management. (Company X, 2014.)

6.1.3 Company X's SSC

The shared service center, SSC, of company X is a business-oriented unit which takes care of all the financial services for company X worldwide. These services include accounts payable, payments and handling travel expenses. The SSC employs around 70 persons who are divided into teams according to the services they offer for the internal customers and accounts. This thesis will focus on the accounts payable team's services that they provide for the internal customers and accounts, and on the internal customers' and accounts' satisfaction with the received services. (Company X intranet, 2014.)

The accounts payable team in itself is divided into three different teams which are Team Scandinavia, Team Europe, and Team Asia, Africa and Americas. All three teams have their own manager. These three teams are also within themselves divided into smaller sub teams, depending on which of company X's business unit's financial services they take care of. (Company X intranet, 2014.)

6.2 Internal customers and accounts

The internal customers and accounts, of the three accounts payable teams' of company X's SSC, which this thesis will focus on are the company controllers of the various local companies and business units that make up a huge part of company X. Now, because company X is such a large international company that they have many different local companies and business units worldwide and all of them have their own company controller, it is impossible to conduct the research in all of them. At least when it comes to the interviews, it would be impossible to do them with all of the company controllers, but the questionnaire can be sent out to all the company controllers. The interviews will be conducted with the company controllers that the SSC considers to be the most important ones and the ones that might have some suggestions for improvements and whose answers are of interest to the SSC.

What the company controllers do at company X, includes being responsible for their own local company's or business unit's financial figures and making sure that

those figures are correct, maintaining an adequate system of accounting policies and procedures, and a comprehensive set of controls and budgets designed to mitigate risks. Other responsibilities include issuing timely and complete reports of the company's or business unit's financial results, and ensuring that the company or business unit complies with the country's legal and accounting standards when it comes to handling the invoices and issuing the financial reports. In short they are wholly responsible for the running of their local company's or business unit's financial organization. But of course the scope of this responsibility will vary slightly when it comes to the size of the company and in which country it is located. (Company X intranet, 2014.)

6.2.1 Internal customer interactions

The roles and responsibilities that lie with the accounts payable teams' accountants at company X's SSC is the correct and precise purchase invoice handling process, which includes verifying that all received purchase invoices fulfill the legal requirements issued by the different local companies or business units and ensuring that the purchase invoices fulfill company X's invoice data requirements, which include different reference information. If the invoices do not fulfill either the legal or data requirements they are returned to the vendor to be corrected. Once it is clear that the invoices fulfill their requirements, they are entered into the SAP system and the basic data is filled in the system, which include correct tax codes, correct currency and correct vendor bank accounts. This should be done within two working days after which the invoices are sent for approval. (Company X intranet, 2014.)

Other responsibilities include monitoring the purchase invoices that include cash discounts, so that they are approved and paid on time, to collect all possible cash discounts, ensuring that there is a match between credit and debit invoices, answering questions from vendors or the local companies that have something to do with the purchase invoices, and handling the local companies' or business units' requests in a timely manner. To accurately perform all these tasks the accounts payable teams also need information from the local companies. Specifically information related to the legal and other data requirements of the purchase

invoices. And if some relevant changes are brought into the accountants' knowledge, they should in turn inform the local companies or business units of these changes. (Company X intranet, 2014.)

The communication between the accounts payable teams and the local companies/business units/company controllers can be done through different channels. The most commonly used way of communication is email. Email is followed by the other means, which include the internally used communicator software, phone calls, and also the SAP software. Email is the most commonly used way of communicating because through it a variety of problems can be solved and a variety requests handled, and the accountants strive to answer and handle all the incoming emails within two days of having received them. More urgent issues can be handled through the communicator and phone, and the requests or questions that pertain to the invoice images or the SAP system are usually handled through the SAP system. (Company X intranet, 2014.)

6.3 Data collection and analysis

As explained earlier, the data is collected both in a quantitative and a qualitative way. The quantitative data is then analyzed quantitatively and the qualitative data qualitatively. To gather the quantitative data, the SERVQUAL questionnaire method was used (Appendix 2). This questionnaire was sent out to all the different company controllers of company X.

The qualitative data was gathered by conducting interviews (Appendix 1) with the most significant or otherwise interesting company controllers. These were chosen by the managers of company X's SSC, as they felt that these controllers might have interesting opinions or improvement suggestions that they would like to hear.

Normally company X's SSC sends out their own standard questionnaire for their company controllers concerning the SSC's service quality. This has a set of questions and statements for which the controllers are asked to give their answer

on a scale from zero to five, zero meaning that they have no experience and five meaning that they agree totally.

6.4 Quantitative data questionnaire

The SERVQUAL method was chosen for the questionnaire because with it the five different determinants of the offered services can be measured; tangibles, reliability, responsiveness, assurance and empathy. It would measure the expectations that the different company controllers have of the services offered by excellent shared service centers and then compare those expectations with the perceptions that they have of company X's SSC's offered services. The SERVQUAL method will also measure the importance of the different determinants in the eyes of the different company controllers. So this questionnaire can give a comprehensive view on whether or not the expectations of the company controllers are being met and which determinants company X's SSC should focus on according to their internal customers.

Therefore the questionnaire had to be divided into two parts. Part one of the questionnaire contains 22 questions, both for the expectations that the company controllers have of excellent shared service centers and for the perceptions that they have of company X's SSC. They are divided unequally under the five different SERVQUAL determinants. Under the tangible determinant there are four questions, under the reliability determinant there are five questions, under the responsiveness determinant there are four questions, under the assurance determinant there are four questions, and under the empathy determinant there are five questions. The controllers are asked to give their answers on a scale from one to seven, for both the expectations questions and the perceptions questions, where one means that they strongly disagree with the question and seven means that they strongly agree with the question.

Part two of the questionnaire is about the five SERVQUAL determinants and the importance that these determinants have in the eyes of the controllers. Here the controllers are asked to allocate a total of 100 points, called importance weights,

between the five determinants, depending on how important they consider these determinants to be for company X's SSC to focus on and be good at.

The controllers' answers in part one will be used to calculate an average for each of the 22 questions they give, both for the expectations and perceptions. A gap score can then be calculated for the 22 questions by subtracting the average expectation score from the average perception score. The higher this gap score is the better, but ultimately if the average perception score is higher than the average expectation score, then this means that the controllers expectations have been exceeded and they are satisfied. This gap score can then be used to calculate an average un-weighted SERVQUAL score for each of the five determinants, and if this is higher than zero then the controllers are satisfied with the overall performance of company X's SSC within the determinant. These average SERVQUAL scores of each of the five determinants can then be used to calculate an overall average un-weighted SERVQUAL score. This will give an idea of how satisfied the controllers are with the overall service quality offered by company X's SSC.

The answers the controllers provide in part two will be used to calculate the weighted SERVQUAL score for each of the determinants by multiplying the corresponding average un-weighted SERVQUAL score of the determinant with the corresponding importance weights from part two, giving an idea of how satisfied the controllers are when taking into account how important they think the attributes are and this also helps clarify the significance of the perception/expectation gaps. With these weighted SERVQUAL scores of the determinants, the average weighted SERVQUAL score can also be calculated, which will give an idea of the overall satisfaction level, with the offered services, when the importance weights have been taken into account.

6.4.1 Quantitative data collection and analysis

The SERVQUAL questionnaire was sent out to 82 controllers being employed by company X at the time when this questionnaire was administered. Of these controllers, 23 completed the questionnaire and sent it back and two of the

completed questionnaires were found to be unusable, because the persons had not filled in all of the necessary information. This means that the amount of the usable surveys received was 21 in total, or 26 percent of the controllers employed by company X.

The answers the controllers' gave on part two of the questionnaire, which revealed the importance ranking of the five different determinants from most important to least important, are as follows:

1. Reliability
2. Responsiveness
3. Assurance
4. Empathy
5. Tangibility

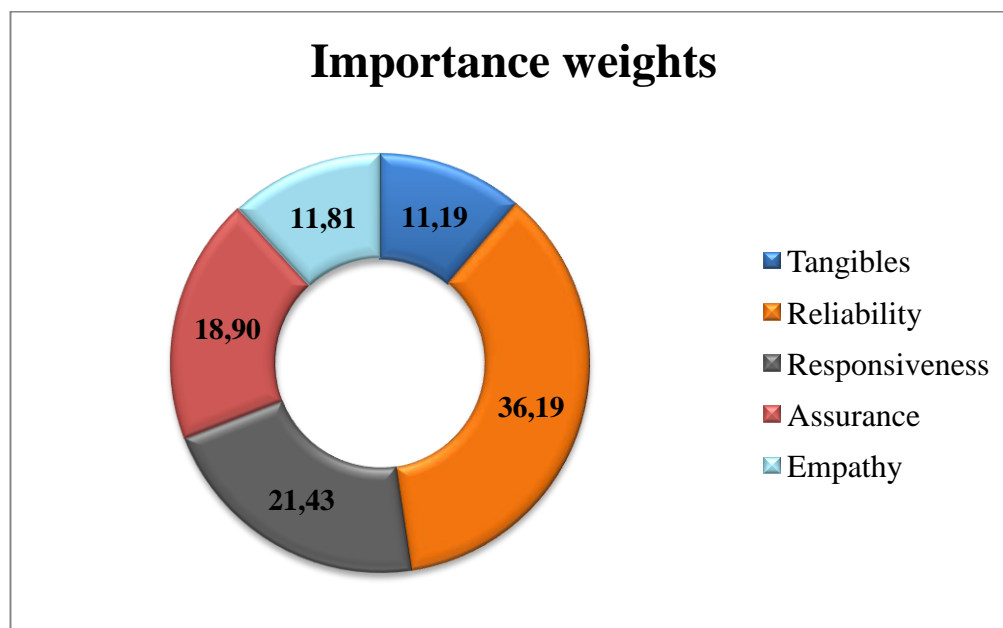


Figure 8. Importance weights of the determinants.

As expected, the determinants of reliability and responsiveness were ranked as being the most important ones, being that company X's SSC works in the field of financial services. It could also be expected that the determinant of tangibles be given the lowest priority, as has happened here, because the controllers, being

internal customers and in most cases located in other countries, do not visit company X's SSC very often, if ever in some cases.

6.4.2 Tangibles

The tangibility determinant, of the SERVQUAL questionnaire, is comprised of the first four questions, of the first part. These questions were used to assess the controllers' perceptions of the tangibility aspects (equipment, materials, physical facility and employees) of company X's SSC. When looking at each of the four attributes that make up the tangibility determinant, the controllers' perceptions exceed their expectations in modern looking equipment with a gap score of 0.19, in visually appealing facilities with a gap score of 0.14, and in the tidy appearance of the employees with a gap score of 0.48. The controllers' expectations exceed their perceptions only in the area of visually appealing materials with a negative gap score of -0.14.

The average un-weighted SERVQUAL score for the tangibility determinant is 0.17. When applying the importance weight of 11.19, to the un-weighted SERVQUAL score, the weighted SERVQUAL score bounces up to 1.87. In both cases the results show that perceptions of the controllers exceed their expectations of the tangibility determinant's attributes of company X's SSC. The average SERVQUAL perception score for tangibility is 5.02 out of a possible 7. This combined with the fact that this determinant received the lowest importance weight and the perceptions exceeded the expectations in both the average un-weighted and weighted SERVQUAL scores indicates that the controllers are satisfied with the tangibility attributes of company X's SSC.

A summary of the questionnaire results for the tangibility determinant can be seen in the table and figure below.

TANGIBILITY ATTRIBUTES	EXPECTATION (E)	PERCEPTION (P)	GAP SCORE (P-E)	AVERAGE SERVQUAL P SCORE FOR TANGIBILITY
1. Modern looking equipment	4.90	5.10	0.19	5.02
2. Visually appealing physical facilities	4.71	4.86	0.14	
3. Tidy appearance of employees	4.67	5.14	0.48	
4. Visually appealing materials	5.14	5	-0.14	
Importance weight:			11.19	
Average un-weighted tangibility SERVQUAL score:			0.17	
Average weighted tangibility SERVQUAL score:			1.87	

Table 2. Tangibility determinant - SERVQUAL results.

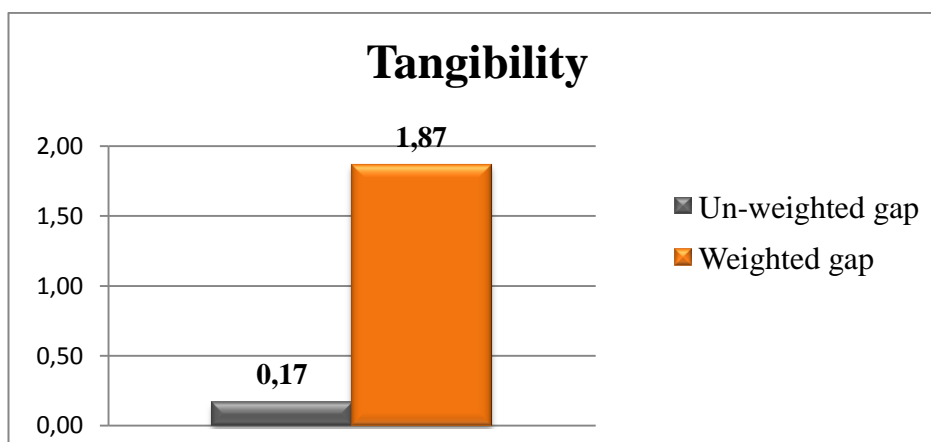


Figure 9. Tangibility determinant - un-weighted and weighted SERVQUAL score.

6.4.3 Reliability

The reliability determinant of the SERVQUAL questionnaire is comprised of questions 5-9. These are used to assess the controllers' perceptions of the reliability aspects (acting according to promises, sincerity in problem solving, performing the service right at the first time, providing service at the promised time and insistence on error free records) of company X's SSC. When looking at each of the five attributes that make up the reliability determinant of customer satisfaction, the controllers' expectations exceed their perceptions in all the five attributes; acting according to promises with a negative gap score of -1.10, showing interest in problem solving with a negative gap score of -1.14, performing services right the first time with a negative gap score of -0.88, providing services at the promised time with a negative gap score of -1.07 and demand for error free records with a negative gap score of -0.90.

The average un-weighted SERVQUAL score for the reliability determinant is -1.02. When applying the importance weight of 36.19, to the un-weighted SERVQUAL score, the weighted SERVQUAL score drops all the way down to -36.88, because the controllers value reliability above all the other determinants. In both cases the results show that the perceptions of the controllers fall below their expectations of the reliability determinant's attributes of company X's SSC. The average SERVQUAL perception value for reliability is 5.30 out of a possible 7. Even though the average un-weighted and weighted SERVQUAL scores are negative, the controllers perceive the performance of company X's SSC to be satisfactory under the reliability attributes. And even with the highest importance weight, the average SERVQUAL perception score of 5.30, can be seen as the controllers being satisfied with company X's SSC's ability to provide promised services dependably and accurately.

A summary of the questionnaire results for the reliability determinant can be seen in the table and figure below.

RELIABILITY ATTRIBUTES	EXPECTATION (E)	PERCEPTION (P)	GAP SCORE (P-E)	AVERAGE SERVQUAL P SCORE FOR RELIABILITY
5. Act according to promises	6.48	5.38	-1.10	5.30
6. Show interest in problem solving	6.48	5.33	-1.14	
7. Services are performed right the first time	5.90	5.02	-0.88	
8. Services provided at the time promised	6.52	5.45	-1.07	
9. Demand for error free records	6.24	5.33	-0.90	
Importance weight:			36.19	
Average un-weighted reliability SERVQUAL score:			-1.02	
Average weighted reliability SERVQUAL score:			-36.88	

Table 3. Reliability determinant - SERVQUAL results.

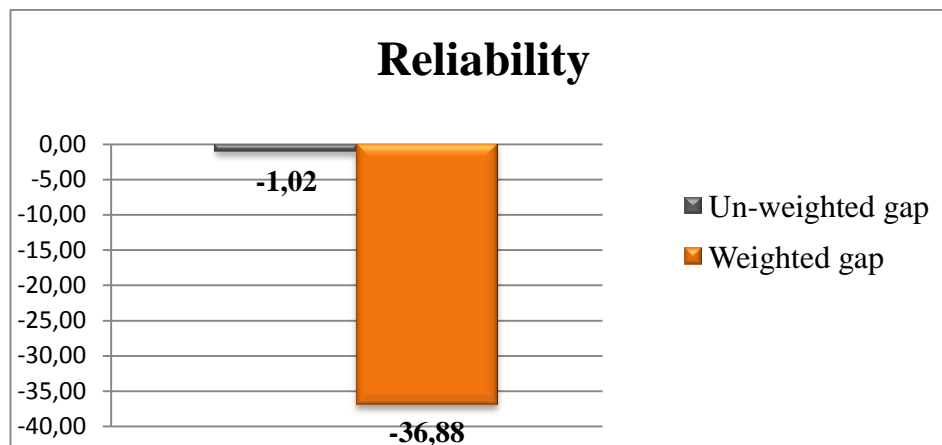


Figure 10. Reliability determinant - un-weighted and weighted SERVQUAL score.

6.4.4 Responsiveness

The responsiveness determinant of the SERVQUAL questionnaire is comprised of questions 10-13. These are used to assess the controllers' perceptions of the responsiveness aspects (informing when services will be performed, providing services promptly, willingness to help and never being too busy to respond to request for service) of company X's SSC. When looking at each of the four attributes that make up the responsiveness determinant of customer satisfaction, the controllers' expectations exceed their perceptions in all the four attributes; informing when services will be performed with a negative gap score of -1.24, providing speedy service with a negative gap score of -1.10, willingness to always help with a negative gap score of -0.38 and never being too busy to respond to requests with a negative gap score of -0.62.

The average un-weighted SERVQUAL score for the responsiveness determinant is -0.83. When applying the importance weight of 21.43, to the un-weighted SERVQUAL score, the weighted SERVQUAL score drops down to -17.86, because the controllers' gave responsiveness a quite high value of importance. In both cases the results show that the perceptions of the controllers fall below their expectations of the responsiveness determinant's attributes of company X's SSC. The average SERVQUAL perception value for responsiveness is 5.29 out of a possible 7. Even though the average un-weighted and weighted SERVQUAL

scores are negative, the controllers perceive the performance of company X's SSC to be satisfactory under the responsiveness attributes. Even with quite a high importance weight, the average SERVQUAL perception score of 5.29, can be construed as the controllers being satisfied with company X's SSC's ability to respond and their will to provide services.

A summary of the questionnaire results for the responsiveness determinant can be seen in the table and figure below.

RESPONSIVENESS ATTRIBUTES	EXPECTATION (E)	PERCEPTION (P)	GAP SCORE (P-E)	AVERAGE SERVQUAL SCORE FOR RESPONSIVENESS
10. Tells exactly when services will be performed	6.10	4.86	-1.24	5.29
11. Provides speedy service	6.24	5.14	-1.10	
12. Always willing to help	6.33	5.95	-0.38	
13. Never too busy to respond to requests	5.81	5.19	-0.62	
Importance weight:			21.43	
Average un-weighted responsiveness SERVQUAL score:			-0.38	
Average weighted responsiveness SERVQUAL score:			-17.86	

Table 4. Responsiveness determinant - SERVQUAL results.

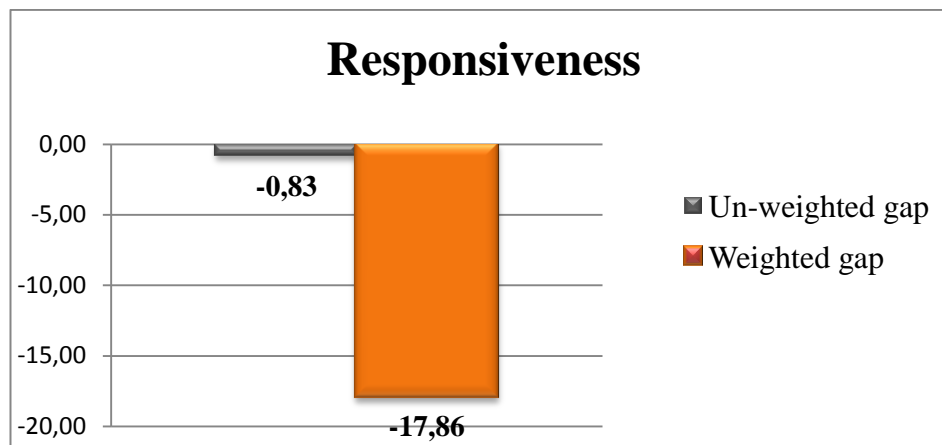


Figure 11. Responsiveness determinant - un-weighted and weighted SERVQUAL score.

6.4.5 Assurance

The assurance determinant of the SERVQUAL questionnaire is comprised of questions 14-17. These are used to assess the controllers' perceptions of the assurance aspects (employees' behavior instills confidence, customers feel safe in their transactions, employees are consistently respectful and employees have the knowledge to answer questions) of company X's SSC. When looking at each of the four attributes that make up the assurance determinant of customer satisfaction, the controllers' expectations exceed their perceptions in all the four attributes; employees' behavior instills confidence with a negative gap score of -0.88, customers feeling safe when dealing with employees with a negative gap score of -0.81, employees being consistently respectful with a negative gap score of -0.10 and employees having the knowledge to answer questions with a negative gap score of -0.88.

The average un-weighted SERVQUAL score for the assurance determinant is -0.67. When applying the importance weight of 18.90, (making it the third most important determinant according to the controllers') to the un-weighted SERVQUAL score, the weighted SERVQUAL score drops down to -12.60. In both cases the results show that the perceptions of the controllers fall below their expectations of the assurance determinant's attributes of company X's SSC. The average SERVQUAL perception value for assurance is 5.55 out of a possible 7.

Even though the average un-weighted and weighted SERVQUAL scores are negative, the controllers perceive the performance of company X's SSC to be satisfactory under the assurance attributes as this is the highest perception score given to any of the attributes. This score indicates that the controllers feel safest in their transaction with the employees of company X's SSC, and that the employees are consistently courteous, that they possess good knowledge when answering questions and that their behavior instills confidence when their help is needed.

A summary of the questionnaire results for the assurance determinant can be seen in the table and figure below.

ASSURANCE ATTRIBUTES	EXPECTATION (E)	PERCEPTION (P)	GAP SCORE (P-E)	AVERAGE SERVQUAL P SCORE FOR ASSURANCE
14. Employees' behavior instills confidence	6.10	5.21	-0.88	5.55
15. Customers feel safe when dealing with employees	6.33	5.52	-0.81	
16. Employees are consistently respectful	6.10	6	-0.10	
17. Employees have the knowledge to answer questions	6.33	5.45	-0.88	
Importance weight:			18.90	
Average un-weighted assurance SERVQUAL score:			-0.67	
Average weighted assurance SERVQUAL score:			-12.60	

Table 5. Assurance determinant - SERVQUAL results.

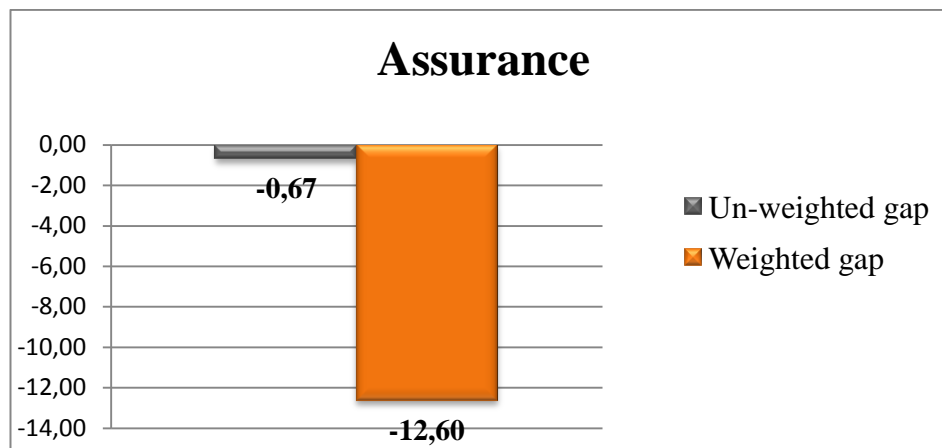


Figure 12. Assurance determinant - un-weighted and weighted SERVQUAL score.

6.4.6 Empathy

The empathy determinant of the SERVQUAL questionnaire is comprised of the last five questions 18-22. These are used to assess the controllers' perceptions of the empathy aspects (employees provide individual attention, operating hours are convenient for all customers, customers receive personal attention, employees have their customers best interest at heart and employees understand the specific needs of their customer) of company X's SSC. When looking at each of the five attributes that make up the empathy determinant of customer satisfaction, the controllers' expectations exceed their perceptions in all the five attributes; customers receive individual attention with a negative gap score of -0.52, convenient operating hours for all customers with a negative gap score of -1.48, employees giving personal attention to customers with a negative gap score of -0.05, employees having their customers best interest at heart with a negative gap score of -0.88 and employees understanding their customers specific needs with a negative gap score of -1.14.

The average un-weighted SERVQUAL score for the empathy determinant is -0.72. When applying the importance weight of 11.81, to the un-weighted SERVQUAL score, the weighted SERVQUAL score drops down to -8.55. Even though the empathy determinant is second to last in the minds of the controllers when it comes to importance, in both cases the results show that the perceptions

of the controllers fall below their expectations of the empathy determinant's attributes of company X's SSC. The average SERVQUAL perception score for empathy is 5.13 out of a possible 7. This combined with the fact that this determinant received the second lowest importance weight and the expectations exceeded the perceptions in both the average un-weighted and weighted SERVQUAL scores, indicates that the controllers are just about satisfied with the tangibility attributes of company X's SSC.

A summary of the questionnaire results for the empathy determinant can be seen in the table and figure below.

EMPATHY ATTRIBUTES	EXPECTATION (E)	PERCEPTION (P)	GAP SCORE (P-E)	AVERAGE SERVQUAL P SCORE FOR EMPATHY
18. Customers receive individual attention	5.86	5.33	-0.52	5.13
19. Convenient operating hours for all customers	6.19	4.71	-1.48	
20. Employees give personal attention	5.43	5.38	-0.05	
21. Employees have their customers best interest at heart	5.81	5.38	-0.43	
22. Employees understand the specific needs of their	6	4.86	-1.14	

customers				
Importance weight:			11.81	
Average un-weighted empathy SERVQUAL score:			-0.72	
Average weighted empathy SERVQUAL score:			-8.55	

Table 6. Empathy determinant - SERVQUAL results.

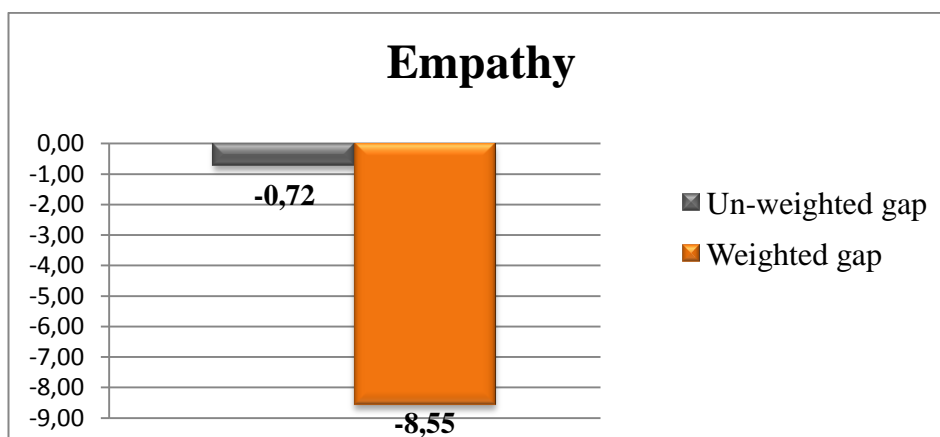


Figure 13. Empathy determinant - un-weighted and weighted SERVQUAL score.

6.5 Qualitative data interview

Because a questionnaire does not necessarily give the best and most accurate results on its own, a small interview was also performed with some of the controllers that company X's SSC thought might have some important and worthwhile inputs to give. This interview would collect qualitative data and it is loosely based on the critical incident method and on Cooper's (2002) definition of a successful service process. This means that some of the questions in the interview are open questions that ask about certain situations and how these situation were handled and some of the questions also have small specifying follow-up questions which will be asked depending on the controllers' answers. The descriptions the controllers then give are analyzed to determine the quality issues and why they have occurred.

Other questions in the interview mainly the standard questions that can be found in almost all interviews that have something to do with customer satisfaction. All in all there is a total of 11 questions, not counting the four specifying follow-up questions, and a bonus question about the language barriers, which will be asked in certain cases where it is applicable.

All the answers gathered with this interview will then be analyzed and compared with the results from the quantitative data collection to see if the results match and if there are some problems with the internal customer service that definitely need to be addressed.

6.5.1 Qualitative data collection and analysis

The interviews were conducted with eight different controllers from different countries and different business units being employed by company X at the time when the interviews were conducted. The invitations for the interviews were sent out to 12 different controllers chosen by the managers of company X's SSC. This means that the percentage of answers received for the interviews is 67 percent of considered interviewees. The interviews were held separately, through live messenger calls as all of the controllers are located in different parts of the world. The answers that the controllers gave, are surprisingly similar.

The first question of the interview is: "When you have needed to contact company X's SSC in some cases, has the first person you have contacted given you the answer to your question and helped you resolve the issue?". And there is a follow up question: "If not, how many persons would you say have needed to help with the issue?". This question got the same answer from all the interviewed controllers. All of them answered that when it comes to the simple questions and routine cases they get the answer from the first person, but when the question or case is a bit more difficult or complicated, or when a new trainee is involved the help of someone else is needed sometimes.

The second question of the interview is: "Have there been many cases when you have needed to contact company X's SSC more than once, regarding a single

matter, before both sides have arrived at an appropriate resolution?". This has a follow up question too: "Would you say that these cases have been out of the ordinary in some way?". The answers to this question were also very similar. All of the controllers said that they had not needed to contact company X's SSC more than once when the issue was with a simple matter, but when the issue concerned a more complicated matter, or when regular employees have been on summer vacation, then they had had to make contact more than once in some complicated cases.

The third question is: "Do you think company X's SSC resolves different issues in a timely manner?". With a follow up question: "Does it take days or hours in most cases and do you find it satisfying?". Again, here the controllers' answers follow the same formula. Most of them answered that when it comes to the normal cases they receive answers and the issues are resolved very quickly during the same day, or the next day when the time zone difference is over five hours. But then when the case is more difficult, it might take days for them to get an answer and have the issue resolved. Two of the controllers were completely satisfied with the time company X's SSC's accountants take to answer the questions and resolve their issues.

The fourth question is: "Can you say that the issues and questions you have sent to company X's SSC have been taken care of, so that everything has been explained and resolved?". With a follow up question: "If some issues or questions take more time to figure out, have you been given an update on the situation, so that you know it is being taken care of?". To this question half of the controllers answered that most of the questions and issues have been explained and resolved, meaning that there are few unexplained issues and the other half answered that all of the issues and questions have been answered and explained. But when it comes to receiving updates on cases that take longer to resolve, three of the controllers said that they receive regular updates, while the rest have needed to inquire about the progress themselves.

The fifth question is: "Can you think of a time when the service provided by company X's SSC was out of the ordinary, in a way that it exceeded your

expectations or didn't meet your expectations?". Most of the answers to this question were that the controllers expectations are being met almost always, but again sometimes with the tricky cases it is difficult to meet the controller's expectations. One of the controllers said that their expectations were not met when it comes to taking responsibility for what has been done and finishing cases, but their expectations were also exceeded by the fact that the service scope has been enlarged recently.

The sixth question is: "Can you describe the top three ways you measure company X's SSC's performance?". The top three ways, out of all the controllers' answers, to measure Company X's SSC's performance are speed, quality and responsibility. This means that they value fast resolutions to issues and fast answers to questions, and that the service quality is good, the answers are satisfying and no repeated mistakes are done, and that the accountants at company X's SSC take responsibility for their work and help when help is needed and asked.

The seventh question is: "Is company X's SSC providing some services for you that you feel are unnecessary?". The controllers were unanimous in their answers for this question, with all of them saying that there are absolutely no unnecessary services provided for them by company X's SSC.

The eighth question is: "Is there something that company X's SSC could develop when it comes to customer service?". This question got a lot of different suggestions and some of them were the same. The suggestions included: taking more responsibility, concentrating specific tasks to specific persons to avoid the loss of knowledge, better legal knowledge of foreign countries, preparing trainees better so invoices do not stall, more unified processes and taking into account the time differences with some countries.

The ninth question is: "How satisfied would you say you are with the services provided by company X's SSC?". On a scale from 0 to 10, 0 being not satisfied at all and 10 being very satisfied indeed, the controllers answers ranged from 7 to 9.5. Three of the controllers answered 8.5, two of them answered 8 and another

two answered 9.5, and one of them answered 7. So it is quite clear that overall they are satisfied with the services.

The 10th question is: "What are your feelings concerning the different time zones?". The different time zones were not a huge issue with most of the interviewees as their companies reside in the same time zone or in a time zone that is a couple of hours ahead or behind. But two of the controllers do have issues with the time zones as their companies have more than a five hour difference to company X's SSC. Their issues are mostly with the quarter closings as during those times there are only a couple of hours when there are people working at the same time in the different time zones, so issues are left unresolved some times and are then resolved after the quarter closing, and when there are other questions or issues it can take up to three days before the company receives an answer from company X's SSC.

The 11th question is the bonus question: "Do you find the language barriers to be a big issue?". This was asked of only the controllers who resided in foreign countries. None of the controllers have any issues with the language barriers but sometimes there can be issues with the other employees of the companies that reside in other countries. Some of the employees might not speak any other language than their native tongue so this can be an issue sometimes if there is no other person at either end who knows English or the other person's language.

The 12th and final question is: "Finally, do you have any other comments or things you would like to emphasize?". This question received some comments from some of the controllers as most of them had said everything they wanted to say in the previous questions. Things that came up here are: the accountants should know how to take care of new tasks when company X's SSC takes on new tasks and responsibilities, there should be a clearer division of responsibilities, specific tasks should be concentrated to specific persons, issues and cases should be seen through to the end, better knowledge about the cost efficiency of services, and processes could be unified by choosing the best procedures from other companies and implementing them in other companies.

As the controllers' answers show, especially their answers to questions five, seven and nine, they are mostly satisfied with the services provided by company X's SSC. Their expectations are being met almost always, they do not think that any of the services provided by company X's SSC are unnecessary, and their average satisfaction level in question nine is 8.4 out of 10. Although the controllers are mostly satisfied, this does not mean that there is no room for improvement. But this is only natural as there will always be the occasional case and issue that is more complex and challenging compared to the normal cases and it is with these cases and issues that the controllers feel that company X's SSC could do better. And as question eight shows, the controllers feel that some tasks should be concentrated to specific persons to further diminish the loss of knowledge and make some processes faster, but this will not work forever as there will inevitably be changes in the employees and the occasional trainee now and then to help and cover someone's work during holidays. Then there is an issue with the time zones, but this is only with the countries that have a difference of over five hours, and it is only an issue when it comes to month ends and quarter closings.

6.6 Research significance and implications

The overall average perceived SERVQUAL score for the five determinants of customer satisfaction is 5.26. As the score is above the middle point of the scale (3.5), where one would measure indifference, and close to the highest possible score of seven, it indicates that the controllers are satisfied with the service quality level offered by company X's SSC. This also means that there is some room for improvement as the score could be conceived to be higher still.

From the quantitative analysis it is found that, although there are gaps between the expected and the perceived level of service quality satisfaction, the controllers of company X are satisfied with the quality of the services offered by Company X's SSC. The negative gaps that exist between the expected and perceived level of service quality indicate that there are areas where efforts to improve should be focused on. The weighted negative gap scores suggest that company X's SSC should prioritize and focus improvement efforts in descending order in the areas of reliability, then responsiveness and then assurance. As the empathy and the

tangibility determinants were the two least important determinants in the minds of the controllers, company X's SSC need not focus on those so much, especially when it comes to the tangibility determinant, as it was the only determinant where the controllers' expectations were exceeded and the least important one of all of the five determinants.

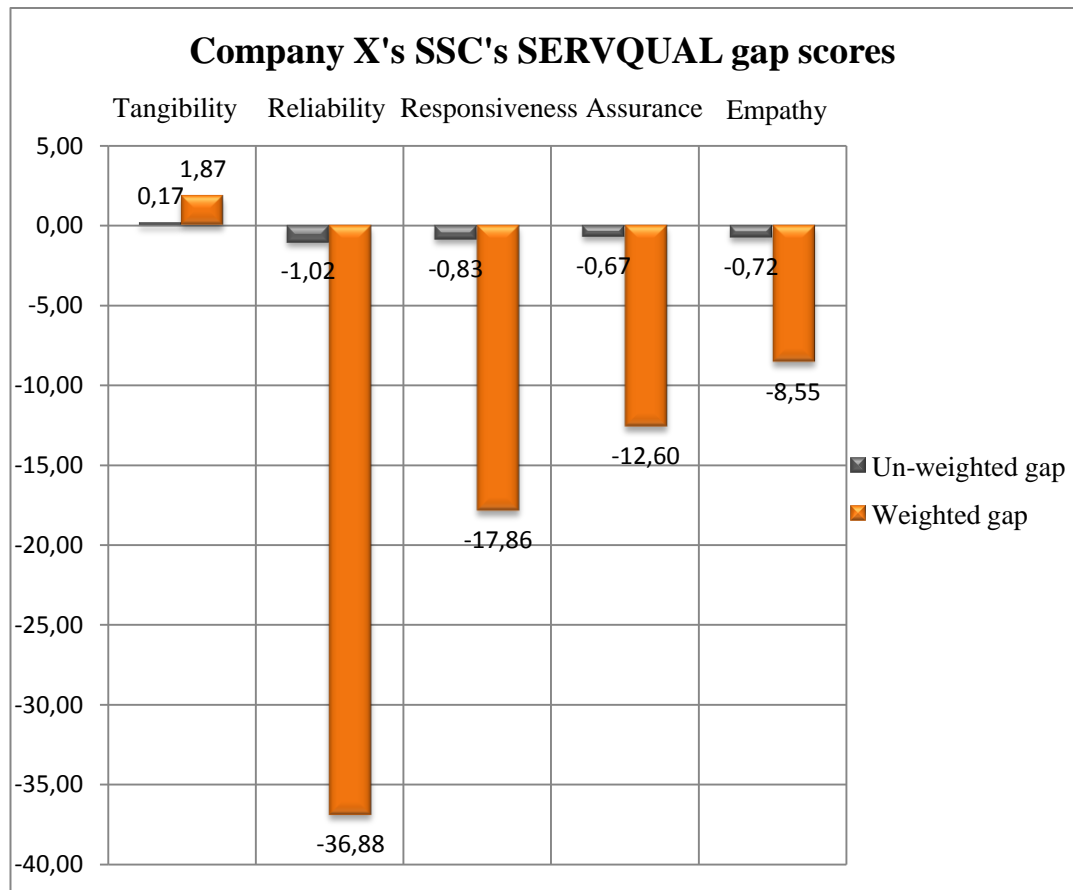


Figure 14. Company X's SSC's SERVQUAL gap scores - all determinants.

The qualitative analysis also shows that the controllers are satisfied with company X's SSC's provided service quality, with an average score of 8.4 out of 10. This score, when re-scaled to the same scale used in the SERVQUAL questionnaire by dividing 8.4 with 10 and then multiplying it with 100 you get the percentage of 84 and then multiply this with seven you get a comparable score of 5,88. This satisfaction score is slightly higher than the score of 5,26, but this is probably because the evaluation was not as strict as it is with the SERVQUAL questionnaire. It does however show that the controllers are satisfied and that the

evaluation methods produce similar answers. It also shows that the controllers' expectations are mostly being met, when it comes to routine tasks and questions, but in the more difficult and out of the ordinary tasks and questions company X's SSC could do better. The qualitative analysis also mirrors the quantitative analysis in respects to what the controllers feel are the most important aspects in company X's SSC's services. These being speed, quality and responsibility in the qualitative analysis and these can be thought to mirror the three most important determinants of reliability, responsiveness and assurance in the quantitative analysis. The qualitative analysis also brought out some specific issues that the controllers feel could be taken into consideration like concentrating tasks, unifying processes and taking the time zones into account when it comes to countries with over 4 hours of time difference in either way.

7 CONCLUSION

This chapter concludes this study and evaluates the entire thesis from the author's point of view. The conclusion was made by critically evaluating all of the reviewed theory, all of the gathered data and all of the analyzed results. Although not all of the findings are presented or commented on separately in this chapter, they have been taken into account when drawing the conclusions.

7.1 Summary of the results

The information gathered with the quantitative questionnaire and the qualitative interviews can be seen to have answered the three research questions. Research question number one, "*What is the best way of handling company X's SSC's internal customer care and managing internal accounts?*", was answered with both the SERVQUAL questionnaire and with the interviews. Part two of the SERVQUAL questionnaire can be seen to answer the first research question in that, with it the most important determinants of service quality, as thought by the controllers, were established and the interview's sixth question backed this up by bringing up the same qualities. So company X's SSC should focus on those determinants and qualities and the attributes within those determinants. These results were presented in chapters 6.4.1, 6.5.1 and 6.6.

The second research question, "*What issues need to be taken into account when dealing with international internal customers?*", was answered, mainly, with questions one to four, and questions eight, ten and twelve from the interviews and with the attributes of the three most important determinants of the SERVQUAL questionnaire. The controllers' answers to the interview questions, in chapter 6.5.1, revealed specific issues that need to be taken into account or improved. The attributes, shown in chapter 6.4.1, of the top three determinants, in the eyes of the controllers, should be the ones that company X's SSC focuses on as those are the one that are most important to the controllers.

The third research question, "*How well is company X's SSC handling their internal customers and accounts?*", was answered mainly by the SERVQUAL

questionnaire and the answers to questions five and nine in the interviews. The average perceived SERVQUAL score, presented in chapter 6.6, shows how satisfied the controller's are with the services offered by company X's SSC, and although the gap scores of most the determinants, also presented in chapter 6.6, make for grim reading, it does not mean that the controllers are unsatisfied. Their expectations just have not been met and company X's SSC should focus on those areas to further improve the controller's satisfaction. The answers the controllers gave for the interview's questions five and nine, presented in chapter 6.5.1, back up the data from the SERVQUAL questionnaire regarding this third research question.

The theoretical part of this thesis forms a background into understanding the relationships between the internal customers of companies and managing their accounts. The concepts of perceived quality and the service/profit chain are explained, and understanding these will help customer satisfaction and how satisfied customers are more profitable. The theories on employee empowerment and communication are explained, to better understand how employees can serve internal customers in the best possible way. On the account management side the concept of Key Account Management is introduced and also how an organization should be structured to best cater for the needs of the internal customers and accounts. Some CRM theory is also explained to give an insight into what kind of technical tools one might use to improve customer care and account management. The SERVQUAL method, which is used to collect the quantitative data in this study, is also explained and so are the critical incident method and the definition of a successful service process, on which the qualitative interviews are based on. As Grönroos (2007) points out, the SERVQUAL method is not the best or most accurate method in all cases, because one or two of the determinants or attributes might not exist in some services, as it is in this case with the tangibles determinant. The controllers basically never visit company X's SSC so it is not important in this case. This is why the interviews, that are based on the critical incident method described by Grönroos' (2007) and on the definition of a successful service process defined by Cooper (2002), are used to get a deeper

understanding of what the controllers feel could be improved and to back up some of the data gathered with the SERVQUAL method.

The results of the qualitative interviews and the quantitative questionnaire ultimately show that the controllers of company X are satisfied with the quality of company X's SSC's services. The results also show that, even if the controllers are satisfied, they still think there is room for improvement when it comes to the most important aspects of the offered services. On the basis of the results, it would be recommended for company X's SSC to focus their improvement efforts on the top three important determinants and their attributes, chosen by the controllers in part two of the SERVQUAL questionnaire, and also focus their effort to work on the issues that came up during the interviews. With these improvements the controllers would be even more satisfied with the offered services.

7.2 Reliability and validity

The reliability of a research means that it is possible to get the same results over and over again, without getting seemingly random results. There are multiple ways of proving reliability. If for example the research is performed again by another researcher and this researcher arrives at the same conclusion then the research can be considered reliable. (Hirsijärvi, Remes and Saajavaara 2004.)

The validity of a research means that the applied research methods actually measure what was intended to be measured. The measurement and methods of research do not always work as was planned by the researcher. If for example the respondents understand the questions in a different way to the researcher and the researcher then analyses them according to his own thoughts, then the results might not be real and valid. (Hirsijärvi et al. 2004.)

The results that were achieved in this case study can be considered to be both reliable and valid. With the results, the research questions were answered, and the results were achieved by using methodological and known methods.

The reliability of this study can be proven by the fact that both the SERVQUAL questionnaire and the interviews with the controllers had the almost the same

answers when it comes to questions that were similar in the two data gathering types and if another researcher had done the same research at the same time the results would have been similar. However if the questionnaire and interview were to be done at another time, for example a year from now, then the results and answers will of course be different, because company X's SSC might make some changes or the controllers might change their minds.

This study can be thought to be valid as the applied methods of the SERVQUAL questionnaire and the interviews with the controllers measure how satisfied the controllers are with company X's SSC's customer care and account management abilities. The methods also answer the research questions. Furthermore, great care was taken, when planning the questions to both the questionnaire and interviews, so that they would be understood by all and for example with the questionnaire all the partially filled questionnaires or the ones that were wrongly filled were left out of the research data.

7.3 Recommendations and suggestions for further research

It is recommended for company X's SSC to take into consideration the findings and results of this research, and the suggestions made by the controllers in the interviews, and to improve their services based on this research. If these are taken into consideration, it would be possible to repeat this research after a year to see what the controllers think then and whether it is possible to exceed their expectations in more areas.

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APPENDICES

Appendix 1

Internal customer interview

1. When you have needed to contact company X's SSC in some cases, has the first person you have contacted given you the answer to your question and helped you resolve the issue?
 - a. If not, how many persons would you say have needed to help with the issue?
 2. Have there been many cases when you have needed to contact company X's SSC more than once, regarding a single matter, before both sides have arrived at an appropriate resolution?
 - a. Would you say that these cases have been out of the ordinary in some way?
 3. Do you think company X's SSC resolves different issues in a timely manner?
 - a. Does it take days or hours in most cases and do you find it satisfying?
 4. Can you say that the issues and questions you have sent to company X's SSC have been taken care of, so that everything has been explained and resolved?
 - a. If some issues or questions take more time to figure out, have you been given an update on the situation, so that you know it is being taken care of?
 5. Can you think of a time when the service provided by company X's SSC was out of the ordinary, in a way that it exceeded your expectations or didn't meet your expectations?
 6. Can you describe the top three ways you measure company X's SSC's performance?
 7. Is company X's SSC providing some services for you that you feel are unnecessary?
 8. Is there something that company X's SSC could develop when it comes to customer service?
 9. How satisfied would you say you are with the services provided by company X's SSC?
 10. What are your feelings concerning the different time zones?
 11. Do you find the language barriers to be a big issue?
 12. Finally, do you have any other comments or things you would like to emphasize?
-

Appendix 2

Internal customer service quality survey: Company X's SSC - SERVQUAL questionnaire

Parts one and two of this survey are based on the SERVQUAL questionnaire ,which will measure the expectations attributed to shared service centers, and the perceptions you have of company X's SSC. It is divided into two parts. Part one has 22 questions related to the expectations you might have of shared service centers and 22 questions related to the perceptions you have of company X's SSC. Part two is about the importance of the aspects and features that SERVQUAL measures when they are considered as a part of shared service centers.

Part one: expectation vs. perception

EXPECTATIONS

This survey deals with your opinions of shared service centers. Please show the extent to which you think shared service centers should posses the following features. What we are interested in here is a number that best shows your expectations about institutions such as shared service centers. Please give your answers in the boxes, from a scale of 1 to 7.

Strongly disagree							Strongly agree
1	2	3	4	5	6	7	

Tangibles

E1. Excellent shared service centers will have modern looking equipment.

E2. The physical facilities at excellent shared service centers will be visually appealing.

E3. Employees at excellent shared service centers will be tidy appearing.

E4. Materials associated with the service (such as pamphlets or statements) will be visually appealing at an excellent shared service center.

Reliability

E5. When excellent shared service centers promise to do something by a certain time, they do.

E6. When a customer has a problem, excellent shared service centers will show a real interest in solving it.

E7. Excellent shared service centers will perform the service right the first time.

E8. Excellent shared service centers will provide the service at the time they promise to do so.

E9. Excellent shared service centers will demand error free records.

Responsiveness

E10. Employees of excellent shared service centers will tell customers exactly when services will be performed.

E11. Employees of excellent shared service centers will give speedy service to customers.

PERCEPTIONS

The following statements relate to your feelings about company X's SSC. Please show the extent to which you believe company X's SSC has the feature described in the statement. Here, we are interested in a number that shows your perceptions about company X's SSC. Please give your answers in the boxes from a scale of 1 to 7.

Strongly disagree							Strongly agree
1	2	3	4	5	6	7	

Tangibles

P1. Company X's SSC has modern looking equipment.

P2. Company X's SSC's physical facilities are visually appealing.

P3. Company X's SSC's employees are tidy appearing.

P4. Materials associated with the service (such as pamphlets or statements) are visually appealing at company X's SSC.

Reliability

P5. When company X's SSC promises to do something by a certain time, it does so.

P6. When you have a problem, company X's SSC shows a real interest in solving it.

P7. Company X's SSC performs the service right the first time.

P8. Company X's SSC provides its service at the time it promises to do so.

P9. Company X's SSC demands error free records.

Responsiveness

P10. Employees in company X's SSC tell you exactly when services will be performed.

P11. Employees in company X's SSC give you speedy service.

E12. Employees of excellent shared service centers will always be willing to help customers.

E13. Employees of excellent shared service centers will never be too busy to respond to customers' requests.

P12. Employees in company X's SSC are always willing to help you.

P13. Employees in company X's SSC are never too busy to respond to your request.

Assurance

Assurance

E14. The behavior of employees in excellent shared service centers instills (inspires) confidence in customers.

E15. Customers of excellent shared service centers will feel safe in their dealings.

E16. Employees of excellent shared service centers will be consistently respectful with customers.

E17. Employees of excellent shared service centers will have the knowledge to answer customers' questions.

P14. The behavior of employees in company X's SSC instills (inspires) confidence in you.

P15. You feel safe in your dealings with company X's SSC.

P16. Employees in company X's SSC are consistently respectful with you.

P17. Employees in company X's SSC have the knowledge to answer your questions.

Empathy

Empathy

E18. Excellent shared service centers will give customers individual attention.

E19. Excellent shared service centers will have operating hours convenient to all their customers.

P18. Company X's SSC gives you individual attention.

P19. Company X's SSC has operating hours convenient to all its customers.

E20. Excellent shared service centers will have employees who give customers personal attention.

E21. Excellent shared service centers will have their customer's best interests at heart.

E22. The employees of excellent shared service centers will understand the specific needs of their customers.

P20. Company X's SSC has employees who give you personal attention.

P21. Company X's SSC has your best interest at heart.

P22. The employees of company X's SSC understand your specific needs.

Part two: SERVQUAL IMPORTANCE WEIGHTS

Listed below are five features pertaining to shared service centers and the services they offer. We would like to know how much each of these features is important to the customer. Please allocate 100 points, in the boxes, among the five features according to how important it is to you. Make sure the points add up to 100.

- 1. The appearance of the shared service centers physical facilities, equipment, personnel, and communication materials. points
- 2. The shared service center's ability to perform the promised service dependably and accurately. points
- 3. The shared service center's willingness to help customers and provide speedy service. points
- 4. The knowledge and respectfulness of the shared service center's employees and their ability to convey trust and confidence. points
- 5. The caring, individual attention the shared service center provides its customers. points

TOTAL 100 points