

Multinational companies struggle to understand service needs

November 27 2017

Technology companies are increasingly trying to grow their revenue by creating value to customers through services. In practice, however, customer and company have differing views on value and its creation. This is shown in a doctoral dissertation by Tiina Leposky considering the service transition of a Finnish multinational enterprise.

"The challenge in large, multinational companies is that knowledge about [customer](#) needs is with local salespeople, but decisions are made centrally in the headquarters. People communicate with many different parties but in the flood of information, the central message of what the customer needs may be lost," says Ms. Leposky who will defend her doctoral dissertation at the University of Vaasa, Finland.

From product sales to partnerships

The dissertation focuses on the [company](#)'s capacity to acquire knowledge from customers and then use it to offer services that fulfill customer needs. The key account managers have a central role in this process because they understand what the customer is going through as well as how the company can contribute to it.

"A transition to services changes the key account manager's role. It becomes about working in a partnership, so the key account manager has to learn to operate as a solutions provider. Or at least learn enough to know when to call in a solutions expert," Leposky says.

A change in job roles requires commitment, willingness and ability, which do not come automatically. Headquarters must help the local staff to understand why the company is transitioning to services and what it means in daily work.

Shared commitment to service goals

In her dissertation, Ms. Leposky has interviewed the customers and local staff members of a multinational company in five different countries of the company's operative regions in Europe, South America and North America. She has also carried out interviews with the strategic and operative personnel in the company's headquarters in Finland.

"The dissertation does not provide a roadmap to how a company can or how it should become more service-oriented," Leposky says. The research highlights influencing factors in the transition process, and the views and interpretations of the actors involved in it.

"Where one salesperson sees service as the company's philosophical statement, another interprets it purely as an attempt to grow profits through chargeable services. Interpretations of service transition vary also in the headquarters from whether it is just lip service or a fundamental change in operations," Leposky says.

The dissertation shows that when an international organisation transitions to services, the process is influenced both by customer relationships and by company internal relationships. Leposky recommends that traditional [technology companies](#) using services to create value to customers should emphasise the commitment of sales and support staff to [service](#) business and ensure alignment between support structures and goals.

Provided by University of Vaasa

Citation: Multinational companies struggle to understand service needs (2017, November 27)
retrieved 25 June 2024 from <https://phys.org/news/2017-11-multinational-companies-struggle.html>

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