Towards continuous growth in industrial solutions business:
Development of a servitization logic for conquering the market challenges

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Towards continuous growth
Processes

- Service-led business models
- Differentiation through advanced services
- Supplier provides value to customer’s business
- Complexity & uncertainty
- Integration
- Changing the organizational culture from manufacturing strategy to service-oriented thinking

“*The service experience of service systems*”
How does a knowledge intensive, product-based organization develop a servitization logic?
Methodology

- Collaborative research: active participation in the transformation process towards service-oriented strategy
- A business division at Company
- 14 semi structured interviews
- Cognitive maps
- Categorization
- Challenge categories
- Adaptation mechanisms
7 challenge categories

- Concept
- Resources
- Process
- Legal
- Communication
- Stakeholders
- Research and development

- 15% of the challenges were associated with marketing and sales:
  *concept, resources, process, legal, stakeholders, communication.
- 48% of the challenges were associated with project execution and delivery:
  *concept, resources, process, legal, communication, stakeholders.
- 1% of the challenges were associated with the use and operation of the solution:
  *concept, legal, research and development.
- The challenges associated with the underlying concept development stand for 36% of the challenges:
  *all of the seven challenge categories.
Adaptation mechanisms

DEFINE THE SOLUTION

ALLOCATE RESOURCES

OPERATE MORE EFFECTIVELY

DEVELOP CONTRACT MODELS

FOCUS ON THE FUTURE

COMMUNICATE

MANAGE THE STAKEHOLDERS
Contribution

The adaptation mechanisms:

- Support the suppliers in managing challenges
- Promote the identified business potential
- Considered as one part of the change management

Advance the process and management of service-orientation in the organization, while taking into consideration and even overcoming the market challenges through differentiation.
References