

Prevention Is Better Than Cure

Increasing sales revenue by identifying order-winning criteria

UNIVERSITY OF TWENTE.

Master Thesis Business Administration

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Preface

My master started with a focus on financial management, a focus on numbers and mostly qualitative data. While I was following my master courses and the moment to start writing my thesis came closer, it became clear to me that my interests lay more on the qualitative side of business. They lay more with people than with numbers. Furthermore it became clear that I wanted to end my studies with as much practical experience as possible and therefore went looking for a way to finish this final task of my masters within a business setting.

With some help from my dad I came up with an initial concept for my thesis and started contacting companies in the region. Vitaal Werkt almost immediately replied that I could come by to discuss the possibilities of executing my thesis with them. Luckily my ideas were in line with their interests and after some fine-tuning I could start putting my suggested research plan into action.

During this final stretch of my master several people helped me out with guidance, advice and encouragements. First of all, I would like to thank the people at Vitaal Werkt who helped me with the input for my thesis during some long interviews and discussions. I would especially like to thank my supervisor at Vitaal Werkt who helped me gain all the information I needed and provided me with the necessary feedback. My thanks also goes out to the customers and relations of Vitaal Werkt who were willing to sacrifice their time for me and helped me with their honest opinions.

I would also like to thank my supervisors from the University of Twente for guiding me through the process of writing my thesis, for giving me advice when I needed it, and for helping me continuously improve my thesis.

My thanks furthermore goes out to my friends and family. To my dad for helping me with figuring out where my interests lie and setting up the initial concept for my thesis. And for offering his experience when I got stuck or needed his opinion. My thanks also goes out to my boyfriend, Job, and my friend Jesper, who helped me out with their critical eye and reviewed my paper several times to make sure I did not miss anything. I would also like to thank both of them for the encouragement boosts which I sometimes definitely needed. Last but not least, I would like to thank my mom and my other friends for supporting me during this whole process, for their interest and their encouragements.

Abstract

This research is the product of a cooperation with Vitaal Werkt, an independent and certified occupational health service organization. They offer their customers a whole scale of services, but for this research the focus is on their preventive services, on the preventive medical examinations to be exact. The objective of this research is to offer VW more insight on their order-winning criteria so they can (1) sell more prevention services, in specific preventive medical examinations, to existing customers, and/or (2) gain new customers that will purchase prevention services.

Order-winning criteria are those criteria that let a possible supplier actually win orders, those criteria that are crucial in the eyes of the customer to choose one supplier over the other. By identifying these criteria it can be determined which characteristics of Vitaal Werkt's service offers the most value to customers. It can then be researched how these characteristics or criteria can be used to help Vitaal Werkt to double their prevention revenue. All of the above is transferred into the following research question:

“What are the order-winning criteria for Vitaal Werkt to become and remain successful in achieving their goal of doubling their revenue of ‘prevention’ by 2015, focusing on the preventive medical examinations?”

To find an answer on this research question several methods were used, under which a literature review and interviews with managers and customers. The interviews with managers and customers were used to identify which criteria are order-winning for preventive medical examinations according to the perspective of the management and that of the customers, and were used to analyze the differences and similarities between these two perspectives.

Based on the identification of the order-winning criteria both perspectives could be transferred into a model which provided a graphical view of the criteria from both perspectives and an initial advice on how to deal with these criteria. Placing the criteria in the model gave an initial view on which criteria Vitaal Werkt should keep up the good work, on which they should concentrate, on which there might be a possible overkill of effort, and on which they should put low priority.

Further analysis of the model and all gained information on the criteria gave a list of the nine most important order-winning criteria for the management and as well as for the customers. For the management they are customized service, professional and commercial expertise and experience, thorough processing of the quotation, personal relation of trust, brand awareness, reputation and image, integral system for health management, protection of personal and medical information / ISO 27001, personal contact, and delivery speed. For the customer the following criteria were most important: customized service, presence of professional expertise, personal relation of trust, industry specific knowledge, service location, service quality, service price, delivery reliability, and delivery speed.

Based on the analysis of the criteria and the differences and similarities between the perspective of the management and that of the customers it could be concluded which criteria are critical for success in increasing customer satisfaction or winning new customers. The above mentioned criteria for the customers are the criteria that turned out to be leading for the recommendations to Vitaal Werkt. The recommendations given to VW are given from two different angles: business improvement (concerned with improving value and the perception of that value) and business growth (concerned with improving sales performance). The business improvement recommendations given to Vitaal Werkt are: improving current delivery reliability, introducing a quick service offering, providing local service, setting up an communication strategy based on the order-winning criteria, and using referral marketing to win new customers. The recommendations concerning business growth are as followed: expand the current product line for existing customers, develop markets within the most important industry segment(s), penetrate and maintain the existing market, optimize service pricing.

Table of Content

1. Introduction.....	3
1.1 Company Profile: Vitaal Werkt	3
1.2 Research Motive and Objective	4
1.3 Research Questions	6
1.4 Research Approach.....	6
1.5 Research Scope.....	7
2. Theoretical Background	8
2.1 The concept of ‘customer value’	8
2.2 The concept of ‘order-winning criteria’	10
3. Research Methodology.....	14
3.1 Literature Review.....	14
3.2 In-depth interviews with members of the management team	14
3.3 In-depth interviews with VW’s customers.....	16
3.4 Comparing results	17
4. Research Results	19
4.1 Results of the management of VW	19
4.2 Results of the customers of VW.....	22
5 Analysing the Order-winning Criteria	25
5.1 Model for identifying the order-winning criteria	25
5.2 Order-winning criteria according to the management of VW	27
5.3 Order-winning criteria according to the customers of VW.....	27
5.4 Comparing the results of the managers and customers	29
6. Conclusions.....	33
7. Recommendations	36
8. Bibliography	43
9. Appendices	45
9.1 Questionnaire for the management	45
9.2 Questionnaire for the customers	49
9.3 Initial list of possible order-winning criteria	52
9.4 Final list of possible order-winning criteria.....	55
9.5 Research results interviews.....	58

1. Introduction

1.1 Company Profile: Vitaal Werkt

Vitaal Werkt (hereinafter referred to as VW) is an independent and certified occupational health service organisation. Their services consist of health management, prevention, absenteeism counselling, and intervention and reintegration. VW delivers these services to a number of companies in, for instance: trade, transport, construction, retail, education, art, culture, entertainment and public authorities.

VW portrays itself as being a no-nonsense organisation that will act quick and efficient, and where personal service always comes first.

“Working together on health” is the vision that forms the basis on which VW advises and supports organisations with a positive and on health directed approach to working conditions. Their goal is to increase productivity, quality, and results by creating optimal working conditions by having competent, motivated and healthy employees. This idea is also prominent in VW’s mission: advice and support organisations on health policies with the goal of delivering a maximum effort to the organisation’s results by increasing welfare, health, safety and vitality of employees in their workspace.

The services HHC offers are divided into eight different product knowledge groups:

1. Health-related absenteeism and absenteeism counselling;
2. Risk assessment and evaluation;
3. Preventive medical examination;
4. Training and coaching;
5. Labour and organisation advise and individual interventions;
6. Re-integration;
7. Working conditions and safety;
8. Internet applications *my-care*, *e-care* and *we-care*.

Besides this distinction of services VW also makes another distinction, which is more relevant to get into for this thesis: the distinction between absenteeism and absence prevention related services. Absenteeism services entail a curative approach, and consist of subscriptions for absence counselling (reducing absence), but also having a medical officer or general nurse present at the company site, making house calls, accelerate reintegration, etcetera. Prevention services entail a preventative approach, and consist of risk assessments and evaluations, preventive medical examinations, company safety training and other examinations, workshops and training.

During the time that VW works with a customer they carefully try to shift focus from a curative approach to a preventative approach. We call this final stage integral health management. This means that not only the physical health of employees is important but also their mental health, like mental fitness and satisfaction. Integral health management is not only about being healthy (medical) but also about competences (workload) and motivation (personal expectations). This also means that health is incorporated in the organisation, it is not a separate phenomenon but it is embedded in daily processes and procedures in the organisation.

The overall goal of integral health management is improvement of production and quality by an optimal deployment of employees. To move forward from a focus on absenteeism and getting healthy, to a focus on prevention and sustainable health.

To help their customers reach this state of integral health management VW is working with the growth model of integral health management to ensure a situation where every employee takes, and is able to take, his or her own responsibility where health is concerned. This model consists of four steps and every step is concerned with a different set of questions.

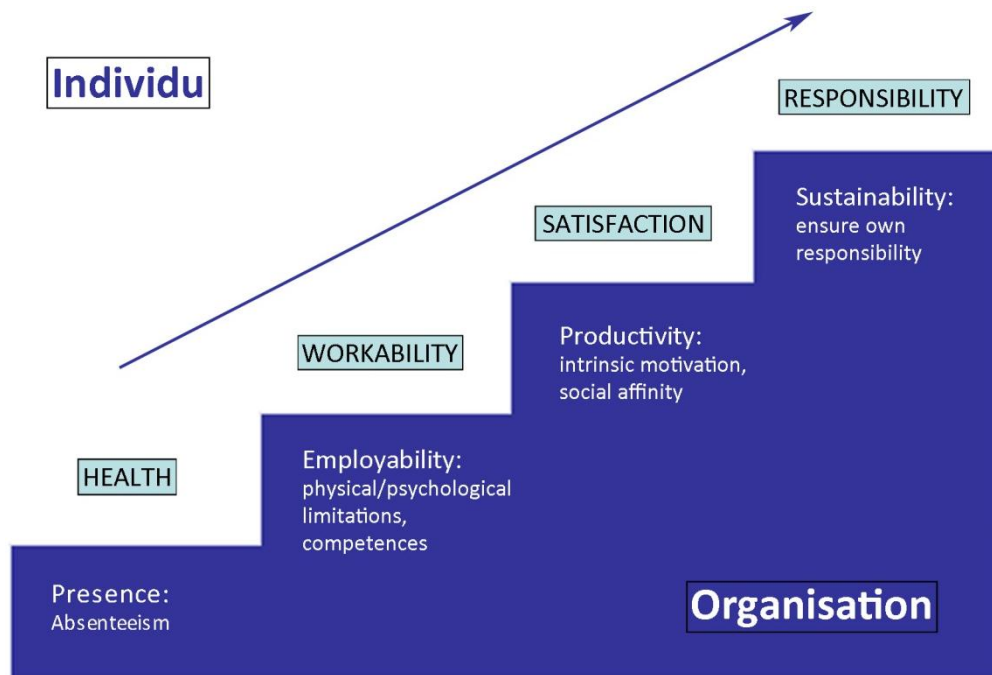


Figure 1.1: Growth model of integral health management (source: internal document at VW)

The first step is presence which is about getting employees back to work. This step is about keeping absence down to a minimum and to accelerate reintegration. The second step is employability and is concerned with strengthening the (around) ninety-five per cent of employees who are (still) working. This step is about to what extent employees can be fully employed. This depends on physical and mental health, education, competences, etcetera. The third step is productivity which is concerned with the utilization of productivity. Employees can be employable but they need to be motivated enough and have social affinity to ‘go the extra mile’. The fourth and final step is sustainability, this focuses on creating a sustainable situation, which is when all steps of the growth model are dealt with and the process of behavioural change has been put in motion. This means that the organisation moves to a situation in which: every employee in the organisation has a sense of responsibility for health and absence, employees take their own responsibilities, health (in every sense) is a part of daily routines in the company, absence is prevented, and employability and productivity are strengthened.

An important note about this model is that each of the previous steps needs to be fulfilled before moving on to the next step.

1.2 Research Motive and Objective

In the previous paragraph the concept of integral health management is explained. It is concerned with shifting the focus from a curative approach to a preventative approach, which is the underlying basis for conducting this research. VW want to focus more on delivering prevention services. Currently prevention only forms around ten per cent of VWs total business, but it is preferred that the share of prevention services rises to around forty per cent of VWs total business. The revenue from prevention should grow with two hundred per cent by 2015.

This objective is supported by the targets that were set for the VW region Noordoost Nederland for the period 2011-2015 (the focus on the region Noordoost Nederland is explained in paragraph 1.5). The figure below shows what these specific targets for the next five years are. By 2015 VW Noordoost Nederland wants to realize revenue of 3.2 million for prevention, and 4.8 million for absenteeism and reintegration.

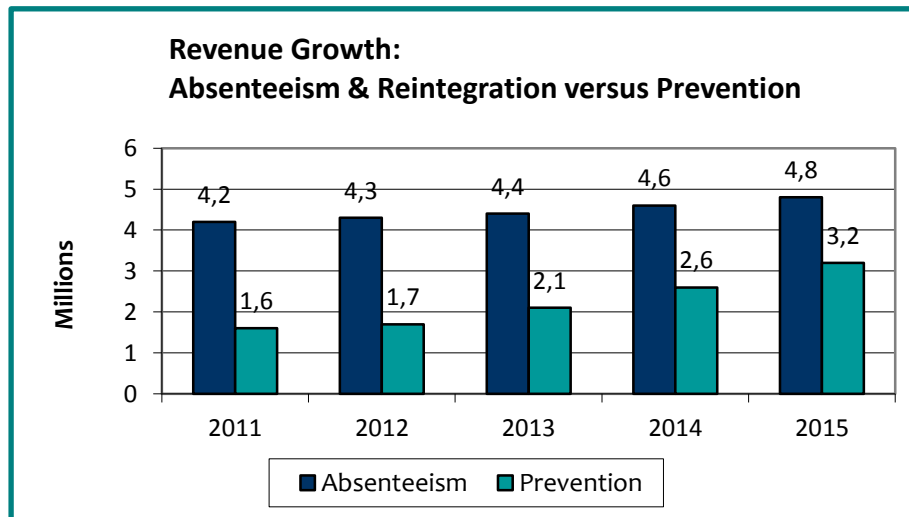


Figure 1.2: Projected revenue growth for the region Noordoost Nederland

For absenteeism and reintegration this means that VW wants to keep revenue at a stable level. The reason is that absenteeism and reintegration form the stable base of income for VW, it is important to maintain a certain level of revenue to ensure the continuity of the company. For prevention VW wants to double the revenues by 2015 compared to 2011.

There are several reasons for wanting to focus more on prevention.

- Selling prevention services is more lucrative than selling absenteeism services. For example: having a standard absenteeism contract with a client yields revenue of about €80 per employee. Doing preventive medical examinations (one of the prevention services) can yield revenue between €75 to €250 per employee, meaning that the revenue per employee can get three times higher than with an absenteeism contract.
- Prevention services create more commitment from a customer to VW. When VW performs a preventive medical examination it seems more logical for the customer to come back after about three years to the same organisation that did the initial examination. A previously consulted supplier already knows how the company works and has a better perspective on placing the results of a preventive examination than a new supplier would.
- Prevention and, more specific, sustainable employability are ‘hot’ social responsibility topics. Because of ageing and a low population growth there will be a shortage in the labour force. It will therefore be even more important to keep employees healthy and vital. Furthermore, employers will carry more and more responsibilities for re-integration and will therefore also have a greater interest in keeping employees healthy and vital.

These reasons explain why VW wants to increase their focus on prevention services. In order to focus better on selling prevention services they need to know what their customers want in the area of prevention. For this reason VW seeks to gain more insight on what the needs of the customers are, on why (existing and prospective) customers would purchase prevention services, especially on why they would purchase them from VW instead of from competitors, and on what VW can do to meet the needs of their (potential) customers.

The purpose of this research is therefore to hand VW a method or model with which they can gain more insight on customer wishes. In this research the identification of order-winning criteria will be used to gain

this insight. There are two reasons for using the identification of order-winning criteria as a method for gaining insight on what VWs customers want. It will offer insight on which factors customers find important when buying prevention services from VW and it will offer insight on how VW is performing on these factors. Furthermore identifying order-winning criteria by customers as well as management will point out how big the gap in perspective is between customers and management. It will also point out whether it is necessary to make strategic adjustments or not. The concept of order-winning criteria and the methods for identifying them will be explained in paragraph 2.2 and later chapters.

The objective of this research is as followed: *offer VW more insight on their order-winning criteria so they can (1) sell more prevention services, in specific preventive medical examinations, to existing customers, and/or (2) gain new customers that will purchase prevention services.*

1.3 Research Questions

From the research motive and objective the following main research question can be diverted: *“What are the order-winning criteria for Vitaal Werkt to become and remain successful in achieving their goal of doubling their revenue of ‘prevention’ by 2015, focusing on the preventive medical examinations?”*

It is important to note that this question is not only about becoming successful in increasing revenue, but also about remaining successful. If VW wants to increase their revenue from prevention it is not only important to increase the revenue or the number of customers, but also to make sure VW does not lose customers. Increasing revenue is therefore dependent on both attaining new customers and on retaining current customers. An increase in revenue will be obtained from selling more to existing customers as well as selling to new customers.

In order to find a substantiated answer for the above mentioned research question, several sub-questions have been defined:

1. What is the meaning of the concepts customer value and order-winning criteria?
2. What are possible order-winning criteria according to research?
3. What are the order-winning criteria for preventive medical examinations of VW according to the management of VW and what is the expectation of the management regarding the way customers value the performance of VW on these criteria?
4. What are the order-winning criteria for preventive medical examinations according to the (non-) customers of VW and how do customers value the performance of VW on these criteria?
5. What are the differences and similarities between the different views of the management and the customers regarding the importance of the order-winning criteria and the valuation of VWs performance on these criteria?
6. Which factors are critical for success in order to either increase customer satisfaction (retaining customers) or win new preventive medical examinations customers?
7. What could VW do to improve the value of their services in the eyes of the customers and/or improve their sales performance with regard to preventive medical examinations?

1.4 Research Approach

In this paragraph it will be explained how to arrive at an answer to the questions stated above.

The first (*what is the meaning of the concepts customer value and order-winning criteria?*) and second sub-question (*what are possible order-winning criteria according to research?*) will be answered by doing a literature study on the relevant concepts and their relation to each other. At the same time company information will be gathered from internal documents to get more insight on VW as a company, to prepare for answering the other sub-questions.

This secondary research will be followed by a number of in-depth interviews to identify order-winning criteria according to VW and according to their customers. In order to gather the necessary information for answering the research question, four members of the management team and twelve customers will be interviewed (each from one of three categories: existing 'prevention' customers, existing customers not buying the 'prevention' service, and potential customers). While interviewing members of the management team information will not only be gathered about order-winning criteria, but also about their strategy, targets, opportunities, threats, competitors, etcetera. These interviews will provide an answer on the third (*what are the order-winning criteria for preventive medical examinations of VW according to the management of VW and what is the expectation of the management regarding the way customers value the performance of VW on these criteria?*) and partly to the fifth sub-question (*what are the differences and similarities between the different views of the management and the customers regarding the importance of the order-winning criteria and the valuation of VWs performance on these criteria?*). During the interviews with customers information will be gathered on what they value in the service of VW, how satisfied they are with this service, where there is room for potential improvements, and why VW wins their order. These interviews will provide an answer on the fourth and partly to the fifth sub-question (*what are the order-winning criteria for preventive medical examinations according to the (non-) customers of VW and how do customers value the performance of VW on these criteria? And what are the differences and similarities between the different views of the management and the customers regarding the importance of the order-winning criteria and the valuation of VWs performance on these criteria?*).

After all the necessary secondary and primary information is gathered the 'order-winning criteria' can be identified, conclusions can be drawn and recommendations can be made. This will lead to an answer on the final two sub questions (*which factors are critical for success in order to either increase customer satisfaction (retaining customers) or win new preventive medical examinations customers? And what could VW do to improve the value of their services in the eyes of the customers and/or improve their sales performance with regard to preventive medical examinations?*). In the end the answers to these question will lead to answering the main research question.

1.5 Research Scope

Since there is only a limited amount of time to conduct this research it is necessary to define a scope for the customer group to be studied. Due to the limited time span it would be impossible to study the large amount of around 2500 customers of VW. Therefore it was decided that this research would focus on the region Noordoost Nederland and their individual clients (branches of companies located in the region, but with a main office in one of the other regions are therefore excluded). This focus leaves a research group of around five hundred companies. To further limit the focus group it was decided to only focus on companies which have a hundred or more employees, which is in line with the current strategic focus of VW. This limitation leaves around sixty existing absenteeism and/or prevention customers. The selection of specific customers to be interviewed will be explained in the methodology chapter.

The scope of this research is also narrowed down by focusing on the prevention service of 'preventive medical examinations', which was decided on in consultation with VW. Reasons for this is that it forms a large part of the total prevention service and because companies are not obliged by legislation to purchase this service (as opposed to 'risk assessment and evaluation' and 'preventive occupational medical examination'). This means that customers have more freedom of choice, customers do not only have a choice of suppliers but also a choice of purchasing the service or not.

2. Theoretical Background

2.1 The concept of ‘customer value’

The concept of customer value has already been researched for more than two decades. But even though the concept of customer value has been studied for years, researchers failed to come up with a consistent conceptual and theoretical development of customer value related concepts (Woodruff, 1997; Parasuraman, 1997; Payne & Holt, 2001; Woodall, 2003; Smith & Colgate, 2007; Graf & Maas, 2008; Gallarza, Gil-Saura, & Holbrook, 2011). It appears that customer value is a complex concept and that research still has much ground to cover in many directions (Graf & Maas, 2008). Besides comments on ambiguous definitions, researchers feel there is a lack of empirical research (Graf & Maas, 2008), a lack of research in business markets (Woodall, 2003; Ulaga & Eggert, 2006) and a lack of consistent measurements of customer value and frameworks for creating customer value (Smith & Colgate, 2007).

Since there is no consensus in currently available research on definitions and methods for measurement, it is important to clarify the definition that will be used in this study and to explain which method will be used to measure customer value for VW. In several articles it is stressed that definitions, measurement and frameworks will depend on the specific context of the organization and its customers, reason for this is the before mentioned inconsistency (Parasuraman, 1997; Woodall, 2003; Nasution & Mavondo, 2008; Gallarza, Gil-Saura, & Holbrook, 2011)

The first thing need to be explained about customer value is that there are two theoretical approaches for looking at this concept: a company perspective (value for the company) and a customer perspective (value for the customer) (Graf & Maas, 2008). Value for the company entails evaluating how attractive, or valuable, customers are from a company perspective. Value for the customer entails the perceived value, generated by a company product or service, from the perspective of the customer, or the fulfilment of customer believes and wants by these products or services (Woodruff, 1997; Woodall, 2003; Graf & Maas, 2008). During this research the focus will be on what customer value is from the perspective of VWs customers, since this research is about finding out what VW’s customers value and therefore about the customers’ point of view.

As mentioned before, there are numerous definitions of customer value of which the most quoted definitions are stated below.

Zeithaml (1988)	“Perceived value is a customer’s overall assessment of the utility of a product based on perceptions of what is received and what is given.”
Gale (1994)	“Customer value is market perceived quality adjusted for the relative price of your product. [It is] you customer’s opinion of your products (or services) as compared to that of your competitors.”
Holbrook (1994)	Customer value is “a relativistic (comparative, personal, situational) preference characterizing a subject’s [consumer’s] experience of interacting with some object... i.e., any good, service, person, place, thing, event or idea.”
Woodruff (1997)	Customer value is a “customer’s perceived preference for and evaluation of those product attributes, attribute performance, and consequences arising from use that facilitate (or block) achieving the customer’s goals and purposes in use situations.”

Table 2.1: Overview of Customer Value definitions (Graf & Maas, 2008)

Although the literature on the concept of customer value seems to stress different aspects of the concept, there are a number of recurring characteristics on which most researchers do seem to reach consensus (Woodruff, 1997; Slater & Narver, 2000; Woodall, 2003; Smith & Colgate, 2007; Graf & Maas, 2008; Nasution & Mavondo, 2008; Gallarza, Gil-Saura, & Holbrook, 2011):

1. Customer value is a trade-off between benefits and sacrifices.
2. Customer value is a subjective concept, it is the result of the customer's subjective judgement and it is not about what is objectively determined by the organization.
3. Customer value is linked to the use of a product or service, to make a distinction from personal or organizational values.
4. Value perceptions are relative and comparative. Products and services will always be assessed in relation to competing offerings and/or former experiences.
5. Customer value is conditional and dynamic. Value changes depending on the individual, situation and/or product/service, and value changes over time.

The interest for this research in customer value stems from its relation with competitive value. This research is about identifying what VWs customers' value and how this can lead to winning more orders and increasing sales performance. Reaching this increased level of sales performance is connected to the value VW can deliver. VW must deliver value to the customer, more specifically 'added value'. They have to deliver something customers cannot reach on their own, value that they feel they cannot find at other suppliers. To improve the customer value a company has two options: (1) improve the actual value it supplies, and/or (2) improving the customer's perception on the value that is supplied.

Based on this reasoning and the customer value characteristics mentioned above, customer value is simply defined as: *"added value in the eyes of the customer"*. Improving customer value thus means improving the actual situation (*"added value..."*) and of the perception of this value by the customer (*"...in the eyes of the customer"*).

2.2 The concept of ‘order-winning criteria’

A way of reaching competitive advantage is focussing on customer value. In order to reach this competitive advantage companies need to decide how to compete on superior customer value. While making these decisions companies need to consider the following questions (Woodruff, 1997):

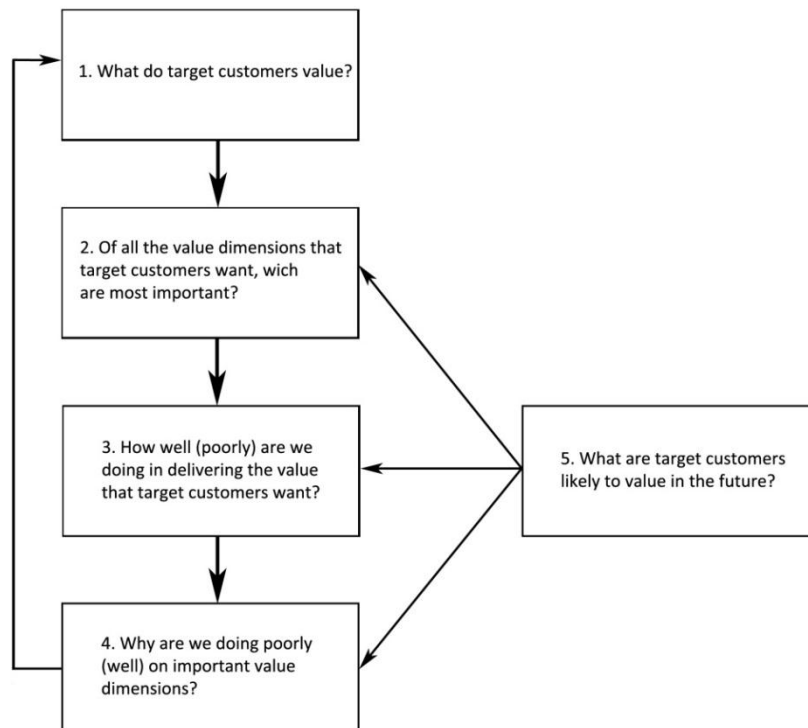


Figure 2.1: Customer value determination process (Woodruff, 1997)

The first four questions of this model are within the scope of this research and will play an important role, but first there is another theory that needs to be addressed. Together these two theories will form the theoretical basis for this research. Woodruff's (1997) customer value determination process (figure 2.1) provides a framework for understanding customer value and satisfaction, however, it is not the only framework that incorporates these elements. Hill proposes a framework that increases the understanding of managers in the markets they serve, that helps them to improve supporting the needs of the market by prioritizing investments and developments (Hill, 1989; da Silveira, 2005).

According to Hörte & Ylinenpää (1997) a companies' competitiveness can be described as its ability to win orders on the markets. The competitiveness of a company depends on its ability to choose appropriate corporate and marketing objectives that are based on thorough knowledge of its markets, and that support the market priorities or 'order-winning criteria' by its ability to use its resources.

The concept of order-winning criteria has been widely adopted in literature and was first introduced by Hill in 1985 (Hill, 1985). The framework Hill developed consists of five steps in which the order-winning criteria form the link between marketing and manufacturing aspects of the strategy formulation process (Menda & Diltz, 1997). The first step of the framework is defining the corporate objectives (for example return on investment, profit, survival, growth). Next is determining the marketing strategy in order to meet these objectives, assessing how products qualify and win orders against competitors, establishing the appropriate process choice for manufacturing. The final step is ensuring the infrastructure that is necessary to support the competitiveness of the firm (Hill, 1989; Berry, Hill, & Klompmaker, 1995; Berry, Hill, & Klompmaker, 1999). The third step from Hill's (1989) framework is most relevant for this research and is concerned with finding out how products or services win orders in the marketplace. This is where the

framework of Hill shows similarities to the customer value determination process of Woodruff (1997). Both are about understanding what the needs and desires of the customers are, about finding out why customers purchase certain products or services.

To better understand the factors that determine why customers purchase certain products or services, these factors should be separated into qualifiers and order-winners (Hill, 1989; Berry, Hill, & Klompmaker, 1995; Berry, Hill, & Klompmaker, 1999). Order-winning criteria are those criteria that let a possible supplier actually win orders, those criteria that are crucial in the eyes of the customer to choose one supplier over the other. Qualifying criteria are the criteria (the characteristics of a product and/or service) a possible supplier has to comply to be considered as a possible choice for a customer, they are the criteria that allow a supplier to 'play the game'.

Order-winning and qualifying criteria are different from each other, but both are important. A company needs to provide qualifiers as well as support order-winners better than its competitors (Hörte & Ylinenpää, 1997). Figure 2.2 clarifies the difference between the two criteria and shows what their relation is with performance on these criteria.

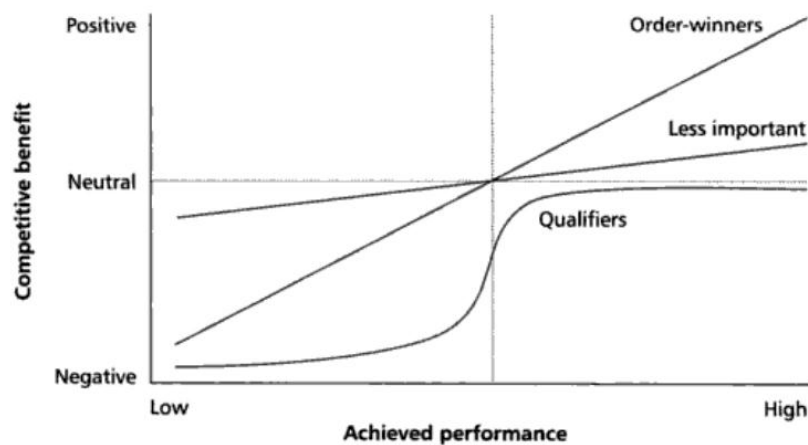


Figure 2.2: *The competitive benefits of order-winners and qualifiers (Slack & Lewis, 2002)*

As becomes apparent from figure 2.2, it does not matter how well a company performs on the by the customer determined qualifiers, a company will not reach high levels of competitive advantage on them. Attainment of a required standard of performance on qualifiers only gives a company entry into the market, but that will be all. Order-winners on the other hand, play a different role. Increased performance on an order-winner can contribute directly and significantly to gaining orders and competitive advantage or improving the chances of gaining more orders (Slack & Lewis, 2002; Slack, Chambers, Johnston, & Betts, 2006; Harrison & Van Hoek, 2008; Slack & Lewis, 2008). Figure 2.2 shows that companies must perform above a particular level to draw a customer's attention, and thereby increase business for the supplier. However order-winners will not have a positive effect if performance on these criteria, compared to competitors is low.

It is important to keep in mind that the roles of qualifiers and order-winners are not stable; they change over time, work in combinations and work different on different markets and with different customers (Hörte & Ylinenpää, 1997).

If a company wants to gain a competitive advantage from their order-winning criteria they need to make sure there are no gaps between strategies or perceptions on order-winning criteria. If the link between the market and the manufacturing strategy (as in manufacturing processes and infrastructure) is not strategically sound, business will suffer (Hill, 2000). In other words, an increasing level of misfit, as in deviating from the ideal product and market profile, will have a negative impact on the performance of a company. In his article da Silveira (2005) examined the relation between manufacturing strategy and business performance. His results also show that a misfit between the profile of products and markets of a company and their defined manufacturing and investment decisions is negatively and significantly related to performance in market share. To ensure that a company formulates a strategy that is in line with the market Hill uses his own developed framework.

Not only marketing and manufacturing strategies must fit well together to have a positive impact on performance. The same goes for the link between the two strategies: the perception of both management and customers on the order-winning criteria.

When the perception on order-winning criteria and qualifiers of a company matches that of its customers there is a “fit” between the two perspectives. With their article Hörte & Ylinenpää (1997) tested that the better the fit between the manager’s and customer’s perceptions is on qualifiers and order-winners, the better the sales performance of a company will be. It seems logical that if suppliers and customers agree on the qualifying and order-winning criteria, it indicates a high degree of knowledge from the part of the supplier, and that they are thereby successful in satisfying the customer’s needs.

Research also points out that there are many companies where a gap exists between the perceptions of managers and customers on why they do business together. A supplying company does not always know the reason behind a buyer’s decision, knows which aspects of an offer are valued by a customer, knows how the customer sees the supplying company in comparison to its competitors, nor does a supplying company know if the customer even makes comparisons to other offers at all. (Hörte & Ylinenpää, 1997)

Samson and Parker (1994) support the findings of Hörte and Ylinenpää. They state that if a company is confused by what the expectations of the customer are this supplying company will have great difficulties meeting the customers’ needs. By understanding the existing gaps, for instance in those between perceptions, and therefore about the choice behaviour of customers, a company can focus on improving their performance on these gaps and gain a better competitive advantage. By measuring the gap between the perceptions of the supplying company (or managers) and those of the customer it becomes clear how well this supplying company knows what his customers expect.

This gap between perceptions of managers and customers forms an important part of this research. The following research questions are meant to deal with this gap:

- What are the order-winning criteria for preventive medical examinations of VW according to the management of VW and what is the expectation of the management regarding the way customers value the performance of VW on these criteria?
- What are the order-winning criteria for preventive medical examinations according to the (non-) customers of VW and how do customers value the performance of VW on these criteria?
- What are the differences and similarities between the different views of the management and the customers regarding the importance of the order-winning criteria and the valuation of VWs performance on these criteria?

These questions are based on the questions of Woodruff’s (1997) customer value determination process and Hill’s (1989) methods for identifying order-winning criteria.

To conclude this chapter, an answer will be given to the second research question: what are possible order-winning criteria according to research? Table 1.2 represents an overview of possible order-winning criteria. These criteria will form the basis for the list of criteria that will be formed later on by having interviews with the management of VW and its customers. Keep in mind while reading this list that most criteria were derived from manufacturing companies, while VW is a service company. Therefore this list will be adjusted to the specific situation of VW and the most emphasis will be put on criteria mentioned by the management. This will be explained more in detail later on.

- | | | |
|------------------------|-------------------------------|--|
| • After-sales support | • Design leadership | • Preferred-supplier status |
| • Brand name | • Distribution system | • Price |
| • Colour range | • Established relationships | • Product or service specific features |
| • Corporate reputation | • Flexibility | • Product performance |
| • Delivery reliability | • Good personal relationships | • Product range |
| • Delivery speed | • Innovativeness | • Quality |
| • Demand increases | • Package leadership | • Technical support |

Table 2.2: Overview possible order-winning criteria (Hill, 1989; Berry, Hill, & Klompmaker, 1995; Hörte & Ylinenpää, 1997; Menda & Dilts, 1997; Spring & Boaden, 1997)

3. Research Methodology

This research revolves around determining customer value at VW by identifying order-winning criteria. In this chapter a more detailed explanation will be given on how the research questions will be answered and how the order-winning criteria will be identified. This will be done in four steps: a literature review, interviews with the management of VW, interviews with the customers of VW and a comparison of all the results gained by these methods. With these steps a possible list of order-winning criteria can be created, after which the perspective of both the management and the customers on this list and the order-winning criteria in general can be identified. In the end both perspectives can be compared to recommend VW on how they can become and remain successful in achieving their goal of doubling their revenue of 'prevention' by 2015, focusing on the preventive medical examinations.

Each of these steps mentioned above will be explained in this chapter. Some steps in this chapter also describe the research method that was used, since sometimes the methodology had to be adjusted during the process. Where necessary this is mentioned at the end of the sub paragraphs (explained in past tense).

3.1 Literature Review

The literature review needed for this thesis can be divided in several steps. The first step is to find relevant literature on the concepts of 'customer value' and 'order-winning criteria'. This is done to give an idea about what these concepts entail. It will also be used to set up a working definition for both these concepts.

The second step is to use previous research to generate a list of possible order-winning criteria for VW. These order-winning criteria will be used as a starting point for the interviews. By compiling a list of possible order-winning criteria it is ensured that as many criteria as possible are taken into consideration when compiling the definite list of order-winning criteria for VW (from the perspective of the management team). This list can also be used as a guideline during the in-depth interviews with the members of the management team. When a manager is unable to come up with a list of order-winning criteria from the top of their head, this compiled list can be used to give the manager an idea of possible order-winning criteria.

The third step is finding methodologies to analyse the outcomes of the interviews. These will be explained in paragraph 3.4.

The foremost goal of the literature review is to find an answer to the first and second research question (*what is the meaning of the concepts customer value and order-winning criteria? And what are possible order-winning criteria according to research?*), of which the outcome can be found in the previous chapter.

3.2 In-depth interviews with members of the management team

After the initial part of the literature study is finished in-depth interviews with the management team will be used to further generate a list of possible order-winning criteria. Furthermore the interviews with the management will offer the opportunity to obtain background information on VW and to identify what the order-winning criteria are according to the point of view of the management. The in-depth interviews with the management will lead to an answer on the third research question (*what are the order-winning criteria for preventive medical examinations of VW according to the management of VW and what is the expectation of the management regarding the way customers value the performance of VW on these criteria?*). This will be done according to the following steps:

1. Identifying members;
2. Preparing questionnaire questions;
3. Filling in the questionnaire;
4. Preparing questions for the in-depth interview;
5. Conducting the in-depth interviews;

6. Processing the interviews & generating an initial list of possible order-winning criteria;
7. Initial ranking and scoring by managers;
8. Group meeting (establishing definite list and ranking/scoring of order-winning criteria according to management);
9. Definite ranking of order-winning criteria and their score.

3.2.1 The preparation and completion of the questionnaire and the in-depth interviews

The first step in finding out the point of view of the management on the order-winning criteria of VW for preventive medical examinations (hereinafter referred to as PME) is identifying which managers of VW can be interviewed, and preparing a questionnaire.

At the same time as identifying the managers to be interviewed a questionnaire will be prepared. The basis of the questionnaire stems from a company which has often done research on order-winning criteria within a company (M&P Turnaround Management). This questionnaire will be adapted to the purpose of this research assignment and adjusted to fit VW's specific situation (this questionnaire can be found in appendix 9.1).

The managers will be asked to fill in the questionnaire to the best of their knowledge before the actual in-depth interviews are held. There are two reasons for letting the managers fill in a questionnaire before actually holding the in-depth interviews. The first reason is to give everyone enough time to really think about the questions in order to give a well-founded answer. The second reason is to make more efficient use of the limited time of the in-depth interviews. Letting the manager's answer the questions beforehand creates the opportunity to go more in-depth on the answers given in the questionnaire, which allows the identification of the possible order-winning criteria even better.

After the managers sent their filled-in questionnaires back, the in-depth interviews can be drafted up by preparing questions based on the answers given by the managers. During the actual in-depth interview everything will be recorded to ensure that every relevant detail for identifying the possible order-winning criteria can be processed at a later moment in time.

After approval from the supervisors of the university as well as the company, the questionnaire was sent to four managers. After a few discussions with VW it was determined that the following persons from the management of VW would be interviewed: The managing director of VW Noordoost Nederland (M1), the commercial manager (M2), the organisation advice manager (M3), and the medical advice manager (M4). Of these managers, the regional managing director and the commercial manager are directly involved in the acquisition talks with (potential) customers. The other two managers have a more internal focus and are more concerned with the ins and outs of the organization itself.

3.2.2 Generating a list of possible order-winning criteria

Based on the answers from the questionnaire and the in-depth interviews, and based on order-winning criteria identified in previous research, a list of possible order-winning criteria will be compiled. This list will be created to identify the perspective of the management and to come up with a definite list of possible order-winning criteria to be used in the customer interviews.

After all the interviews are processed, the answers from each of the managers on the question "what are the five most important order-winning criteria for PME" will be put together. This list of criteria will be supplemented by possible criteria derived from asking questions during the in-depth interviews. And further supplemented by criteria from several articles on the topic of order-winning criteria and by criteria from empiric research done at other companies (carried out by the same company of where the questionnaires originated).

After generating a substantive list of possible order-winning criteria, all the descriptions, characteristics and labels were separated from each other. This was done because there was a big overlap between the definitions given by literature and those of each of the managers. After looking at all the actual descriptions that were given when talking about the order-winning criteria, all the similar descriptions were put together, eliminating the overlap, leading to more specific definitions and labels for the possible order-winning criteria. By making the definitions as specific as possible it becomes easier to pinpoint the essence of the order-winning criteria for the PMEs.

The final list of possible order-winning criteria was mostly derived from the interviews with the management. There are two explanations for this. The first explanation is that the criteria derived from the interviews are a better reflection of the specific circumstances at VW. The second being that most scientific articles focus on manufacturing organizations instead of service organizations, which make them less relevant or not even applicable at all for a company like VW. Though the results from the interviews are more relevant than the criteria derived from the interview, the criteria derived from literature were still included. This was done because they represent the general outcomes of repeatedly done research on order-winning criteria and because it gives the management (and the customer at a later moment of the research as well) a broader scope on possible order-winning criteria to consider.

The final list of twenty possible order-winning criteria (and their definitions) derived from literature and the interviews with the management can be found in appendix 9.3. This list of criteria forms the basis of selecting the actual order-winning criteria for the PMEs of VW.

3.2.3 The selection of the order-winning criteria by the management of VW

After compiling a list of possible order-winning criteria the list will be sent to the interviewed management members. They will be asked to, separately, make a ranking of the ten most important order-winning criteria according to their point of view. Furthermore they will be asked to judge VW's performance on each of the by them selected criteria.

After each of the managers evaluates which criteria are order-winning and how VW is performing on these criteria (all of them taking a customer's perspective), a group meeting will be held to discuss the initial outcomes and to reach agreement on the final list of order-winning criteria which will portray the perspective of the management.

During the group meeting all the criteria were discussed to determine which are order-winning, which are qualifying and which are neither. After all the criteria were discussed every management member was asked to again make a ranking of the order-winning criteria. Again another discussion followed based on these rankings, only now to arrive at an overall ranking which would portray the view from the management as a whole. This was done because the ranking derived from this discussion is less speculative and more trustworthy than a ranking based on weighted averages.

3.3 In-depth interviews with VW's customers

The next step of this research is concerned with identifying the order-winning criteria according to the perspective of the customers. It is meant to give an answer to the fourth research question of this research (*what are the order-winning criteria for preventive medical examinations according to the (non-) customers of VW and how do customers value the performance of VW on these criteria?*). In order to reach this goal the principal method is conducting in-depth interviews with VW's customers. The specifics of this process are discussed in the following paragraphs.

3.3.1 Selecting customers

After all the necessary information from the management is gathered, the interviews with the customers will be prepared. The first step is to decide on which customers to interview.

In paragraph 1.5, the research scope, it was mentioned that the research population was brought down to a selection of about sixty companies in the region Noordoost Nederland, all with more than a hundred employees. This selection is still too substantial to form the definite sample for this research, given the available time and resources. Therefore the selection of specific customers will be left up to VW. They will have a more optimal view on which companies would make a good selection. It also gives VW the option to add companies they are especially interested in (on the topic of order-winning criteria) and to add companies of which they feel would be a good representative of their overall customer base. During this process, VW will make the initial contact with companies to ensure that companies are willing to participate.

After some deliberation it was decided that it would be interesting to interview three different groups of customers, amongst others to establish if there are differences between the criteria of existing and new customers. The three customer groups were defined as followed:

- Existing VW customers purchasing PMEs
(Hereinafter referred to as “purchasing customers”)
- Existing VW customers not purchasing PMEs
(Hereinafter referred to as “non-purchasing customers”)
- Non-customers, either being prospects or companies doing PMEs in-house
(Hereinafter referred to as “non-customers”)

3.3.2 Preparing and conducting the interviews with the customers

For the customers the same approach as for the management will be used (see paragraph 3.2). First they will be sent a very brief questionnaire and after that the in-depth interviews will be prepared and conducted. The questionnaire and interview questions can be found in appendix 9.2.

3.3.3 The selection of the order-winning criteria by the customers of VW

The initial idea was to interview three customers out of every customer group. While contacting the different companies to make an appointment for the in-depth interview, it turned out that one customer was no longer a customer of VW's. This ‘customer’ was shortly interviewed, but since the focus of this research is to identify why customers come to VW and not why they leave, this interview was excluded from the research results.

To ensure there were at least three interviewed companies in every category, two new customers were contacted which eventually were both interviewed. The result was that ten relevant non-customers were interviewed: four purchasing customers, three non-purchasing customers, three non-customers.

3.4 Comparing results

After all the information from the literature reviews, the interviews with the management as well as those with the customers are gathered the results will be lined up to answer the remaining research questions. The analysis methodology will be explained in this paragraph.

3.4.1 Analysing

The fifth research question (*what are the differences and similarities between the different views of the management and the customers regarding the importance of the order-winning criteria and the valuation of VWs performance on these criteria?*) will be analysed by means of a graphical model in order to make the analysis of the (qualitative) data of the many criteria and the comparison of both perspectives on them, that of the management and that of the customers, more comprehensible.

Eventually it was decided to use the importance-performance analysis model of Martilla and James (1977) for this purpose. This model was chosen because it reflected the two main elements of the above mentioned research question: the importance of the order-winning criteria to the customers and a valuation of the performance of VW on these criteria. The model of Martilla and James is used to give a graphical overview of both the perspective of the management and that of the customers. It furthermore gave a basis for the comparison of the differences and similarities between the perspective of the management and the customers. It lead to a comparison on four possibilities: more important to customers than expected, less important to customers than expected, higher degree of customer satisfaction than expected, and lower degree of customer satisfaction than expected. In these possibilities the perspective of the customer is leading, since this research revolves around identifying the order-winning criteria from the perspective of the customer. The model of Martilla and James will be discussed more extensively in paragraph 5.1.

3.4.2 Concluding

The sixth research question (*which factors are critical for success in order to either increase customer satisfaction (retaining customers) or win new preventive medical examination customers?*) can be answered in succession to the fifth research question. The analysis of the main differences and similarities will lead to a list of the most important order-winning criteria from both the perspective of the management as that of the customers. However, for this sixth research question, the focus is on the perspective of the customer. The perspective of the management will only be used in comparison and will be used to define the gaps between both perspectives.

The sixth research question was answered by making use of the same model that was used to answer the fifth research question. Based on this model it was possible to conclude which actions VW should take, based on the position of the criteria in this model, and based on the qualitative data from the interviews.

3.4.3 Recommending

The seventh and final research question (*what could VW do to improve the value of their services in the eyes of the customers and/or improve their sales performance with regard to preventive medical examinations?*) will be answered based on the outcomes of the previous questions. The analysis and conclusions will automatically point out which actions VW should take in order to improve value and/or sales performance. The answer to this research question is twofold. It will be concerned with both business improvement and with business growth.

In order to give VW recommendations on both business improvement and business growth two methods were used. For business improvement the definition of customer value was used: added value in the eyes of the customer. This twofold definition was used to incorporate both improvement by creating (extra) added value for the customer as well as improvement by improving the perception of the customer on the current added value VW delivers, into the recommendations to VW. For business growth Ansoff's matrix (Ansoff, 1957) was used. This model aims to assist managers in choosing growth strategies, which will be explained more extensively in paragraph 7.2.

4. Research Results

After the interviews were held all the information could be gathered and analysed. This chapter will focus mainly on the numerical information that was gathered. Two tables will be presented, one with the results of the management and one with those of the customer. The goal of this chapter is to present the outcomes from all the interviews and discussions and explain what the data in these tables represent. This is done in order to move on to the analysis of the data, which will be explained in the next chapter.

In the tables in this chapter two main elements of this research are presented: first the importance of all the possible criteria in the form of a ranking, and second the tables will present the performance scores of VW on those criteria, otherwise explained as the satisfaction of the customers with these criteria. The importance and performance scores in these tables will form the basis for the analysis in the next chapter. The reason for this lies in the research motive: to identify a way in which VW can increase their sales revenues on PMEs. Meaning finding out how to gain new customers (based on order-winning criteria, i.e. importance of criteria) and at the same time hold on to existing customers (based on satisfaction/customer value).

4.1 Results of the management of VW

In the methodology chapter it was explained that a list of possible order-winning criteria was drawn up from criteria found in related scientific articles, the questionnaires and interviews with the management. This process of identifying possible order-winning criteria lead to an initial (appendix 9.3) and final list (appendix 9.4) of order-winning criteria, of which the final one was composed during the group discussion. During this same discussion the management also decided on which criteria they found most important. After some discussion about the criteria and some adjustments they came up with the following ranking (in order of importance):

1. Customized service
2. Professional and commercial expertise and experience
3. Thorough processing of the quotation
4. Personal relation of trust
5. Brand awareness, reputation and image
6. Integral system for health management
7. Protection of personal and medical information / ISO 27001

This ranking shows which criteria the management thinks are important to customers, as do all the rankings and scores in table 4.1. They show how the management thinks the customers will judge.

The ranking mentioned above forms the beginning of table 4.1. This table consists of four main columns, the explanation about how these were composed will be given in the paragraphs below.

1. Column 1: *order-winning criteria*
 - This column contains an overview of the criteria that were derived from the literature and the interviews with the management.

2. Column 2: *MT-VW Ranking*

- This column shows a ranking of the criteria from one till sixteen. It also shows that three criteria did not receive a ranking. These criteria were excluded from the ranking because they were not mentioned by the management. The ranking shown in this column was created using two methods. The first seven criteria (shown in italic in table 4.1) are the criteria which were mentioned as most important order-winning criteria during the group discussion with the management. These criteria were found to be the seven most important ones according to the management and are therefore placed at the top of the ranking. The rest of the ranking (place eight till sixteen) is based on the weighted average that can be found in column three, with the lowest weighted average meaning the highest importance.

3. Column 3: *Importance*

- This column is divided into seven columns. The first four represent the individual opinions of the four management team members (columns 'M1', 'M2', 'M3' and 'M4'). These scores were given by each member after the initial list of possible order-winning criteria was established and sent to each management team member to score the criteria based on importance and performance. The 'AVR Score' column present the average of the scores mentioned. To include not only the ranking each criteria received, but also the number of times a certain criteria was mentioned the column 'Weight' was composed. The weight for a criteria was determined using the following conversion rules:
 - 3 or 4 times mentioned, weight = 1
 - 1 or 2 times mentioned, weight = 2
 - 0 times mentioned, weight = 0

The column 'Weighted Average' is a combination of the previous two columns. The weighted average is the average of the individual rankings that were given ('AVR Score'), multiplied by the number of times each criteria was mentioned ('Weight').

4. Column 4: *Performance*

- This column shows how the management thinks the customers will score VWs performance. This column contains each of the individual scores as well as an averaged total score.

One final remark about the table concerns the red numbers in the row "communication and execution of the strategic vision". During the group meeting with the management there were some changes to the initial list of possible order-winning criteria, as mentioned before. One of these changes was the merger of the criteria "breadth of the service offering" and "communication of the strategic vision" into "communication and execution of the strategic vision". Since this merger took place after the managers had ranked and scored the order-winning criteria, this merger did not only lead to a merger of the definition but also to a merger of the rankings and scores that were given. To clarify that these numbers are not given to the criteria as stated now, but to the individual criteria before the merger, these numbers are marked red. However, this merger should not have a big influence on the outcome since the reason for merging these criteria was that managers felt these two criteria need to be combined because they were tightly connected to each other (both also received similar rankings). Since the managers mentioning these criteria agreed to this, these rankings and scores are still taken into consideration.

Order-winning Criteria	MT-VW Ranking	Importance Ranking from 1 till 10							Performance Score Scale from 1 till 10				
Added value in the eyes of the customer	Priority 1-16	M1	M2	M3	M4	AVR Score	Weight	Weighted Average	M1	M2	M3	M4	AVR Score
Customized service	1	2	1	1	9	3,25	1,00	3,25	7	7	7	7	7,00
Professional and commercial expertise and experience	2	8	4			6,00	2,00	12,00	7	6	7	7	6,75
Thorough processing of the quotation	3		6	8	8	7,33	1,00	7,33	6	6	6	6	6,00
Personal relation of trust	4	4	7		1	4,00	1,00	4,00	8	8	8	8	8,00
Brand awareness, reputation and image	5	5			6	5,50	2,00	11,00	7	7	7	7	7,00
Integral system for health management	6	9	9	6	10	8,50	1,00	8,50	8	7	8	8	7,75
Protection of personal and medical information / ISO 27001	7	7		4		5,50	2,00	11,00	8	8	8	8	8,00
Personal contact	8			2		2,00	2,00	4,00			7		7,00
Delivery speed	9		3	7	4	4,67	1,00	4,67		7	5	7,5	6,50
Industry specific knowledge	10	10		3	2	5,00	1,00	5,00	7		6	7	6,67
Service price	11	3		9	3	5,00	1,00	5,00	6		6	6,5	6,17
References	12		2	10	7	6,33	1,00	6,33		6	7	7,5	6,83
Delivery reliability	13			5	5	5,00	2,00	10,00			7	7	7,00
Communication and execution of the strategic vision	14	6	5			5,50	2,00	11,00	8	6			7,00
Service quality	15	1	10			5,50	2,00	11,00	7	7			7,00
Handling of complaints	16		8			8,00	2,00	16,00		7			7,00
Presence of professional expertise						-	-	-					-
Independence from health insurer						-	-	-					-
Scientific basis PMEs						-	-	-					-

Table 4.1: Overview results of the management of VW

4.2 Results of the customers of VW

After the interviews and discussion with the managers had taken place, it was time to gather information about the customers' point of view on order-winning criteria for the PME from VW. As mentioned in paragraph 3.3 a total of ten (non-)customers were interviewed. After having gathered all the necessary information from these interviews, the next step was to compose an averaged ranking in order to make a comparison with the management. Besides reaching an average ranking to know the importance of each criterion to the customer, also the results on how the customers value the performance of VW on each of the criterion are presented.

While composing an averaged ranking of the order-winning criteria that was both relevant and trustworthy to represent the overall perspective of the customer, two elements were important. Both the individual rankings as well as the number of times a certain criterion was mentioned needed to be incorporated. There is a tension between these elements what makes it very important to carefully choose a method for composing an averaged ranking of the order-winning criteria. To give an example of the tension these two elements bring: take the criteria 'delivery speed' and 'service price' (from table 4.2), the first one received a relatively high average ranking (i.e. 4.67 versus 6.50, see table 4.2-a) however, 'service price' is mentioned by more interviewees (i.e. eight versus six times, see table 4.2-a). It is hard to state which one is more important. For this reason it was decided to calculate a weighted average consisting of an average of the ranking for a certain criterion multiplied by a weight determined by the number of times this criterion was mentioned. The same method as was used for the table of the management.

Table 4.2 consists of the same main columns as the table for the results of the management, but there are a few minor differences.

The ranking was based on a weighted average calculated as mentioned above. These weights lead to a ranking which is best supported by the qualitative results of the interviews. The weights for the outcomes of the customers were determined using the following conversion rules:

- mentioned 9 or 10 times, weight = 1
- mentioned 8 or 7 times, weight = 2
- mentioned 6 or 5 times, weight = 3
- mentioned 4 or 3 times, weight = 4
- mentioned 2 or less times, weight = 0

In the 'importance' column the first ten columns now represent the (non-)customers. To be more precise; the first four interviewees are the 'purchasing customers', the next three are 'non-purchasing customers', and the last three are 'non-customers'.

A last difference is that the list of order-winning criteria for the customers is longer. During the interviews with the customers, two criteria were added to the list of order-winning criteria. These criteria were significantly different from other criteria on the list and were mentioned by one or more interviewees as an order-winning criterion on their own initiative, hence the reason for adding them. These criteria are: service location and relationship of trust from an employee's point of view. *Service location*: for some customers the location of the examinations and/or the company doctor played a specific role in choosing for VW as a supplier. In these cases the customers said that it was very important for them that the services would be supplied at or in very close proximity to their own location. *Relationship of trust from an employee's point of view*: one of the customers mentioned that most on the criteria on the list were concerned with the employers or people connected to making a decision about a supplier. According to his opinion it should not only be those people who initially form a relationship of trust with the supplier, but also the employees that work at the customer's must trust the supplier.

Before finalizing this chapter it should be mentioned that readers need to keep in mind that the results gained from the 'non-purchasing customers' are based on speculative answers. These customers do not yet purchase PMEs and were asked to imagine what their order-winning criteria would be in case of purchasing PMEs in the near future.

Order-winning Criteria	Customer Ranking	Importance Ranking from 1 till 10												
Added value in the eyes of the customer	Priority 1-20	CG	TW	TR	RS	VN	NS	EM	AV	MST	CR	AVR Score	Weight	Weighted Average
Service quality	1	1	1	2	4		6			2	2	2,57	2,00	5,14
Customized service	2	5	3	2	1		4	1		4	5	3,13	2,00	6,25
Presence of professional expertise	3		2	5	5		2	2		1		2,83	3,00	8,50
Personal relation of trust	4		9	1	2	1			4	5		3,67	3,00	11,00
Industry specific knowledge	5		7	6	6		3	1	2			4,17	3,00	12,50
Service price	6		5	9	7	4	8		5	7	7	6,50	2,00	13,00
Integral system for health management	7						5	4			1	3,33	4,00	13,33
Delivery reliability	8	3	10	3						3	4	4,60	3,00	13,80
Delivery speed	9	3	11	3		2				3	6	4,67	3,00	14,00
Personal contact	10			1	3		10		3			4,25	4,00	17,00
Thorough processing of the quotation	11	2				3	7			6		4,50	4,00	18,00
Service location	12	4	8					5				5,67	4,00	22,67
Independence from health insurer	13			10			11	3				8,00	4,00	32,00
References	14			8			9			8		8,33	4,00	33,33
Communication and execution of the strategic vision	15						1					1,00	-	-
Relationship of trust from an employee's point of view	16			4								4,00	-	-
Protection of personal and medical information / ISO 27001	17				8				1			4,50	-	-
Scientific basis PMEs	18		6								3	4,50	-	-
Professional and commercial expertise and experience	19		4	7								5,50	-	-
Handling of complaints	20			3						9		6,00	-	-
Brand awareness, reputation and image												-	-	-

Table 4.2-a: Overview results of the customers of VW - Importance

Order-winning Criteria	Performance Score Scale from 1 till 10										
Added value in the eyes of the customer	CG	TW	TR	RS	VN	NS	EM	AV	MST	CR	AVR Score
Service quality	6	7	8	7		7					7,00
Customized service	8	7	8	8	8	9	9				8,14
Presence of professional expertise	8,5	7	8,5	7		8	9				8,00
Personal relation of trust	9	7	8	8	7,5	9	9				8,21
Industry specific knowledge		7	8	7		7	9				7,60
Service price		7	8	8	5	8					7,20
Integral system for health management	7	8				10	9				8,50
Delivery reliability	5	5	8								6,00
Delivery speed	8	8	8		5						7,25
Personal contact			8	8		9					8,33
Thorough processing of the quotation	7		10	6	7	7	9				7,67
Service location	9	9					10				9,33
Independence from health insurer						9	8				8,50
References			8			8					8,00
Communication and execution of the strategic vision						9					9,00
Relationship of trust from an employee's point of view			8								8,00
Protection of personal and medical information / ISO 27001		8					10				9,00
Scientific basis PMEs		8									8,00
Professional and commercial expertise and experience	8	8	8		7		9				8,00
Handling of complaints			8								8,00
Brand awareness, reputation and image	8	7	8				9				8,00

Table 4.2-b: Overview results of the customers of VW – Performance scores

5 Analysing the Order-winning Criteria

The results presented in chapter four form the basis for this analysis chapter. In the previous chapter mostly raw data was presented. In this chapter this data will be transferred into an importance-performance analysis model that will give a better insight into what this data means for VW. Furthermore this chapter will expand on the quantitative data by including the most relevant qualitative data from the interviews and comparing these two where necessary.

5.1 Model for identifying the order-winning criteria

In order to make the raw data from table 4.1 and 4.2 more comprehensible, the importance-performance analysis model (Martilla & James, 1977) was used. This model was originally proposed to develop effective market strategies and to translate results into actions. Nowadays it is often used to give a simple graphic representation of how customers value certain product or service attributes on importance and performance. This model will be used to graphically show the customer's perception on which criteria are most important. The same will be done for the management in order to make a comparison between the management's view and the customer's view on the order-winning criteria for PMEs. The application of this model on the data from the interviews will identify what the (most important) order-winning criteria are, on which criteria VW can benefit most from improving, on which criteria VW possible spends too much effort, and on which criteria VW should ignore.

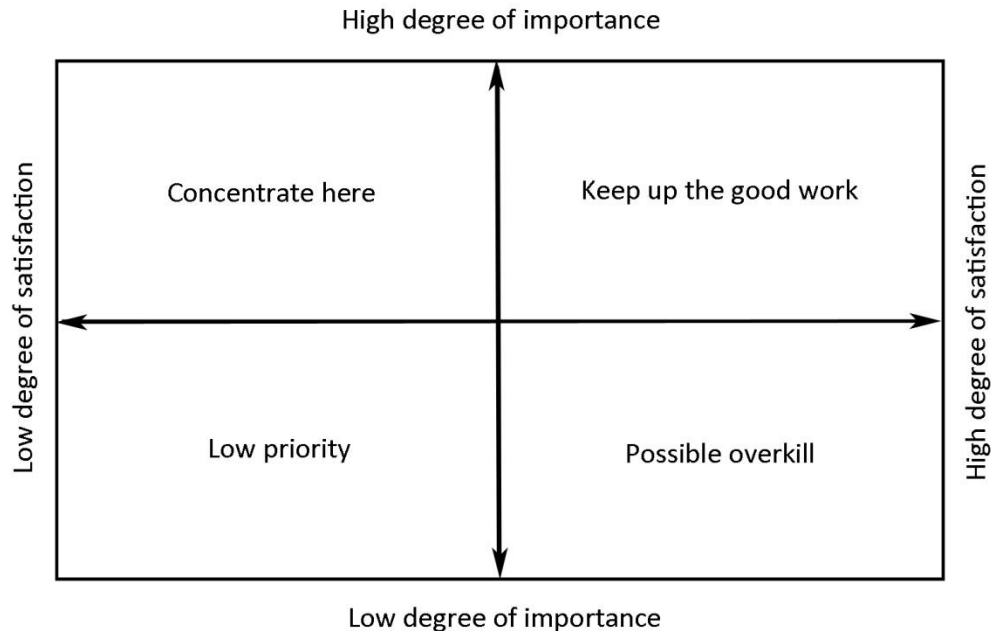


Figure 5.1: Importance-performance analysis model

The importance-performance analysis model is a two-dimensional grid that exists of four quadrants. When applying the model to the data of this research the criteria will be placed in either one of the quadrant. The placement of a criterion in one of the quadrants will give an explanation about what VW should do with this criterion.

Concentrate Here

The criteria in this quadrant are found important by the customers, but the performance of VW on these criteria can be improved. The criteria in this quadrant can be transformed into order-winning criteria when VW puts more effort into these criteria. Concentrating efforts on these areas will produce maximum results.

Keep Up The Good Work

These criteria enable VW to win orders from customers; they are the so-called order-winning criteria. Customers not only deem these criteria important, but they find VWs performance on these criteria high. Criteria in this quadrant should be maintained to ensure that they remain at the same level of performance.

Low Priority

The criteria in this quadrant should receive a minimal level of attention by the management. These criteria are found neither important, nor high in performance, according to the customers.

Possible Overkill

The criteria in this quadrant are criteria with which customers are satisfied, their performance is high, but which are not found important by the customers as an order-winning criterion. There are several options for the criteria in this quadrant. It could mean that too much effort is spent on these criteria while the importance for the customer is low. It might also be the case that there are good reasons for continuing the effort on these criteria, for instance because they are tightly connected to other criteria. A last option is that the management could use a positioning strategy to transform these criteria into order-winners. The management could turn these criteria into criteria that actually allow them to win orders from customers over competitors, if they find a way to show the customer why these criteria are important. Since the satisfaction is already sufficient it is only a matter of positioning.

In the next two paragraphs the importance-performance analysis model is adapted to VWs specific situation by entering the data from table 4.1 or 4.2 into this model. The values for placing the criteria on the horizontal axis (degree of performance) can be found in the tables in the column 'performance – AVR score'. The values for placing the criteria on the vertical axis (degree of importance) can be found in the tables in the column 'importance – weighted average'.

Before moving on to the application of the model, there are two remarks to be made about the application of the model.

As can be understood more clearly from the next paragraphs, the application of this model is subjective. Determining the extreme and central values of the axes is a subjective process; different values, especially different central values, will lead to different placing in the quadrants and therefore a different recommendation to VW.

The second remark is about the values used for the degree of satisfaction. The scores for each criterion are based on an average performance score. The average performance score is determined by an average of scores from actual PME customers and customer of VW that do not purchase PMEs. In other words the value scores for satisfaction are based on a combination of performance scores specific for PMEs and performance scores that are based on VWs general performance.

5.2 Order-winning criteria according to the management of VW

Figure 5.2 represents the initial model on how the management thinks the customers feel about the importance of and performance on all the (possible) order-winning criteria. The horizontal axis, the degree of performance, is based on one of the objectives VW set for this year. Their objective is to reach an overall customer satisfaction of a 7.5. The 7.5 represents the border between what VW (currently) qualifies as a customer being satisfied or not being satisfied enough with a certain criterion. It is the level of performance that VW itself accepts as good or not good enough. Since the scores cannot reach a level above ten and the central value should be 7.5, the extremes of this axis are thereby determined to be five and ten. The specific values of the criteria stem from the AVR score column of table 4.1.

The values of the vertical axis are determined by the level of importance of the criteria, the weighted averages of table 4.1. The maximum value of the weighted average is sixteen. The values for the criteria are determined by subtracting that extreme value of sixteen with the weighted average of that specific criterion. The central value of this axis is determined by simply splitting the maximum value in half, leading to a central value of eight.

Almost all criteria could be placed by this method, except for 'independence from health insurer', 'presence of professional expertise' and 'scientific basis PMEs'. These criteria were not important enough to be included in the importance ranking (see paragraph 4.1), therefore do not have an average weighting, and were automatically placed in the ignore quadrant, without any specific position.

Some criteria in figure 5.2 are written in bold. These criteria represent the seven order-winning criteria that were defined by the management after the group discussion (see paragraph 4.1). These criteria were placed in this model by the same method as all the other criteria, but it should be kept in mind that the individual rankings of importance that were used for these seven criteria are 'outdated', they were not scored again on importance after the group discussion. The reason for using the same method is two-fold. The first reason is that keeping the same values as before the group discussion shows how the process of gathering (potential) order-winning criteria progressed. It shows the transformation from the individual rankings by the management to the team supported ranking. The second reason is that by placing the criteria in this manner it is still possible to present the managers view on how the customers value VWs performance. Even though the placement on the vertical axis became obsolete after the group discussion, the values on the horizontal axis are still important for the comparison between the views of the management and the customers.

5.3 Order-winning criteria according to the customers of VW

Figure 5.3 represents the model adjusted to how the customers feel about the importance of and performance on the order-winning criteria. The degree of performance (horizontal axis) is based on the objective as explained for the management model. Since the extreme values for satisfaction by the customer ranges between 9.33 and six, using the same scale does not give any problems. Furthermore using the same scale makes it easier to compare the outcomes of both models. The values of the criteria stem from the AVR score column of table 4.2-b.

The values of the vertical axis are determined by the level of importance of the criteria, the weighted averages of table 4.2-a. The maximum value of the weighted average is 33.33, rounded up this gives a maximum value of thirty-five. The values for the criteria are determined by subtracting that extreme value of thirty-five with the weighted average of that specific criterion. The central value of this axis is determined by simply splitting the maximum value in half, leading to a central value of 17.5.

Most criteria could be placed by this method, except for 'communication and execution of the strategic vision', 'relationship of trust from an employee's point of view', 'protection of personal and medical information / ISO 27001', 'scientific basis PMEs', 'professional and commercial expertise and experience', 'handling of complaints', and 'brand awareness, reputation and image'. These criteria were not important enough to be included in the ranking (see table 4.1), therefore do not have an average weighting, and were for that reason automatically placed in the ignore quadrant, without any specific position.

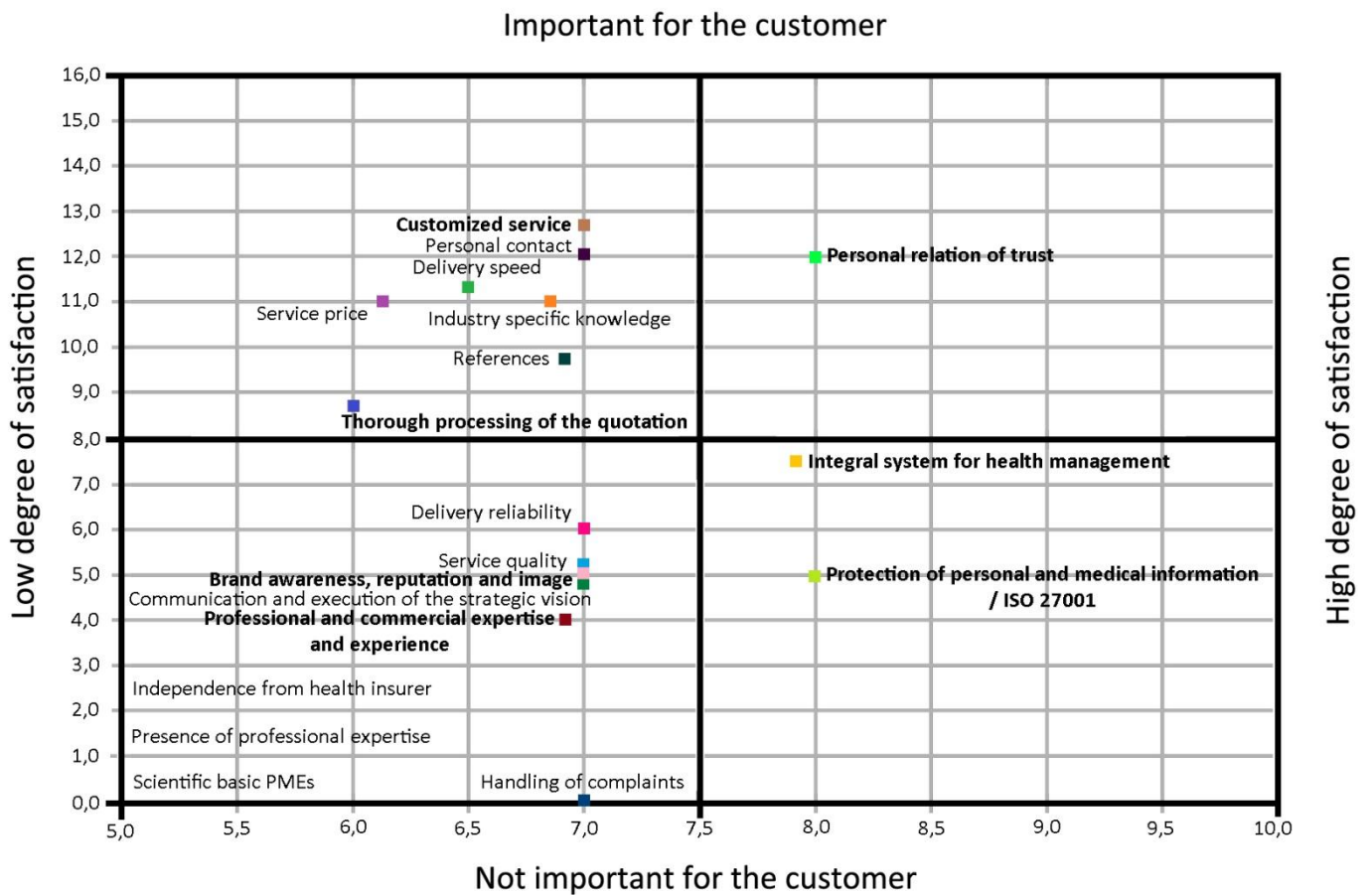


Figure 5.2: Graphical overview order-winning criteria according to the management

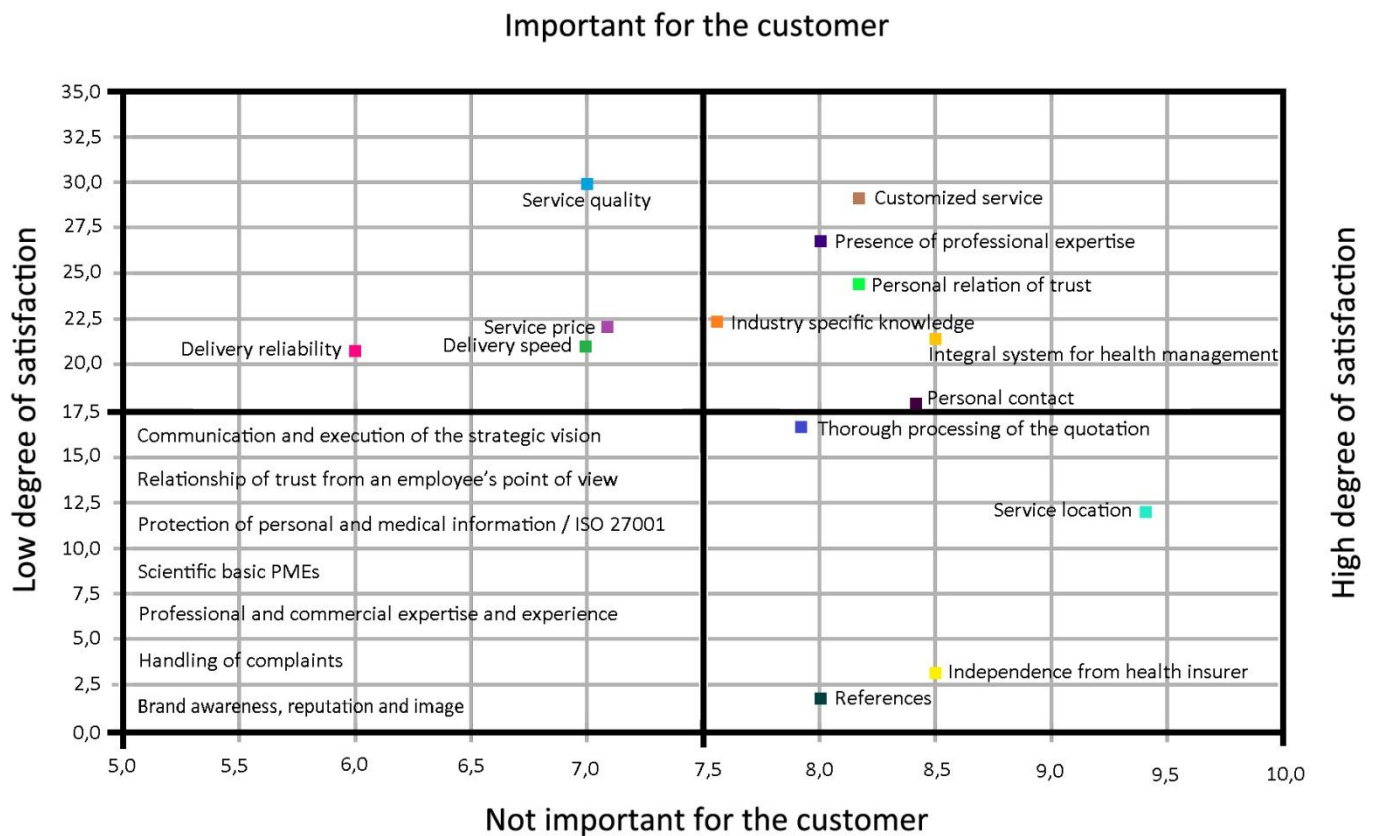


Figure 5.3: Graphical overview order-winning criteria according to the customers

5.4 Comparing the results of the managers and customers

In the previous paragraphs the model for analysing the data from the interviews was explained and the model was applied to VWs specific situation. This paragraph will compare the model of the management, the model of the customers and the qualitative outcomes of the interviews. Only the most significant differences will be discussed here. A more extensive report on all the outcomes can be found in appendix 9.5. The most significant outcomes will be discussed based on four possibilities:

5.4.1 More important to customers than expected

Presence of professional expertise

The customers of VW expect that VW knows what they are doing and find having the necessary expertise to interpret the outcomes of the PMEs an important order-winning criterion for a supplier. The management, however, did not recognize the importance the customers place on this criterion and did not mention it a single time as a possible order-winning criterion.

5.4.2 Less important to customers than expected

Protection of personal and medical information / ISO 27001

The managers of VW qualified this criterion as one of the order-winning criteria for the PMEs. First there was some doubt; they felt it was an order-winning criterion, but that it might not be seen like that by everyone. After the group discussion the managers agreed that they were the only one with the ISO 27001 certificate and that other suppliers could not guarantee a better compliance with the Personal Data Protection Act (Wet Bescherming Persoonsgegevens) than them. The customers were assigned to a different opinion; most of them only saw this criterion as qualifying. They considered it a precondition and assumed that this was guaranteed, as it should be by every supplier.

Professional and commercial expertise and experience

This criterion was as well mostly seen as a qualifying criterion by the customers, which is contrary to the managers who saw it as the second most important order-winning criteria. Customers explain that suppliers should know what they are talking about, they should know the market and they should know what they can and cannot deliver to a customer.

Brand awareness, reputation and image

The managers qualified this criterion as order-winning, which is contrary to the customers. Out of all the criteria this was the only criterion not mentioned at all as order-winning by the customers, it was not even mentioned as qualifying (except for one customer). Moreover, most interviewees had no idea about the brand awareness, reputation and image of VW, most of them had not even heard of VW before they selected them as supplier. Some of them did mention that VW for them, as a customer, now has a good and positive image and they would also recommend VW to others. This is also supported by customer satisfaction research done by VW, which showed that ninety per cent of their customers would recommend VW to others (in 2011, for the region Noordoost Nederland).

5.4.3 Higher degree of customer satisfaction than expected

Customized service

Most of the customers see customized service as something that will make a difference between suppliers. Customers do not want to choose from standard packages, they want suppliers who are able to offer service packages adjusted to the wishes and demands of the customers. They all feel that they were able to discuss their wishes very well and that there were a lot of possibilities to adjust the contract in order to fit the customer's specific wishes and value VWs customized service with an 8.14. Customers are especially content with the extent in which VW empathizes with the customer. The managers however expected the customers to only score VWs performance with a seven, since they feel there is still some room for improvement.

Service price

Almost all the interviewees mentioned price as order-winning. An often heard comment during the interviews is that price is tightly connected to quality. Price is important, but quality and content come first. Service price depends on quality and factors like the relation with the supplier and the flexibility being offered. If for instance the relation with a supplier is good and the quality is comparatively better, customers would not mind paying a bit more per employee, as long as it remains reasonable. Price should also be negotiable, customers value suppliers who think along with them and value reaching a price both parties agree on. Out of all the criteria the management expected price to receive the second lowest score, namely a 6.17. Customers, and especially purchasing customers, were more positive. On average customers valued price with a 7.2, of which existing customers express the highest level of satisfaction with a 7.67. This is 1.5 points higher than the management expected. The non-purchasing customers are a little less satisfied with an average score of 6.5.

Personal contact

The customers are quite a bit more satisfied than the management expected them to be. The customers score VWs performance an 8.33 while the managers only expected a seven. A large proportion of the interviewed companies find a personal contact important. However, half of them only values it as qualifying, while four of the ten interviewees values this criterion as order-winning. The interviewees who rank personal contact as an order-winning criterion emphasize the link to a personal relation of trust. They find it important that their contact person knows who they are, that they know how the company works. They feel it is more personal and works faster. Overall it seemed that even though they mentioned some slight differences between personal contact and personal relation of trust, the interviewees saw them as tightly connected and often mentioned them in a single breath. For this reason personal contact is not further mentioned as an order-winning criterion but considered as a part of a personal relation of trust.

Thorough procession of the quotation

Every interviewee who mentioned the thorough processing of the quotation during the interview was very positive. They agreed that a quotation should be clear and that it should represent the wishes and ideas of the customer, and the agreements that were made during previous meetings. It should also be transparent, it should be clear how much is paid and for what. According to the interviewees the quotation from VW was clear, and in line with their wishes and ideas. Everything the customer wanted to have in there was there, and it was clear who was doing what. A number of customers especially wanted to show their appreciation to VW for thinking along with the customer. Overall customers valued VWs performance with a 7.67, which is quite a bit higher than the management expected. The management valued their performance with a six. The management explained that they received some signals from the customers that the processing of the quotation did not go as previously anticipated, and they themselves feel there is room for improvement as well. Some customers indeed felt that there was room for improvement, but were mostly concerned with the follow-up of the quotation (invoices did not match the agreements in the quotation, invoices were not correct, costs were not communicated transparent, the succession of the quotation took too much time). Nevertheless about the quotation itself customers were satisfied.

Service location

This is a criterion added by customers on their own initiative. It was brought up by three separate customers and received the highest average score of all criteria. It is impossible to compare this criterion to the perspective of the management and difficult to compare it to other criteria since this criterion was added after the interviews. It was not included in the interviews with all customers, only during the interviews with the customers who brought it up on their own initiative. It could be that this criterion would have had a higher degree of importance if it was used in all interviews.

One striking fact to mention in conclusion of this sub-paragraph is that on average the customers valued the performance of VW one point (on a ten point scale) higher than the management expected them to.

5.4.4 Lower degree of customer satisfaction than expected

Delivery reliability

This criterion received the lowest satisfaction score out of all the criteria. The stage at which most customers feel the need for improvement is the stage of obtaining the results. Customers mentioned that everything was going as agreed upon, until they were supposed to receive the results from VW. One of the customers mentioned the following about the delivery reliability: “We were supposed to have the results of the PME three weeks after the last examination, but the last persons received the results recently, being four months later”.

5.4.5 Other striking criteria

Personal relation of trust

This criterion is not remarkable because of its importance ranking or performance score. Only a little more than half of the interviewees classified a personal relation of trust as order-winning (of which four were existing customers), but when going more in-depth, it shows that customers seem to display a high degree of loyalty towards VW. All but one of the seven interviewed existing customers stated that they did not and/or would not ask for quotations from other suppliers. Only one customer asked for a quotation from another supplier, and this was a customer who was not fully satisfied by VWs services at the beginning of the quotation process. But even though this customer is not as loyal as the rest, they still placed a personal relation of trust on a number one position in the ranking. This all seems to suggest that a personal relation of trust might play an even bigger role than suggested by the rankings given by the customers.

Integral system for health management

Both managers and customers qualified this criterion as being order-winning, but there seem to be a big dispersion though between purchasing and non-purchasing customers. None of the purchasing customers mentioned an integral system for health management to be an order-winner, opposed to two-third of the non-purchasing customers who did. The striking thing about this is that purchasing customers are the ones who use the integral system (when applicable), opposed to the non-purchasing customers who only experience a part of the integral system. The customers not qualifying it as order-winning said it was not important to them because they saw it as a precondition, because they made their own reports or because they felt that other available systems worked good enough as well. The interviewees who did rank an integral system for health management as order-winning felt it was important to gain insight on different levels of the organization. However, they did not care whose system it was, if it was a system from VW or from another supplier. Based on these explanations it seems that this criterion should not be treated as an order-winning criterion.

5.4.6 Overview

The analysis of the research results can be summarized by table 5.1. This table summarizes the outcomes of the most important order-winning criteria to both customer and management. It shows which criteria VW should focus on while trying to increase their sales revenues and it shows the degree in which the management correctly predicted the view of the customers on the order-winning criteria. The customer side of this table will form the starting point for the conclusions and recommendations.

If in the next two chapters criteria are mentioned as being ‘most important’ it refers to this table which summarizes which criteria, out of all possible order-winner criteria, are found to be most important for winning orders.

CUSTOMERS	MANAGEMENT
1. Customized service	1. Customized service
2. Presence of professional expertise	2. Professional and commercial expertise and experience
3. Personal relation of trust	3. Thorough processing of the quotation
4. Industry specific knowledge	4. Personal relation of trust
5. Service location	5. Brand awareness, reputation and image
6. Service quality	6. Integral system for health management
7. Service price	7. Protection of personal and medical information / ISO 27001
8. Delivery reliability	8. Personal contact
9. Delivery speed	9. Delivery speed

Table 5.1: Order-winning criteria according to the customers and the management

6. Conclusions

This chapter will focus on answering the following question: “Which factors are critical for success in order to either increase customer satisfaction (retaining customers) or win new prevention customers.” The previous chapter explained which criteria were most important to the customer, which criteria were not (even though the management expected them to be), and which criteria should be given more, or less, attention. These distinctions were made based on the model of Martilla and James (1977) (explained in paragraph 5.1). This model will form the basis for concluding which factors are critical for success. This means that conclusions will be drawn on which criteria VW should keep up the good work (paragraph 6.1), on which criteria VW should concentrate most (paragraph 6.2) and which criteria should receive a low priority (paragraph 6.3) (the quadrant ‘possible overkill’ from the model is not mentioned since the research outcomes and analysis proved it to be of low relevance in light of the research question).

In accordance to the previous chapter only the most relevant (order-winning) criteria for VW, in relation to the above mentioned research question, will be addressed in this chapter. Paragraph 6.3 is not directly related to this research question, but deals with the criteria of which the management presumed to be the most critical for success, while the customer was allotted a different opinion. These criteria are not critical for success but are critical to mention in order to explain on which criteria the management should not focus, while initially they expected they should.

While reading these conclusions, as well as the recommendations in the next chapter, it should be kept in mind that only a limited number of the customers of VW were interviewed. They were representative to the overall customer base according to VW, but a limited number nonetheless. This influences the reliability of the results.

6.1 Keep up the good work

The following criteria have a significant importance to the customers and VWs performance on these criteria is highly valued by the customers. These factors fall into the ‘keep up the good work’ quadrant and are therefore also identified as the order-winning criteria for VW. The order-winning criteria are listed in order of importance.

Customized service

Both management and customers underline the importance of the customized service that VW provides. For customers it is even the most important order-winning criterion. Customers also value the performance of HHC on this criterion much higher than VW itself. This criterion therefore offers a very good opportunity for VW to use it as a competitive advantage to maintain and gain customers.

Presence of professional expertise

Although this was not recognized beforehand by the management, the presence of professional expertise is important to the customer and the expertise of VW in this respect is highly valued by the customers. To customers this is the second most important order-winning criterion.

Personal relation of trust

Both customers and management acknowledge the fact that a personal relation of trust is an order-winning criterion and that VWs performance is highly appreciated by the customers. Building up a personal relation of trust takes some time but since VW has succeeded here (six out of seven customers do not consider other suppliers), this competitive advantage could be exploited in order to let VWs business grow with existing customers.

Industry specific knowledge

Customers believe that industry specific knowledge of VW adds value, especially for non-purchasing customers and non-customers. Although industry specific knowledge was initially indicated as being important by the management it was not considered being one of the most important criteria. Based on the customer interviews this view shows to be incorrect as the customers feel it is an order-winning criterion. An order-winning criterion that, if made evident, could be used for selling PMEs to new customers (either non-purchasing or non-customers).

Service location

Service location was brought up by three customers at own initiative and offering a local service received the highest average performance score of all criteria. It seems that even though this factor is less important to the customers it still offers the possibility for VW to distinguish itself from the competition because the performance on this criterion is very highly appreciated by the customer. It is furthermore assumed that if this criterion was identified before the customer interviews and was considered by each interviewee, it might have become one of the most important order-winning criteria. For these reasons it is considered as an order-winning criterion in this research.

6.2 Concentrate here

The following criteria are important to the customers but the customers are not completely satisfied by VWs performance. These criteria offer VW a possibility for improvement which will yield the highest possible increase in customer value. These criteria are therefore identified as the criteria to concentrate on. They are the possible order-winning criteria, which can be transformed into order-winning criteria when concentrated on. These potential order-winning criteria are also mentioned in order of importance.

Service quality

The service quality seems to be much more important to the customer than acknowledged by the management. Service quality is in fact the order-winning criterion with the highest ranking in the eyes of the customer and thereby the most important criteria to add value in the eyes of the customer, especially since the performance on this criterion is below the objective as defined by the management.

Service price

Although service price was initially indicated by the management as being important it was not selected as being one of the most important order-winning criteria. For customers however it is considered as being one of the more important order-winning criteria. Also very important is the difference in the valuation of the current service price. Where the management thinks that their current service price will not be judged very well, the customers judge VWs performance one point higher, existing customers even 1.5 points higher. This could be an indication that the current price level could be increased, depending on the pricing policy that VW maintains and the degree of dissatisfaction with service price VW is willing to accept.

Delivery Reliability

Customers find delivery reliability relatively important but are not satisfied with VWs performance on this criterion. The point of view of the management shows that they underestimated the importance of delivery reliability and overestimated VWs performance on this criterion. Delivery reliability shows to be a critical criterion, based on the low degree of satisfaction, it could involve risks for VW for losing business from their existing customers. It therefore also shows the most room for improvement.

Delivery Speed

Both customers and managers indicate that the speed of delivery is relatively important and even though the customers are more satisfied than the management expected them to be, VWs performance on delivery speed is still not good enough to distinct itself from its competitors. VW could improve its performance on this criterion, but delivery reliability seems to offer more potential for improvement. The management expected delivery speed to be more important, but the customers feel that delivery reliability is more important. Delivery reliability thereby also offers more room for adding value in the eyes of the customer.

6.3 Low priority

The research results and the analysis in chapter five show there were several criteria that were mentioned by the management as order-winning, but were found to be of low priority by the customers. The low priority label means that performing well on these criteria does not create added value in the eyes of the customers. These criteria should therefore not be considered to be order-winning and resources should be minimally allocated to these criteria.

Professional and commercial expertise and experience.

Customers do not value the professional and commercial expertise and experience of the people with whom the customers initially get in contact with. For the customers the added value is mainly created by the medical staff and the specialists in the fields who provide the professional services. This is important to know because it indicates that VW could be more successful by promoting their professional expertise in trying to win orders from the competition.

Brand awareness, reputation and image.

Based on the research customers do not grant much value to the brand awareness, reputation and image of VW as an organization. On the contrary, customers do highly value professional experience and industry specific knowledge. It is apparently not the organization but the content of the professional service that could help VW to win orders in the market place.

Protection of personal and medical information/ ISO 27001

Based on the customer interviews this criterion seems to be of low priority. It is however seen as a qualifying criterion, and should be kept at a certain level of performance, but it will not help VW win orders from competitors.

7. Recommendations

In this final chapter the following question will be answered: *“What could VW do to improve the value of their services in the eyes of the customers and/or improve their sales performance with regard to PMEs?”* This is the final research question of this thesis and will be answered from two different angles: business improvement and business growth.

Business improvement to improve the value of VWs services in the eyes of the customer, which can be done in two ways; by creating added value for the customer and/or by improving the perception of the customer on the current added value VW delivers. Business growth to improve sales performance, which will be answered by means of Ansoff’s Matrix (Ansoff, 1957).

The recommendations in this chapter are not only a logical succession of the previous chapter, they are given from a broader point of view. The recommendations are not only based on which criteria VW should focus on, which was the bottom-line of the conclusions, they are also based on other information gained during the whole research project. For instance on suggestions for improvement that were given by customers. Furthermore recommendations were given based on the overall objective of this research: to give recommendations about how VW can double their revenue from prevention services.

7.1 Business Improvement

The first three recommendations given in this paragraph are concerned with improving the added value VW offers to its customers. The last two recommendations are concerned with improving the perceptions of the customers on the current added value VW offers.

7.1.1 Improve current delivery reliability

Delivery reliability proved to be one of the nine most important order-winning criteria for the customers (see table 5.1). It seemed that VW could perform better on their current delivery reliability. It is a criterion which has the most room for improvement, in light of increasing value and revenue, and for changing from a possible order-winning criterion into an actual order-winning criterion.

A recommendation is that VW should not make promises concerning delivery time that they cannot keep. Promises are promises, and it is very important to the customer that these are kept. Research also showed that a personal relation of trust, connected to keeping ones promises, is more important than delivery reliability or speed, making the honoring of agreements even more important. If customers are not satisfied or cannot agree with the delivery time VW offers, a quick service might offer a solution (see next paragraph).

Furthermore it is recommended that the management starts up an improvement project for delivery reliability, as well as for delivery speed since these two criteria are strongly correlated. Steps in such an improvement project could be as followed:

1. Defining delivery reliability and delivery speed and their key performance indicators;
2. Measure the current delivery reliability and delivery speed (baseline), e.g. the difference between desired, agreed and actual delivery time;
3. Define the performance objectives to be reached for the delivery reliability and delivery speed, perhaps in cooperation with the customers;
4. Identify the business processes that influence the delivery reliability and delivery speed. In other words identify how the defined objectives can be reached;
5. Identify the most critical business processes, the processes that have the most impact on improving the delivery reliability and delivery speed;
6. Analyze the critical business processes to identify the causes for any delays and define improvement actions;

7. Implement the identified improvement actions;
8. Measure the delivery reliability and delivery speed to establish if the improvement actions were successful and continue to do so, on a regular basis.

7.1.2 Introduce a Quick Service offering

Some of the customers have indicated that it takes too much time before VW delivers results. Customers want their results not only at the moment as agreed upon (delivery reliability) but also within a certain time frame (delivery speed) so customers can start as soon as possible to work on the suggestions given in the final report VW delivers. The longer the delivery speed, the less useful the outcomes of the report of VW becomes.

This research pointed out that delivery time is important and that a faster delivery time would create more added value for customers. Knowing that not all of the customers are completely satisfied with the current delivery speed and reliability it is recommended that the management of VW introduces a quick service as new service concept. Within this concept the request of the customer will have a higher priority and will be processed much faster and within a specified timeframe. The customers that see delivery speed as important added value should therefore also be willing to pay more for this service, since it means VW is adding value. If a customer is not willing to pay more for this quick service than VW is not adding more value in the eyes of the customers and should therefore not offer this opportunity.

A possible positive side-effect of offering a quick service is that it could also change the perception of the customer on the current delivery speed. If a customer is not willing to pay more for a quick service they are perhaps more willing to accept a longer delivery speed (which would be the current delivery speed). Offering two possible delivery speeds might change the perception on the current 'standard' delivery speed, since they do not have to pay extra for it. However the current speed should still be monitored and analyzed based on the available capacity and the delivery time standards in the market. If delivery speed is much longer than that of competitors there is a possibility of losing customers.

7.1.3 Provide local service

Providing service on or close to the location of customers offers a great amount of added value to certain customers. It saves customers time and money when employees do not have to travel very far, or not even at all. It is therefore recommended that VW evaluates their current distribution policy in combination with their growth strategy.

VW should evaluate their policy and strategy in combination with two varieties of offering local service. Local service can either be local in relation to the amount of time/distance customers have to travel to VW, or local in relation to delivering in-company services (thus VW travelling to the customer).

Concerning the first variant, VW should define their 'critical service area' to see to what extent VW can offer its customers local service. Defining the critical service area can be done by mapping the locations of customers and analysing these outcomes based on their distance from VW. Then a circle could be drawn around the locations of which VW is convinced it can still deliver added value in the eyes of the customers by delivering local service. If VW wants to grow while many locations fall outside this critical service area it is recommendation to consider opening a new location or dependence to offer local service from another location. Of course this is also a tradeoff to be considered between revenues and costs regarding opening new offices.

The second variant is concerned with offering in-company services. Offering in-company services saves the customer time and money on travelling employees. Offering this service should however be profitable for VW, it should be determined which factors make such an offering profitable. For instance by determining the distance VW is willing to travel, the number of times VW needs to be on location, travel costs, the minimum number of employees that should be working at the customer, etcetera.

Since this research shows that offering local service is seen as added value in the eyes of the customer, it should also mean customers are willing to pay extra. It is recommended that HHC evaluates how to adjust pricing to the demands of the customer on how local VW should deliver its services.

7.1.4 Set up an communication strategy based on the order-winning criteria

The perception of the customer plays a very important role in the way customers value the performance of VW. This does not only apply to existing customers but also to potential new customers. For that reason it is recommended that VW sets up a communication strategy based on the most important (potential) order-winning criteria.

1. Customize service;
2. Presence of professional expertise;
3. Industry specific knowledge;
4. Service location (as far as it can be offered by VW);
5. Service quality;
6. Delivery reliability;
7. Delivery speed.

Personal relation of trust and service price are not mentioned here, opposed to the list mentioned in paragraph 5.4.6. Personal relation of trust is excluded from this list since it is hard to measure and to make apparent in a communication strategy. Service price is excluded because VWs prices should not be leading in communications, the focus should be on quality and the other order-winning criteria. The exclusion of prices is according to the opinion of the management which feels the focus should be on quality instead of price, an opinion which is supported by the customers as well.

Supported by the research results a communication strategy based on these criteria should create a higher perceived added value. Where possible it is recommended that the management gathers quantitative data that underlines the good performances of VW on the above criteria, preferably by means of customer statements. Since the presence of professional expertise and industry specific knowledge are both very important to the customer it is recommended that VWs professionals are directly involved in marketing and communication. The next paragraph will continue on this recommendation.

7.1.5 Use referral marketing to win new customers

This research indicates that customized service, as well as presence of professional expertise and industry specific knowledge are important in adding value in the eyes of the customers. Customers are not looking for a standard service but for a customized and specialized service based on the knowledge and experience that VW has in the same industry as potential new customers.

From the interviews it became apparent that references are not important to the customer, a 'simple namedropping' is not enough. However, experience and knowledge are found important. It is recommended that VW uses referral marketing, which can be achieved in two different ways.

Firstly, the success for VW on winning new customers could be increased if the contact with these new customers is based on a reference from a colleague within the same industry who is satisfied with the performance of VW. By defining the most important industry segment(s) where VW wants to grow and identifying current customers from that customer base that could act as references. Subsequently, these references will have to be contacted by the sales department or account managers and asked if they are willing to act as a reference and if they are willing to provide a list of suspects where their name (and business case) may be used as references.

Secondly, it is recommended that during the total quotation process, from the initial contact to finalized quotation, VW should emphasize its list of references and proven business cases within the same industry as the suspect or prospect. Be it on the website, during presentations or even as a fixed appendix with the quotation. The recommendation is that VW compiles a list of proven business cases for their most important industry segment(s), preferable by means of customer interviews. These business cases will show that VW possess professional expertise and industry specific knowledge. Furthermore it can be extra proof of the customized services that VW can deliver to its customers.

7.2 Business Growth

In this paragraph Ansoff's matrix (1957) will be used to give recommendations about possible strategies VW can use to improve their sales performance and let their business grow. This matrix offers the possibility to give VW recommendations about business growth opportunities in order of importance.

Ansoff's matrix repeatedly proved its efficiency in choosing (sales) growth strategies and is often used in forecasting and decision making (Bachmeier, 2009). Based on Ansoff's matrix there are different strategies that companies can follow to grow their business. In figure 7.1 the priorities for VW for selecting the right growth strategies are indicated based on the identification of the order-winning criteria. The numbers in figure 7.1 are related to the sub-paragraphs below.

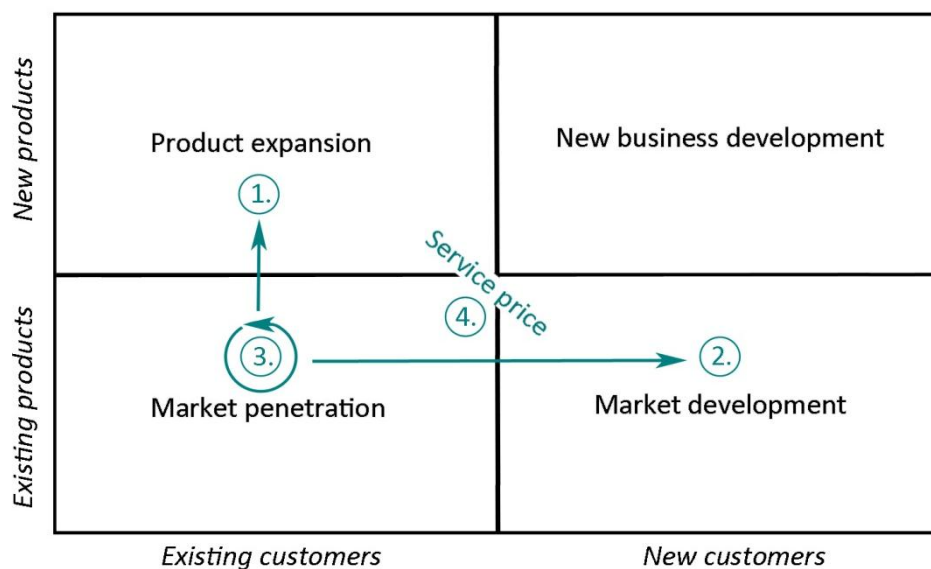


Figure 7.1: Ansoff's matrix

Each of the strategies below describes a certain path companies can follow toward future growth. Most actual situations follow several of these strategies at the same time. According to Ansoff "a simultaneous pursuit of market penetration, market development, and product development is usually a sign of a progressive, well-run business and may be essential to survival in the face of economic competition." (Ansoff, 1957)

Market penetration is a strategy to increase sales while maintaining the original product-market strategy. The company seeks to improve business performance either by increasing the volume of sales to its present customers or by finding new customers for present products. For this research this strategy is used for selling PMEs to customers already purchasing PMEs.

Market development is a strategy in which a company attempts to use its current product/service offerings in new markets, sometimes with a certain degree of modifications to the product/service characteristics. Options are to pursue new market segments or geographical areas. For this research this strategy is used for selling PME's to prospective new customers.

Product expansion (or product development) is a strategy in which a company introduces new products into existing markets. In this research this strategy mostly applies to selling PME's to customers of VW who not yet purchase PME's (or other preventive services).

New business development (or diversification) is the final alternative. With this strategy a company would choose to leave both current markets as current products behind. It calls for new technical, financial, and merchandising resources. During the management interviews it became apparent that this strategy falls outside the scope of this research and is not a focus point of VW.

7.2.1 Expand the current product line for existing customers

This strategy focuses on selling new products to existing customers. Applied to VW this would mean selling PME's to the currently non-purchasing customers.

Since (proven) presence of professional expertise, personal relation of trust and industry specific knowledge are the most important order-winning criteria for customers VW should concentrate its sales efforts first on existing customers, specifically on customers not yet purchasing PME's. The reason for this is that these order-winning criteria are mostly applicable to existing customers (e.g. a personal relation of trust is non-existent with new customers). Furthermore VW can sell more services to non-purchasing customers than to customers already purchasing PME's, there is only a low amount of autonomous growth possible with purchasing customers.

Since industry specific knowledge and service location are found very important VW should focus on the industries on which they possess knowledge and on customers which are close enough to offer local services to. VW should thereby start with customers in the industries where they have the most references, like the industry segments health care or education. VW should use these references and proven business cases in these industries to convince customers who are not yet purchasing PME's to also purchase prevention services from VW. Since providing local service is highly appreciated by the customers VW should start with the customers in the important industry segments nearby the current locations where VW is providing its services.

In a second stage VW should focus on existing customers further away from its current locations but within the important industry segment. In a third stage VW should focus on existing customers in other industry segments close to its current locations. Finally the effort of VW should be focused on existing customers in other industry segment further away from its current locations but VW should realize that this will be harder because VW is then losing competitive advantage.

7.2.2 Develop markets within the most important industry segment(s)

This strategy focuses on selling existing products to new customers. Applied to VW this would mean selling PME's to non-customers.

Winning new customers will be more difficult because there is no personal relation of trust and also no proven presence of professional expertise. It is therefore recommended that, while following this strategy, VW focusses on the importance of customized service, industry specific knowledge and the need for local service.

This means that it is recommended that VW first identifies potential customers in its most important market segment close to its current (nearby) customer locations. VW should use the references and proven business cases from these same industry segments to convince customers that buying prevention services could add value to them. Each time VW is allowed to offer a quotation they should take care that the quotation is customized and thoroughly processed. In the quotation VW should emphasize the professional expertise that they possess by including a background on the medical staff and other professionals that will be part of the service. This could be done by introducing them during meetings or presentations, or by adding an appendix to the quotation elaborating on the professionals working at VW.

After exploring this possibility it is suggested that VW concentrates its time and energy on winning customers within the same industry, but located further away. Further away means outside the critical service area (as mentioned in paragraph 7.1.3).

7.2.3 Penetrate and maintain the existing market

This strategy focuses on selling more PMEs to existing customers who already purchase these services from VW. Most likely there will not be much room for autonomous growth in this market, given the current economic situation. Most companies are freezing or cutting down on their personnel. So besides focusing on business growth the first priority within the segment should be to prevent customers turning to competitors.

In maintaining the existing customer base the management of VW should realize that based on the order-winning criteria of customized service, (proven) presence of professional expertise, a personal relation of trust and industry specific knowledge (only applicable in VW most important industries), customers probably will be loyal as long as VW takes care that it does not underperform on the identified order-winning criteria. In maintaining the existing customer base the management of VW should take all the recommendations mentioned under business improvement into account.

Since it is expected that the business growth based on penetrating and maintaining the existing market will not be substantive, VW could also increase its sales revenues by optimizing its price policy, as explained in the next sub-paragraph.

7.2.4 Optimize Service Pricing

Service price is important for both existing and potential customers. Based on the valuation of the service price the recommendation is that the management of HHC considers adjusting its price policy and differentiates between existing customers and potential new customers.

For *existing customers* there are more important order-winning criteria than the service price, such as the customized service, presence of professional expertise, personal relation of trust, industry specific knowledge and most likely also service location. Since the performance of HHC on these criteria is highly appreciated, loyalty is probably stronger than the price sensitivity of the PMEs. Combined with the fact that customers judge the current price level as good and even better than the management itself, the recommendation is that VW raises the current price level of PMEs. Given the outcomes of this research the assumption is that increasing prices will not have a negative impact on the sales volume of PMEs. As a possible starting point VW could start a pilot within its most important industry segment, the segment on which they possess the most industry specific knowledge. Together with raising prices VW should elaborate on the added value they deliver with their industry specific knowledge, this can be done by means of referral marketing as mentioned before.

For *potential new customers* VW faces a different situation because some order-winning criteria like presence of professional expertise, personal relation of trust or service quality require an existing business relationship to prove the added value of VW in the eyes of the customers. This only leaves a limited number of order-winning criteria on which VW can win orders from new customers: customized service, industry specific knowledge, service location and last but not least service price. When assuming the initial service

price to new customers is important in the current economic situation, it is suggested to use some of the profit gained from raising prices for existing customers as a discount for new customers. For example: a discount for PMEs during a certain introduction period (e.g. 1-2 years). During this period VW can prove itself and make sure that the other order-winning criteria add more value in the eyes of the customers than service price and thereby lowering the importance of the service price.

A third possible price adjustment could be adjusting prices for existing customers who do not yet purchase PMEs. VW could consider offering customers who decide to not only purchase absenteeism services but also prevention services a package deal price, giving customers a better incentive to start purchasing PMEs from VW as well.

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9. Appendices

9.1 Questionnaire for the management

VW NOORDOOST NEDERLAND

- Wat zijn de 5 grootste kansen voor VW Noordoost Nederland binnen de markt voor preventief medische onderzoeken (PMO)?
- Wat zijn de 5 grootste bedreigingen voor VW Noordoost Nederland binnen de markt voor PMO?
- Wat zijn de 5 belangrijkste sterke punten van VW Noordoost Nederland?
- Wat zijn de 5 belangrijkste zwakke punten van VW Noordoost Nederland?
- Welke mogelijkheden ziet u om de omzet/het resultaat van de onderneming structureel te verhogen?
- Welke specifieke verbeteracties (omzetgenererende acties) zouden er volgens u genomen moeten worden om het beoogde omzetresultaat in 2015 te bereiken? Hoeveel zouden deze specifieke verbeteracties kunnen opleveren in termen van omzet? Graag per verbeteractie concretiseren en kwantificeren!

	Korte omschrijving verbeteractie	Extra Omzet/resultaat bijdrage In €
1.		€
2.		€
3.		€
4.		€
5.		€
6.		€
7.		€
8.		€
9.		€
10.		€
	Totaal bedrag van mijn verbeteracties	€ 800.000 – 1.000.000

* Het idee achter deze vraag is om te specificeren hoe jullie het doel willen bereiken om de omzet uit PMO's te verhogen naar €800.000-1.000.000 in 2015.

EXTERNE ANALYSE

Markt

- Hoe groot is de totale markt voor de dienst PMO? Graag onderscheid maken per marktsegment en specificeren in aantal (potentiële) bedrijven/eindgebruikers. Bij benadering potentiële omzet in euro's vaststellen.
- Welk deel van de preventiemarkt, specifiek over PMO's gesproken, heeft VW Noordoost Nederland al veroverd? Kunt u dat uitdrukken in een percentage marktaandeel?
- Wat zijn de belangrijkste trends en ontwikkelingen binnen de PMO markt, waar VW rekening mee moet houden?
- Hoe speelt VW Noordoost Nederland daar met haar dienstenpakket volgens u op in?
- Kunt u de volgens u 5 belangrijkste order winnende criteria noemen die gelden voor de regio Hengelo op het gebied van preventie, specifiek gericht op de PMO markt?
- In hoeverre voldoet VW volgens u aan deze criteria?
- Wat is uw omzetverwachting per jaar voor 2011-2015 voor de verkoop van onze preventie diensten, in specifiek voor PMO?
- Waarop baseert u deze verwachting?

Concurrentie

VW-Noordoost Nederland

- Wat zijn volgens u de Unique Selling Points (onderscheidende kenmerken) van VW Noordoost Nederland op het gebied van preventie dienstverlening, en specifiek binnen de PMO markt?
- Waarom kiezen volgens u relaties voor VW Noordoost Nederland en niet voor de concurrent?

<Naam concurrent 1> (binnen de PMO markt)

- Wat weet u van <naam concurrent 1>?
- (Omzet, Verkoopvolume, Distributiestructuur, Prijsniveau)
- Op welke punten onderscheidt u zich in positieve zin van <naam concurrent 1>?
- Op welke punten is <naam concurrent 1> beter dan u?
- In welk van de marktsegmenten is <naam concurrent 1> sterker dan u?
- In welk van de marktsegmenten bent u sterker dan <naam concurrente 1>?
- Is <naam concurrent 1> ook een concurrent van uw bedrijf binnen de andere markten die VW bedient (zoals op RI&E, verzuimbegeleiding, etc.)?

<Naam concurrent 2> (binnen de PMO markt)

- Wat weet u van <naam concurrent 2>?
- (Omzet, Verkoopvolume, Distributiestructuur, Prijsniveau)
- Op welke punten onderscheidt u zich in positieve zin van <naam concurrent 2>?
- Op welke punten is <naam concurrent 2> beter dan u?
- In welk van de marktsegmenten is <naam concurrent 2> sterker dan u?
- In welk van de marktsegmenten bent u sterker dan <naam concurrente 2>?
- Is <naam concurrent 2> ook een concurrent van uw bedrijf binnen de andere markten die VW bedient (zoals op RI&E, verzuimbegeleiding, etc.)?

Overige concurrentie

- Zijn er binnen de PMO markt waarbinnen VW opereert nog andere belangrijke concurrenten waarmee volgens u rekening gehouden moet worden?
- Wat weet u van deze concurrenten?
- (Omzet, Verkoopvolume, Distributiestructuur, Prijsniveau)
- Op welke punten onderscheidt VW Noordoost Nederland zich in positieve zin van deze concurrenten?
- Op welke punten zijn deze concurrenten beter dan VW Noordoost Nederland?
- In welke marktsegmenten zijn deze concurrenten sterker dan VW Noordoost Nederland?
- In welke marktsegmenten is VW Noordoost Nederland sterker dan deze concurrenten?
- Vormen deze bedrijven ook concurrentie voor uw bedrijf binnen de andere markten die VW bedient (zoals op RI&E, verzuimbegeleiding, etc.)?

Klanten

- Wie zijn volgens u VW's 5 belangrijkste klanten binnen de PMO markt? Aangeven waarom u deze belangrijk vindt. Omzetgrootte is slechts een van de criteria die u in uw overwegingen dient mee te nemen. De 5 belangrijkste klanten hoeven dus niet bij voorbaat de 5 grootste te zijn.
- Wat zijn de belangrijkste trends en ontwikkelingen bij deze 5 belangrijkste afnemers? Graag per afnemer specificeren en aangeven hoe VW Noordoost Nederland daar op moet inspelen.
- Hoe beoordelen deze 5 belangrijkste klanten uw bedrijf en uw dienstverlening?
- In hoeverre is VW Noordoost Nederland afhankelijk van een of meerdere afnemers?
- Wat is de gemiddelde omzet *per jaar* bij een bestaande klant c.q. lopende PMO projecten?
- Wat is de gemiddelde omzet *per jaar* voor een nieuwe klant c.q. nieuwe PMO projecten?

INTERNE ANALYSE

Doelstellingen en strategie

Markt penetratie (PMO bij bestaande VW klanten)

- Wat zijn mogelijkheden van VW Noordoost Nederland om meer omzet/resultaat te genereren door het verkopen van PMO aan bestaande VW Noordoost Nederland klanten? *(Het kan hierbij zowel gaan om bestaande VW klanten die al wel PMO's afnemen, als om bestaande VW klanten die geen PMO's maar wel andere diensten van VW afnemen.)*
- Binnen welke marktsegmenten verwacht u hier de komende 3 jaar de beste groei?
- Waarop is deze verwachting gebaseerd?
- Hoeveel meer omzet/resultaat per marktsegment voor 2011-2015?
- Wat moeten er concreet gedaan worden om deze extra omzet/resultaat te realiseren?

Markt ontwikkeling (PMO bij nieuwe VW klanten)

- Wat zijn de mogelijkheden voor VW Noordoost Nederland om meer omzet/resultaat te genereren door het verkopen van PMO aan nieuwe VW Noordoost Nederland klanten?
- Binnen welke marktsegmenten verwacht u hier de komende 3 jaar de beste groei?
- Waarop is deze verwachting gebaseerd?
- Hoeveel meer omzet/resultaat per marktsegment voor 2011-2015?
- Wat moeten er concreet gedaan worden om deze extra omzet/resultaat te realiseren?

Product ontwikkeling (nieuwe preventie diensten bij bestaande VW klanten)

- Wat zijn de mogelijkheden van VW Noordoost Nederland om meer omzet/resultaat te genereren door het verkopen van nieuwe diensten bij bestaande VW Noordoost Nederland klanten?
- Van welke uitbreiding in dienstenpakket verwacht u het meest?
- Binnen welke marktsegmenten verwacht u hier de komende 3 jaar de beste groei?
- Waarop is deze verwachting gebaseerd?
- Hoeveel meer omzet/resultaat per marktsegment voor 2011-2015?
- Wat moeten er concreet gedaan worden om deze extra omzet/resultaat te realiseren?

MARKETING & VERKOOP

Marktpenetratie (PMO bij bestaande VW klanten)

- Hoeveel omzet/resultaat gaat VW per jaar in 2011-2015 realiseren bij bestaande VW klanten?
- Hoeveel omzet/resultaat realiseert VW per jaar uit het verkopen van PMO bij bestaande VW klanten?
- Hoeveel bestaande VW klanten worden per maand bezocht?
- Hoeveel offertes brengt u maandelijks uit aan deze bestaande VW klanten?
- Wat is het scoringspercentage van deze offertes?
- Wat is de oorzaak voor het verlies van offertes bij bestaande VW klanten?
- Hoeveel omzet/resultaat heeft u in 2010 en 2011 bij bestaande VW klanten verloren?
- Wat is de oorzaak van dit omzet/resultaatverlies?

Marktontwikkeling (PMO bij nieuwe VW klanten)

- Hoeveel omzet/resultaat gaat VW per jaar in 2011-2015 realiseren bij nieuwe VW klanten?
- Hoeveel omzet/resultaat realiseert VW per jaar uit het verkopen van PMO bij nieuwe VW klanten?
- Welke potentieel nieuwe klanten zijn in het strategisch plan 2011-2015 geïdentificeerd?
- Hoe bent u tot de selectie van deze nieuwe VW klanten gekomen?
- Hoe benadert u deze nieuwe VW klanten?
- Hoeveel potentiële nieuwe VW klanten worden er per maand bezocht?
- Hoeveel offertes brengt u maandelijks uit aan deze nieuwe VW klanten?
- Wat is het scoringspercentage van deze offertes?
- Wat is de oorzaak voor het verlies van offertes bij nieuwe VW klanten?

Product ontwikkeling (nieuwe preventie diensten bij bestaande VW klanten)

- Welke mogelijkheden heeft VW Noordoost Nederland volgens u om met de nieuwe preventie diensten meer omzet/resultaat te genereren bij bestaande VW klanten?
- Van welke uitbreiding in dienstenpakket verwacht u het meest?
- Bij welke specifieke marktsegmenten liggen hier de beste groei mogelijkheden volgens u? Graag onderbouwen.
- Wat moeten we concreet doen om deze extra omzet/resultaat te realiseren?
- Hoeveel omzet/resultaat komt er per jaar uit het verkopen van nieuwe preventie diensten bij klanten?
- Welke potentieel nieuwe klanten zijn in strategisch plan 2011-2015 geïdentificeerd voor het verkopen van nieuwe producten?
- Hoe bent u tot de selectie van deze nieuwe VW klanten gekomen?
- Hoe benadert u deze nieuwe VW klanten?
- Hoeveel nieuwe VW klanten worden er per maand bezocht om nieuwe diensten te verkopen?
- Hoeveel offertes brengt u maandelijks uit aan nieuwe VW klanten in verband met nieuwe diensten?
- Wat is het scoringspercentage van deze offertes?
- Wat is de oorzaak voor het verlies van offertes bij nieuwe VW klanten?

9.2 Questionnaire for the customers

Order winnende criteria

Niet-klanten en prospects

Veronderstel dat u besluit om een Preventief Medisch Onderzoek extern in te kopen wat zouden dan voor u de vijf meest doorslaggevende selectiecriteria zijn waarop u besluit de order aan één van de leveranciers te gunnen? (NB: dit zijn de zogenaamde Order Winnende Criteria)

-
-
-
-
-

Bestaande klanten

Stel dat u voor een Preventief Medisch Onderzoek een aanbieding heeft van Vitaal Werkt en een aanbieding van een andere leverancier, wat zijn dan voor u de vijf meest doorslag gevende criteria waarop u besluit de order aan één van de twee partijen te gunnen?

(NB: dit zijn de zogenaamde Order Winnende Criteria)

Mocht u reeds klant zijn (geweest) van Vitaal Werkt dan wil ik u verzoeken om ook per criteria aan te geven ook hoe tevreden u bent (score 1-10) ten aanzien van de door Vitaal Werkt geleverde prestatie op het betreffende criteria en advies te geven in hoeverre Vitaal Werkt zich op haar prestatie op het betreffende criteria in uw ogen nog zou kunnen verbeteren?

1^e Order Winnende Criteria.

- Omschrijving:
- Tevredenheidsscore (1-10):
- Verbeterpunten/opmerkingen:

2^e Order Winnende Criteria

- Omschrijving:
- Tevredenheidsscore (1-10):
- Verbeterpunten/opmerkingen:

3^e Order Winnende Criteria

- Omschrijving:
- Tevredenheidsscore (1-10):
- Verbeterpunten/opmerkingen:

4^e Order Winnende Criteria

- Omschrijving:
- Tevredenheidsscore (1-10):
- Verbeterpunten/opmerkingen:

5^e Order Winnende Criteria

- Omschrijving:
- Tevredenheidsscore (1-10):
- Verbeterpunten/opmerkingen:

Klanttevredenheid

Hieronder staan zeven criteria genoemd (die ook in de lijst zijn terug te vinden) waarop ik graag nog wat dieper in zou gaan. Zou u voor deze zeven criteria de volgende vraag kunnen beantwoorden:

Hoe belangrijk is het genoemde criteria binnen uw besluitvorming om Preventief Medische onderzoek al/dan niet extern uit te besteden en om te kiezen voor een bepaald leverancier?

(score 1-10 -> 1 betekent criteria staat op de 1^e plaats)

Mocht u reeds klant (geweest) zijn van Vitaal Werkt dan wil ik u verzoeken om ook per criteria aan te geven ook hoe tevreden u bent (score 1-10)** ten aanzien van de door Vitaal Werkt geleverde prestatie op het betreffende criteria en advies te geven in hoeverre Vitaal Werkt zich op haar prestatie op het betreffende criteria in uw ogen nog zou kunnen verbeteren?

1. De bescherming persoonsgegevens en medische informatie / ISO 27001, de garantie dat gegevens die worden overgedragen aan Vitaal Werkt geheim blijven?

Belang (1-10):

Score (1-10):

Verbeterpunten:

2. Het integraal systeem voor gezondheidsmanagement, de mogelijkheid om op individueel, team en organisatie niveau inzicht te krijgen in de gezondheidsgraad en hierop verbeteringen te initiëren?

Belang (1-10):

Score (1-10):

Verbeterpunten:

3. Het maatwerk van de dienstverlening, de mogelijkheid om de dienstverlening aan te passen in aansluiting op de specifieke wensen en behoeften van u als klant?

Belang (1-10):

Score (1-10):

Verbeterpunten:

4. De naamsbekendheid, reputatie en het imago. De naamsbekendheid en reputatie van Vitaal Werkt en het imago dat Vitaal Werkt uitstraalt?

Belang (1-10):

Score (1-10):

Verbeterpunten:

5. De persoonlijke vertrouwensrelatie, de wederzijdse band die in de loop der tijd is opgebouwd en waardoor u als klant een binding heeft met de contactpersoon/personen binnen Vitaal Werkt?

Belang (1-10):

Score (1-10):

Verbeterpunten:

6. De professionele en commerciële vakkennis en -ervaring, de kennis van de diensten en de vakbekwaamheid van de mensen die tijdens het voortraject contact met u als klant hebben?

Belang (1-10):

Score (1-10):

Verbeterpunten:

7. De zorgvuldige afhandeling offertetraject? Het gaat hierbij om de mate waarin een juiste, correcte, transparante en tijdige offerte wordt neergelegd, waarbij op adequate wijze wordt inspeelt op de gesignaleerde behoefte en specifieke problematiek van u als klant. Transparantie gaat erom dat u als klant weet waarvoor (voor welke kwaliteit) u betaalt.

Belang (1-10):

Score (1-10):

Verbeterpunten:

**** Ik zou u willen verzoeken alle vragen zo goed mogelijk te beantwoorden, maar mocht het zo zijn dat een vraag niet op u van toepassing is, zou u dit dan willen aangeven en zou u ook kunnen aangeven waarom.**

9.3 Initial list of possible order-winning criteria

1. **Presence of professional expertise.**
Having qualified personnel with notable knowledge and expertise in the medical field and/or in the field of labour and organization.
2. **Protection of personal and medical information / ISO 27001.**
The guarantee that information transferred to Vitaal Werkt remains secret.
3. **Industry-specific knowledge.**
Possessing knowledge specific to the industry in which the client operates and specific to the mechanisms that work within a company in this specific industry.
4. **Breadth of the service offering.**
The extent to which different specialities and insights are connected to each other to offer a broader service.
5. **Communication of the strategic vision.**
The communication and radiation of a clear, profound strategic vision on Integrated Health Management for trade and industry.
6. **User-friendly supporting system.**
The user-friendly possibility to give quick, personal and medically founded advice by using an integral system of web based applications which offer a user-friendly crossbreeding of information.
7. **Handling of complaints.**
The speed with which is reacted to the complaints of the customer, and the speed and the quality of solving the complaint.
8. **Service quality.**
The extent to which the service being delivered to the customer is fully consistent with the specification listed beforehand, and meets the expectations of the customer.
9. **Delivery reliability.**
The extent to which the agreed upon delivery time is met.
10. **Delivery speed.**
The extent to which Vitaal Werkt is able to respond to the by the customer desired delivery time, for the by the customer requested service.
11. **Customized service.**
The ability to adapt the service in response to the specific wishes and needs of the customer.
12. **Brand awareness, reputation en image.**
The brand awareness and reputation of Vitaal Werkt and the image that Vitaal Werkt radiates.
13. **Independence from a health insurer.**
The not being linked to a health insurer so that the wishes of the customer can be met more specific.
14. **Personal contact.**
Having a single contact who frequently invests time and effort in the customer, and who can give a quick and efficient answer to the customer's questions.

15. **Personal relation of trust.**
The mutual bond which is built over time and which links the customer to their contact(s) within Vitaal Werkt.
16. **Service price.**
The net selling price of the service to the customer.
17. **Professional and commercial expertise and experience.**
The knowledge of services and skills of the people having preliminary contact with the customers.
18. **References.**
The reference to other (similar) customers where Vitaal Werkt delivered similar services.
19. **Scientific basis PMEs.**
Having a scientific justification for the preventive medical examinations.
20. **Thorough processing of the quotation.**
The extent to which a correct, accurate, transparent and timely quotation is offered, which adequately responds to the identified needs and problems of the customer. Transparency is about the customer knowing what (for what quality) he pays for.

----- Dutch Version -----

1. **Aanwezigheid professionele deskundigheid.**
Het in huis hebben van gekwalificeerd personeel met aantoonbare kennis en ervaring op medisch gebied of op het gebied van arbeid en organisatie.
2. **Bescherming persoonsgegevens en medische informatie / ISO 27001.**
De garantie dat gegevens die worden overgedragen aan Vitaal Werkt geheim blijven.
3. **Branche specifieke kennis.**
Het bezitten van kennis over de branche waarbinnen een klant opereert en over de mechanismen die spelen binnen een bedrijf in deze branche.
4. **Breedte van het dienstenpakket.**
De mate waarin verschillende specialismen en inzichten aan elkaar verbonden worden om een bredere dienstverlening te kunnen bieden.
5. **Communicatie van de strategische visie.**
Het communiceren en uitstralen van een duidelijke, diepgaande strategische visie over Integraal Gezondheidsmanagement voor het bedrijfsleven.
6. **Gebruiksvriendelijk ondersteunend systeem.**
De gebruiksvriendelijke mogelijkheid om snel, persoonlijk en medisch onderbouwd advies te geven door een integraal systeem van webapplicaties waarbij op een gebruiksvriendelijke wijze kruisbestuiving plaatsvindt van informatie.
7. **Klachtenbehandeling.**
De snelheid waarmee gereageerd wordt op de klachten van de klant, en de snelheid en de kwaliteit waarmee de klacht wordt opgelost.
8. **Kwaliteit dienstverlening.**
De mate waarin de aan de klant geleverde dienst volledig overeenstemt met de van tevoren opgegeven specificaties en voldoet aan de verwachting van de klant.

9. **Leverbetrouwbaarheid.**
De mate waarin voldaan wordt aan de afgesproken levertijd.
10. **Leversnelheid.**
De mate waarin Vitaal Werkt in staat is om op de door de klant gewenste levertijd, voor de door de klant gevraagde dienst, in te spelen.
11. **Maatwerk dienstverlening.**
De mogelijkheid om de dienstverlening aan te passen in aansluiting op de specifieke wensen en behoeften van de klant.
12. **Naamsbekendheid, reputatie en imago.**
De naamsbekendheid en reputatie van Vitaal Werkt en het imago dat Vitaal Werkt uitstraalt.
13. **Onafhankelijkheid van een zorgverzekeraar.**
Het niet verbonden zijn aan een zorgverzekeraar waardoor specifiek aangesloten kan worden bij de wensen van de klant.
14. **Persoonlijk aanspreekpunt.**
Het hebben van één enkel contactpersoon die frequent tijd en moeite investeert in de klant en die snel en adequaat een antwoord kan geven op vragen vanuit de klant.
15. **Persoonlijke vertrouwensrelatie.**
De wederzijdse band die in de loop der tijd is opgebouwd en waardoor de klant een binding heeft met de contactpersoon/personen binnen Vitaal Werkt.
16. **Prijsstelling dienstverlening.**
De verkoopprijs van de dienst aan de klant.
17. **Professionele en commerciële vakkennis en -ervaring.**
De kennis van de diensten en de vakbekwaamheid van de mensen die tijdens het voortraject contact met de klant hebben.
18. **Referenties.**
Het refereren naar (soortgelijke) klanten waar Vitaal Werkt al eerder soortgelijke diensten heeft geleverd.
19. **Wetenschappelijke onderbouwing PME's.**
Het hebben van een wetenschappelijke onderbouwing voor de Preventief Medische Onderzoeken.
20. **Zorgvuldige afhandeling offertetraject.**
De mate waarin een juiste, correcte, transparante en tijdige offerte wordt neergelegd, waarbij op adequate wijze wordt ingespeeld op de gesignaleerde behoefte en specifieke problematiek van de klant. Transparantie gaat erom dat de klant weet waarvoor (voor welke kwaliteit) hij betaalt.

9.4 Final list of possible order-winning criteria

1. **Presence of professional expertise.**
Having qualified personnel with notable knowledge and expertise in the medical field and/or in the field of labour and organization.
2. **Protection of personal and medical information / ISO 27001.**
The guarantee that information transferred to Vitaal Werkt remains secret.
3. **Industry-specific knowledge.**
Possessing knowledge specific to the industry in which the client operates and specific to the mechanisms that work within a company in this specific industry.
4. **Communication and execution of the strategic vision.**
The communication and radiation of a clear, profound strategic vision on integral health management for trade and industry, and the extent to which different specialities of absenteeism and prevention are used for this.
5. **Integral system for health management.**
The possibility to give the customer insight on health, and the possibility for improvement, on individual, team and organizational level.
6. **Handling of complaints.**
The speed with which is reacted to the complaints of the customer, and the speed and the quality of solving the complaint.
7. **Service quality.**
The extent to which the service being delivered to the customer is fully consistent with the specification listed beforehand, and meets the expectations of the customer.
8. **Delivery reliability.**
The extent to which the agreed upon delivery time is met.
9. **Delivery speed.**
The extent to which Vitaal Werkt is able to respond to the by the customer desired delivery time, for the by the customer requested service.
10. **Customized service.**
The ability to adapt the service in response to the specific wishes and needs of the customer.
11. **Brand awareness, reputation en image.**
The brand awareness and reputation of Vitaal Werkt and the image that Vitaal Werkt radiates.
12. **Independence from a health insurer.**
The not being linked to a health insurer so that the wishes of the customer can be met more specific.
13. **Personal contact.**
Having a single contact who frequently invests time and effort in the customer, and who can give a quick and efficient answer to the customer's questions.
14. **Personal relation of trust.**
The mutual bond which is built over time and which links the customer to their contact(s) within Vitaal Werkt.

15. **Service price.**
The net selling price of the service to the customer.
16. **Professional and commercial expertise and experience.**
The knowledge of services and skills of the people having preliminary contact with the customers.
17. **References.**
The reference to other (similar) customers where Vitaal Werkt delivered similar services.
18. **Scientific basis PMEs.**
Having a scientific justification for the preventive medical examinations.
19. **Thorough processing of the quotation.**
The extent to which a correct, accurate, transparent and timely quotation is offered, which adequately responds to the identified needs and problems of the customer. Transparency is about the customer knowing what (for what quality) he pays for.

----- Dutch Version -----

1. **Aanwezigheid professionele deskundigheid.**
Het in huis hebben van gekwalificeerd personeel met kennis en ervaring op medisch gebied of op het gebied van arbeid en organisatie.
2. **Bescherming persoonsgegevens en medische informatie / ISO 27001.**
De garantie dat gegevens die worden overgedragen aan Vitaal Werkt geheim blijven.
3. **Branche specifieke kennis.**
Het bezitten van kennis over de branche waarbinnen een klant opereert en over de mechanismen die spelen binnen een bedrijf in deze branche.
4. **Communicatie en uitvoering van de strategische visie.**
Het communiceren en uitstralen van een duidelijke, diepgaande strategische visie over Integraal Gezondheidsmanagement voor het bedrijfsleven, en de mate waarin de verschillende specialismen en inzichten voor verzuim en preventie daarvoor worden ingezet.
5. **Integraal systeem voor gezondheidsmanagement.**
De mogelijkheid om op individueel, team en organisatie niveau inzicht te krijgen in de gezondheidsgraad en hierop verbeteringen te initiëren.
6. **Klachtenbehandeling.**
De snelheid waarmee gereageerd wordt op de klachten van de klant, en de snelheid en de kwaliteit waarmee de klacht wordt opgelost.
7. **Kwaliteit dienstverlening.**
De mate waarin de aan de klant geleverde dienst volledig overeenstemt met de van tevoren opgegeven specificaties en voldoet aan de verwachting van de klant.
8. **Leverbetrouwbaarheid.**
De mate waarin voldaan wordt aan de afgesproken levertijd.
9. **Leversnelheid.**
De mate waarin Vitaal Werkt in staat is om op de door de klant gewenste levertijd, voor de door de klant gevraagde dienst, in te spelen.

10. **Maatwerk dienstverlening.**
De mogelijkheid om de dienstverlening aan te passen in aansluiting op de specifieke wensen en behoeften van de klant.
11. **Naamsbekendheid, reputatie en imago.**
De naamsbekendheid en reputatie van Vitaal Werkt en het imago dat Vitaal Werkt uitstraalt.
12. **Onafhankelijkheid van een zorgverzekeraar.**
Het niet verbonden zijn aan een zorgverzekeraar waardoor specifiek aangesloten kan worden bij de wensen van de klant.
13. **Persoonlijk aanspreekpunt.**
Het hebben van één enkel contactpersoon die frequent tijd en moeite investeert in de klant en die snel en adequaat een antwoord kan geven op vragen vanuit de klant.
14. **Persoonlijke vertrouwensrelatie.**
De wederzijdse band die in de loop der tijd is opgebouwd en waardoor de klant een binding heeft met de contactpersoon/personen binnen Vitaal Werkt.
15. **Prijsstelling dienstverlening.**
De verkoopprijs van de dienst aan de klant.
16. **Professionele en commerciële vakkennis en -ervaring.**
De kennis van de diensten en de vakbekwaamheid van de mensen die tijdens het voortraject contact met de klant hebben.
17. **Referenties.**
Het refereren naar (soortgelijke) klanten waar Vitaal Werkt al eerder soortgelijke diensten heeft geleverd.
18. **Wetenschappelijke onderbouwing PME's.**
Het hebben van een wetenschappelijke onderbouwing voor de Preventief Medische Onderzoeken.
19. **Zorgvuldige afhandeling offertetraject.**
De mate waarin een juiste, correcte, transparante en tijdige offerte wordt neergelegd, waarbij op adequate wijze wordt ingespeeld op de gesignaleerde behoefte en specifieke problematiek van de klant. Transparantie gaat erom dat de klant weet waarvoor (voor welke kwaliteit) hij betaalt.

9.5 Research results interviews

Brand awareness, reputation and image

The managers initially felt that this criterion was closely related to references, but after some discussion they decided it was a fairly important order-winning criterion for the PMEs. During the group discussion it also came up that there was a difference between brand awareness and reputation and image.

Remarkable is that unlike the managers, who mentioned this criterion as order-winning, the customers did not mention it as order-winning at all. Not as order-winning, nor as qualifying (only one mentioned it as qualifying). Customers find brand awareness, reputation and image to be unimportant.

Most of the interviewees felt that references would be more important. A few did mention this criterion as being a way of getting through the door, but that would be all. Moreover, most interviewees had no idea about the brand awareness, reputation and image of VW, most of them had not even heard of VW before they themselves selected them as supplier. Some of them did mention that VW for them now has a good and positive image and they would also recommend VW to others. This is also supported by research done by VW which showed that ninety per cent of its customers (in 2011, for the region Noordoost Nederland) would recommend VW to others.

Overall the management feels that VW will score a seven on this criterion, opposed to the eight the customers value them with.

Communication and execution of the strategic vision

While discussing the criteria the managers agreed that two of the criteria, breadth of the service offering and communication of the strategic vision, should be combined. According to them they were tightly connected to each other and should be mentioned as a single criterion. This led to the following criterion: “Communication and execution of the strategic vision: The communication and radiation of a clear, profound strategic vision on integral health management for trade and industry, and the extent to which different specialities of absenteeism and prevention are used for this.”

Both customers and management value communication and execution of the strategic vision as low of importance. Only one of the interviewees mentioned this criterion as being order-winning. This interviewee, representing a customer who does not (yet) purchases PMEs, gave this criterion a number one position in his ranking of order-winning criteria. According to this interviewee the way in which VW clearly outlined its strategy and its strategy itself was the reason VW appealed to him, and stated this was definitely a criterion that could make a difference between suppliers.

The other interviewees did not find this important at all or thought of it as a precondition, as something a supplier should have but did not think of it as a very important element. Some of the interviewees clarified that for them, communication and execution of the strategic vision, was important, but not when solely focussing on a PME. This criterion would be important when deciding on which occupational health service organisation they would do business with on a whole range of occupational health services, but not when solely looking at PMEs.

The customer who mentioned this criterion valued it with a nine, while the management expected this criterion to score a seven. Since the performance scores from the management were given before the two above mentioned criteria were combined it should be kept in mind that the score were given based on separate criteria. It could therefore be that the scores for this newly defined criterion might slightly differ from the average score which was reached by combining the scores of the two criteria.

Customized service

For only two out of the ten interviewed companies, customized service is not something that will make a difference between suppliers. They feel that every supplier will say they deliver a customized service. The other eight interviewees all ranked customized service as an order-winning criterion with rankings between one and five. When taking a look at the difference between the customer groups it becomes evident that, overall, the customers already purchasing PME place more importance on customized service than non-purchasing customers or non-customers.

The general opinion is that it is important that a supplier listens to the specific wishes and demands of the customer. They do not want to choose from standard packages, they want suppliers who are able to offer service packages adjusted to the wishes and demands of the customers. Customizing does not only apply to the overall service, several customers also want clear and specific advice of what to do with the outcomes of the PME, and not only for the company but for the individual employees as well.

All the customers of VW are satisfied with the customized service of VW, rating VW with a score of 8.14. They all feel that they were able to discuss their wishes very well and that there were a lot of possibilities to adjust the contract in order to fit the customer's specific wishes. They are especially content with the extent in which VW empathizes with the customer. One customer even specifically mentioned: "If I have a question or demand they carry it out the way I pictured it in my head". When looking at the difference between PME customers and non-PME customers, it shows that the PME customers are slightly less satisfied than the non-PME customers.

According to the management this criterion was the most important. This criterion was without a doubt mentioned by each manager as order-winning. They explain that they always base the PMEs on the Risk Assessment and Evaluations that takes place first at the customer and as well on the meetings that are held between account managers, company doctors, occupational and organizational experts, and the customer. Based on this and VW's access to a whole arsenal of different questionnaire's and biomedical examinations they are able to deliver a significant customized service.

The management team expects that the customer will score VW performance with a seven. They themselves still see some room for improvement, for instance in the productivity of some of the professionals, having customized questionnaire's for certain occupational groups, further developing tools like My-Care (a web based application for employees) and in on their process side.

Delivery reliability

After the discussion this criterion was seen as neither order-winning nor qualifying by the management. Out of the interviewees the purchasing customers and non-customers do see it as order-winning, the non-purchasing customers however, did not mention delivery reliability at all as an order-winning criterion.

Especially the current PME customers of VW had a lot to say about this criterion, the others, not that much. Overall interviewees found it important that it is clear how things are going to play out and that the made agreements are kept. Agreements must be reliable and they must be kept in terms of planning, not only in regard to changing or cancelling appointments, but also an appointment of half an hour should be half an hour, and not change into fifteen minutes or an hour. Of course it may occur that an agreement cannot be kept, but according to the interviewees this is understandable as long as the supplier gives a well-founded reason and explanation as to why they cannot honour the previously made agreements.

Out of all the criteria that received a performance score from the interviewees, this was by far the lowest scoring criteria of them all. The customers already purchasing PMEs from VW, satisfied about VW's performance or not, all mentioned there was room for improvement. The stage at which most customers feel the need for improvement is the stage of obtaining the results. They say that VW checks beforehand if the demands of the customer are feasible, and if not then it is discussed what is feasible. Furthermore there are several meetings during the whole process to discuss if everything goes according to plan. There are however also some customers who disagree and state that agreements were regularly changed.

One of the customers gave a clear statement about the delivery reliability: “We were supposed to have the results of the PME three weeks after the last examination, but the last persons received the results recently, being four months later”. Another customer also mentioned that everything was going as agreed upon, until they were supposed to receive the results from VW.

From the explanation of this customer, and some others, it becomes apparent that delivery reliability is also connected to other criteria like service quality and a personal relation of trust. The dissatisfaction from the customers with delivery reliability is connected to a number of other factors and frustrations. For one it is connected to the trust the customers have in VW, if they cannot keep their promises can customers still trust everything VW says. Secondly it hinders customers in their timeframe, wanting to work with the results and put the suggested actions in practice. However, the longer it takes VW to process the results, the less relevant the results become for the customer, since situation might have already changed. Thirdly customers find it frustrating that, in order to try to have results as quick as possible, extra company doctors or doctor’s assistants who often do not know the company are asked to help out. But since they do not know the customer or their employees the customers feel that it has a negative effect on the service quality. This negative effect on quality, as a final remark, also becomes apparent from the interaction between the reliability and the expectations about the quality. One of the customers stated the following: “As time goes by my expectations about the quality of the report continue to rise, and by definition often leads to disappointment. It is frustrating that the agreements are not honoured, leading to frustrations about the quality in consequence of this, and what does not make it better is that they cannot clearly explain to me why the delivering of the report takes so long”.

The customers who mentioned there was room for improvement suggested the following: (1) Better organize the internal capacity. It was said that it was good to hire a new company doctor, but at the same time it was thought that VW should have forecasted the need for more capacity earlier on, at the time of the quotation. (2) Besides just telling employees from the customer that they can expect the results within two to three weeks, give them a notice of when the results are actually online to be viewed. One customer explained “if people log in after two or three weeks and they do not find the results, they will try again for a couple of times, start contacting the human resource department, leading to frustrations for a multitude of people. Overall it leads to frustrations, increasing expectations, and disappointing results.”

Delivery speed

More or less the same interviewees mentioned delivery speed as an order-winning criterion as they did delivery reliability, both receiving more or less the same ranking. This supports the fact that during the interviews it was regularly mentioned that delivery reliability and speed are tightly connected. In relation to delivery reliability the managers thought that speed would be more important than reliability and in fact would be a possible order-winning criterion. Based on the rankings given by the customers it proves to be the opposite, they find delivery reliability (slightly) more important than delivery speed, but value both as possible order-winning criteria.

Most important about delivery speed is the adaptation to the wishes of the customer. Customers want to be able to determine the terms of the delivery of the service. The customer’s wishes must be leading. It should not be the case that examinations are only planned in the hours that are convenient for the supplier. The examination appointments should be adjusted to the situation at the customer, for instance taking in account employees that have to work in shifts and adjusting the times of examinations to their situation. One customer mentioned that “in the beginning they went too quick and I felt we had to follow their wishes [(their timetable)], then we talked it over and it changed. But then it started giving me the feeling that I had to run after them instead of them coming to us. During the process everything turned out alright but the start was somewhat less.”

Furthermore it is expected that a supplier who carries out PMEs on a regular basis can carry them out quick and professionally. However, one customer stated that “delivery speed is important when it does not affect the quality of the service”. This statement also seems to be supported by other customers who actually say the same as stated with delivery reliability: if a supplier can give a substantiated reason as to why then need

more delivery time than other suppliers, it does not matter if their delivery speed would be a few weeks or a month longer.

There is a big difference between the scores of customers already purchasing PMEs and the one non-purchasing customer who mentioned delivery speed as an order-winning criterion. Delivery speed is valued with a five by the non-purchasing customer and with an eight of each of the purchasing customers. This non-purchasing customer is a dissatisfied customer, they find delivery speed very important (ranked in a second position) but according to them it took VW too much time to follow up the quotation they offered. They therefore lost trust in the promises VW made during quotation meetings and went on to accept the order from a competitor.

One of the managers also expected this criterion to score insufficient, i.e. a five. The other two managers who also mentioned and scored this criterion gave this criterion a better performance score, leading to an average of a 6.5.

Handling of complaints

The handling of complaints was not mentioned very often by interviewees. Only two found this criterion to be order-winning, of which one only gave it a nine during ranking. Of the remaining interviewees some did not find this criterion important at all and said that it was something you cannot know beforehand and some only mentioned it shortly as being important but only as an qualifying criterion.

During the group discussion with the management two of the managers labelled this criterion as being qualifying, the other two said it that it was not important at all. This criterion received the lowest ranking of all criteria by the management (of course excluding the criteria that were not mentioned at all as order-winning).

Independence from health insurer

This criterion was found to be neither order-winning, nor qualifying by the management. It was not even mentioned at all by the managers as possible order-winning criteria during the initial ranking of the criteria. Since this criterion was not mentioned by any of the managers it did not receive a performance score either.

Only a few customers mentioned independence from a health insurer as order-winning, of which two out of three ranked it with a ten and eleven. Customers do still find it important though that the advice following from a PME is given independent from connections to a health insurer, it should be an impartial advice. The advice stemming from a PME should not be related to one single health insurer or supplier of services. On average VW receives a 8.5 from its customers.

Industry specific knowledge

During the interviews six out of ten interviewees mentioned that this was an order-winning criterion. It seems that the more knowledge VW possesses about the specific industries they operate in, the better. It is valued when a supplier knows about the working conditions of employees in a specific industry, that they know about industry-specific risks and about industry-specific laws and regulations.

Not everyone that mentioned this criterion as order-winning gave it the same level of importance. Out of the ones who mentioned industry-specific knowledge as being order-winning, purchasing customers gave it a significant lower ranking (sixth and seventh places) than non-purchasing customers and non-customers, who gave it top three rankings. On the performance score all interviewees who scored this criterion seem to more or less agree and score VW with a 7.6.

Most managers labelled this criterion as being order-winning, although one of them disagreed and stated that this is an inextricably part of delivering a customized service. After the group discussion it appeared that the management thought customers would not find this criterion important enough and did not label it as one of the most important order-winning criteria. Three out of the four managers mentioned this criterion and rated their performance with a 6.67.

Integral system for health management

In the beginning this criterion gave some discussion with the management about it being order-winning or qualifying. By discussing it and pinpointing what actually was the most critical element of this criterion, it was agreed upon to change the definition of this criterion from “user-friendly supporting system” into “integral system for health management: the possibility to give the customer insight on health, and the possibility for improvement, on individual, team and organizational level.” After changing the definition of this criterion it was labelled as being order-winning. Of the (non-)customers only a few of the interviewees mentioned an integral system for health management as an order-winning criterion.

One important thing to note about this criterion, before moving on to a discussion of the results from the customers, is that most interviewees only work with one system (E-care) or even none at all, only the customers purchasing PMEs could fully value the integral system and its ability to give insight on different levels (individual, team and organizational levels). Furthermore not all of the customers are using VWs specific integral system, but are using own electronic systems.

None of the purchasing-customers defined having an integral system for health management as an order-winning criterion. Most of them said it was not important to them because they saw it as a precondition, because they made their own reports or because they felt that other available systems worked well enough as well. It seemed as most of the current customers purchasing PMEs did not see the value of the specific integral system VW offers. This criterion seems to mostly be an order-winning criterion for customers not yet purchasing PMEs.

The interviewees who ranked an integral system for health management as order-winning did so because they felt it was important to gain insight on different levels of the organization, but also to give both organization and employees insight on (their) health. However, they did not care whose system it was, if it was a system from VW or from another supplier.

From the interviewees who did not mention this as an order-winning criterion, one mentioned that it was not important for them mostly because a big part of their employees was not computer-minded. The remaining two did find it important to have insight in the different levels and having a system in place to get this insight, and already had a system of their own in place.

There is not only a difference in ranking between purchasing and non-purchasing customers, there is also a difference in the performance score they assigned to an integral system for health management. On average purchasing customers value this criterion with a 7.5 while non-purchasing customers value this criterion with a 9.5. Overall this criterion scored an 8.5, which is more positive than the management expected. The managers expected customers to value this criterion with a 7.75. They also mentioned that most customers are impressed by VWs integral system for health management, but that this unfortunately does not mean they actually would want to work with it.

Personal contact

The management found this criterion neither order-winning nor qualifying and only one manager initially mentioned this criterion and rated it with a seven.

A large proportion of the interviewed companies did find a personal contact important. However, half of them only value it as qualifying, while four of the ten interviewees value this criterion as order-winning. The interviewees who considered personal contact to be an order qualifier said that, besides it being seen as a precondition, having one permanent personal contact was important. They want to know whom to contact and want to have contact on a regular basis.

The interviewees who rank personal contact as an order-winner state the same, but they emphasize the link to a personal relation of trust more. They find it important that their contact knows who they are and know how the company works. They feel it is more personal and that it works faster. Overall it seemed that even though they mentioned some slight differences between personal contact and personal relation of trust, the interviewees saw them as tightly connected and often mentioned them in a single breath.

Personal relation of trust

The management had some discussion about this criterion in order to conclude if this is an order-winning criterion or not. They all felt it was important from the beginning of the discussion and after some discussion and talking it over the management decided this was indeed an order-winning criterion. The management expects the customer to be positive on this criterion and will score them with an eight. Together with protection of personal and medical information / ISO 27001 this criterion should score the highest from the point of view of the management. They explain that this depends entirely on the company doctor. If a customer chooses to do a PME with VW they will have confidence in the company doctor and VW or they would not purchase a PME from them. Without a relation of trust you cannot sell a PME.

When looking at the results of the customers it shows that a personal relation of trust is important to all interviewees, of which six find it order-winning, the other four value this criterion as qualifying. When going more in-depth into their opinion about a personal relation of trust they all mention more or less the same. The difference between qualifying and order-winning is purely on thinking that this criterion can make a difference between suppliers, or not. That this might not be as black and white as portrayed by the quantitative results will be explained later on in this paragraph.

Most of the interviewees feel that a personal relation of trust is important because it is about knowing the customer (the company), about knowing its employees and about knowing how the company works. The better this is known by the supplier, the quicker and faster things work, the better all the examinations can be organized and the better results can be placed. It is not just about being familiar with the main issues or processes a certain type of company encounters, because this is seen as part of industry specific knowledge. A personal relation of trust goes beyond that; it is more focused on knowing the ins and outs of a specific company and its employees, it is about familiarity with the company doctor (and for some also their fixed personal contact), it is about trustworthiness and mutual trust. One customer also specifically mentioned that it was important to have a continuity of company doctors. Customers do not want to have a different company doctor every other year. It might not be a reason causing them to leave, but they will start reconsidering their customer-supplier relation and the value they put on the current supplier. The reason for this can be a lack of knowledge about the company and its specific situation and the unfamiliarity with VWs personnel.

A personal relation of trust is not just about having a relation between customer and supplier it is also about creating one. One customer specifically mentioned that this is the most important criterion for them. A customer needs to trust in the capabilities of the supplier in order for a mutual bond to be built. In the end this criterion was also the reason why VW lost an order to supply a PME. This customer explained that their trust in VW's abilities diminished because of a number of reasons: (1) having account managers making promises in the PME quotation process but not following through on these promises, (2) not honouring the agreement to only let employees of VW in contact with the customer's employees after they have had a tour of the company and after they know what the state of affairs is at that specific customer.

One of the most striking things becoming apparent while talking about a personal relation of trust during the interviews is the loyalty customers seem to display towards VW. Not every interviewee, and especially not every customer, valued a personal relation of trust as order-winning. When going more in-depth it shows that this criterion has a bigger influence than first suggested by solely focussing on who defines this criterion as order-winning or not.

When focussing on the current customers of VW (seven in total) only four qualified it as order-winning criterion, as can be seen in the table further on in this paragraph. When asking questions about them asking for quotations from other suppliers, all but one stated that they did not and/or would not ask for

quotations from other suppliers. Only one customer asked for a quotation from another supplier, and this was a customer who was already not fully satisfied by VWs services. But even though this customer is not as loyal as the rest, they still placed a personal relation of trust on a number one position in the ranking. What the table below is showing is very remarkable; it seems that (most) customers would not even consider other suppliers. When analysing the statements from the interviewees it becomes evident that knowing the specifics of customers (the way they work) and knowing their employees, apparently even outweighs the dissatisfaction with some other criteria, all within reasonable limits of course. All in all the overview and explanations that were given during the interviews show that this criterion might be more important than the average ranking shows, it might even be the most important order-winning criterion.

	Defined as order-winning	Loyal customer (>5 years)	Did not ask for other quotations	Comments
CG		✓	✓	
TW	✓		✓	
TR	✓	✓	✓	
RS	✓	✓	✓	We have VW as a supplier so if when we want to do another PME we would not look at other suppliers. I guess it loyalty, and it would feel weird to deal with an occupational health service organization on a regular basis and then ask for a quotation for a PME at another occupational health service.
VN	✓			
NS		✓	✓	I would always go to my own occupational health service organization first. Based on the relation we have with VW at the moment I would really easily go to them to let them arrange everything.
EM			✓	We would not even consider another supplier for a PME than VW. We already have a connection, the company doctor knows our company and our employees and they know them, it's familiar. It would feel weird to let another company come here and perform the PME.
AV	✓			
MST	✓			The relation we have built with VW so far will also play a big role. Having this relation will give them a big 'plus' on winning orders from us.
CR				

Slack and Lewis (2002) mention in their book that some customers may be willing to accept sporadic lapses of performance on either order-winning or qualifying criteria because of the long-term relationship they have with the supplier. The value they place on the relationship they have with the supplier therefore sometimes transcends the idea of order-winning and qualifying criteria and becomes itself the most important order-winning criteria.

This provides an explanation for the importance of the relationship of trust, but it also points out a criticism on the theory of order-winners and qualifiers, which is supported by the results shown in table 4.2. The

importance some customers, or in this case almost all customers, place on a relationship of trust sometimes transcends the mentioned order-winning and qualifying criteria and ends up being the most critical order-winning criterion, while not even being specifically mentioned or recognized by the customer. Hörte & Ylinenpää (1997) give a possible explanation for this issue. They think that customers in general do not wish to see how big the impact of established relations is on their purchasing decisions. Instead they stick to more rational motives when they explain why they place an order.

Presence of professional expertise

Slightly more than half of the customer interviewees mentioned this criterion as being order-winning. Generally speaking these interviewees feel that without the necessary expertise it will be difficult to interpret the outcomes of a PME. Therefore it is important to have experts in order to guarantee the quality of the PME. It was also mentioned that they expect suppliers to have the necessary expertise, because they expect them to know what they are doing. With expertise the interviewees mean: the ability to give advice, the ability to convey and present information and outcomes, and the ability to empathize with the customer. According to some of the interviewees it is important to not only have company doctors with professional expertise, but also other personnel related to the PME or dealing with customers should have the necessary expertise.

Overall the customers valued the presence of professional expertise at VW with an eight.

This criterion was quickly discarded as being an order-winning criterion, but the managers still felt it might be an qualifying criterion. Since none of the managers mentioned this criterion as order-winning, it did not receive a performance score.

Professional and commercial expertise and experience

Only two of the interviewees, both customers of VW already purchasing PMEs, said professional and commercial expertise and experience is an order-winning criterion. All the other interviewees see this criterion as qualifying. They state that this is something that every supplier should possess and that they would not be doing business with companies not possessing this expertise and experience. Suppliers should know what they are talking about, should know the market, and know what is being offered and what is needed. They need to know what they can and cannot deliver to a customer. Even though customers find this criterion of low importance, they do value VWs performance high, with an eight.

Of the managers, two qualified this criterion as order-winning, but after some discussion they all decided that this criterion was an order-winning criterion. Overall the management thinks that the customer values VWs knowledge as good, but that the attitude, pro-activeness and skills still have some room for improvement. The management themselves say that the content aspects are good, but that the way they sell everything to the customer could be better, for instance on the area of cross-selling by advisors and company doctors. They feel that there is room for improvement, for instance that professionals need to think more outside their own line of expertise and that reports can be improved to give an broader image of the organization, for example by including comparison to similar organizations. Overall they think that the customer will see this room for improvement as well, and will score them with a 6.75. A significantly lower score than the customer values VW with.

Protection of personal and medical information / ISO 27001

Protection of personal and medical information is valued as a qualifier by almost all interviewees. Most interviewees considered it a precondition, and that they assumed that this was guaranteed, as it should be by every supplier.

During the interviews with the management it was mentioned that the ISO 27001 certificate is a unique selling point, since they were the only occupational health service in the Netherlands with this certificate. Based on the interviews it seems that this certificate and the protection of personal and medical

information is not an order-winning criteria. One interviewee even mentioned that she did not care about the specific certificate (ISO 27001) and that the basis, the guarantee of protection that every supplier offers, is enough. Only one of the interviewees, a company who did their own PMEs in-house, stated that protection of personal and medical information was crucial for suppliers to guarantee and that he felt that this could be a criterion to make a difference between one supplier or another.

The managers had some discussion about this criterion on it being an order-winning criterion or an qualifying criterion. Eventually they agreed that it is an order-winning criterion, but that it might not be one for everyone. The reason for assuming it is an order-winning criterion is because VW is the only company having the ISO 27001 certificate and since none of the other competitors would be able to beat them on guaranteeing accordance to the Personal Data Protection Act (Wet Bescherming Persoonsgegevens).

Based on this the managers feel they will receive a score of eight which is, together with personal relation of trust, highest scoring criterion from the point of view of the management. The management explained that they never had any problems and that they would have to do a lot to excel even more on this criterion. One manager mentioned it could as well be a nine. However the managers expect that customers will not appreciate this criterion or pay attention to it as long everything works out fine; customers will only start paying attention if something goes wrong. The customers gave an even higher valuation than the managers, a nine, even though they value protection of personal and medical information of low importance.

References

Most of the interviewees did check references when looking for a supplier, but only a few mentioned it as order-winning, and only with a low level ranking (eighth and ninth places). Overall it sounded like most of the interviewees do not place a lot of value on the references given to them by possible suppliers. One of the managers also said that this criterion was never really mentioned when talking to customers. The rest of the managers agreed to this and decided that this is an qualifying criterion.

Even though this criterion did not end up as one of the most important order-winning criteria it initially was mentioned as order-winning by three of the managers, who also scored this criterion. Opinions slightly differed about the performance score, but overall the managers expected VWs references to be valued by a 6.83. Customers actually valued this criterion quite a bit higher with an eight.

Relationship of trust from an employee's point of view

This criterion was added after the customer interviews. One of the interviewees specifically mentioned this criterion because he felt that not only the trust of employers in an occupational health service organisation is important, also the employees of a customer have to trust in, in this case, VW's abilities. He states that most of the criteria are seen from an employer's point of view, but he feels that it is also important that the employees trust the occupational health service, specifically speaking about trusting the company doctor. Therefore this criterion can also be seen as the relationship of trust between company doctor and patient. This criterion was added by a customer; therefore it was not taken into account during the interviews with the management. For the same reason this criterion did not receive a performance score from the management.

Scientific basis PME

This is one of the criteria which was not really mentioned as an order-winning criteria by the customers. Only two interviewees mentioned it as being order-winning because they want the interpretation of the research and especially the outcomes to be scientific. One interviewee, a non-customer not yet performing PMEs themselves, said he wanted the results to be linked to national standards. Other interviewees felt that a scientific basis for PMEs was not important or mostly that they expected the PMEs to be scientifically supported, they saw it as a precondition. Customers expect an occupational health organization to be professional and to know how things work and they expect them to know what they are doing. The managers foresaw this correctly. During the discussion this criterion was found to be a qualifying criterion straight away.

Service location

This is one of the criteria added after the interviews with the customers. For three of the interviewees location of the examination or the company doctor was specifically mentioned as order-winning criterion. These customers found it very important that they did not have to send their employees to the site of the supplier, but that their employees were able to visit the company doctor and do most examinations at their own site. As one customer, in the field of education, mentioned: "The more time needed to travel to appointments, the more classes need to be cancelled. This is not an acceptable option in education." This criterion was by far the highest scoring criterion, it was not mentioned by all interviewees, but by the ones who did mention it gave it a very high rating. Since this criterion was added after the customer interviews, it was not ranked or scored by the management.

One remark about this criterion, and about 'relationship of trust from an employee's point of view' as well, is that these criteria were brought up on the initiative of only certain customers. Therefore only these customers were asked about why this is important to them. It could be the case that if customers were again asked to make a ranking, with these criteria included, that the ranking might turn out different and perhaps placing more emphasis on either of these later added criteria.

Service price

All but two of the interviewees mentioned price as an order-winning criterion but everyone gave it a relatively low ranking. An often heard comment during the interviews is that price is tightly connected to quality. Price is important, but quality and content come first. Even though price is certainly not the most important thing, it does not mean that a supplier can ask any price they want. The price must be reasonable and conform to the margins in the market.

The service price depends on quality and other matters like the relation with the supplier and the flexibility being offered. If for instance the relation with a supplier is good and the quality is comparatively better, customers would not mind paying extra per employee (e.g. five euros), as long as it remains reasonable. Price should also be negotiable, customers put value on suppliers thinking along with them and reaching a price they both agree on.

Opinions of the managers were divided on this criterion. Half of the managers said it was qualifying and the other half said it was order-winning. There was also some discussion of it being neither, of it be an order losing criterion. That price might be a criterion which would not win an order, but that if the price was not in line with the prices applicable in the industry of occupational health services it could cause a customer to stop considering a supplier and therefore make a supplier lose an order.

Out of all the criteria the management expected price to receive the second lowest score, namely a 6.17. Customers, and especially purchasing customers, were positive. On average customers valued price with a 7.2, of which existing customers show the highest level of satisfaction with a 7.67. This is 1.5 points higher than the management expected. The non-purchasing customers are a little less satisfied with an average score of 6.5.

Service quality

Based on the average ranking from all interviewees this criterion ranks the highest. Seven out of ten values service quality as an order-winning criterion. Five of the interviewees even gave it number one or two positions in their ranking.

When going more in-depth on what the interviewees see as quality it shows that quality consists of many different things. It shows that quality is subjective and depends on who you ask. Most important is that the customers have the feeling that they are going to get what they want and that the promises that are made are kept. For customers quality is about the possibilities that a supplier can offer; the breadth of the service offering. It is about the trustworthiness of the results, about the speed of working, about keeping to the planning that was made, and about the content of the PME. Overall it seemed that quality consists of several other criteria, it was often connected to: delivery reliability, delivery speed, and customized service. But also expertise and experience proved to play an important role.

This is in line with what was said by the management. They did not include quality as an order-winning criterion because they felt that quality became apparent from a number of the other order-winning criteria, as mentioned by the customers as well. The managers also said that you cannot predict the quality beforehand, it is about the expectations. At the end of the discussion 'service quality' was expected to be neither order-winning, nor qualifying.

Both customers and management valued this criterion with a seven, which makes it a possible order-winning criterion, which still has room for improvement.

Thorough processing of the quotation

This criterion did not lead to much discussion amongst the managers; everyone agreed this was an important order-winning criterion. The customers were less certain about this criterion being order-winning, only four valued a thorough processing of the quotation as an order-winning criterion.

Every interviewee who mentioned the thorough processing of the quotation during the interview was very positive. They agreed that a quotation should be clear and that it should represent the wishes and ideas of the customer, and the agreements that were made during previous meetings. It should also be transparent, it should be clear how much is paid and for what. According to the interviewees the quotation from VW was clear, and in line with their wishes and ideas. Everything the customer wanted to have in there was there, and it was clear who was doing what. A number of customers especially wanted to show their appreciation to VW for thinking along with the customer.

In contrast to these positive messages above, were the stories from four out of the seven existing customers. According to them, even though they were satisfied with the quotation itself, the follow-up was unsatisfactory for a number of reasons. For instance, invoices did not match the agreements in the quotation, either the invoices were not correct (things were charged that should not be) or costs were not communicated clear enough beforehand (in retrospect the quotation was not transparent enough), leading to some frustration from the customer's side. Another comment of a customer was that it took too long for follow up of the quotation, this customer by then moved on to purchase from a different supplier. According to this interviewee the long period before any succession of the quotation leads to a diminishing of trust: "the people who you are talking to are making a lot of promises and coming with a lot of ideas, but in the end not much happens".

The management explained during the discussion that they received some signals from the customers that the processing of the quotation did not go as previously thought, and they themselves feel there is room for improvement as well. They explain that it sometimes takes too long before the occupational and organizational expert and company doctor join the quotation process to make an action plan, and too long before the quotation is ready to be sent to the customer. Based on this they feel that the customer will score their performance with a six. This is the lowest score out of all the criteria that received a performance score from the management. The scores of the customers are a lot more positive than that, they value VWs performance with a 7.67 on average. But as the management already foresaw, there is still room for improvement.