How to Improve Sales Performance

- Strategic Measurement in Sales, an Empirical Study at Saab.
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Abstract

This bachelor degree study will deal with strategic measurements within sales. It undertakes an empirical evaluation of the two measurement strategy concepts “Sales Pipeline” and “Strike Zone”. Firstly, the study will explain key advantages of implementing the strategic measurements. Secondly and finally, the potential challenges as well as possible ways to overcome them will shape the structure of the study with the purpose to develop a sales process.

The foundation of the study is based on modern market trends, which is influenced on characteristics such as globalization, increased demands from customers and similarities of products and services being offered among suppliers acting on the market. These aspects among others pressures organizations to establish superior strategies in order to create a competitive advantage. The set up of successful strategies commonly entails the process of converting strategic intent into actionable activities as well as being able to measure them. Therefore the concept of measuring is an important key in developing a superior competitive advantage.

The authors worked hand in hand with the organization Saab throughout this study. Therefore, the thesis is a qualitative single case study of the organization. It will specifically investigate Saabs sales process in the market of global defense security, and evaluate key measurable strategies that can be related to their organization. According to the study findings and the analytical results, the conclusion is that both of the theories “Sales Pipeline” and “Strike Zone” will develop the sales process of Saab if the challenges of the theories can be addressed. This would be in terms of composing complements to reach a number of benefits such as an increased close rate, higher efficiency, reduced bottlenecks in the sales process, higher awareness of what types of business cases the organization should select etc.

Key Words

Business Cases, Order Intake, Sales Pipeline, Strategic Measurements and Strike Zone.
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Ljungby May, 2015.

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1 Introduction

The majority of organizations in the market are constantly facing a high pressure when it comes to competition about customers (Myhal et al., 2008). The market trends are characterized by globalization, increased demands from customers and similarities of products and services offered among suppliers acting on the market (Ibid). As a result, market trends drives organizations to set up strategies in order to create and develop a competitive advantage, which significantly leads to that an organization will produce or sell products and services more effectively than its rivals (Porter, 1998).

There are several types of strategies in the business environment and business owners can use either standard strategies, invent their own strategies or a mix of them in order to target superior customer advantage (Porter, 1998). However, it is important for an organization to recognize and understand what kind of strategies that would suit them the best and strategies that contributes with a good value. Even though this might not be an easy task, there is a method which deals with how to set up successful strategies, namely measuring. Typically, the set up successful strategies involves the process to effectively convert strategic intent into clearly defined, actionable activities, but more importantly to identify methods for how to effectively measure them (Rigsby & Greco, 2002).

An effective measurement means demonstrating consistency when tracking or reporting performance. It ensures that there is an ongoing process for improvement (Rigsby & Greco, 2002). Through the measurements of strategic performance, the organization will be able to communicate the degree of success that the organization is experiencing as it achieves its strategic intent (Ibid). By making sure how different areas of the business are performing is valuable information for an organization, as well as a good measurement system, which will also enable triggers for any changes in performance. This puts the organization in a position to manage the performance proactively (Bizmanualz, 2008).

By aiming to implement measurable strategies that help to manage customers, a company can define and execute sales processes that increase the likelihood of
achieving the company’s financial objectives (Bizmanualz, 2008). However, due to the fact that all customers have individual and unique characteristics, it is important to establish strategies to streamline the sales process without loosing its value (Ibid). A sales process strategy involves defining an improvement area within the sales activity that accurately reflects an organization’s customers and the products or solutions that it sells. If the strategy is successful, it will increase the chances of gaining competitive advantage (Yan et al., 2015).

1.1 Background

Due to the complexity of competitive markets, organizations are directed towards optimizing performances in order to strive for an improved competitive advantage (Myhal et al., 2008). Since organizations must fight unnecessary costs with the aim of receiving effect and value for their money (Kapferer, 2012). The sales process is an area that can provide the desired advantage by improving efficiency of the expected outcomes (Eades, 2003). Sales process effectiveness is defined as the ability to interpret and analyze opportunities (Peterson & Krishnan, 2011). This process enables a more accurate sales forecast and managers are capable to provide support when important opportunities require increased attention (Jordan & Vazzana, 2011). In order to reach success in the sales process, organizations need to understand the fundamentals of measurements. Otherwise, if they cannot measure, they cannot either improve (Kaydos, 1998). By measuring pipeline size (explained in 2.1.1 Sales Pipeline), win/loss ratios and close rates (see Table 2), the organization could identify trends, both positive and negative, in their sales activity processes (Jordan & Vazzana, 2011). Thus, sales metrics are significant for organizations, as it allows measuring, understanding, controlling and improving their sales performance (Ibid).

One major industry, which is affected, even further on (unlike conventional markets) by complexities in the competitive market, is the defense industry (Hartley & Sandler, 2007). The military expenditure in the defense market was estimated to $1776 billion in 2014 and was in total equivalent to 2.3 percent of world Gross Domestic Product (GDP) (Military Expenditure, 2015). The complexity of the market increases due to the fact that the industry is affected to a high degree by political, security drivers and the implications for global peace, security and development factors (Hartley & Sandler,
2007). Its size structure is determined by government policy, as the national government is the main customer and regulates exports. A nation’s defense spending is impacted by its underlying economic strength alongside geopolitical complexities (Hartley & Sandler, 2007). The global defense spending is expected to rise again after its decline for a number of years. This upswing depends mainly on growth in the global economy, and it is expected to grow by an annual average of 2 percent between 2016 and 2020 (Ablett & Erdmann, 2013).

A well known actor in the global defense market is Saab, a security organization that develops, manufactures and sells military and civilian solutions to governments, authorities and corporations (see Appendix F) (Saab Group Annual Report, 2014). Due to that Saab competes in an international market influenced by a high competition, their strongest competitive advantage is to stay cost efficient by decrease cost and improve efficiency throughout the lifecycle processes and operations. Saab always strives to adapt its sales processes and organizational structure to the complexities of the market. The political influences contributes to the awareness that today’s friend could be tomorrow’s enemy (Ibid).

1.2 Problem Discussion

As was mentioned in the introduction, the nature of increase in competition forces companies to gain a competitive advantage through setting measurable strategies (Rigsby & Greco, 2002). Even though measurable strategies can be viewed as a suitable approach of improving an organizational situation, there is a growing literature addressing the difficulties of successful strategy implementation and it is claimed that 70 percent of performance measurement initiatives fail (Bourne et al., 2003). Establishing measurable strategies needs to be well defined and include distinct goals, potential risks, be coherent and tested before the implementation in order for the organization to maximize its value (Ibid). The challenge for companies relies on their ability to consider and be highly aware of how to turn threats to opportunities and still be able to create a competitive advantage (Yan et al., 2015).

As mentioned earlier, Saab is constantly striving to improve its sales performance with suitable strategic sales measurements. However, due to the organizational complexity
and by being a competitive actor on the global defense market, it encounters difficulties when choosing appropriate measurements. It is therefore not an easy task for Saab to locate applicable measurements to implement on the organization sales process.

Setting measurable strategies can be accompanied by challenges that include the difficulty in quantifying results in areas that are more qualitative in nature. Even though it can be easy to examine the tip of the iceberg, it is important to not forget the true value of each qualitative case (Bierbusse & Siesfeld, 1997). Implementing measurable strategies can also be encountered by the issue that vision and strategy are not actionable as there are difficulties in evaluating the relative importance of measures and the problems of identifying true “drivers” (Ibid). Organizations should believe in the strategy and be able to identify the benefits in order to analyze the time and effort required to design and implement the strategic measures. Time and effort are usually reasons for not continuing with an intended strategy (Bourne et al., 2003).

According to Agarwal (2007), “Sales Pipeline Management is one strategic model within sales where, with the proper approach, companies can drive incremental sales and margin growth.” (Agarwal, 2007 p.48). As indicated by Florian Söhnchen (2010), it is presumed that an organization can actively impact any pipeline process in order to achieve optimal results. This far, it is difficult to identify any concrete evidence for the positive impact of a sound pipeline management exists (Söhnchen & Albers, 2010).
1.3 Purpose of Study

The purpose of this study is to evaluate significant strategic measurements required to develop Saab’s sales process.

1.4 Research Questions

RQ1: What advantages are there when implementing strategic sales measurements?
RQ2: What challenges are there when implementing strategic sales measurements?
RQ3: In what way can challenges of strategic sales measurements be addressed?

1.5 Delimitations

There are a few concepts of concern that have made delimitations in this study. The paper is focused on applying measurable strategies in the market of global defense, which can be seen as a delimitation since it neglects investigating measurable strategies in other markets. The other delimitation is that the study is intended on measurable strategies within a specific organization. Since not all businesses are having the same resource conditions and business philosophy, the study becomes narrow and specific. The last delimitation is that there are many strategic sales measurements that organizations can employ, which also could have been applied to the study. However, the authors chose to focus specifically on two strategic measurements: Sales Pipeline and Strike Zone.
2 Theoretical Framework

This chapter will explain the fundamentals of a sales process as well as present two strategic measurement theories, which will be focused on throughout the study. The sales pipeline and strike zone theory emphasizes the value of measurement within sales, and as a result becomes the area of interest of the authors.

2.1 Sales Process

A sales process refers to the way of applying steps or the actions required to be able to sell a product or service (Eades, 2003). William H. McNeese (1991) claims that the advantages with approaching a sale with a process perspective opens up the possibility of using tools from other process oriented fields to enhance the sales process outcomes. The purpose of a sales process is to divide the sales cycle into several steps, to be able to track the progress of each sales opportunity as it moves through the steps. Each of the steps has various activities and measures related with it, which requires certain accomplishment before moving to the next step (McNeese & Klein, 1991).

The process has a significant impact on sales performance, although it varies across various units in an organization (such as product groups or geographies) (Singh et al., 2011). It is therefore essential to model the effects that have an impact on sales performance, in order to optimize the actions needed for improving and choosing appropriate strategic measurement metrics, this is also crucial in sales performance management (Ibid).

2.1.1 Sales Pipeline

The sales pipeline is a representation of the stages in the sales process, where sales activities generate a flow of sales opportunities (Miller, 2001). The funnel shaped process (Figure 2) illustrates the movement as the sales opportunities move from one stage to the next in the sales process; customer and sale from suspect to prospect, prospect to lead, lead to opportunity, and opportunity to an order intake (Bizmanualz, 2008). Table 1 defines each of the five steps in the sales pipeline process and explains the actions required to move from one step to another. It represents a flow of business cases in the sales process and there may be a large number of suspects, whilst the actual
customers that make it to the end of the pipeline represent a percentage of the original suspects (Miller, 2001). A business case captures the reasoning for initiating a task or a project (Gambles, 2009). Generally, the longer time a business case spends in the pipeline the less chance it has to convert into a closed deal (Rottenberg & Baker, 2015). Also, opportunities that have been in the same stage six times longer than an average deal are less likely to convert (Ibid). The sales pipeline can be applicable to an organizations entire sales process or subdivided into product groups, market segments with the focus to make the right sort of priorities (Bizmanualz, 2008).

Figure 1: Sales Pipeline (Bizmanualz, 2008).
Table 1: Sales Pipeline Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Defined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suspect</td>
<td>An organization that is believed to fit the company’s customer profile, but has not yet expressed interest in the company’s product/service.</td>
</tr>
<tr>
<td>(Stage 1)</td>
<td></td>
</tr>
<tr>
<td>Prospect</td>
<td>The indication of a potential opportunity. Where the organization is expressing some level of interest in the company’s product/service.</td>
</tr>
<tr>
<td>(Stage 2)</td>
<td></td>
</tr>
<tr>
<td>Lead</td>
<td>A qualified prospect. The organization has expressed an interest in the company’s product/service, but a solution has not been quoted.</td>
</tr>
<tr>
<td>(Stage 3)</td>
<td></td>
</tr>
<tr>
<td>Opportunity</td>
<td>A qualified lead being worked by the Sales Department at some level and a quotable business has been defined.</td>
</tr>
<tr>
<td>(Stage 4)</td>
<td></td>
</tr>
<tr>
<td>Customer</td>
<td>The transfer of ownership of an item, or the entitlement to a service, in exchange for consideration.</td>
</tr>
<tr>
<td>(Stage 5)</td>
<td></td>
</tr>
</tbody>
</table>

Source: (Bizmanualz, 2008).

2.1.1.1 Size and Shape of the Pipeline

Different types of pipeline structures are possible. The most common pipeline for the majority of selling processes is a funnel shaped, as illustrated in Figure 2. This pipeline has its declining stage form due to that unpromising business cases are being eliminated from stage to stage (Söhnchen & Albers, 2010). The size of the pipeline is unrelated to the likelihood of deals turning into orders (Paul, 2014). By preoccupying the pipeline with quantity over quality it results in wasted resources with unqualified prospects, and as a consequence, greater uncertainty about the results. However, it is vital to bare in mind that unqualified prospects in the pipeline are the same as having no prospects whatsoever (Ibid).

If the pipeline is filled with too many opportunities it can lead to the pipeline “clogging”, resulting in a decreased performance due to excessive multi-tasking and unclear priorities across the sales process (Sirias et al., 2013). It is difficult to distinguish the important opportunities when too many are being chased at the same time, which can lead to prioritization concerns (Ibid). However, under-loading the pipeline can also cause complications, as resources are wasted by not utilizing the full
capacity of the sales force, and the sales pipeline flow stops. It is therefore vital to select an appropriate pipeline level when managing a sales process (Sirias et al., 2013). Ultimately, a sales management system needs to include a tool for sales managers to regulate that the pipeline is loaded with high quality business cases in order for the flow to be optimized (Eades, 2003). The organization also needs to revise the capacity of resources and the expected percentage of leads that move from one step to the next to be able to assess the end result (Ibid).

According to Patterson (2007), the ideal shape of the pipeline (as shown in Figure 3) is not a funnel. Instead the ideal shape would actually look more like a pipe, where every opportunity that goes in at the front of the pipe would ultimately turn into a customer (Patterson, 2007). Figure 3 illustrates the shift from funnel to the more ideal shape of a pipeline; the difference between the two processes is the movement of the business cases in the various steps of the sales process. The funnel shaped pipeline reveals business cases leakage in each step, whereas the pipe shaped pipeline filters out business cases in the beginning of the process (Ibid).

Figure 2: Sales Pipeline Shapes (Patterson, 2007).
2.1.1.2 Pipeline Management

Pipeline management is used to allocate the progress of sales efforts in relation to all current potential customers in the organization, in order to forecast sales and to evaluate sales workload (Farris et al., 2010). The fundamental idea behind this concept is to collect data throughout the sales process to be able to continuously monitor multiple metrics, such as close rates and sales deal size, see Table 2 (Patterson, 2007; Alexander & Bartels, 2007).

Additionally, pipeline management can also help identify bottlenecks and gaps in the sales process, for example, there may be too many business cases in a certain step of the process, which could lead to the “clogging” effect (Sirias et al., 2013). If developed properly, the sales pipeline could serve as an important tool for improving sales performance (Patterson, 2007). However, when dealing with pipeline management, there is always a prioritization problem that needs to be addressed accordingly (Greenia et al., 2014).

2.2 Sales Metrics

A metric is a measuring system, which calculates different trends, dynamics, or characteristics. Organizations use metrics to explain phenomena, diagnose causes, share findings, and project results of future actions (Farris et al., 2010). Improvement goes hand in hand with measurement, since, what one cannot measure one cannot either improve. Therefore, sales metrics is an essential concept, since it allows organizations to measure, understand, control and improve the performance of sales processes (Kaydos, 1998).

By taking advantage of a metric in the sales process, it becomes possible to determine which business cases that would have the most impact on sales performance outcomes (Alexander & Bartels, 2007). A fully functioning analytical solution will combine critical metrics that show performance to date with metrics that indicates future performance, which organizations in the defense market could benefit from (Greenia et al., 2014).
2.2.1 Strike Zone

Kevin F. Cross (2003) states that organizations “with a profile of customers and a profile of core processes it becomes possible to select a “battlefield” on which to wage the war of opportunity.” (Cross, 2003 p.32). In other words, it is important for firms to focus on the right sort of opportunities in order to improve the sales outcome. One method of doing this is by defining the “Strike Zone” which is a category of the sales metrics (Greenia et al., 2014).

A strike zone shows the average deal size of won business in the sales pipeline (Page & Tosh, 2005). By identifying preferred business cases in the sales pipeline, organizations can set up priority guidelines on how to distribute the resources efficiently (Ibid). Moreover, through finding which business cases that are most likely to convert to closed deals, the organization can prioritize its resources on the right sort of business cases in the sales pipeline (Greenia et al., 2014). Thus, it can act as a solution to the pipeline prioritization problem that arises when managing a pipeline (Ibid). Also the strike zone metric reveals that opportunities that are three times larger than an average deal in the sales pipeline are less likely to convert into closed deals, and are therefore located outside of the strike zone (Rottenberg & Baker, 2015). Some of the most commonly measured sales metrics in the sales pipeline are featured in Table 2 (Alexander & Bartels, 2007).
Table 2: Sales Metrics Calculations

<table>
<thead>
<tr>
<th>Metric</th>
<th>Definition</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strike Zone (Sales Deal Size)</td>
<td>The Strike Zone metric measures the average value of each won business case closed.</td>
<td>Strike Zone = (Total Order Intake Value of Won Business Cases for Selected Historical Period) / (Total Number of Won Business Cases for Selected Historical Period)</td>
</tr>
<tr>
<td>Close Rate</td>
<td>The Close Rate metric measures the percentage of sales transactions closed out of the total number of potential sales pipeline transactions.</td>
<td>Close Rate = (Total Number of Sales Transactions Closed) / (Total Number of Pipeline Transactions To date)</td>
</tr>
<tr>
<td>Sales Leads Rated as Qualified</td>
<td>The sales leads rated as qualified metric measures the quality of a sales leads. A qualified sales lead is one where the key decisions maker has expressed some level of interest in what company has to sell and has the financial means to buy.</td>
<td>Sales Leads Rated as Qualified = (Number of Qualified Leads) / (Number of Sales Leads)</td>
</tr>
<tr>
<td>Win/Loss Ratio</td>
<td>Win/loss metric measures the competitive strength of a sales force by looking at the ratio of deals won to those lost.</td>
<td>Win/Loss Ration = (Total Number of Sales Transactions Closed) / (Total Number of Sales Transactions Lost)</td>
</tr>
</tbody>
</table>

Source: (Alexander & Bartels, 2007).
3 Methodology

The methodology chapter will present a variety of definitions and explanations of the several methods that have been used throughout this study, in order to shape a research of a higher validity and reliability accuracy.

3.1 Inductive vs. Deductive Research

When conducting research, there are mainly two research approaches: the inductive and the deductive approach. The inductive reasoning introduces observation of particular instances and attempts to establish a generalized approach. It is mainly brought from empirical data from which the author develops theories and models based on several occurrences in real life (Bryman & Bell, 2011; Hultman et al., 2008). On the contrary, a deductive approach begins with an established theory or a generalized concept and aims to examine if the theory applies to specific instances. Thus, it is required from the author to reflect on what might be instead of what already exists in data (Ibid).

Due to the fact that the following thesis is built up surrounding examining already existing theoretical concepts about how to improve a sales process, it was decided to use the deductive form of research technique. Through applying a deductive method, the study group will use the theoretical framework to collect relevant data in order to establish a reliable and accurate analysis and conclusion.

3.2 Qualitative vs. Quantitative

While conducting a research, it is vital to choose the right method that would provide and support the study with the most reliable data in order for significant output to be established. In this section, there are three research approaches that one could intend for: quantitative, qualitative or a mix of these two approaches.

Firstly, the quantitative research is a method based on examining objective theories through an evaluation of the connection between variables. The tested variables can be measured so that the numbered data can be analyzed through the use of statistical procedures. This method involves complex experimental concepts that contain many
variables and treatments; as well as an elaboration of structural equations that combines casual paths and the collective form of diverse variables (Bryman & Bell, 2011).

Secondly, the qualitative research can be examined as a research strategy that usually contains verbal data instead of quantification in the gathering and analysis of data. The data collected is then analyzed from an interpretative, impressionistic, subjective or diagnostic point of view (Ibid).

Finally, the third research method is the mix of the two previous methods; where one establishes incorporation between both quantitative and qualitative techniques (Creswell, 2014). Using both approaches includes philosophical assumptions; which is more than the principle of only collecting and examining both methods. A further contribution is that the use of both methods is aligned to create a better-balanced and more reliable study that gives the better output than either method by itself. The three research approaches have various alternative of research model, which could be beneficial depending on each research purpose or aim. Table 3 illustrates the research alternatives of each method.

Table 3: Alternative Research Design

<table>
<thead>
<tr>
<th>Quantitative</th>
<th>Qualitative</th>
<th>Mixed Methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Experimental designs</td>
<td>• Narrative Research</td>
<td>• Convergent</td>
</tr>
<tr>
<td>• No experimental designs, such as surveys</td>
<td>• Phenomenology</td>
<td>• Explanatory sequential</td>
</tr>
<tr>
<td></td>
<td>• Grounded theory</td>
<td>• Exploratory sequential</td>
</tr>
<tr>
<td></td>
<td>• Ethnographies</td>
<td>• Transformative, embedded, or multiphase</td>
</tr>
<tr>
<td></td>
<td>• Case study</td>
<td></td>
</tr>
</tbody>
</table>

Source: (Creswell, 2014).

Since the thesis deals with an in depth investigation, the study group decided to adopt a qualitative approach. The research question addressed requires a deep contextual knowledge and interviews rich of details, where potential follow up questions should be seized with the target to create a reliable analysis upon which the purpose will be
reached. The quantitative method was eliminated from this study because the objective of the paper is to gather data, which is based on in depth describing meaning in a detailed form rather than establishing statistical conclusions.

3.3 Research Design

The design of the research for this study is tailored to answer the research objectives through analyzing various sales process frameworks and relate to Saab’s current sales process. Selecting the right approach of research is highly critical due to that it has a great impact on a major part of the study group’s research activities. A research design introduces a design of the way valid data could be collected and analyzed in an accurate way; it is linked in a direct manner to the research questions of the handled project. While conducting research, there are three types of research design that could be used, see Table 4 beneath.

Table 4: Research Design

<table>
<thead>
<tr>
<th>Exploratory Design</th>
<th>Casual Research Design</th>
<th>Descriptive Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>This research design suits projects that are addressing a subject about which there are high levels of uncertainty and ignorance about the subject. Usually, there is very little existing research on the subject matter.</td>
<td>Through conducting Causal research, one will be able to identify the extent and nature of cause-and-effect relationships. Causal research is a good approach if the researcher targets to assess impacts of changes on various processes, existing norms etc.</td>
<td>This approach aims primarily at attaining knowledge about the object of study.</td>
</tr>
</tbody>
</table>

Source: (Bryman & Bell, 2001).

It is significant to set up a determination of the right research design for the study of selection. This demands the consideration of various aspects in order to conclude the purpose of the study. After having considered the above mentioned research design, the “descriptive approach” was set to suit the study the best. This is due to the fact that
“sales process” is a well-defined concept where the numbers of previous deducted researches is numerous, but which there are great space of improvements. In order to consider which research design that should portray the thesis, there were various factors, which needed to be considered due to the fact that the purpose of study and the objectives needs to be reached through using the right approach.

3.4 Data Sources

There are two types of data collection: primary and secondary (Bryman & Bell, 2011). Primary data is the data collected by the authors themselves while secondary data is the data, which the authors are inheriting from previous studies (Ibid). To reach the objective of the thesis, it was decided that a combination of these two approaches should be enhanced in order to increase the validity and reliability of the research. Table 5 enlist the advantages and disadvantages with both methods.

Table 5: Advantages/Disadvantages of Data Sources

<table>
<thead>
<tr>
<th>Data</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
</table>
| Secondary | • Opportunity for longitudinal analysis  
• Subset analysis  
• Cost & time | • Lack of familiarity with the data  
• No control over data quality  
• Absence of key variables  
• Complexity of data |
| Primary  | • Tailor made  
• Up to date | • Time consuming  
• Costly  
• Lack of answers |

Source: (Bryman & Bell, 2011).

The secondary research was significant for the study group since it saves time and cost at the same time as it gives the opportunity for relating analysis with the base of earlier sources.
The primary research was developed to suit the purpose of this study. It was divided into two stages with the target of improving the validity and reliability of the overall data collection process. The first stage was to conduct qualitative interviews. By conducting structural interviews with five key people with diversified sales positions at Saab (see Table 9), the objective is to receive five different points of view upon the same questions conducted for the study.

The second step is to involve a workshop session. In this stage, the research group is digging deeper into the topic of choice by developing questions on a discussion level surrounding the topic of interests, which was discovered through the collected data from the qualitative interviews. During this session, the participants will be able to elaborate their views from another point of view than what can be done in the qualitative interviews. The target of this session is to dig deeper into the subject by letting the participants perform a discussion and influence each others thinking to come up with answers to the question. Through integrating these two stages, the research group aimed to increase the level of depth of the collected data in order to reach a higher quality. Figure 3 illustrates the two primary research methods and their integration.

**Figure 3:** Primary Research Data Collection.
3.5 Research Strategy

There are various ways to conduct a research study. To mention a few, experimental, historical, surveys, archival analyses and case studies are examples of used types of research strategies. Choosing the correct research approach depend on the objective and the intention of the study under hand. Each method of the above requires different technique of gathering and analyzing empirical documentation. First off, the goal of a survey research is to provide a quantitative description of certain opinions, orientations or attitudes of a population by examining a minor part of the selected society. The research process of a survey includes longitudinal cross-sectional studies by utilizing structural questionnaires or structural surveys during the data collection process, with the target to build a generalization from the sample to the whole population (Creswell, 2014; Mostaghel et al., 2012; Oghazi, 2009; Shah et al., 2010).

Furthermore, the second research method is an experimental approach, which targets to examine the extent to which a treatment can have an impact on an outcome. This approach is carried out by exposing a sample of the population to a specific treatment and moreover to retain it from another group as well, just to see the test of how the two groups scored on an outcome (Creswell, 2014; Oghazi, 2014).

Thirdly, history method is based on to collect and interpret historical data, which previously has been examined and restored in forms of historical collections (Bryman & Bell, 2011). Fourthly, Archival analysis is based on observational procedures that requires from the authors to examine documentations and archives of already analyzed units. Finally, the case study method found in several fields where the investigators need to form and develop in-depth analysis of a certain case. This method can be conducted in various forms, such as events, programs, activities, processes or cases of one or multiple individuals. In a case study data collection is usually processed in a continuous time frame (Creswell, 2014). Table 6 illustrates the situation where certain research strategies are suitable to implement.
Since the study is formed to investigate significant strategic measurements required to develop Saab’s sales process, the authors have decided to eliminate the usage of survey, experiment, archival analysis and history methods. Due to that their value of measurement are not suitable in the area of the study, and that the data collected is not as useful in reaching the needed data to fulfill the objectives and aims of the study. Instead, a case study approach was selected as a consequence of analyzing a contemporary event rather than from a historical point of view. Due to the descriptive method of the research purpose, it will require inside information and data in order to determine that a case study is the appropriate method to support the aim of the study.

3.6 Data Collection Method

Since the authors selected the case study approach; when using a cased study method there are data collection arrangements which needs to be taken into consideration in order to ensure the application of the most convenient technique. In total, there are six sources of evidence that are commonly used in conducting case studies: documentation, archival records, interviews, direct observations, and participant-observation and physical artifacts. It is vital to mention that all these sources bring different values depending on the situation and that neither of them have a complete advantage over the other. Table 7 enlists the advantages and disadvantages of the different data collection methods.
Table 7: Advantages and Disadvantages of Data Collection Methods

<table>
<thead>
<tr>
<th>Sources of Evidence</th>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
</table>
| Documentation       | • Stable – can be reviewed repeatedly.  
                      • Unobtrusive – not created as a result of the case study.  
                      • Exactly – contains exact names, references and details of an event.  
                      • Broad coverage – long span of time, many events, and many settings. | • Retreivability could be difficult to find.  
                      • Biased selectivity, if the collection is incomplete.  
                      • Reporting bias – reflects (unknown) bias of author.  
                      • Access- may be due to privacy reasons. |
| Archival records    | • (Same as for documentation)  
                      • Precise and usually quantitative. | • (Same as for documentation)  
                      • Accessibility due to privacy reasons. |
| Interviews          | • Targeted – focuses directly on case study topics.  
                      • Insightful – provides perceived casual inferences and explanation. | • Bias due to poorly articulated questions.  
                      • Response bias.  
                      • Inaccuracies due to poor recall.  
                      • Reflexivity – interviewee gives what interviewer wants to hear. |
| Direct observations | • Reality – covers events in real time. | • Time consuming.  
                      • Selectively – broad coverage difficult without a team of observes.  
                      • Reflexivity- event may proceed differently. |
<table>
<thead>
<tr>
<th>Sources of Evidence</th>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participants-observation</td>
<td>• (Same as for direct observations)</td>
<td>• (Same as for direct observations)</td>
</tr>
<tr>
<td></td>
<td>• Insightful into interpersonal behavior and motives.</td>
<td>• Bias due to participants-observer’s manipulation of events.</td>
</tr>
<tr>
<td>Physical artifacts</td>
<td>• Insightful into cultural features.</td>
<td>• Selectivity</td>
</tr>
<tr>
<td></td>
<td>• Insightful into technical operations.</td>
<td>• Availability</td>
</tr>
</tbody>
</table>

Source: (Yin, 2009).

It was required to bring out some of the sources above in order to proceed with the case study. Thus, the authors will use in-depth interviews and archival records to assemble the data needed to reach the purpose. An in-depth interview is a vital method to collect data in order to generate the case study information. The in-depth interviews are divided into three different categories (Bryman & Bell, 2011). The first one is the unstructured interview, where the authors has a range of topics, allowing the interviewee to answer freely, only following up on interesting points (Ibid). The other one is a structured interview where the questions are formulated in advance of the interview and where the authors follow the structure of the question sheet. A mix of these two approaches is the semi-structured interview. In this approach, the researcher has a list of questions of moderately specific topics to be covered, often referred to as an interview guide, but where the interviewee still has a great degree of freedom in how to respond (Bryman & Bell, 2007). In this study, the semi-structured interview method was used to collect data. The questions will be formulated in accordance to key people within the sales department of Saab (see table 10). This type of interviews treats the personal opinions about certain events (Yin, 2009).

Archival records were the second source that the authors decided to adapt to the study case. Typically, the archival records are extracted from computer files, organizational records, maps and charts etc. (Yin, 2009). Throughout this study, Saab’s website
together with presentations from the company was used to fulfill the purpose of the paper. The reason for this was that the authors saw the requirement to collect a rich collection of data that can be used to later on support the analysis and to compare it with the interview answers, the interview answers could decrease the level of bias and increase the validity of the study.

3.7 Data Collection Instrument

The aim of this section is to develop a discussion surrounding the data collection instruments mentioned above, which was used in this study. First off, one of the selected data collection methods was to conduct semi-structured interviews. Interview approaches have various strengths and weaknesses that should be considered during the preparation to begin the investigation (Yin, 2009). The purpose of interviews is to precisely focus on handling the case study topic since it provides perceived casual presumptions but also deeper explanations (Bryman & Bell, 2011). However, response bias from the interviewees must be taken into consideration. Therefore, the questions need to be composed in an objective form in order to reduce risk of subjective answers (Bryman & Bell, 2011; Mostaghel et al., 2015; Oghazi, 2013).

Also, the authors were aware of that the interviewers might interpret the questions in different ways, which has an impact on the validity of the study. As a consequence, the interviewers followed certain steps to minimize the risk of bias and increase the questions quality by following a specific line of inquiry, which consists of asking conversational questions in unbiased forms (Oghazi et al., 2012; Yin, 2009). Interviews can be processed in various forms, either through telephone or face-to-face with the participants, or employ focus groups interviews containing 6 – 8 interviewees per group. These types of interviews include few open-ended and unstructured questions in order to evoke the participant’s personal views, but also attitudes (Bryman & Bell, 2011). Table 8 illustrates different interview approaches that authors might use to expand their possibilities to collect as much data as possible.
### Table 8: Interview Approaches

<table>
<thead>
<tr>
<th>Interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Conduct an unstructured, open-ended interview and take interview notes.</td>
</tr>
<tr>
<td>• Conduct an unstructured, open-ended interview, audiotape and transcribe it.</td>
</tr>
<tr>
<td>• Conduct a semi-structured interview, audiotape the interview and transcribe it.</td>
</tr>
<tr>
<td>• Conduct a focus group interview, audiotape and transcribe it.</td>
</tr>
<tr>
<td>• Conduct different types of interviews: e-mail or Internet, face-to-face, focus group, telephone interviews and online focus group.</td>
</tr>
</tbody>
</table>

Source: (Creswell, 2014).

In order to develop an effective and interesting interview, authors should take advantage of an interview protocol, which organizes the process of asking questions and recording the answers during qualitative interviews (Creswell, 2014). Usually, documenting information is collected through audiotaping, videotaping or handwriting notes (Bryman & Bell, 2011). Since the information given by Saab is classified, the authors were only allowed to collect the data through hand-written notes.

### 3.7.1 Interview Guide

Interviewing can be performed in various forms; structured, semi-structured or unstructured. If following a structured interview approach, the interviewer uses a complete script that is prepared earlier to the interview. By doing this, authors are avoiding any form of improvisation. These form of interviews are commonly applied in surveys. Unstructured and semi-structured interviews involve leaving space in the script with the intention to improvise and probe (Oghazi and Philipson 2013; Parida et al., 2014).

For this study, the chosen interviews approach is the semi-structured interview. The reason for this choice is that semi-structured interviews are the most beneficial approach to reach needed data to support the study objectives, since semi-structured forms of
interviews are more open and flexible. A mix of these compounds would have a chance to exercise and probing which is a method to uncover hidden issues in the interview.

The script of a semi-structured interview should involve several elements, such as a preparation of the opening, an introduction stating the purpose of the interview, a preparation of relevant key questions and preparing the closing section of the interview. Which can be a follow up request if needed or the potentials of interviewing other key people as well (Myers & Newman, 2007).

Table 9: Interview Guide Overview

<table>
<thead>
<tr>
<th>Main Concepts</th>
<th>Interview Questions</th>
<th>Interviewee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Pipeline</td>
<td>2-8 (Appendix A)</td>
<td>• Business Management Director</td>
</tr>
<tr>
<td>(2.1.1)</td>
<td></td>
<td>• Point of Contact Market Area Americas</td>
</tr>
<tr>
<td>Strike Zone</td>
<td>9-11 (Appendix A)</td>
<td>• Responsible for Business Support at Market Area Nordic and Baltic</td>
</tr>
<tr>
<td>(2.2.1)</td>
<td></td>
<td>• Responsible for Business Development at Market Area Nordic and Baltic</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Owner of the Win Business process at Saab Support and Services</td>
</tr>
</tbody>
</table>
3.7.2 Workshop Guide

The purpose of workshops is to provide both the organizers and participants with an opportunity for an in-depth discussion on a specific topic (Brumby, 2009). The notifications of the workshop notes should be assembled and examined by the workshop organizers based on the input from workshop presenters (Ibid).

The reason for why the authors selected to gather data by using a workshop method was because of the in-depth discussions that a workshop offers. The discussions were based on new questions developed after having examined the answers from the interviews, and was asked to the same people as in the interviews and with two additional key people within Saab. As well as with the interview, the questions was made sure to be validated by using the supervisor from Saab which is a key person in the study area. Therefore, as a way of developing the quality of the interview answers, a workshop was chosen as a suitable method to make the data collection process portray a higher quality.

Table 10: Workshop Guide Overview

<table>
<thead>
<tr>
<th>Main Concepts</th>
<th>Interview Questions</th>
<th>Interviewee</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Pipeline (2.1.1)</td>
<td>1-16 (Appendix B)</td>
<td>• Business Management Director</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Responsible for Business Development at Market Area Nordic and Baltic</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Responsible for Business Support at Market Area Nordic and Baltic</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Responsible for Marketing and Sales Surveillance Solutions</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Communication Manager at Market Area Nordic and Baltic</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Deputy Head of Marketing and Sales Surveillance Solutions</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Point of Contact Market Area Americas</td>
<td></td>
</tr>
<tr>
<td>Strike Zone (2.2.1)</td>
<td>17-27 (Appendix B)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3.7.3 Pretesting

Subjects in a data collection process might be sensitized to experimental treatments. As a consequence, the findings may decrease in validity (Bryman & Bell, 2015). Through ensuring that data collection is processed in an precise way, it is suggested that the finished version of the interview question should be pretested with the purpose to validate that there are no inadequacy concerning the clarity of questions instructions (Oghazi, 2009). The authors pre-tested their questions in advance of the interviews as well as the workshop by letting the supervisor at Saab, Mr Patrik Sundin, evaluate them. He evaluated the questions and came up with a number of modifications that were needed to enhance the question sheet and thus the authors avoided unclear questions. Receiving the feedback and altering the questions conclusively enhanced the face validity of the research.

3.8 Data Analysis Method

The main objective of a qualitative data analysis is to construct a framework, which is implied to guide the analysis of the authors data. There are four different analytical methods to use in a qualitative research design: analytical induction, grounded theory, data reduction and pattern matching (Bryman & Bell, 2011). Conducting an analytical induction is based on analysing the data in which the authors have been conducting with the pursuit for a universal clarification of a specific phenomenon before contradictory hypothetical descriptions are being found (Ibid).

Grounded theory is a theory that has derived originally from data and is systematically collected and evaluated throughout the course of research. Data reduction and pattern matching are suitable for data derived from qualitative approaches such as interviews. In order to adapt a proper data reduction approach, authors apply a process of selecting, focusing, abstracting, simplifying and transforming gathered data. In order to narrow down gathered information and organize it into relevant data, it is required to adapt a process which deals with the categorization and matching points and patterns to make the process of drawing reliable and valid conclusions more concisely (Bryman & Bell, 2011).
The authors focused on transcribing the recorded data that were the interviews with key people within Saab. The purpose of this was to organize and arrange the collection to highlight the most relevant data. After the interviews were transcribed and arranged, the authors read it to reflect on the contents meaning and if it covered the needed information to answer the purpose of the study.

3.9 Quality Criteria

This topic will explain the concepts of validity and reliability and its relevance to research. Validity and reliability are fundamental principles of a scientific method (Bryman & Bell, 2011). Together, they are summed up as the accuracy, dependability and credibility of a study which is also referred to as a scientific proof (Ibid). Reliability is a concept which deals with the issues of consistency of measures while validity refers to the issue of whether or not the indicators of the study is really measures the concept (Ibid).

In order to enhance reliability in qualitative research, examination of trustworthiness is crucial. This issue was considered by the authors and in the primary data collection method, formulating unbiased questions enhanced it, which increases the chances of reaching trustworthy answers. In terms of secondary data collection, the authors collected data from what is considered to be trustworthy sources. In this aspect, the time and sources of publications was regarded as crucial factors to establish a trustworthy ground of the study. There are four evaluation concepts that are commonly applied to demonstrate quality of an empirical research (Mostaghel et al., 2012). The concepts are further explained in Table 11. Due to that case studies are included in this form of research, the four tests are suitable for the authors study case.
Table 11: Case Study Tactics

<table>
<thead>
<tr>
<th>Tests</th>
<th>Case Study Tactic</th>
<th>Phase of Research in Which Tactic Occurs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construct Validity</td>
<td>• Use multiple sources of evidence</td>
<td>Data Collection</td>
</tr>
<tr>
<td></td>
<td>• Establish chain in evidence</td>
<td>Data collection</td>
</tr>
<tr>
<td></td>
<td>• Have key informants review draft case study report</td>
<td>Composition</td>
</tr>
<tr>
<td>Internal Validity</td>
<td>• Do pattern matching</td>
<td>Data analysis</td>
</tr>
<tr>
<td></td>
<td>• Do explanation building</td>
<td>Data analysis</td>
</tr>
<tr>
<td></td>
<td>• Address rival explanation</td>
<td>Data analysis</td>
</tr>
<tr>
<td></td>
<td>• Use logic models</td>
<td>Data analysis</td>
</tr>
<tr>
<td>External Validity</td>
<td>• Use theory in single-case studies</td>
<td>Research design</td>
</tr>
<tr>
<td></td>
<td>• Use replication logic in multiple-case studies</td>
<td>Research design</td>
</tr>
<tr>
<td>Reliability</td>
<td>• Use case study protocol</td>
<td>Data collection</td>
</tr>
<tr>
<td></td>
<td>• Develop case study database</td>
<td>Data collection</td>
</tr>
</tbody>
</table>

Source: (Yin 2009).

3.9.1 Content Validity

Content validity is processed with the target to establish that the measure used in a research mirror the content of it. Asking knowledgeable individuals in the study field to judge the degree to which the measures are related to the concepts concerned helps to enhance the content validity. As a result, content validity is perceived as a vital intuitive
process (Bryman & Bell, 2015). As mentioned earlier, the content validity was checked through an examination of the interview questions from the supervisor at Saab, who has a key role in the study field.

3.9.2 Construct Validity
Construct validity occurs when authors are using sufficient definitions and measures of variables (Creswell, 2014). By using this approach, authors strives for deduce hypotheses through theories which are applicable to the research concept (Ibid). It is a challenge to conduct construct validity due to that investigators might fail to establish an adequately set of measures (Bryman & Bell, 2011). The author used the pre-testing method (see 3.7.3) to evaluate and clarify the interview and workshop questions.

3.9.3 External Validity
External validity treats the issue of the results of a study could be generalized past the research context (Bryman & Bell, 2015; Oghazi et al., 2012). In addition, external validity is important for the study as it is treats the obstruction of managing case studies.

In order to enhance the external validity, the authors has taken advantage of the combination of secondary and primary data (see 3.4) to emphasize external validity, but also to expand the possibility for the gathered information to be applicable for organizations that are aiming for improving a sales process. Moreover, by using the operationalization to support operational terms, more precise validity was added to the study (Beheshti et al., 2014; Creswell, 2014; Oghazi et al., 2009).

3.9.4 Reliability
Qualitative reliability demonstrates the question of whether the results of a study could be repeated (Bryman & Bell, 2015). The term is frequently used to regard whether or not the measures in the study are devised for concepts in business and management (Ibid).

To enhance the reliability of the study, the authors conducted five different interviews with the target to provide a variety of interpretations when answering the interview questions. In the authors case, the answers were repeated which signifies an increase in
reliability and validity when it comes to the quality of the study. Also, through measuring the validity of the question by performing a pre-testing session together with the supervisor from Saab, the authors strived for a higher reliability of the study.

3.9.5 Operationalization

In this topic, the target is to apply the operationalization process by defining variables to measurable factors. This method contributes to set a clear definition of concepts and separate each one from the other according to its meaning and clarity (Bryman & Bell, 2011). Through emphasizing the main components in the theoretical framework, which is related to the purpose of the study, the target was to highlight the most important concept of the study. Furthermore, the authors decided to break it down into detailed concepts. This way of processing the operationalization would result in a more understandable questionnaire. Also, it was decided that in order to create a clear view of the operationalization process, a table, which consists of the two major strategy models, would be adapted into the study. Table 12 illustrates the operationalization process of this study.
Table 12: Operationalization Process

<table>
<thead>
<tr>
<th>Concepts within Strategic Measurements</th>
<th>Conceptual Definition</th>
<th>Operational Definition</th>
<th>Interview Question Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Pipeline (2.1.1)</td>
<td>Is a representation of the stages in the sales process, where sales activities generate a flow of sales opportunities (Miller, 2001).</td>
<td>A measure to examine how to improve the sales process.</td>
<td>1 – 9</td>
</tr>
<tr>
<td>Sales Metrics (2.2.1)</td>
<td>Is a measuring system, which calculates different trend, dynamics, or characteristics (Farris et al., 2010).</td>
<td>A measure to identify characteristics of the business cases.</td>
<td>10 - 17</td>
</tr>
</tbody>
</table>

In addition to use the interview questions as a scale to measure the different components of the study, the authors took advantage of theoretical concepts from literatures related to sales pipeline management and sales metrics. The aim of doing this was to increase validity of the research. Moreover, by using literatures related to the study area, the authors intended to create a reliable background of the significant concepts and back it up with previous research approaches that have been measured and tested for similar study subjects.
4 Empirical Findings

This chapter presents the research findings; the data was divided into two categories, the first contains secondary data which describes Saab as an organization. The second part consists of a summary of primary data collected through interviews and workshop with key people at Saab.

4.1 Secondary Data

4.1.1 Organization of Saab

Saab’s organization is designed based on a matrix structure (Appendix F), which could be defined as a structure in which the reporting relationships are set up as a grid, or matrix, rather than in the traditional hierarchy.” (Matrix Organizational Structure, 2015). The organizational structure includes: market areas, business areas and market segments that are operating on various levels (Organization, 2015).

4.1.1.1 Market Areas

The market organization of Saab is divided into five geographical market areas (MA); North America, Latin America, Europe and Greater Middle East, Asia Pacific and Nordic and Baltic. The purpose of the market areas is to create a stronger local presence in order to increase the customer focus in each specific market. The market area organizational structure was adopted into the organization in 2012 and is therefore viewed as a relatively new area (Market Areas, 2015).

4.1.1.2 Offering and Business Areas

Saab offers a wide range of products, applications, systems and solutions, targeting five different market segments: Air, Land, Naval, Civil Security and Commercial Aeronautics. The offerings are often developed and supplied jointly by several of Saab’s business areas (BA). The organizations operational and management structure is divided into six business areas based on products and technologies; Aeronautics, Dynamics, Electronic Defense Systems, Security and Defense Solutions, Support and Services and Industrial Products and Services (Business Areas, 2015).
A visual representation of which business areas are operating in the particular market segments are shown in Table 13. A grey box visualizes which business areas that are operating in the various market segments.

**Table 13: Sales by Market Segment and Business Area**

<table>
<thead>
<tr>
<th>Business Areas</th>
<th>Air</th>
<th>Land</th>
<th>Naval</th>
<th>Civil Security</th>
<th>Commercial Aeronautics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aeronautics</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dynamics</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electronic Defense Systems</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Security and Defense Solutions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support and Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial Products and Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: (Saab Annual Report, 2014).

**4.1.1.3 Business Operations**

The organizations business differs highly due to the wide-ranging product and service portfolio. The business model is therefore adapted to several aspects, including product area (PA), customer group, geographical market and system complexity. There are three dimensions of businesses in the organization: complex defense orders, subcontractors and volume orders (Business Operations, 2015).

When Saab manages complex defense orders they directly supply the customer with solutions for the products entire life cycle. These are configured based on the customer’s specific needs. One example is the development and delivery of Gripen. Saab can also serve as a subcontractor to a partner, where the primary contact is with the end customer. Volume orders include training, support and maintenance and can also be sold individually, outside large defense orders. These products and solutions are typically sold directly to the customer. Examples include most of Saab’s civilian
offering, as well as products sold in large volumes, such as ammunition (Business Operations, 2015).

The sales can also be divided into three parts in a sales model: sales of products and spare parts, service assignments and long-term customer contracts. Long-term customer contracts account for about 60 per cent of sales, however, since Saab’s business areas are divided by product and market offering, the distribution differs by business area. Aeronautics is dominated by long-term customer contracts, while Support and Services have a higher share of service assignments. Service assignments consist of consulting, and support and services, examples include training and maintenance and could include previous deliveries. The third part of the sales model is the sale of products and spare parts that Saab manufactures and stocks or purchases on behalf of the customers (Business Operations, 2015). To summarize, Saab’s organizational structure is complex and detailed due to the diversity of the market area, market segment and business area the sale belongs to.

4.1.2 Global Management System

Global Management System (GMS) is an integrated operation management system for Saab, the purpose is to unify and improve the working procedures for the organization in order to reach operation excellence, leading to improvements in customer satisfaction and profitability (see Appendix E).

4.1.2.1 Win Business Process

Saab’s sales process is referred to as the Win Business (WB) process, which involves five steps and is comparable to the traditional sales process (see Figure 4). The WB process is a part of the framework GMS and the model encourages conscious decision making and that decisions are made by the right person(s). It also reduces risks by ensuring traceability in each business prospect (Sundin, Business Support Manager at Saab, 2015).
Figure 4: Saab’s Win Business Process (Sundin, Business Support Manager at Saab, 2015).

The process has sub processes, roles, activities and decisions attached to each of the steps to use and follow accordingly. In order to follow the process the organization requires compatible tools and methods. Methods can be RAPID (decision model in GMS), consultative selling and so on. Tools can be software’s (customer relationship management (CRM) software Lime, Qlikview, Word, product database, manuals for customer interaction, Share points, and templates) (Sundin, Business Support Manager at Saab, 2015).

The Win Business process could be explained in several steps: The first step in the process is the WB/MA in the market appraisal. The purpose of the market appraisal decision is to decide if Saab should continue the work with the prospect or not, due to the identified criteria(s). Furthermore, Win Business 1 (WB1) takes the decision to start developing the sales phase for a business case, developing the suspect. Followed by, Win Business 2 (WB2) that decides if there is a bid or no bid and also appointing the core team and release funds for prepare tender. Also by defining the strategy on how to win the case, based on the customer, competitors and position on the market. The next step is Win Business 3 (WB3), which include decisions to submit the tender material to the customer. Continuing to Win Business 4 (WB4) that involves the purpose to decide the extent of the negotiation mandate and appoint a negotiation responsible and a team. Decision on conditions for signing contract after negotiation or directly on customer order, which requires proper reviewing of contract. Win Business 5 (WB5) is the last step in the process, which involves going through the contact documentation and decide on acceptance of the contract hand-over (Sundin, Business Support Manager at Saab, 2015).
4.2 Primary Data

4.2.1 Interviews

4.2.1.1 Organizational Shift Influencing the Sales Process

Due to the organizational change, by introducing new market areas, the sales process of Saab has transformed. The reorganization implies a different working method towards the customer, which enables sales reps to work closer with the customer but further away from the organization. The reason for this major change is that proximity to the customer is highly important, therefore Saab has set up local sales offices in the market areas. Previously, the sales reps had a close relationship with the product developers who establish Saab’s offerings and the end result of the change has lead to a closer connection to the customers (see Appendix C).

The implementation of the market areas has also lead to new developed responsibilities. While the practical business responsibility still remains at the business areas, however, the market areas have taken over a part of this responsibility. For example, the sales efforts and expansion of the business cases has been assigned over to the market areas instead of the business areas. This is a big change for the organization to hand over responsibilities to a new area (see Appendix C).

The change has also lead to a unified working approach within the sales management and sales activities. The goal is that everybody will recognize the system and process regardless of where one works in the organization. For example, in the sales process where certain decisions are made, the unified system will help sales reps to take decisions, whether it is an interesting case, how it should proceed, and whether or not to leave an offer (see Appendix C).

4.2.1.2 Sales Pipeline Priorities

Like most companies, Saab has a resource budget. Therefore it is vital to be able to allocate the resources into sources where the organization is beneficial. By recognizing where to prioritize throughout the sales process. For example, imagine looking at the market through a straw, it becomes very difficult to take priority decisions; which business case is the most important? By creating a bigger overview, prioritization
decisions would automatically become easier. Saab could need support tools to be able to establish a holistic perspective over the sales process (see Appendix C).

Based on this, the organization is aiming to find the right business cases in the beginning of the sales pipeline, in order to not waste any resources on business cases that all of a sudden decide to drop off. Business cases that Saab usually wins are characterized by a close relationship with the customer. Where it is known what the customer wants and expects from the organization and know the offerings. On the other hand, lost business cases are characterized by new and unknown areas where the organization is not familiar and need to develop (see Appendix C).

4.2.1.3 Strike Zone Application Area
As it is right now Saab has a hard time saying no to business cases that fills the sales pipeline, and as a consequence the organization might miss the right opportunities to fill the pipeline with. By implementing a strike zone approach Saab could allocate its resources effectively by identifying the right business cases early on, however in order to apply this tool into the organization it should not be generalized and it must consider the complexity of these kind of businesses (see Appendix C).

For example, Saab could classify how likely they are to close a 10 MSEK deal in a specific market area, due to that it is within their strike zone area. However, it is important to realize that it is never that simple and that a generalization on that level is not likely to succeed. The strike zone demands an area where a lot of sales are undertaken, such as the business area Support and Services, where the sales cycle is normally short and the characteristics of the business cases are small. On the other hand, the strike zone metric would not suit bigger campaigns due to its diversification (see Appendix C).

4.2.1.4 Strike Zone Aspects
In order to avoid the concern of generalizing, several aspects could be included in the strike zone in order to raise the reliability and to be applicable throughout the organization. In conclusion the advantages with implementing a strike zone metric is that Saab could develop an improved decision making platform, in order to set up
further guidelines on which business cases should be prioritized based on the strike zone. Also it could work as a decision support tool in the sales process (see Appendix C).

4.2.2 Workshop

4.2.2.1 Sales Pipeline Structure

The structure of the sales pipeline is filled with a lot of potential leads that are linked to the stages 1 and 2 in the WB process. This results in many different business opportunities in the sales pipeline, which could lead to a prioritization and resource issue. Another aspect that needs to be considered is from WB2 and forward, where there are a lot of specification requirements from moving from one stage to the other, whilst in the earliest WB phase there is almost no specific requirements (see Appendix D).

4.2.2.2 Sales Pipeline Priorities

There is an on-going dialogue about priorities, since there is a limit of how many business cases that can be managed in a sales pipeline. Since Saab is a complex matrix organization it results in difficulties to generalize prioritization decisions. As the prioritization process is a linear process, it needs to align with Saab’s sales process (WB) (Figure 5), while having in mind that the responsibilities are divided in the process. Therefore it becomes difficult to maintain an even pressure when there are different responsibilities in the sales process (see Appendix D).

These differences reflect the work of the employees depending on where in the organization they are located. The business area mainly prioritizes existing customers, while the market area focus their priorities on finding new opportunities on the market. This creates a discussion between the two areas, consequently the organization is lacking on business intelligence and would benefit from a evaluation tool to efficiently take prioritization decisions. In order to take the right priority decisions we need to get better at sharing information between MA and BA. By expanding information sharing, it would lead to a different approach to take into account when prioritizing. It is important that decisions makers, customer sales owners at market area (CSO) and product sales owners at business area (PSO), understand what is going on in the organization in order to understand the major internal and external influences. This is
also important to take into consideration in order to be able to prioritize the resources in an efficient and effective manner (see Appendix D).

Saab’s overall priorities across the WB process could be described as following (Figure 5): First priority is located in the end of the sales pipeline (WB4-5), where the business case is close to completion. The second priority could be found in the middle of the pipeline (WB2-3), where the business cases are developed. The third and last priority is set in the beginning of the process (WB/MA & WB1), where the organization identifies business cases as suspects and prospects (see Appendix D & E).

Figure 5: Saab’s General Priorities in the Sales Process Today (see Appendix E).

4.2.2.3 Strike Zone Application Area
The strike zone could help Saab to supply the sales pipeline with the right business cases, however, the metric may not be applicable on the organization as a whole. Since the strike zone on a new market is hard to identify when there is no previous order value. A further aspect of the strike zone to take into consideration, could be how long the organization have been active on the market or with a product, and how long we are supposed to be active? (See Appendix E).

In order to use the strike zone previous data needs to be applied, in order for the outcome to be as accurate as possible and to take the right decisions. Applying the strike zone becomes a challenge on markets that are new and also with new products, due to the fact that new means unknown and unknown results in no in no previous data to analyze or to apply. Therefore it becomes difficult to apply the sales metric on the diversification area of Figure 6 (see Appendix E).
Figure 6: Ansoff Matrix (Ansoff, 1980).

In comparison to other business-to-business (B2B) companies, Saab has extremely more products and considerably fewer customers. The product portfolio consists of approximately 600-700 products while existing customers can be listed up to 600. Since Saab’s product portfolio is very broad, the strike zone needs to be applicable all the way down to the organization's product areas and in some cases also on a product family (PF) level, and not only on a general level (see Appendix D).

The strike zone metric could become a problem when 60 percent of Saab’s previous business cases consisted of successful deals that were unidentified forecasting and the remaining 40 percent consisted of identified business cases. The fact that the organization mainly won deals that were unidentified becomes a problem when applying the strike zone. The strike zone strategy is perhaps mainly applicable to areas where a higher frequency level of sales is taking place. If the sale is more detailed, it is important to take more parameters into considerations. Therefore, it might be a good plan to find a quantifiable strike zone for standard-sales and to find other decision support tools, which can decide the strike zone of more complex sales (see Appendix D).
4.2.2.4 Strike Zone Aspects

There is a risk with the strike zone and theories in general, by creating distance between the organization and the customer by blindly relaying on data and statistics when taking important decisions. Therefore, there a balance between strategy and customer relationship needs to be taken into consideration, when determining whether or not to proceed with a business case (see Appendix D).

The strike zone metric can be improved by including additional parameters, which are not only focusing on the average size of won business cases in the sales pipeline, but are focusing on other aspects as well. These aspects could be, how known the customer is for Saab. Hence, it would be interesting to assess if various mathematical terms could be a supplement measure to the strike zone, such as the median, typical value, variation width, weighted average and standard deviation. The definitions are explained in Table 14 beneath (see Appendix D).

**Table 14: Complementary Strategic Measures**

<table>
<thead>
<tr>
<th>Strategic Measures</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variation Width</td>
<td>The range is defined as the difference between the largest and the smallest value in the set of values.</td>
</tr>
<tr>
<td>Median</td>
<td>The median is the value located in the middle of a set of values that are sorted in order of magnitude.</td>
</tr>
<tr>
<td>Typical Value</td>
<td>Describes a set of values and is defined as the value that occurs the most number of times in the set of values.</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>The standard deviation measures the average deviation from the mean of a series of observation values.</td>
</tr>
<tr>
<td>Weighted Average</td>
<td>An average in which each quantity to be averaged is assigned a weight. These weightings determine the relative importance of each quantity on the average.</td>
</tr>
</tbody>
</table>

Source: (Appendix D & E).
The analysis chapter will connect the empirical data with the theories presented earlier on. By doing so, the authors will be able to reach the purpose of the study. The findings will be divided into two sections advantages and challenges with the strategic sales measurements, covering the first and second research question. The third research question will be addressed jointly with the challenges.

According to Rigsby and Greco (2003), using effective and uniform measurement ensures that there is an ongoing process for improvement. In Saab, strategic measurements within sales are undertaken on a frequent level with the aim to improve their overall sales process (WB). However, there are some issues that create a complex situation when dealing with making measurements effective.

5.1 Sales Pipeline

As mentioned in 2.1.1, the sales pipeline model is a measurable strategy that establishes a representation for the individual selling steps taken by the selling company from getting in contact with a potential customer, until it has been a closed deal and all stages in between. Furthermore, it also measures the potential of opportunities to become an order intake through setting measurable criteria’s, which the opportunity has to fulfill in order to proceed to the next stage. Even though Saab uses a measurement system in their WB-process, it is significant to look at their characteristics of the measurements and from that point relate to what the theory states concerning the sales pipeline.

The sales process of the organization is complex and diversified due to the wide range of products being offered as well as there are several geographical markets that are being treated. As a consequence, Saab’s working methods differ greatly across the organization, which has lead to the foundation of many different market areas and business areas (see 4.1.1). In some areas, Saab has a great number of business opportunities in the early stages of the sales pipeline, while opportunities in other areas are more difficult to identify. Also, the product portfolio is diversified on geographical markets, since some products are more interesting in certain markets than in others.
5.1.1 Advantages

5.1.1.1 Decision Support

One of the main advantages of the sales pipeline strategy is that each step in the process represents a group of actions that needs to be considered in order to proceed with a sales opportunity. Hence, through narrowing down opportunities step by step according to measurable criteria’s, allocation of resources and priorities can be more precisely made into the right opportunities. Since Saab has a hard time saying no to business cases that enters the sales pipeline (4.2.1.3 Strike Zone Application Area), the decision support will guide decision makers in prioritization evaluations in order to qualify and fill the sales pipeline with the right business opportunities. Thus, it is guiding decision makers to make the right sales decisions, resulting in the benefit for a company to increase efficiency in time and resource allocation.

5.1.1.2 Visual Representation

In addition, since the sales pipeline process can be visualized, it enables managers to get an overall view of the sales process. As mentioned earlier, the pipeline consists of all business cases in the organization as well as it can be divided into respective business cases in MA and BA. This visual representation will make it easier for managers to identify improvement areas, such as bottlenecks and gaps in the sales process. It becomes more manageable due to the visual component as it acts as a performance analyses, hence it becomes an important tool for improving sales performance. Overall, since the model has the potential of being deployed in any sales area, it also becomes flexible for sales areas to integrate with one another and work more as one unit rather than on individual levels, which elsewise can be addressed as an issue in the organization due to the high sales complexity.
5.1.2 Challenges

5.1.2.1 Right Criteria’s and Priorities

Even though measurable criteria’s is a directing decision support in qualifying the most optimal business cases, one major challenge of the pipeline model is to find the right sort of criteria’s to be applied to the strategy. It has the potential to lack in accuracy if vague criteria’s are being used to base a decision support. As a consequence, this aspect can influence the strategy to decrease in sales efficiency, which is a paradox to the purpose of the theory. If relating to Saab, The set of criteria’s might differ from one product area to another due to the complexity of the organizational structure, which involves different products and different markets demand different selling strategies. Therefore, criteria’s needs to be managed for an individual sales area in order to emphasize the purpose of a sales pipeline. This issue is being dealt with by applying the strike zone strategy (see 5.2 Strike Zone).

Another major challenge of the pipeline model is that it does not define how priorities should be distributed. The optimal prioritization model (Figure 5 and 7) shapes the priorities throughout the sales pipeline. The model reveals that a business highest priority should be located in the end stage of the sales process, in order to secure high probability order intakes. The second priority should be assigned to the early stages of the sales pipeline, where the company manages suspects and prospects, in order to determine that the right opportunities enter the pipeline. The last priority is positioned in the middle stage, which is managing leads. Minimum priorities are assigned in this stage due to that the right opportunities should already be located in the sales pipeline.
Figure 7: Sales Pipeline Priorities.

If relating to Saab’s prioritization in the sales pipeline (Figure 5 and 7), the highest priority is allocated in the end stage of the sales pipeline (WB4-5), just as the ultimate pipeline regards as the most essential priority. This is due to the fact that the last stage represents a closing process of a sale and organizations should not risk a drawback of a business opportunity at this late stage. The second priority is assigned in the middle of the sales pipeline (WB2-3), which manages leads. In comparison to the ultimate pipeline, the second priority should be assigned in the first stage of the sales pipeline in order to reduce the chances of resources being wasted, by focusing on the right sort of business cases. The third priority of Saab is to qualify the right opportunity with the right characteristics that enters the sales pipeline (WB/MA & WB1).

It is vital to consider that resources and prioritization does not need to have a direct correlation. Since priorities are not only related to resources (costs) but also dedication. As shown in Appendix E (Figure Optimal Prioritization Model), the optimal priorities are distributed as following in the sales pipeline: 2 – 3 – 1. Whilst the resources based on the model are: *Low – High – Medium*. So priority 2 has a low resource access, priority 3 a high, and lastly priority 1 a medium resource access.
The optimal prioritization structure could ultimately lead to the ideal pipe shaped pipeline (Figure 2), if the second priority is placed in the beginning of the sales pipeline it becomes possible to filter out business cases earlier on. This leads to that a less amount of business cases leaks from each of the various steps, and ultimately all cases that passes the first step would ultimately turn into an order intake. As a result, an organization will move towards an increased efficiency throughout the sales pipeline process.

5.1.2.2 Time Aspect of Opportunities

One major challenge which needs to be addressed is the issue of that the model does not emphasize value of time. In general, the longer time a business case remains in a pipeline, the less chance it has to convert into a closed deal. Opportunities that have been in the same stage six times longer than an average deal are less likely to convert (2.1.1 Sales Pipeline).

The time aspect of developing opportunities in the pipeline is vital to consider due to the competition. There are reasons why sales could be time-consuming. From the selling point of view, for instance, the number of business cases in the pipeline might be too high or that some customers are prioritized before others. From the buying aspect, it could be because of reasons such as the time it takes to evaluate all potential options or from fear of making a bad deal (Rackham, 1989). Saab has recognized that they need to be better at understanding the customer. This is something that needs to be taken into consideration in the pipeline in order to increase the likelihood of an opportunity to turn out as an order intake.
5.2 Strike Zone

The sales strike zone is a measurable strategy with the intention to provide early stage characteristics for business cases, which provides decision support for whether or not cases should be selected into the sales pipeline. By identifying preferred business cases in the sales pipeline, an organization can set up priority guidelines on how to distribute its resources efficiently. Therefore, by finding which business cases that are most likely to convert into closed deals, an organization can prioritize its resources on the most valuable business opportunities, thus work towards the optimal pipeline shape (see Figure 2 and 7).

5.2.1 Advantages

5.2.1.1 Identification of Mean Order Intake Value

By calculating the average of all closed order intakes, a sales area will recognize what typical value business cases have. This data will open up for a corridor of business characteristics that the PSO, CSO, PSR and CSR (see Table: Business Team Members in Appendix E) can use as a guideline to determine which of the cases that can be regarded as opportunities.

Furthermore, color visualizations helps to determine the value of a business case according to the strike zone strategy (see Figure 8 beneath). For example, if a business case value is close to the mean of all previous order intakes, it might be regarded as a business opportunity. Therefore, the opportunity can be marked in the color green to indicate the opportunity status of it. If a business case is between two and three times the strike zone value, it will get a yellow indication, which declares the risk of proceeding the case. Therefore, it becomes essential for an organization to take other business characteristics into consideration in order to determine value of the business case. If a business case value is three times or more, the red color indicator will demonstrate that the business case does not match with the strike zone, which indicates that there should be significant reasons in order to select that case. The prototype underneath, Figure 8, shows how a possible strike zone can be illustrated and Figure 9 describes the symbols.
Figure 8: Strike Zone Visualization.

(MSEK)

- Strike Zone (8)
- $24 < x$ or $x > 0.2$
- $16 < x > 24$
- $0.2 < x > 16$
- The strike zone area (business opportunities)
- The yellow area (riskful, further characteristics needed)
- The red area (riskful, significant reasons needed to proceed with case)

Figure 9: Strike Zone Definitions.
5.2.1.2 Application Areas

As mentioned before, the strike zone helps to identify criteria’s for proceeding with the right sort of business cases. In addition, the strike zone can be examined from two different perspectives. Firstly, from an overview of the whole pipeline perspective and secondly, it can be regarded from a specific business case perspective (Figure 10). If applying the strike zone metric to the whole pipeline perspective, it provides a comprehensive set of statistical data that is effective to use as an advantage during sales meetings, business plans, forecast dialogues and pipeline analyses (see Strike Zone Overview Model in Appendix E).

If regarding the specific business case perspective, a strike zone metric guides sales owners actors to back up a business case decision. This can further be visualized in a CRM-system, which will enable the ease-of-use for decision makers to clearly regard the strike zone aspect when it comes to proceeding cases (see Strike Zone Individual Business Case Figure in Appendix E). The model beneath illustrates the two different perspectives of the strike zone metric.

![Figure 10: Strike Zone Application.](image-url)
5.2.2 Challenges

5.2.2.1 New Products and New Markets

The issue where a strike zone becomes applicable, in terms of markets and products, is another challenge of the strategy. One area where the strike zone would become difficult to apply is in the red marked diversification area, in which Saab enters a new market with a new product, (see Figure 11). The difficulties would arise since there would not be any previous order intakes to analyze in order to calculate the strike zone, hence a strike zone cannot even be determined. Therefore, the issue needs to be addressed how a strike zone could be determined in a new market and with a new product. One answer is to examine similar products in the product portfolio in similar markets, however with an awareness of the potential inaccuracy.

Furthermore, it is important to take into consideration that there is a connection between the number of order intakes and the reliability of the strike zone. For instance, if a strike zone is based upon only one business case, the mean includes the risk of being misleading in comparison to a strike zone, which has 100 previous order intakes. Thus, in a scenario where there are not a substantial amount of business cases, different business characteristics should be considered as to prevent the issue.

The strike zone is functioning at its best on the market penetration area, the green area, due to the fact that the products and the market is known since before and therefore it is possible to apply the metric on the existing business cases. The two remaining areas in the matrix, yellow areas, represents market development and product development, both of the areas should be managed with attentiveness due to the fact that one factor is new. A new area indicates the unknown and if something is unknown the strike zone is not applicable.
5.2.2.2 Further Development of the Strike Zone

When using strike zone as a centralized concept, there are various extensive strategic measures that can be added to model in order to intend for a higher contribution of the strike zone strategy (see 4.2.2.4 Workshop). Through applying complementary measures, it opens up for new dimensions of the strike zone and takes it to a new, higher level. In addition, these complementary measures leads to a higher reliability when using the strike zone as decision support strategy. Table 14 (in 4.2.2.4 Workshop) shows the complementary measures and their definition.

If business cases are wide ranging in terms of value, there is a high risk that the calculated average might be misleading. Hence, a variation width can be added to reduce inaccuracy. Secondly, the median could also provide precision when the business cases differ greatly across the strike zone. Thirdly, the “typical value” could recognize the most frequent value of business cases, thereby identifying the typical value of business cases in general. The fourth measurement is standard deviation, which calculates the average deviation from the mean of a series of business cases. Table 15 illustrates the calculation of these metrics, in comparison to the calculated average value. The calculation is based on five business case instances: 0.5 MSEK, 0.5 MSEK, 4 MSEK, 6 MSEK, 2000 MSEK. By visualizing the inequality between the outcomes of the metrics it is evident that they could support one another, the table clearly demonstrates that the variances differ from each other. Therefore they may be...
applicable to various areas, such as MA, PA and PF in order to determine the average with additional aspects, such as the variance of the business cases. These aspects are particularly important when the strike zone is applied on individual business cases, as precision is essential.

**Table 15: Strategic Measurement Calculations**

<table>
<thead>
<tr>
<th>Strategic Measures</th>
<th>MSEK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Value</td>
<td>402,2 MSEK</td>
</tr>
<tr>
<td>Median</td>
<td>4 MSEK</td>
</tr>
<tr>
<td>Typical Value</td>
<td>0,5 MSEK</td>
</tr>
<tr>
<td>Variation Width</td>
<td>19999,5 MSEK</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>893 MSEK</td>
</tr>
</tbody>
</table>

It has become evident that organizations should not rely blindly on a metric such as the strike zone. Due to Saab’s wide ranging businesses that fills the sales pipeline and the model has a tendency to generalize. For example, based on a total of 651 businesses over time within Saab with the expected contract date between 2015-05-25 and 2018-05-25. It is apparent that 15 percent of the number of business opportunities and 39 percent of the volume of business opportunities for the next three years will be located outside of the strike zone area (explained further in Appendix E). Consequently, since a large percentage of business cases outside of the strike zone, it is inevitable to look if there is any possibility of regulating the strike zones upper or lower limit.

However, if a sales area decides to proceed with a business case that is over or below the strike zone area, the pipeline might need to be adjusted according to the business case in question. For example, if a business case value is above three times the strike zone value, the pipeline stages (in this case Saab’s WB process) might not contain enough steps in order to increase the chances of the case to become an order intake. If regarding a business case in the lower part of the strike zone, the pipeline stages might be too detailed for a small value sale, which results in a decreased sales efficiency. Therefore, each business case outside the strike zone can be individually examined with the intention to tailor each business case according to the pipeline. Figure 12 shows how
a business case over the strike zone needs three supplementary stages to the pipeline from WB1 and onwards, while a business case in the lower part of the strike zone can be immediately placed in WB3 and onwards. Which leads to increased efficiency in the sales process for business cases beneath the strike zone by removing potential steps in the pipeline, which is unnecessary for a small case as well as taking into account that business cases above the strike zone might need more specified stages in order to increase the chances of winning them.

Figure 12: WB Adjustments.

Another improvement that the strike zone graph has the potential to contain according to the sales metrics (see Table 2) is the close rate of business cases. The close rate metric measures the percentage of sales transactions closed out of the total number of potential sales pipeline transactions. Therefore, by taking the total number of business cases in the pipeline and divide them by the amount of won order intakes, the percentage of won sales will be shown which indicates how efficient the sales area is in winning business cases. The blue data illustrates the won order intakes while the red data points shows lost deals. Figure 13, beneath gives an example of a sales areas close rate.
As can be seen above, the total number of business cases in the pipeline is 17. However the amount of order intakes are only 12. Therefore, the organization can calculate the close rate graph by (see Table 14).

**Table 14: Close Rate Calculation**

<table>
<thead>
<tr>
<th>x = Close Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>x = (Total Number of Sales Transactions Closed) / (Total Number of Pipeline Transactions To date)</td>
</tr>
<tr>
<td>x = 12/17</td>
</tr>
<tr>
<td>x = 0.705 = 70.5 %</td>
</tr>
</tbody>
</table>

The close rate can be related to the strike zone by examining if there is any correlation between lost sales and sales outside the strike zone. If lost business cases are outside the strike zone, the strike zone model becomes more reliable for a sales area to follow and if the amount of business cases lost is within the strike zone graph, other reasons has to be identified for why the business cases are lost.

Furthermore, both the theory (see Table 2) and the collected data (see Appendix D) declare the significance of business quality. The strike zone is taking an objective point of view when reviewing business cases. To give examples of quality criteria’s, the degree of buyer-seller relationship as well as a financial performance of the business.
case are variables that should be addressed in addition to the strike zone model to make it more reliable. The strike zone is taking an objective point of view when reviewing business cases, which includes both advantages and disadvantages. It can be viewed as an advantage due to its simplicity when overviewing all business cases in the strike zone. However, the disadvantages are that business quality has a big influence on the business cases chance to become a closed order intake. If quality criteria’s are neglected, an organization might reject a business case despite its good chances to turn out as a close deal. Even though Saab has a limited amount of customers, the organization is still having a big volume of business cases. Therefore, since not many of the customers are new, the organization has developed close relationships with already existing customers. Hence it is important for them to address the business quality aspects into the strike zone.

Moreover, the win/loss ratio is another criteria according to the sales metrics (see Table 2), which has a correlation to the strike zone measurement. Win/loss metric measures the competitive strength of a sales force by looking at the ratio of deals won (the blue data), to those lost (the red data). Figure 14 illustrates a graphical representation of how a win/loss scenario might look like.

![Win/Loss Graph](image)

**Figure 14**: Win/loss Graph.
Table 16: Win/Loss Ratio Calculation

<table>
<thead>
<tr>
<th>x = Win/Loss Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>x = (Total Number of Sales Transactions Closed) / (Total Number of Sales Transactions Lost)</td>
</tr>
<tr>
<td>x = 12/5</td>
</tr>
<tr>
<td>x = 2.4</td>
</tr>
</tbody>
</table>

This measurement (Table 16) is significant to add on to the strike zone in order to improve its value. By regarding the win/loss ratio in the pipeline, the quality of the sales force is being measured which is one criterion why business cases within the strike zone area might fail.
6 Conclusion

The aim of this chapter is to demonstrate the findings of the purpose and research questions through explaining advantages and challenges with both of the strategic measurement, alongside, with how the challenges may be overcome. It is also assigned to clarify the theoretical and managerial implications of the research. The theoretical section addresses theories from an accurate and research-oriented perspective. The managerial implications focuses on practical suggestions for managers. The chapter will also address aspects to consider when proceeding with the research and the limitations that have occurred during the study.

6.1 Sales Pipeline Advantages

The first strategic measurement theory the authors decided to focus on was the sales pipeline. By implementing a sales pipeline, an organization will be able to identify bottlenecks and gaps in the sales process. The theory addresses the importance of allocating the progress of sales efforts, which enables the possibility of forecasting sales as well as evaluating the sales workload. Also, the model opens up for the possibility to improve a sales process through using data collection as a performance indicator.

One of the major advantages with the sales pipeline is that it acts as a decision support when evaluating business cases. If relating to the sales process of Saab, one of the main contributions of the strategy is that it allows decision makers to prioritize and qualify business cases based on a decision support model (Figure 5 and 7). Saab has stated the problem that they have a difficult time declining business cases due to the fear of losing business opportunities, which hypothetically could turn out as a closed order intake. Also, by focusing on too many business cases, the organization might not be able to identify the right sort of opportunities, which leads to resource waste and sales inefficiency.

An additional advantage is the possibility of visualizing the sales pipeline, where the various stages of the sales process are divided and presented. The visualization makes it possible to achieve a better understanding over the sales process as a whole as well as in detail. This leads to the ease-of-use which moreover could contribute to that managers might identify areas of improvements, for instance bottlenecks and gaps in the sales process. Table 17 summarizes the sales pipeline advantages.
Table 17: Sales Pipeline Advantages

<table>
<thead>
<tr>
<th>Advantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify bottlenecks and gaps in the sales process.</td>
</tr>
<tr>
<td>Decision support when evaluating business opportunities and priorities.</td>
</tr>
<tr>
<td>The sales pipeline visualization leads to ease-of-use.</td>
</tr>
</tbody>
</table>

6.2 Strike Zone Advantages

To start off, one of the advantages of the strike zone strategy is the forecasting characteristics the model will provide. By calculating the mean order intake value, a sales area will find out what typical value their sort of business cases has. Being able to store and use this data characteristics on a daily operational level will impact the organization to discover early stage characteristics of business case opportunities and thereby improving sales effectiveness. In addition, the strike zone strategy enables the application of using color visualizations to indicate the value of a business case, which enhances the visibility aspects for decision makers (see Figure Strike Zone Overview Model in Appendix E). In addition, another quality of the strike zone strategy can be used on both a pipeline level and from a specific business case perspective (Figure 10). If implementing the strike zone strategy from a pipeline perspective, it provides a comprehensive set of statistical data that will be effective to use as an advantage during sales meetings, business plans, forecast dialogues and pipeline analyses. If regarded on a specific business case level, a strike zone metric guides responsible decision makers to back up a business case decision based on criteria, which is vital for Saab since they have a difficult time declining business cases due to the fear of losing an opportunity. Furthermore, This can further be easily visualized in a CRM-system, which will enable the ease-of-use for decision makers to clearly regard the strike zone criteria when it comes to proceeding cases. Underneath, Table 18 summarizes the strike zone advantages.
Table 18: Strike Zone Advantages

<table>
<thead>
<tr>
<th>Advantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identifying business case characteristics, which will improve sales effectiveness.</td>
</tr>
<tr>
<td>The strike zone is especially applicable when looking at individual product area, product family connected to the market area.</td>
</tr>
<tr>
<td>The strike zone can be applied at Saab for both individual business cases as well as a subset of business cases in the sales pipeline.</td>
</tr>
<tr>
<td>The strike zone can be relatively manageable at Saab for individual business cases by supplementing the CRM-tools decision support, and the sales pipeline in Saab’s CRM analysis tool Qlikview.</td>
</tr>
</tbody>
</table>

6.3 Sales Pipeline Challenges

Throughout the study, it has been visible that a challenge with the sales pipeline is to be able to identify the right sort of criteria’s and priorities. The strategy has the potential to lack in accuracy if vague criteria’s are being used to base a decision support. As a consequence, this aspect can influence the strategy to decrease in sales efficiency, which is a paradox to the purpose of the theory. Therefore, the sales area needs to identify to most appropriate decision support criteria’s. A way to overcome this challenge is by applying the strike zone strategy. The result of this would be that business characteristics are being identified in an early stage and as a result, the close rate can be improved (see Figure 13).

Moreover, the sales pipeline does not define how the priorities should be distributed. Therefore, the optimal prioritization model helps to shape the priorities throughout the pipeline (Figure 5 and 7). According to the prioritization model, the highest priority should be allocated in the end of the sales pipeline in order to secure business cases that have a high probability of being converted into closed order intakes. The second highest priority should be assigned in the early stage of the sales pipeline in order to identify the right sort of business cases as early as possible. The third priority should, according to the model, be dedicated to the middle stage of the sales process, which handles leads. As it is right now, Saab is in accordance to the model dedicating the highest priorities in the end of the sales pipeline. However, the second highest priority is assigned to the
middle stage of the pipeline and the last priorities to the early stage. As a consequence, the organization are decreasing their chances of finding the right sort of business cases from the first place, resulting in that the sales efficiency are being decreased. To conclude, it is significant that Saab adapts the prioritization model in order to increase their sales efficiency.

Furthermore, the time aspect of how long a business case remains in the pipeline is not being addressed in the pipeline strategy. It was found out from secondary sources that opportunities, which have remained in the same stage six times longer than an average deal are less likely to convert into a closed order intake. Therefore, it is visible that the longer time a business case remains in a pipeline, the less chance it has to convert into a closed deal. Thus, Saab needs, in addition to the pipeline strategy, regard the time aspect of the business case as one important criterion to evaluate its possibility to become a closed order intake. Table 19 summarizes the sales pipeline challenges.

**Table 19: Sales Pipeline Challenges**

<table>
<thead>
<tr>
<th>Challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difficulties in identifying the right criteria’s can be overcome by applying the strike zone.</td>
</tr>
<tr>
<td>Difficulties in determining prioritization decisions by applying the optimal prioritization model it helps to shape the priorities throughout the pipeline.</td>
</tr>
<tr>
<td>The time aspect when dealing with business opportunities.</td>
</tr>
</tbody>
</table>

6.4 Strike Zone Challenges

The first challenge is to apply the strike zone strategy on new markets or new products, or a mix of these. If both the product and the market are new, it is a clear limitation to adopt the strike zone strategy due to the fact that no previous business cases can be used to determine the strike zone (Figure 11). However, this issue is solved by examining similar products in the product portfolio in similar markets, with the awareness of the potential lack in accuracy. In addition, if a scenario declares that the product is new and the market is old, or vice versa, the strike zone strategy might not be the only strategy that should be regarded in terms of making decision supports of business cases.
Moreover, it is important to mention that if a sales area does not have many previous order intakes, the strike zone data will be misleading for a company. Therefore, the more order intakes data that can be used to determine the strike zone, the more reliable the strategy will get. If relating to Saab, there are numerous different sales areas with different characteristics and working methods. Therefore, the reliability of strike zone strategy has to be regarded on a sales area level.

Another challenge of the strike zone is that it needs to be supported with supplementary criteria’s in order to increase the value of the strategy. There is an addressing issue for what supplementary criteria’s that should be used to backup strategy. It was discovered that some of the complementary strategic measures could be to adopt variation width, median, typical value, standard deviation and weighted average (Table 14 and 15). Furthermore, a close rate can be adopted as a supplementary criterion since it examines if there is a connection between lost sales and sales outside the strike zone (Figure 13). If the lost cases are outside the strike zone, the reliability of the strike zone is increased. On the other hand, if lost cases are within the strike zone, the reliability of the strategy must be carefully regarded to identify what underlying factors that affect the reliability of it. For instance, it could be an impact of a bad performing sales force or further reasons. The quality of a sales force is therefore essential to use as a supplementary criteria to the strike zone criteria, which is calculated through the win/loss graph (Figure 14).

Lastly, the strike zone does not address the issue what to do with business cases, which is above or underneath the strike zone level. As was mentioned above, the number of order intakes might differ depending on the sales area in question. Saab is, between the contract date of 2015-05-25 and 2018-05-25, expected to have 15 percent of the business cases outside the strike zone and a business volume of 39 percent. Therefore, it is significant for the strike zone strategy to implement supplementary criteria’s, which takes these kinds of business cases into consideration. Elsewise, the risk of loosing out on opportunities could be a potential problem. Therefore, each business case outside the strike zone must be carefully examined in order to identify the business case opportunities neglected by the strike zone strategy. Table 20 summarizes the strike zone challenges.
Table 20: Strike Zone Challenges

<table>
<thead>
<tr>
<th>Challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>The strike zone should only be a support tool along with other variables in the decision support, objective and subjective.</td>
</tr>
<tr>
<td>Managing areas outside existing markets and existing products.</td>
</tr>
<tr>
<td>Identifying suitable supplementary criteria’s to the strike zone.</td>
</tr>
<tr>
<td>The strike zone does not address the issue what to do with business cases, which is above or underneath the strike zone level.</td>
</tr>
</tbody>
</table>
6.5 Concluding Remarks

To sum up the conclusion, Table 21 presents the values of the strategic measurements and has been established in order to make the conclusion more consistent in terms of key points. The table takes into consideration the mix of advantages and ways to overcome the challenges of the two different strategies.

**Table 21: Values of Strategic Measurements**

<table>
<thead>
<tr>
<th>The Value of Strategic Measurements</th>
</tr>
</thead>
<tbody>
<tr>
<td>The sales pipeline and strike zone can, when used properly, as a complement to achieve the optimal sales pipeline, which can lead to:</td>
</tr>
<tr>
<td>• The hit rate can be increased.</td>
</tr>
<tr>
<td>• Higher efficiency.</td>
</tr>
<tr>
<td>• Reduction of bottlenecks in the sales process with many business opportunities.</td>
</tr>
<tr>
<td>• Increased awareness on which business cases Saab should focus on.</td>
</tr>
<tr>
<td>• Specification of the qualification process of business opportunities.</td>
</tr>
<tr>
<td>• Basis for how business cases should be handled with regard to simplified, normal or complex procedure.</td>
</tr>
<tr>
<td>• Decision support in WB1-3 on individual transaction based on measured data items for primarily business opportunities in existing markets with existing products.</td>
</tr>
<tr>
<td>• Support in the analysis of the sales pipeline content linked to business planning (Strategic business Plan), sales management and forecast (conducted three times per year between respective MA and BA).</td>
</tr>
</tbody>
</table>
6.6 Theoretical Implications

The theory (2.1.1) shows that a sales pipeline is a suitable tool to examine and investigate if aiming for making a sales process more effective and organized through making the right priorities. As some of the interviews as well as the workshop highlighted, the importance of making better prioritization is something Saab wants to emphasize, since it leads to reduced resource waste. This ensured that the model, to a great extent, is positively aligned with the thoughts of Saab.

Theory (2.2.1) is one of the supplementary criteria’s to judge the validity of a business case. The interviews with the key people of Saab indicated that they on a general basis have a difficult time declining business cases to enter the sales pipeline, due to the fear of making the wrong call. Therefore, through implementing a sales strike zone strategy, the organization will be able to receive more content to base a decision upon, which will help to filtrate or further examine risky business cases. However, despite that interviewees as well as the authors believe that the strike zone strategy actually will result in a good value for the organization, it still needs to be integrated with a range of other decision support tools as there are more criteria’s that determines the value of a business case.

6.7 Managerial Implications

The findings of this study demonstrate a variety of significant implications for managers to consider if implementing the strategic sales measurements.

First off, developing a sales process requires a variety of research together with an analysis of the organizations current status. Therefore, it is crucial for managers to conduct an in-depth sales analysis where the exploration of more strategic sales measurements is carried out that is applicable to the organization. Moreover, since there is a growing literature declaring the difficulties of successful strategy implementation, it is essential to enlist advantages as well as the potential challenges and ways to overcome them. By making a realistic evaluation of the strategy as well as being prepared to either decline the strategy or address the challenges, it might lead to a higher chance of successful implementation.
Secondly, it has been concluded that the optimal sales pipeline is a result of more decision support criteria’s that are set up in the early stage of the sales pipeline. Therefore, it is recommended that the managers of Saab strives to make the sales process more effective by adding more criteria’s that filtrate the risky business cases at an early point. However, it is important reassure the usage of criteria’s. By setting too many criteria’s, it might lead to that too many business cases are being neglected which can contribute with a negative impact to the sales pipeline.

Thirdly, the managers should be aware of that the strike zone strategy is a relatively new concept with lack of previous scientific research. This makes the strategy to some extent unstable and needs to be further backed up with research in order to improve in reliability.

Finally, it has been concluded before that the strike zone strategy can be improved in terms of adding new dimensions to the strategy. The more suitable dimensions the organization can find in correlation to the strike zone strategy, the higher value it will contribute with. However it might be difficult to explore which dimensions that could be applied, in addition to those identified by the authors. However, as long as the managers can identify a good purpose behind adding more dimensions to the strategy, as well as being aware of risks, it is recommended to try these out.

6.8 Limitations

Throughout the process of making this study, there are a couple of constraints that has confronted the authors, thus affecting the outcome of the study. However, by identifying criticism towards the research problem, the authors intention is to trigger and inspire future research of a similar study.

Since the strike zone strategy is a relatively new introduced concept, it was difficult to find relevant and valid sources concerning the strategy. Even though there are some sources indicating there is a positive value of applying the strike zone strategy, it limits the reliability of the strategy due to the lack of previous research.
Moreover, one of the factors that limited this study was the way of collecting the data. Since Saab is having policies of secrecy, the authors could not electronically record what was said during the meeting, only own notes was allowed as a collection method. Consequently, the authors could encounter misinterpretation issues or the lack of catching the full essence of the data collection.

The time frame is considered as one of the limitations of the study. By having a time limitation, the authors had to narrow down and make the study more specific as well as exclude potential extensions. As a consequence, the overall value of the study is to some extent affected. However, the authors still consider potential extensions and list those that were identified in the future research topic.

6.9 Future Research

This study is based on evaluating significant measurements required to develop Saab’s sales process by identifying advantages and challenges with strategic sales measurements. Below are a variety of directions for further research that could be applied:

It has become evident that organizations should not fully rely on a metric such as the strike zone. Therefore, the authors urge an exploration and elaboration of supplementary criteria’s, which could accommodate and interact with the strategy.

Also, an interesting question arose which could be further researched: Is it optimal to increase the strike zone area? Even though organizations are aiming towards having as many order intakes as possible, a big concern arises when wanting to increase the area of the strike zone. As a consequence, the increase might lead to inefficiency or prioritization concerns. Hence, this is only a speculation that could be challenged and investigated subsequently.
7 List of References


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Appendix A – Interview Questions

General Questions

1. Could you tell us about your role in the company from a selling and/or a sales administration point of view?

Questions about Pipeline Management

2. How has the sales process been changing in Saab within the three last years?
3. What has this meant in terms of short/long term working methods?
4. What changes within sales and sales management could you predict will happen within the future?
5. What do you think this will imply?
6. What are the greatest challenges for Saab within sales and sales management?
7. What makes it the biggest challenges?
8. What additional challenges could you predict in the future?

Questions about Sales Metrics – How it could be implemented in the Sales Process

9. What characteristics can you identify with won/lost sales?
10. What type of customers/sales gives Saab the most value?
11. How would it benefit Saab to implement a sales metrics?
Appendix B – Workshop Questions

**Questions about Pipeline Management**

1. How does the situation in the pipeline look like today and how would you describe it?
2. How would you like the pipeline to look like?
3. What are the differences with how it looks today in comparison to how you would like it to look?
4. What possibilities do you have in order to impact the pipeline?
5. What are the differences in the pipeline according to MA/BA/PA/PF?
6. Why are these the biggest differences?
7. How would you like to work with the pipeline?
8. What measures need to be drawn in order to change the working ways?
9. In what way would the change have an impact?
10. Describe the resources and priorities in the pipeline and how they are distributed?
11. What are the pros and cons?
12. How could the resource priorities be distributed better?
13. What value could be generated?
14. What are the challenges?
15. What are the challenges with allocating more resources into suspects and prospects?
16. How could this be done?

**Questions about Strike Zone**

17. For which areas or situations are a “strike zone strategy” applicable or not applicable within Saab?
18. What aspects could be applied to the strike zone theory?
19. How could you apply these aspects?
20. What value could be created?
21. What can be done if there is lack of sales within a strike zone?
22. When and on what terms is it suitable to move outside the strike zone?
23. What is missing in Saab’s processes and methods in order to apply a strike zone?
24. When and where is a strike zone not applicable?
25. What are the risks with a strike zone theory?
26. If launching new products or aiming for a new market, the strike zone graph will be empty. How can this be managed?
27. Could the issue arise that there is a problem with subjective influence when making decisions by sales leaders when they are valuing the strike zone? How could we handle this potential issue?
Interview Transcript 1

<table>
<thead>
<tr>
<th>Interviewer</th>
<th>Andréa Stephanou Hällöv &amp; Jacob Torehov</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interviewee</td>
<td>Beatrice Weining</td>
</tr>
<tr>
<td>Interviewee position</td>
<td>Business Management Director</td>
</tr>
<tr>
<td>Setting</td>
<td>Phone meeting</td>
</tr>
<tr>
<td>Duration</td>
<td>20 minutes</td>
</tr>
</tbody>
</table>

**Interviewer:** Could you tell us about your role in the company from a selling and/or a sales administration point of view?

**Interviewee:** I am responsible for different areas in Saab. Among these is the marketing support area. I am also the owner of the CRM-system, which includes a methodology of developing sales. Finally, I am responsible of sales and marketing courses.

**Interviewer:** How has the sales process been changing in Saab within the three last years?

**Interviewee:** Earlier on, it was based more locally in the organization. Each and every business unit was in charge of their own sales process, but this was changed three years ago. As a consequence, it has been impacting the sales process a whole lot. The implementation of this new sales process has been complex and is not fully accomplished yet. It is a maturing process that we are working on. On the other hand, I do believe that the company has started to understand the importance of customer focus. However, we are not good in finding "new customers" yet.

**Interviewer:** What has this meant in terms of short/long working methods?

**Interviewee:** Like I mentioned in the previous question, each and every selling department in Saab works individual. The implementation of this new sales process has been complex and is not fully accomplished yet. Our working methods are to mature the
new process that we are working on. On a long-term basis, we are aiming to develop the earlier stages of the sales process where marketing is important and where we strive to identify and develop new potential customers. To do that, we need to take a step by step, that concludes what we are doing on a short-term basis right now.

Interviewer: What changes within sales and sales management could you predict will happen within the future?

Interviewee: As it is right now, we are aiming to let the sales people regard "sales" as a profession. Previously, I have seen tendencies that sales people has been focusing too much on the technology and the specifications of products. Therefore, we can conclude that there is a changing process undertaken in Saab right now. It will be more accepted to follow goals on an individual level and choose a responsible person for each area. What I really do hope is that we will be able to see a sales leader for an area that will support and coach their sales people rather than taking cred him/herself.

Interviewer: What do you think this will imply?

Interviewee: Sales people will be best at selling. They have the chance to succeed. As it is now, they have no responsibility and the sales leader is the responsible person. Therefore, it is the sales leader that is meeting up the customers. They are not allowed to fully show what they are capable of.

Interviewer: What are the greatest challenges for Saab within sales and sales management?

Interviewee: How to find customers and to establish ways to reach them. A typical question that I am asking on project meetings. Usually, I get answers surrounding the improvements of the internal sales process, but the fact remains that we need to reach the customer better. How can we do this?
Interviewer: What makes it the biggest challenges?

Interviewee: Customers should always be in focus, elseweise we loose deals and it affects the market share of the organization. It is significant to be able to see how we can profile ourselves towards the customers. The challenge in this case is to find and increase the efficiency of our relation with customers.

Interviewer: What additional challenges could you predict in the future?

Interviewee: As most of the other companies, we have a budget. We need to allocate our resources into sources where we get the most value out of our money. We also need to reach a better holistic perspective for what is best for Saab as a whole, and avoid creating internal competition. Also, we need to find the path of purchase and intend for content marketing. It technology is for example essential to meet your customers. If you regard the management of customers today, you will probably be able to see their purchasing behaviors. This is something that we need to catch up with and not use too many different channels of information. This is an area we have not reflected much upon. Maybe we cannot afford to market ourselves towards all customers though, but we need to have brand awareness. For example, to be one of the first hits when it comes to searches on Google.

Interviewer: What characteristics can you identify with won/lost sales?

Interviewee: We are winning all the sales where we understand our customer the best. Considering my role in the company, I am not able to determine a good size of the sale though. What we can see from the sales that we are loosing is that we do not know the customer well enough. There are always questions arising surrounding this topic. To mention a few, how could we impact our customer? Can we read unidentified criteria’s, which they are not mentioning? We are reaching these questions by striving to get the best sort of information and ask the right sort of questions at the right time.
Interviewer: What type of customers/sales gives Saab the most value?

Interviewee: If we take for example our biggest customer (FMV), we have a long term relation with them and therefore it is easier for us to see and understand their needs.

Interviewer: How would it benefit Saab to implement a Strike Zone?

Interviewee: For some of our sales I do believe it is applicable, but not in greater campaigns. The result would probably be that we could allocate our resources in a better and smoother way, where we will be able to see in an earlier stage what kind of sales that suits us the best. This demands an area where a lot of sales are undertaken, in Support and Services for example.

Interview Transcript 2

<table>
<thead>
<tr>
<th>Interviewer</th>
<th>Andréea Stephanou Hällöv &amp; Jacob Torehov</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interviewee</td>
<td>Pär-Åke Anderkrans</td>
</tr>
<tr>
<td>Interviewee position</td>
<td>Point of Contact Market Area Americas</td>
</tr>
<tr>
<td>Setting</td>
<td>Phone meeting</td>
</tr>
<tr>
<td>Duration</td>
<td>30 minutes</td>
</tr>
</tbody>
</table>

Interviewer: Could you tell us about your role in the company from a selling and/or a sales administration point of view?

Interviewee: I work with a virtual team of marketing and sales and I belong to the group at a business unit level called Support and Services and Commercial Development. It is a matrix organization with scattered sales resources and my main focus is to sell Support and Services Land products towards the “power domain”.

Interviewer: How has the sales process been changing in Saab within the three last years?

Interviewee: Due to the organizational change by introducing new market areas it has lead to developed responsibilities, which has affected the sales work. The practical
business responsibility still remains at the business areas but the market areas has taken over a part of the responsibilities, transparency and has now more of a say. For example the sales efforts and expansion of the cases has been assigned over to the market areas instead of the business areas. This is a big change for the organization to hand over the responsibilities to a new area.

**Interviewer:** What has this meant in terms of short/long term working methods?

**Interviewee:** In the short term, it has lead to a change in the roles that people had in the past. There are basically two types of business that we work with on Land, partly to influence the end customer/user of our products or to influence suppliers about our products, in order to reach the middleman. Due to the organizational change we have had to step back in the early sales phases, before an inquiry, we have had to pass the connection over to new sales people. There has not been so long since this change, about 3 years, but it will lead to a better relationship and contact with the customer. In the new market areas the “face time” with the customer has increased. The drawback with the change is that you sit far away from the products and the people who work with these products.

**Interviewer:** What changes within sales and sales management could you predict will happen within the future?

**Interviewee:** Due to the reorganization in our business units, it will cause us to have more distributed sales management. Previously, the idea was to having a joint marketing and sales management. If I understand it correctly, staff and team managers have been moved down to different departments instead of working further away from the customer. Saab have attempted to create a global sales organization through introducing the market areas, and now in 2015 it has been reorganized yet again in some of the market areas with some major changes. These changes will also affect us in the business areas. The biggest changes will be how to in practical terms implement sales management control and how to get started in the global sales organization.
Interviewer: What do you think this will imply?

Interviewee: In the short-term I think it will be an authorization of responsibility conditions and who does what. That will require some changes relating to customer responsibility. The idea is that customer sales responsible will be located in the market areas, close to each market, while product responsible, perhaps, should be at the business unit level. Previously, the business developers were located on the market area level while self-governance and implementation belonged to the business unit’s responsibilities. This is a great difference and I think it will affect Saab because we will lose some elements in our initiative. However, in the longer term, the idea is that we will become more stabilized by identifying forms of work and by sharing the responsibilities. It is still required that some customer sales responsible also will be located in the business units. When there is a good distinction between collaboration, I then think we could win more cases with existing customers as well as through the introduction of the market areas.

Interviewer: What are the greatest challenges for Saab within sales and sales management?

Interviewee: With the transition to the market areas we try to find the right person or persons that will be working with sales. This means that the challenges are to make a decision what to do with the “old” sellers and finding the right people who know our offerings. A big part of this is sales training, how do you teach the sales people about our offers?

Interviewer: What makes it the biggest challenges?

Interviewee: By trying to exploit the resources in an optimal manner in order to learn how to prioritize and focus. For example, imagine that you look at the market through a straw it becomes very difficult to take priority decisions; which business case is the most important? If you have the opportunity to create a bigger overview you would also be able to take better decisions by prioritizing business opportunities. The biggest challenge is to be able to grasp the whole picture. Due to that the responsibilities are
distributed over the business units you will therefore not be able to prioritize a coordination, nor be able to create a “helicopter vision”. The focus will be on short-term business, where the customer asks for us and we will answer them without asking the question whether the case is a good idea or not. This is also a challenge to understand how to coordinate.

**Interviewer:** What additional challenges could you predict in the future?

**Interviewee:** The business units do not want to let go of the responsibilities and create the ultimate conditions for the sellers on the different market areas. In order for them to establish the required contact with the customers. The market areas are currently not able to establish agreements and non-disclosure agreements, such as the business areas are able to do. But in the long run it will be necessary for the market areas to also be able to establish these agreements. Previously we have been working a lot with sales representatives/agents, where external sales support has assisted Saab in sales decisions. However, the idea is to remove this external support, which leads to that all sales will be managed and implemented by Saabs own salespeople. This is also a challenge in the long term, if the market areas are capable to manage the limited resources of contracts. I think there is a resource problem and not just a management or governance problem.

**Interviewer:** What characteristics can you identify with won/lost sales?

**Interviewee:** It depends and it differs on the type of businesses that we work with within Support and Services. We have our deals that we call our “Bread and Butter” businesses, there are different types of maintenance contracts, that we always do and will continue on doing. Clients are for example the Swedish Armed Forces and FMV alongside with other customers in our neighborhood. These are customers that we have worked with for 20-30 years. However, I do not work with these types of deals but I know that we are exposed more and more to competition.

My working area is within new businesses, new customers and new products. There are three different quadrants where you talk about the different types of customers and products. The home quadrant contains existing customers and products. The risk
quadrant contains different axes, which has new/same products and new/same customers. The death quadrant contains new customers and new products, which is in the zone I work mostly.

More and more of our new customers are trying to attract Saab in investing in their business, by matching our offer and lending equipment or time in the program, which is very lengthy in time. Leading to a delay and later on turns into an investment. I work a lot with the automotive business where we create and build prototypes with the result that it takes a very long time before the big order comes. We must therefore invest resources in the longer term. This describes the type of category of business I work with. Where the outcome is relatively low, the losses are high and the winnings are low. That is where we should put the most focus, and that is precisely why we cooperate with other actors both internally and externally in Saab. In order to do this valuation, to be able to sift out the businesses that are too costly or does not provide any value. I find it very difficult to assess what the difference is in the business we win and lose as I do not see all of Saabs businesses, for example the home businesses.

**Interviewer: What type of customers/sales gives Saab the most value?**

**Interviewee:** The most profitable businesses are when we manage to get a RAM agreement with end-users or end-customer agencies. For example, we have a RAM agreement with the Danish Procurement Agency Dalo on a number of products, such types of businesses is very profitable where there is a continuous cooperation and our job is to keep the customer satisfied. It takes a lot of energy and time to convince automotive suppliers and if you have a RAM agreement with an agency you could avoid this long process.

**Interviewer: How would it benefit Saab to implement a Strike Zone?**

**Interviewee:** If you can get the end users to provide equipment that points to we have then gained a lot. By focusing on the end user, in this case, one customer instead of chasing after five different clients simultaneously. For example if we can convince
Hagglunds, which is a worldwide supplier, to get our products in their initial offer then we have gained access to many vehicles suppliers as possible.

Interview Transcript 3

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<th>Interviewer</th>
<th>Andréa Stephanou Hällöv &amp; Jacob Torehov</th>
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<tr>
<td>Interviewee</td>
<td>Jenny Hållmats</td>
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<tr>
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Interviewer: Could you tell us about your role in the company from a selling and/or a sales administration point of view?

Interviewee: I am responsible for the Business Support, which I have been for 1,5 years, at Saab’s sales office in the market area Nordic & Baltic. Which involves supporting the sales to maximize the deals. What I mainly contribute with is linked to how the internal processes works to support the sales processes, and also making sure that sales projects and business cases are well taken care of. Also that we keep track of what is going on in their respective countries/area, and also ensuring a basis for Saab to take the best possible decisions in order to maximize profits. In summary, my role in the company is to facilitate the sales and making the process as smooth as possible while producing documentation that supports the sales decisions.

Interviewer: How has the sales process been changing in Saab within the three last years?

Interviewee: The biggest change in Saab’s sales process is that we have created Market Areas. Which means that we have started local sales offices close to the customer. The reason for this major change is that proximity to the customer is highly important. The result of this change is more established sales offices around the world, which creates a closer connection to the customer instead of managing all the sales from Sweden.
Interviewer: What has this meant in terms of short/long term working methods?

Interviewee: The main difference is the sales process, due to its changed working ways towards the customer, the new approach enables you to work closer to the customer but further away from the product/development organization. Earlier the sales people worked closer to the product developers who established the offerings and the change lead to a switch from the organization to the customer. This is the biggest change and also the biggest challenge is to maintain the internal communication even though the sales people are located in different parts of the world. I think that this change is good because we want to be international and this change goes hand in hand with the development. We need to become international in order to continue to grow and you need to be located in the market that you want to grow in and therefore proximity to the customer becomes important.

Interviewer: What changes within sales and sales management could you predict will happen within the future?

Interviewee: Due to the organizational change and the introduction of market areas it has lead to a more unified working approach within the sales management and sales activities. We have for example a support tool; named Lime, that now all market areas are working with. Which is another way of attempting to unify their working ways. This is also a big change for Saab, that everybody uses the same processes. The goal is that everybody will recognize the system/process regardless of where you work in the organization. For example, in the sales process where certain decisions are made, the unified system will help you to take decisions, whether it is an interesting case, how you should proceed, and whether or not to leave an offer. And this common process is also a big change for the organization.

Interviewer: What do you think this will imply?

Interviewee: The changes that I see will happen, due to the change in working ways and the joint processes, I think that in the future we will begin to benefit from these changes. Being close to the customer so that we can become more focused on taking
good decisions based on the data we have collected and to make good judgments. So I hope that it will increase the support to the actual selling.

Interviewer: What are the greatest challenges for Saab within sales and sales management?

Interviewee: A major challenge is to clarify responsibilities. Who is responsible for what? This can be managed by determining the responsibility of the individual and whether they have the resources for that responsibility. If someone should have a certain responsibility they should also have the resources needed to be able to prioritize on that responsibility. This is something that I think we will notice later on, we might then get clearer country’s responsibility. I also think that with the responsibility it has to be added to the means to succeed. I also think that we have a constant challenge to not get caught up in details.

Interviewer: What additional challenges could you predict in the future?

Interviewee: Due to the fact that we are closer to the customer and we are becoming more international we will hopefully find more interesting deals. Therefore, we have to become better at prioritizing what deals we should aim for. For example, a business case in Brazil may appear that you previously had to consider in against a yet another interesting business case in Japan. We have to consider where and what we invest our money in. Saab as a company, for example when I talked about the case in Brazil and Japan, it is all about Saab as a company that wants to grow. The question is where could we grow and where are we not growing? It is therefore important to be able to prioritize and look at it from a global perspective. So it is very important to dare to prioritize.

Interviewer: What characteristics can you identify with won/lost sales?

Interviewee: If we knew the answer we could increase our efficiency. I would argue that we do not lose many cases/deals, on the basis of our sales perspective. We make an assessment of what businesses we believe are most likely for us to win. Looking at those cases, we are relatively good at winning these deals and also with a high income.
It is important to know the customer, know where the customer is in the process and assess the likelihood of winning the case. There are some cases where they are addressed as opportunities, which also could result in a customer. However, we are predicting these opportunities in time and are often behind in the sales/buying process, this is a major challenge. The cases that we win are characterized by the relationship with the customer, when it is a known customer. Where we know what the customer wants and expects from us and know what we can deliver.

**Interviewer:** What type of customers/sales gives Saab the most value?

**Interviewee:** It is very difficult to generalize because of the significant difference in business. For example, a campaign of several billion against a case of a few millions. The deals that are the most beneficial are businesses that provide high output with a little effort invested. However, there may be transactions that are more important from a different perspective. Such as how to get a launched customer or product release. Therefore it depends on what output you are looking for within the organization. By balancing businesses that are profit-making with businesses that offers future possibilities, you get the best possible outcome. Some projects might be more of strategic significance.

**Interviewer:** How would it benefit Saab to implement a Strike Zone?

**Interviewee:** It would be great if you could do that kind of generalizations, where we as a company would know exactly that, for example, that in Finland we have the greatest opportunity of closing 10 million deals with this kind of product. I think it could be a great support when taking decisions. However, it is important to realize that it is never that simple. It might be a good idea to include several parameters in this assessment strategy, but as a support basis when taking decisions.
Interviewer: Could you tell us about your role in the company from a selling and/or a sales administration point of view?

Interviewee: I have a long background in the firm. Two years ago, I was in charge of the “business units”, but after that I switched to the market area “Nordic Baltic” where I am performing operative selling. My task is to always be one or two years ahead of the thinking when it comes to how the selling will develop.

Interviewer: How has the sales process been changing in Saab within the three last years?

Interviewee: The selling process has been very diversified depending on the department of course. If we back the tape three years, you could draw the conclusion that it was more frequent sales but also minor sales if you compare with now. We have been developing our selling process so that today, the sales are larger and especially more complex, since the number of people is increased and many departments has to go hand in hand more than back in the days. So, this means that generally, there are longer sales cycles and more expertise within sales. It should be taken into consideration though that just this market is developing very slowly on comparison to other markets, due to the fact that we are using the same material and technique as we did 30 years ago in some areas meanwhile we almost have to be one step ahead of technology in other areas. This impacts the company a lot. If you compare us today with back in the days, we have become a more and more international fighter as a matter of the globalization.
On the other hand, there is more competition now as well so as a consequence we have to strive for being a global company as well.

**Interviewer:** What has this meant in terms of short/long term working methods?

**Interviewee:** In some areas, I believe we have developed better skilled on our sales people. But we still have a long road to go, because of course we had good sales people 30 years ago as well. But we need to develop the skills of our sales people and we need to strive for “becoming global for real”. In order to grow, we need to establish ourselves on a better base in a few other well-chosen countries all around the world where we can identify the potential of customers. Even though the competition is difficult as it is today, I believe we will be able to see an increase in competition the more time goes on. Therefore, we are striving to understand political systems, other cultures etc. If we should be optimistic concerning the situation, one can say that we are well on our way because we have we have been focusing on this issues since the 90’s. Thus, we are ahead in comparison to many of our competitors.

**Interviewer:** What changes within sales and sales management could you predict will happen within the future?

**Interviewee:** Since we established “market areas” two years ago, we still have a long way to really live up to the true purpose of them, namely to higher our responsibilities on global markets. This requires recruitment and development of professional sales people that could adapt to countries in question. We need to be more “Norwegian in Norway”, more “German in Germany” etc.

**Interviewer:** What do you think this will imply?

**Interviewee:** It will for sure contribute to our understanding about various markets and how we on a long-term basis will improve our number of sales and hopefully the profit as well. The dilemma, however, is that we have a really wide product portfolio, which can be seen as both something good or bad. I believe we will se a mix of involvements
in the different products. In our more successful products, we will have longer sales cycles, more sales people involved etc., while if there is a product which is less successful, probably a fewer number of people will be in charge of that area.

**Interviewer:** What are the greatest challenges for Saab within sales and sales management?

**Interviewee:** Our greatest challenges at the moment are probably that we have to see the contextual perspective of countries, and be able to cover them up in a smooth way. At the same time, we have such a wide variety of product that it becomes difficult to follow one general strategic pattern. Maybe we even have to ask ourselves the question if we even can cover the different markets? If not, which markets should we intend for more than others etc.

**Interviewer:** What makes it the biggest challenges?

**Interviewee:** The challenge to see the contextual perspective of countries is something that has impacted Saab due to increased competition, which comes in line with globalization.

**Interviewer:** What additional challenges could you predict in the future?

**Interviewee:** I believe that some products that we offer are more of a burden than it actually profits us. But in a company such as Saab, with all our history and traditions, it is difficult to delete some products. Also, we are maybe too Swedish if regarding that everything should be produced in Sweden. This is something that belongs to our history, which we need to let go off sooner or later. Not fully of course, because history and traditions are also important attributes, but to some extent at least.
Interviewer: What characteristics can you identify with won/lost sales?

Interviewee: Many of the sales that we are winning are with companies, which we have a close relationship with. On a national perspective we have had a loyal customer base on a long-term scale, which has profited us a lot and still does, but we can also notice an increased tendency that we are winning a lot of sales outside of Sweden as well. Often, this is happening with customers that we know well. The sales that we are loosing on the other hand are often on new/unknown areas where we need to develop our thinking. Maybe it could be sales which is not fully covered by what Saab to offer, and as a consequence we have to take an overprice etc.

Interviewer: What type of customers/sales gives Saab the most value?

Interviewee: Areas where we are more established and developed within. Some areas are so good that we even use them on a globalized level, where we have the competence that no other company has, and where we become the best alternative. However we need to identify which products that are attractive in which countries, and open new departments, which focuses on these products.

Interviewer: How would it benefit Saab to implement a Strike Zone?

Interviewee: It would be suitable for us if there was a strike zone for us, since it becomes easier to see what kind of sales that are in our target zone and gives us criteria’s to aim for in order to proceed with a sale. As it is right now, we have a hard time saying no to sales, and as a consequence we might loose some of them instead, which of course impacts that we dedicates resources into spilled sales.
Interview Transcript 5

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<td>Pär Carlzén</td>
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Interviewer: Could you tell us about your role in the company from a selling and/or a sales administration point of view?

Interviewee: I am in charge of Saab’s working method within the new marketing and sales “Win Business” system. It’s a part of our operational system.

Interviewer: How has the sales process been changing in Saab within the three last years?

Interviewee: We have been going through massive changes the last three years. We have been grouping sales reps all around the world with the intention to portray ourselves as more local on those markets that we are working on. This is a part of the marketing area thinking which we think will suit us good on a long-term basis and most hopefully will boost our sales even more. You have to live on a specific market continually in order to get realized by the sort of customers we are aiming for.

Interviewer: What has this meant in terms of short/long term working methods?

Interviewee: The working method has been changing radically for Saab if we regard that we are working on more different perspectives nowadays. One perspective is for example the sales funnel perspective, in which we are aiming to develop leads and get attracted by customers. Then we are also trying to footprint the market in question by offering the kind of products we think suits that specific market the best.
Interviewer: What changes within sales and sales management could you predict will happen within the future?

Interviewee: I am currently participating in a project called the “sales pipe project”. It is all about how the sales administration out in different markets are working with mutual methods too choose what kind of sales deal we should develop and bring into our sales pipe. I do believe that we will be able to see some quite remarkable changes in the upcoming future. First of all, the sales coaches and their way of coaching the sales reps, but also tools and support for them to establish a holistic perspective over the sale in particular. This will contribute to that we can aggregate the sales in Saab to the next level. Based on this, we are aiming to find the right customers in the first place so that we do not waste any resources on customers that all of a sudden decide to drop off. I think we will, within the nearest future, be able to find better help and support to prioritize these resources into more suitable places sort to speak.

Interviewer: What do you think this will imply?

Interviewee: It is my belief that it hopefully will contribute to a higher number of new sales received.

Interviewer: What are the greatest challenges for Saab within sales and sales management?

Interviewee: I think it is the challenges could be found on the personal level for the sales reps. They all are very different in their approaches as they come from different backgrounds etc. We need to develop a mutual thinking surrounding how we work with sales as a company and avoid the same extent of independent thinking. As a consequence, this will contribute to that we get more control over the situation since our thinking is more organized. So, to shape the sales people into becoming “one unit” is a great challenge of ours. This will be done through continual work with the projects etc. that we are doing today and to get people to understand the importance of a mutual thinking method when it comes to sales.
Interviewer: What makes it the biggest challenges?

Interviewee: As I mentioned previously, when Saab as a company are recruiting new sales people, they all have different backgrounds but most of them are independent in their thinking. Therefore, we need to reach a better way to work within this area by developing a mutual thinking between the sales reps.

Interviewer: What additional challenges could you predict in the future?

Interviewee: Another challenge that we are facing is that we are having a wide portfolio of products. It becomes important that all the products fit within the “4P-area”. We are growing when it comes to products, I think it is important that we are focusing on the products which are attractive on a market at the same time as when we are growing, we are dropping some of the most unsuccessful products.

Interviewer: What characteristics can you identify with won/lost sales?

Interviewee: This is not an area which I am dealing with on a daily level, but we are developing a concept called “P-Go-P-Win” which is not implemented yet though, but which hopefully will be implemented within the nearest future. This is a two dimensional model where we try to identify the chance of a sale to become a new order income in relation to the resources we are dedicating into that specific customer.

Interviewer: How are you going to develop this method and implement it?

Interviewee: We are currently performing a project in Saab where I am in charge. In this group, we are using some people, which are experts within this area, three people. We will establish a definition of these two perspectives. The next step will be to introduce the model in our CRM-system (Lime), where the sales administration can use this model as an evaluation method.
Interviewer: Have you been facing any obstacles when you have been trying to implement it?

Interviewee: No actually not. This is something that many of the users within Saab has been requesting for quite some time now saying that “we want to evaluate the prospect out of these two perspectives”. This is something that we faced the first time when I went to India. Down there we had as a target to examine a sales leader and see how that person decided to work with his sales people. He gave us a card with the “P-Go-P-Win” method, which we thought was better and better the more time went on.

Interviewer: What type of customers/sales gives Saab the most value?

Interviewee: We are having certain extensive campaigns that are relevant for Saab such as the Brazil case of course, but also, we need to consider that “From acorns grow oak trees”. Many small deals contribute to a big part of Saab as well.

Interviewer: How would it benefit Saab to implement a Strike Zone?

Interviewee: The advantage is that we get a better decision making platform where we can decide whether or not we should aim for a specific customer and take that prospect in to the sales funnel, or if we should drop and decide to allocate no resources at all into that prospect. I cannot see any disadvantages by the strike zone.
### How does the situation in the pipeline look like today and how would you describe it?

**Pär-Åke:** Since we usually only have one deal in motion at a time we put all of our focus there. We have a lot of leads, leads that are linked to Saab’s Win Business process where I work in WB1 and WB2. So I would say that we have a “lake” of business opportunities in our pipeline. There is a big difference in the product areas I work with. For example deals related to the automobile industry take normally longer time to win than other products. I think the strike zone can help us get the kind of business that we want to fill our pipeline with. It would result in more help and support when looking for the right type of businesses. However, I do not think the strike zone is applicable on business in Sweden or with FVM. We need to get a sense of and understand the
purchaser’s position and how the strike zone should be applied. It is important that
decisions makers, CSO and PSO, understand what is going on in the organization in
order to understand the major influencers. This is important to take in consideration in
order to be able to prioritize our resources in an efficient and effective manner.

**Peter:** I used to work with mega deals, where businesses are characterized by long sales
cycles and processes. In detail I used to manage Gripen transactions as a decision
maker. Alongside with the mega deals we have support businesses that come as a result
from these deals, such as support agreements for Gripen planes. These types of
businesses are made of smaller degree. These two kinds of deals are divided into prime-
ownership in our own business related to MPA and MSA. We are working in different
tunnels depending on the capabilities demanded for the two tracks. The characteristic of
the pipeline is that it is very heavy on the stomach with many different deals. In order to
able to implement the strike zone there must be a balance between strategy and
customer relations taken into consideration.

**Jenny:** When looking in the pipeline from a country perspective the business differs
depending on which country you are evaluating. We need to increase the understanding
between different countries to be able to prioritize our resources correctly. One could
move staff depending on how the strike zone looks in different countries. Even finding
parameters in each country and then some products that stand out. If you can identify
those parameters the strike zone challenge would be solved. However, these parameters
could create uncertainty in time and delivery to our known customers.

**Maria:** The average of lost business means different depending on which
market/country you are in. You should not draw general conclusions that they are
consistent due to that different countries have different characteristics. The strike zone
on a new market is very hard to identify when we do not have an order value. A further
aspect of the strike zone to take into consideration could be how long you have been
active in the market or with the product, and how long you are suppose to be active? In
comparison to other B2B companies, Saab has extremely more products and
considerably fewer customers. Usually it is the other way around, smaller number of
products and more customers. As our product portfolio is so broad, we have to break
down the strike zone and not draw general conclusions. Strike zone could be implemented on non-relational businesses where we have the same product, where it will be easier to generalize. We could streamline the chain to make the strike zone more understandable. Least resources should be spent on bids that relate to the same customer in order to be more effective. The strike zone thinking could become a problem when 60% of our previous business consisted of successful deals that where unidentified and the remaining 40% consisted of business we thought we would win. The fact that we mainly won deals that were unidentified becomes a problem when applying the strike zone.

**Beatrice:** There is a risk with strike zone and theories in general, the risk is that you are distancing yourself from the customer by blindly relying on data and statistics when taking decisions. We have to improve our understanding of our customers and to get closer to them in order to win more business. To do this, we need to keep track of our customer sales processes to be able to guide them from the start.

**Bo:** It’s a little tricky to refer and base strike zone to the size of the business and the market. However, it might work if the strike zone is only applied to a product area. And if this is to be used, you have to find a suitable level and adapt it to the product area as well as to the business units. Due to that Saab is on a political market, which means more internal political consideration rather than purely commercial reflected. Therefore, we must know how to cope with external political games. Today, the priority lies within businesses that are here and now, such deals could lead to future expectations that cannot be played away. There is a lot that is changing purely commercial. One dimension that should be bared in mind and could be applicable is long and short term planning.

**What are our possibilities on impacting the pipeline?**

**Beatrice:** We need to become better at understanding the customer, and to be able to choose the right customer and market. We have to be able to match the customer needs with our offer at an early stage. By understanding the customer’s needs, we have an opportunity to influence them. We are lacking digital tools for understanding what the
customer is looking for in order to be able to tailor an offer. We need to understand how customers get their information and also become more customer oriented.

**Jenny:** We need to create a best match between the customer needs and our offers. We also need to get the sellers to prioritize correctly, or the person responsible for the case must be able to take the right decisions. We have several different priority levels and we have to work with the right priorities regardless of where in the organization we are.

**Maria:** We need to influence the customer from the beginning of their buying cycle, when they are looking for information on future purchases. Therefore, we need all of our products on our website accessible for our customers to see when starting the initial processes in the buying cycle. Our clients like everyone else, including ourselves, want to gather facts about products before they end up in a sharp sales situation. Adding more products on our website is a high priority. We should also explore the underlying fact why some customers are looking at specific products. Our leads today are primarily found through wine and dine, but in the future another approach could be more focus on the website.

**Describe the resources and priorities in the pipeline and how they are distributed?**

**Jenny:** A lot of expenses lie within WB1-2-3. Since Saab is a complex matrix organization it results in difficulties to generalize prioritization decisions. In addition to this, there are different sales tunnels on various deals. People who work in the various WB processes have responsibilities but not the right means, which leads to you having a responsibility but not the resources to control over them. The people in control who has the last word were the priorities and resources are allocated can be very selfish, by putting the focus on deals that is beneficial to their department.

**Peter:** Currently our focus lies on quotations and preparation of response to the RFI (request for information). Our main priority is on existing customers. It is difficult to control the priority process due to its dispersion. MA prioritizes to find new leads on the market. We are constantly in a dialogue about priorities since everything does not fit in the pipeline. Due to that MA wants us to take their cases but we in BA are not
interested, leading to a discussion. We are lacking on business intelligence in order to conduct valuations of the deals. We are good at collecting and sharing information, however, we are not good at compiling information that can be applied to the organization. There is no one that lays the puzzle, regardless of the product we could need better situation awareness. We need to allocate our sales pitch at all levels, also having a sense for the market/country and customer, as well as competitors and our products.

**Maria:** I am working on a MA level, and I need to prioritize new businesses while people working at BA level focuses on existing customers and completing the deal. As the prioritization process is a linear process, it needs to align with Saab, while having in mind that the responsibilities are divided in the process. Therefore it becomes difficult to maintain an even pressure when there are different responsibilities in the process. The managers may have other priorities and other key figures, resulting in priority pressure loss in WB4 and 5.

**Bo:** We must try to manage priorities with a combination of common sense and good leadership.

**Pär-Åke:** We have different responsibilities depending on where in the organization you are located and therefore different priorities. I try to get product managers to prioritize my business. I am working on a long-term level and I am therefore trying to get more new business in to the pipeline, which becomes my main focus. Due to our working ways differ greatly across the organization the question is how will a practical sales management function when there is a big difference between working ways and history among the different departments?

In order to take the right priority decisions we need to get better at sharing information between MA and BA. By expanding information sharing, it would lead to a different approach to take into account when prioritizing. We should make it possible for MA to be CSR. Due to the organizational changes we have lost momentum and customers. What we have to do know is to move on and accept the drawbacks.
For which areas or situations are a “strike zone strategy” applicable or not applicable within Saab?

**Beatrice:** It is significant to recognize the strike zone for each and every product in question. It becomes clear that it is a huge difference between the product portfolio and as a consequence, it is impossible to apply a general strike zone for all products under one heading.

**Pär-Åke:** It is a nightmare to initiate dialogues with customers in the early sales process stages. The question will arise in early phases surrounding what kinds of offerings that I should propose for the customers. Throughout the sales process, there will always occur modifications in the sales agreement in order to take the customers wants into consideration. Therefore, the strike zone strategy can be improved by including various parameters, which are not focusing on just the average sum of the won sales, but are focusing on other aspects as well such as how known the customer is for us etc.

**Bo:** I believe that the strike zone strategy is mostly applicable to situation where we want to carry out fast sales as fast as possible. If the sale is more detailed, it is important, like Pär-Åke just mentioned to use more take more parameters into considerations. Therefore, it would be interesting to assess if various mathematical terms could be a supplement measure to the strike zone, such as the median, typical value, variation width, weighted average and standard deviation.

**Maria:** We need to be clearer with our offering and to automatize it in a more organized way. We do not always need processes to define our sales; a portfolio containing already finished offers is also essential since it saves us a lot of time. However more complex campaigns are more targetable when it comes to developing extensive parameters to the strike zone thinking. Also, we need to bare in mind that our current situation portrays close relationship customers that are willing to pay, but how will this develop in the future? Also, we will not be able to configure each and every parameter in order to satisfy our customer. For example, they have to adapt to our products and make them give up some wants in order to benefit from the sale more, by making them
realize that a red colored product is just as usable as a blue one if they want a blue color on the product in question.

**Pär-Åke:** If we are having a big ocean of potential sales in our sales funnel, we need to include set criterions for sales to proceed in our gate-decisions. Also, it is important to let the sales people go out and sell when it comes to quantifiable products, not to define our offers for them. By defining offers for simple products, we will most likely waste time instead of just going out to sell. Apart from that, I believe we are doing right by considering offers and dedicating time to form an offer, which is attractive for the customer in question, but this does only apply to complex sales. Therefore, it is essential to set priorities and allocate resources to maximize profit outcome for Saab as a company. We should also remember that if we were setting standard offerings for our products, we would also give up the chance that we could have sold products for a slight higher price.

**Jenny:** The sales must also suit the market in which it focuses on, otherwise we will not be able to get enough sales to implement the strike-zone thinking.

**What can be done if there is lack of sales within a strike zone?**

**Maria:** You will get in a situation where it is difficult to make a decision. It also becomes natural to see that it is especially difficult to make the “tough decision” to decline a sale. Many experienced sales people are relying on a zone of comfort where they are using their gut feeling rather than any decision support. In this situation, much anticipation is being taken without any backup. It is difficult to find distinct parameters for them to rely on in the strike zone strategy. If you as a sales rep has a good sale reputation, I believe more soft criterions needs to be considered which might or might not are possible to insert in the strike zone strategy.

**Jenny:** If the sales leader receives a certain budget and he has ten cases to choose in-between, which parameters would he/she choose? I think most of them would choose the same sales, but why will they choose the same? Because some sales are easier to have an impact on than others, and some customers we know better than others.
Jonas: We have to be very reactive in case there are no sales within a strike zone. We need to figure out if any competition is intending for the same customer. If the competition has already been there for three years they are probably ahead of us. It becomes almost the same effect as when slide tackling the ball too late and hitting the body instead. I think that the strike zone strategy could be applicable in an area where a higher frequency of sales is taking place. But I am uncertain that my department would benefit from it where we have campaigns and where it takes time to proceed with a sale. I believe this have to be a maturing process over time. Also, while this maturing process is ongoing, it is significant to analyze how it works in practice. It is unnecessary put effort and resources into the strategy if it does not give us opportunities rather than risks.

Pär-Åke: It is of course essential to focus on the future, but in our case, I think it is even more essential to focus on finding a balance between future and to balance the MA-establishment since it is relatively new for us.

Jonas: Therefore, it might be a good plan to find a quantifiable Strike Zone for standard-sales and to find other decision support tools, which can decide the strike zone of more complex sales. We have a solid product portfolio. Of course, sometimes you have to adjust the specifications a little bit, but this is generally regarded to be a strength that we have. Apart from that, it should be relatively clear for the customer what they would get in terms of products. If you order a Boeing 381A, you will get the Boeing 381A as a customer. However this is only a small part of the entire process. Installation, service etc. are also important to consider in our case and this takes time. Therefore we need to establish an analysis where the Strike Zone strategy is appropriately applicable.

Maria: For some of our products, it is difficult to implement the strike zone strategy and for other products, it is not. I think we all can agree, however, that we are loosing more and more competitiveness if we do not precise our strategies.

Beatrice: In addition, we need to remember that price is not everything. Most often, the price does matter in the earlier phases of the sales funnel.
Jenny: I believe it is important to make the Strike Zone strategy be visualized in a simple way and also to include the right sort of parameters. Are there functions in our CRM-database to support the strategy and the additional parameters?

Beatrice: Another aspect we need to consider is from WB2 and forward, there are a lot of specifications, but in the earliest WB-phase, there is almost nothing. How can we actually verify that the customer in question understands our strengths and weaknesses? When we have forecasts and handshakes, we tend to have very sprawling goals. It is not safe for us to work with the safe things. It actually increases the distance between the customer and us. Hence, we should direct our goals in a more precise way. To give you an example: This is how you should impact the customers through this way.

Jenny: We are currently having a lot of sales, but to a short amount of customers. In fact, we have just as many products as customers. We are offering around 600 – 700 products and we have around 500 – 600 customers. The paradox with this is that despite our amount of customer, we are not following the CRM-system as much as we should. It takes a lot of money to have such variety of products. Therefore we need to throw away those that do not give us any profit.

If launching new products or intends for a new market, the strike zone graph will be empty. How can this be managed?

Maria: In order for us to use a thinking strategy like that, we need to conduct and use earlier data to help us make the decision. I have notified that we are not fully focused on the holistic picture, but that we have a tendency to emphasize details. Therefore we need to establish a clear strategic plan, which includes a communicative purpose, and to fully focus on what we actually set up to be our objectives. A problem today is that sales people often make decisions that are easy to understand, but they are also generally afraid of making decisions if there are an uncertainty if the sale is right or not. That does not take them any further and slows the process, which significantly affects our time and resources as well.
Pär-Åke: I believe our major challenge in this case is how we should communicate our strategy without harming it.

Maria: In order to be more effective, we have to be more decisive and make the customers understand what we are offering.

Could the issue arise that there is a problem with subjective influence when making decisions by sales leaders when they are valuing the strike zone? How could we handle this potential issue?

Maria: Yes, this is a risk we need to bare in mind, but not too much. We need to have the belief that people are being honest. The sales are being measured in a way to see if we succeed or not, so there are no easy way out for sales leaders.

Bo: I agree with Mia, we must have an optimistic thinking about the people in charge of the sales, but once again, if there are people showing us the opposite, we will probably be able to identify them.

Beatrice: This is something that I think could actually help the responsible actors to make more objective decisions. Hopefully, the strategy might enable them to receive an “aha-experience” if the sale is not exactly in our Strike Zone, and they will be able to take the case even further by examining if we should proceed or not with a sale, and in that case also examine what extensive efforts that could be needed. It triggers questions, which would have been neglected if the Strike Zone strategy were not included.

Pär-Åke: The traffic lights in the Strike Zone strategy are essential, since it easily visualizes a good sale out of the Strike Zone strategy. If we, however, could include new parameters, which also help to adjust the traffic lights, the responsible actors can take a closer look and identify the issues for each specific sale. Thus, it is a good automation to help proceed with a decision or not. One of these parameters could be at what time the request was sent from the customer in question. If they already have sent the same request to eight earlier customers, we need to take that into consideration that probably they have proceeded further than we are going to do. Also, I think we all can agree that it is smart to set a value to all our sales. Perhaps you cannot use the strategy
for the greatest campaigns where for example political issues are portrayed. These kinds of sales should maybe be filtered and removed from the Strike Zone database.

**Jenny:** This competence needs to be a criterion from our hired sales staff. We need to make them take more perspectives into consideration and the kind of information that suits their area has to help them make a decision. It stimulates the decision making process. A way of identifying the parameters needed to complement the Strike Zone strategy is to take sales which we has not included in the Strike Zone thinking to for example that the market is new or that a new product if offered. If the responsible actors within sales are marking the ten best, they should motivate why these cases are the best. Why did we choose these cases? By doing this, we will be hopefully identify suitable parameters.

**Beatrice:** Furthermore, we need to figure out what it takes to decline a specific sale. As it is right now, it takes a lot to decline a sale. Even though we are saying no, I have seen some sales cases that still are proceeding in the database.
Appendix E – Summary Patrik Sundin

<table>
<thead>
<tr>
<th>Interviewer</th>
<th>Andréea Stephanou Hällöv &amp; Jacob Torehov</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interviewee</td>
<td>Patrik Sundin</td>
</tr>
<tr>
<td>Interviewee position</td>
<td>Business Support Manager at Business Area Support and Services</td>
</tr>
<tr>
<td>Setting</td>
<td>Meetings, Phone &amp; Email Contact</td>
</tr>
<tr>
<td>Period</td>
<td>Spring 2015</td>
</tr>
</tbody>
</table>

**Strike Zone**

We must find a sales metric tool on how to filter sales, such as the strike zone. However, adding more aspects to the metric when measuring so that the main aspect, which currently is deal size, is not the focal point. The risks with the strike zone could be a shortage of the right business cases, in order to fill the sales pipeline. Which raises questions like: How do we increase or expand the strike zone area?

The figure underneath (Strike Zone Aspects Model) displays two types of sales pipelines, the upper illustration visualizes the traditional sales pipeline, where the sales process takes time and value of the deal into consideration. Whereas, the lower image displays a third aspect that should be taken into consideration, which is the sales volume of a business case. To describe it in detail, the sales pipeline is flattened in order to get a wider flow of business. By flattening the process it minimizes the upper and lower limits outside the strike zone area, which lead to an increased flow of business cases in the strike zone.
**Figure: Strike Zone Aspects Model**

**Strike Zone Applied to WB**

Does Saab need to adapt the WB process if a business case is allocated outside (over or under) the strike zone? The figure beneath (WB Process Adaptation Model) shows what could happen in the WB process under the two situations: If a business case is over the strike zone (if that happens we are often talking about campaigns, which signifies large business cases) then the sales process might need to be extended in order to manage the size of the deal. A business case can also be located under the strike zone, which ultimately could lead to a simplified WB process in order to skip unnecessary steps in the process, to efficiently speed up the process.
Application Areas

The strike zone has two application areas (Figure: Strike Zone Application Model), the first one is in an overall sales pipeline where all of the organizations areas are included with all business cases. The second is on an individual level, where business cases are viewed at from MA/BA/PA.

Figure: Strike Zone Application Model
The figure below (Strike Zone Individual Business Cases) shows how it could look like if the strike zone was implemented into Saab’s Lime system, which is a customer relationship management (CRM) tool, as a decision-making tool. It could be used by adding information in the decision support for having multiple aspects to consider when deciding to move forward with a business case or not. The figure below illustrates how it could look like for each individual business case. The levels represents what area in Saab its concerning, while the status with the different colors indicates where the business case is located in the strike zone area. Green color means the business case is within the strike zone and is good to go. While the color yellow indicates that the case is almost outside of the strike zone area, which should raise attentiveness whether or not proceeding with the case. Color red should raise concerns; due to the business case is too far beyond our strike zone area (more than 3x as much as the average deal size).

Figure: Strike Zone Individual Business Case

The strike zone could be applied in individual business cases as well as on an overall level, such as shown in the figure below (Strike Zone Overview Model). The image demonstrates the strike zone level on the different market areas, in the figure they are indicated as A/B/C/D, alongside with each market areas business unit over a 12-month time period. As pointed out earlier on, the colors indicate how the sales are located in comparison with the strike zone. For example, market area A has an average strike zone of 4559 of won business the last 12 months. The business unit X has a yellow indication...
on No WB, meaning that the strike zone upper limit is approaching. Underneath, a red indication is evident in WB1 exceeding the strike zone limit with over 3x the average deal size won. Meaning that, it can be seen that the sales area has loaded the first stage of the pipeline with business cases 3x above the strike zone, which leads to that the probability of these cases to become a final order intake is decreased. However, WB2 shows a green marking, which is of course the color we should strive for and that indicated that the business is on the right track, according to the strike zone thinking.

Figure: Strike Zone Overview Model

If the strike zone strategy is developed even further, it becomes important to identify where the metric is applicable. Where is it applicable in the platform model (see figure beneath)? Is it in the purchasing or processing or in the market platform? Is the strike zone thinking possible to apply in a new market / new product (see figure: Ansoff Matrix)? In the Diversification zone of the model, where new market and new product is described, which is an indication of that we have no previous business. The question is how can we determine our strike zone is in a new market and product area?
In order to create the right flow in the sales pipeline, with the right opportunities, we need to establish a prioritization support tool. The figure below (Optimal Prioritization Model) demonstrates the optimal prioritization order for a sales pipeline. Priority number 1 should be allocated in the end of the sales process (WB4-5), where the deal is close to completion. This is due to the simple answer that an organization main goal is to get “ink on the paper”, in other words close a deal. The second priority is assigned in the beginning of the sales pipeline (WB/MA & WB1), where the organization identifies opportunities as suspects and prospects. The last priority, number 3, is allocated in the
middle of the sales process (WB2-3). In which sales leads are managed. This priority structure is based on the fact that if priorities are positioned in the beginning, the less prioritization the business cases needs when streaming from one next to the other in the sales pipeline. However as mentioned earlier, priority number one will always be in the end of the sales process. As shown in the figure underneath there are resources connected to each of the mentioned priorities. If examined it is evident that the resources are not consistent with the priorities, this is due to that priorities are not only related to resources (costs) but also dedication. The optimal prioritization model indicates that priority 1 should have resources on a medium scale, whilst priority 2 is assigned with a low resource scale, and lastly priority number 3 with resources that are high.

*Figure: Optimal Prioritization Model*
Based on a total of 651 businesses for a selected product area, over time with the expected contract date between 2015-05-25 and 2018-05-25. These 651 business opportunities are transactions where Support and Services are responsible for contracts with external customers. These 651 business opportunities are not included in all business opportunities but where other Saab units are responsible for customer contact and Support and Services becomes is the "subcontractor". In the table below the 651 business opportunities are calculated as proportions of business cases over 3x the strike zone.

*Table: Business Cases Outside the Strike Zone*

<table>
<thead>
<tr>
<th>Proportion of Business Cases Over 3x Strike Zone</th>
<th>% Number</th>
<th>% Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>24%</td>
<td>97%</td>
</tr>
<tr>
<td>Baseline</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td>Opportunity</td>
<td>5%</td>
<td>25%</td>
</tr>
<tr>
<td>Identified without WB decision</td>
<td>9%</td>
<td>58%</td>
</tr>
<tr>
<td>Identified with WB decision</td>
<td>3%</td>
<td>9%</td>
</tr>
</tbody>
</table>

15% of the number of business opportunities for the next 3 years will be outside the strike zone, and therefore outside of the “perfect” pipe shaped sales pipeline in terms of numbers of business cases. (The percentage identified without WB decision is not a part of the calculation). 39% of the volume of accumulated business opportunities in the CRM for the next 3 years will be outside of the strike zone, and therefore outside of the “perfect” pipe shaped sales pipeline in terms of volume in business cases. (The percentage identified without WB decision is not a part of the calculation).

Definition of sales pipeline = Baseline + Opportunity + Identified with WB decision. 
Baseline = Budget and included in the business plan as a basis of operations. 
Opportunity = Business as we have qualified and thus included in the sales pipeline. 
Identified = Identified business opportunities but which has not been qualified, and thus by definition is not included in the sales pipeline even if they do not have the WB decision.
General Business Aspects

When conducting business there are several customer characteristics that are taken into consideration, illustrated in the table below.

Table: Customer Characteristics

<table>
<thead>
<tr>
<th>Customer Characteristics to Consider</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time aspect; when do we think the customer wants to order?</td>
</tr>
<tr>
<td>Map important decisions makers</td>
</tr>
<tr>
<td>What is the customer’s budget?</td>
</tr>
<tr>
<td>Who are the competitors?</td>
</tr>
<tr>
<td>What is our offer; what are our unique selling propositions?</td>
</tr>
<tr>
<td>Political market</td>
</tr>
<tr>
<td>Customer relationship; what relationship do we have with the customer?</td>
</tr>
</tbody>
</table>

Saab’s offerings to the customers consist of something the organization already has productified according to PLCM (Product Life Cycle Management). We are in a market where we are competitive and where we get export to, since Saab is regulated by the Inspector of Strategic Products (ISP), which works with control and compliance of defense material, therefore the organization is in a bit controlled and in some ways delimited.

Business teams consist initially of four members and the structure depends on the business units, the members are listed in the table below.

Table: Business Team Members

<table>
<thead>
<tr>
<th>Business Team Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Sales Owner at Business Area (PSO) Owners</td>
</tr>
<tr>
<td>Customer Sales Owner at Market Area (CSO)</td>
</tr>
<tr>
<td>Product Sales Responsible (PSR)</td>
</tr>
<tr>
<td>Customer Sales Responsible (CSR)</td>
</tr>
</tbody>
</table>
What is not included in Saab’s WB process today is illustrated in the table underneath.

*Table: Missing Aspects in WB Process*

<table>
<thead>
<tr>
<th>Aspects that are Missing in WB Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hit Rate for product area in an market area</td>
</tr>
<tr>
<td>Size of won offers from BA, MA, PA and PF</td>
</tr>
<tr>
<td>Additional statistical measures such as the median, standard deviation, averages, etc.</td>
</tr>
</tbody>
</table>
Appendix F – Brief Overview of Saab

Saab is a Swedish company that serves the global market of governments, authorities and corporations with products, services and solutions ranging from military defense to civil security. It all started when the Swedish Government decided to promote the establishment of a domestic defense industry in 1936. Saab was subsequently founded in 1937 with the mission to secure the nation’s supply of military aircraft as part of the drive to maintain the national security. Today the organization has operations and employees on all continents and constantly develops, adopts and improves new technology to meet customers’ changing needs.