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Abstract

**Course/Level:** Master thesis, Strategic Marketing Management  
**Authors:** Daniel Andersson, Pontus Hjertqvist  
**Thesis advisor:** Jukka Hohenthal  
**Title:** Customer Involvement in New Service Development: Organizational Implications and Challenges  
**Background:** The nature of services is becoming technology-based, which implies that customers are becoming increasingly autonomous from the service firm. Understanding how to involve customers in the development process of such services as well as to recognize the challenges brought by customer involvement in this context should be seen as key issues for developing successful new services.

**Research questions:**  
RQ1: How are customers involved in the development process of technology-based services?  
RQ2: How do challenges brought by customer involvement impede new service development?

**Purpose:** The purpose of this thesis was to explore how an organization within the banking industry in Sweden involves its customers in the new service development process.

**Methodology:** A qualitative single embedded case study strategy, combining inductive and deductive reasoning. The empirical investigation was conducted using a triangulation of secondary data and primary data collected from semi-structured interviews.

**Conclusion:** Customers are involved in three out of four of the fundamental phases in the development process. The findings acknowledged that a lack of formal routines and process of managing customer involvement impeded the organization to successfully involve customers in their new service development programs. As such, the findings suggest that organizations need to employ a new organizational design optimized for customer involvement in their NSD-programs, where current structures, processes, and mindsets need to be adjusted accordingly.

**Keywords:** New service development, customer involvement, technology-based services, organizational challenges.
"If I had asked my customers what they wanted they would have said faster horses" - Henry Ford
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1. Introduction

1.1 Background

“The digitization has put the Swedish banking industry at a major crossroad. Technology drives an unprecedented change and the industry is facing a revolution in the banking landscape” (Framtidens bank 2015).

Not long ago, banking offices were decorated with polished marble and behind the desk worked cashiers who watched cash flow in and out on a continuous basis. This reality has drastically changed, and the entire industry is going through a fundamental transformation. The battle to win customers has undoubtedly left the physical sphere and is instead almost solely performed in the digital landscape (PWC 2014). In 2014 it was estimated that 90 percent of the Swedish population used the Internet to do their banking errands (Findahl 2014), compared to 50 percent ten years ago (SCB 2004). Additionally, mobile-banking applications were the second most frequently downloaded applications in Sweden last year (Findahl 2014). Thus the nature of services is becoming technology-based, where customers are increasingly interacting with technology as a substitute to service employees to create the service outcome. Technology-based services enable customers to consume the service independently from any human interactions with the service provider (Meuter, Ostrom, Roundtree and Bitner 2000). In contrast to traditional services that are encompassed by personal interactions, the technology replaces the service employee. This further entails that customers are becoming increasingly autonomous from the service firm (Kristensson, Matthing and Johansson 2008).

Several trends have emerged during the last decade due to the era of digitization, which has put pressure on organizations across many service industries to be innovative. The increased customer expectation, technological advances, and the rise of Internet (Alam and Perry 2002) has led to a competitive landscape that requires actors to continuously develop their services (e.g. Alam and Perry 2002; Menor, Tarikonda and Sampson 2002; Kelly and Storey 2000). One of the major trends in the banking industry is that more and more customers seek additional services at complementary banks (SKI 2014). The digitization has decreased the barriers to entry, which enables new actors to enter the market (PWC 2014). Swedish banks have thus realized that their competitiveness is dependent on how they meet customers’ requirements in the digital landscape. As a result, Swedish banks expect to invest heavily in technology-based services in the near future (Chakravarthi 2014).

1.1.2 The complexity of customers’ needs

The development process of new services has been dominated by the thought of carefully listening to customers’ wants and needs, and respond with new services accordingly (Thomke and Von Hippel 2002). However, many organizations are facing problems during the development process (Menor and Roth 2008). Only 50 percent of the newly developed services that are launched to the market succeed (Cooper and Edgett 1996). The high failure rate could be explained by a lack of focus on new service development during the development process (e.g. de Brentani 1993; Kelly and Storey 2000; Menor et al. 2002). Menor and Roth (2008) argue that the
The most important factor for a successful service development is organizations’ ability to recognize the competitive environment clearly, by proactively respond to customers’ needs and wants. However, customers often have difficulties to articulate the needs surrounding the service (Thomke and Von Hippel 2002; Lundqvist and Yakhlef 2004), and organizations normally have weak tools to disclose them (Matthing, Sandén and Edvardsson 2004). Traditional marketing research tools only tend to reveal what the consumers have said, not what they actually need (Stone, Bond and Foss 2004). Nor do they capture the complexity of customers evolving needs, as they are restricted in terms of execution and frequency (Sawhney, Verona and Prandelli 2005). This paradox implies that organizations tend to develop services under what is called the “hit-and-miss” approach, which is an approach characterized by a lack of customer orientation and research. A lack of understanding around customers needs force organizations to launch the service on a “trial and error” basis (de Brentani 1993). Organizations that attempt to reach a higher service performance should therefore engage and involve their customers in development activities (Alam and Perry 2002). The rationale of customer involvement is that latent and unarticulated needs are resident within the customer (Lundkvist and Yakhlef 2004). This entails that only listen carefully to customers’ requirements is not sufficient (Edvardsson et al. 2006). Involving customers in organizational practices enable customers to indirectly express their needs by proposing services that meet their requirements (Magnusson, Matthing and Kristensson 2003). Consequently, in order to stay competitive in today’s evolving marketplace, organizations should stop asking the customers what they can do for them and instead seek to develop value-creating dialogues by asking what the customers and the firm can do together (Prahalad and Ramashamy 2004; Sawhney et al. 2005).

1.2 Problem statement and research questions
The era of digitization has open up new possibilities for interactions between the customer and the organization. One of the major opportunities is that organizations now are able to use technology and various platforms to involve their customers more actively in new service development (Sigala 2012). Yet, capitalizing upon what the customers actually know tends to be neglected. Customers have traditionally been viewed as a source for revenues rather than as a source of competence (Gibbert, Leibold and Probst 2002). However, customers have the potential to become an important resource for the organization since they possess valuable information about organizations’ current offering (Aghamirian, Dorri and Aghamirian 2013). Organizations can by involving customers use and integrate their expertise in the development process of new services (Sawhney 2002). Involving customers in the development process of a technology-based service is argued to be particularly important to avoid market failure. That is, since the more organizations move towards technology based-services, the less able they are to anticipate customers’ needs. It consequently exists few opportunities to communicate with and observe customers in different situations, which makes it hard to determine customers’ experiences with the service (Kristensson et al. 2008). Given that Swedish banks expect to invest heavily in technology-based services, it can be considered of importance to bring further clarity in how such actors can involve customers in new service development processes. The first research question this thesis address is stated as followed:

How are customers involved in the development process of technology-based services?
Furthermore, a vast amount of research since the year of 1980 has focused on validating and expanding the benefits of involving customers in organizational activities (Foss, Laursen, and Pedersen 2011). However, studies that attempt to address the internal role of the organization in the process of involving their customers are poorly documented (Foss et al. 2011; Cui and Wu 2015). This should be of high priority since organizations only can utilize the benefits of customer involvement if the practices internally are in place, which entails that organizations must foster an internal organization capable of managing it (Foss et al. 2011). The established banks in Sweden have locked themselves into strict processes and old systems (PWC 2014), which could prevent banking actors to utilize the benefits of customer involvement. It is argued that the more organizations seek to move towards close collaboration with the customers, the more they have to abandon traditional strategies and structures (Day 1998). However, previous research does not highlight organizational mechanisms needed to overcome the challenges brought by customer involvement (Cui and Wu 2015). This entails that previous findings regarding customer involvement in service research only are preached but not practiced, since how organizations could leverage on its benefits is less known (Matthing et al. 2004). It could therefore be considered of importance to recognize the challenges that could prevent efficient management of customer involvement in new service development. Thus, the second research question this thesis addresses is:

*How do challenges brought by customer involvement impede new service development?*

### 1.3 Purpose statement

To address the above stated research questions, this thesis will have its foundation in existing literature in *new service development* and *customer involvement*. By emphasizing an internal perspective, the purpose of this thesis is to:

*Explore how an organization within the banking industry in Sweden involves its customers in the new service development process.*

This thesis seeks to provide the theories within the field of new service development with further sophistication as well as, by emphasizing an internal perspective, bring further contribution for theory development. By emphasizing a holistic approach, the contribution for businesses should be seen as an enhanced understanding of how to manage customers’ involvement in new service development, and how to overcome the major challenges brought by it.
1.4 The case of Skandia
Skandia is an organization within the banking and insurance industry. The organization has for long thought of themselves as an organization owned by its customers, i.e. being a business because of and for its customers (Gibbert et al. 2002). Approximately one year ago, Skandia changed corporate form and became mutually owned by their customers. The “voice of the customer” has been important for the organization due to the obligations raised by the new corporate form. By having such approach, Skandia’s customers are highly involved and influential in organizational practices (Skandia.se 2015), which implies that Skandia and its customers co-create business together (Gibbert et al. 2002). According to Skandia’s management, the organization has been facing problems recently, where the customers complain that Skandia is losing its innovative position (Hartsö 2015). Skandia’s management has realized that a push-strategy of new services will not be enough to gain competitive advantage. Therefore, the organization seeks new opportunities to involve their customers in new service development more efficiently. They are in the writing moment experimenting with various digital platforms to harness customers’ feedback, and are working on shaping an internal organization capable of managing it (Nordborg 2015).

1.5 Thesis disposition
The thesis disposition is outlined as follows:

Chapter 2 presents a literature review where previous research and findings related to new service development and customer involvement is brought to light. The review ultimately resulted in a conceptual model that guided the empirical investigation. Chapter 3 provides reasoning around the methodological choices employed in this thesis. An introduction of Skandia’s new service development process is presented in chapter 4, for the purpose of clarifying important issues before the empirical findings and an analysis are presented in chapter 5. Chapter 6 contains a summary of the discussion and the revised research model is presented. Chapter 7 concludes the main findings in relation to the objectives of this thesis and provides a discussion around the theoretical contribution and managerial implications of the results. Lastly, limitations and directions for further research end this thesis in chapter 8.
2. Literature review

The following chapter provides a discussion around the chosen theoretical constructs. It starts by defining key concepts for the sake of clarity, followed by the theoretical framework employed in this thesis. It ends with an operationalization of the theory.

2.1 Clarification of key concepts

2.1.1 What constitutes a new service?
Researchers within new service development are urged to clarify what constitute a new service before conducting research. It should further be clarified “what” service that is offered, and it should also include “how” the service is offered (Menor et al. 2002). As such, the definition emphasized in this thesis is provided by Menor (2000): “an offering not previously available to a firm’s customers resulting from the addition of a service offering or changes in the service concept that allows for the service offering to be made available” (Menor 2000: in Menor et al. 2002, p. 138). It is argued that such definition takes the above-mentioned issues in consideration (Menor et al. 2002).

2.1.2 Defining customer involvement
There are several terms describing customers’ involvement in organizational practices, i.e., customer involvement (Matthing et al. 2004), customer participation (Dong, Evans and Zou 2007), user involvement (Alam 2002), customer collaboration (Swahney et al. 2005), co-creation (Grönross and Voima 2013), co-opting with customers competence (Prahalad and Ramaswamy 2004), customer integration (Mota Pedrosa 2012) and customer interactions (Foss et al. 2011). The term emphasized in this thesis is customer involvement, and the definition employed refers to customer involvement as “the process, deeds and interactions where a service provider collaborates with current or potential customers to learn about the market and alter organizational behavior” (Matthing et al. 2004, p 487). Thus, customer involvement emphasizes a close relationship between organizations and customers, in order for both parties to learn from each other and create mutual understanding (Edvardsson, Gustavsson, Kristensson, Magnusson and Matthing 2006).

2.1.3 Customer involvement in technology-based services
The development process of technology-based services is often characterized by a high level of ambiguity. Customers would thus find it difficult to grasp how such technologies work and particularly to provide ideas for organizations to implement (Matthing, Kristenssson, Gustafsson, and Parasuraman 2006). Customers are normally not aware of the limitations of their suggested ideas and solutions, nor fully capable to know what is feasible from a technological point of view (Kristensson et al. 2008), which mean that customers might come up with suggestions that are in fact impossible for the organization to implement (Magnusson 2009). It is therefore not always realistic to view customers as a source of ready-made solutions, but rather as a source of inspiration (Magnusson 2009). Given that customers have difficulties to anticipate what is feasible from a technological point of view, entails that only a minority of the customer base possesses the qualities and creative capabilities needed to actually be a valuable source in the development of the service (Matthing et al.
2006). That is due to uneven distribution in technical knowledge in a business-to-
consumer context (Magnusson 2009).

Conversely, Magnusson (2009) found that users without a high level of technological knowledge turned out to be a creative potential in new service development, rather than a limitation. Such users were consequently able to provide more ideas that would create increased service value than users with high technological knowledge would. The reason provided by Magnusson (2009) was that technological skilled users neglected how their suggestions would create value for other users. The same author stresses however, that a certain level of technological knowledge is required in order to provide feasible ideas to implement. In similar vein, Matthing et al. (2004) argue that even though some customers might provide unrealistic solutions, one should be careful while rejecting them since an unfulfilled need might be hidden behind the proposed solution. Thus, customers’ feedback in the development process of a technology-based service are more likely to be on the premises of how it should work from the customers’ point of view, not what actually is feasible to implement (Magnusson 2009). This entails that involving customers in the development process should be on the premises of becoming inspired and thus to facilitate learning about customer latent needs through the obtained suggestions (Magnusson 2009).

2.2 Theoretical framework

2.2.1 Customer involvement in new service development

New Service Development (hereafter referred to as NSD) could be defined as the “overall process of developing new service offerings” (Goldstein, Johnston, Duffy and Rao 2002, p. 122). Many organizations have recognized the value of involving customers in the development process (Alam 2006), something that requires organizations to continuously interact with customers to attain their inputs (von Hippel 2007). Customer involvement, in the light of new service development, is defined as “those processes, deeds and interactions where a service provider collaborates with current or potential customers at the program and/or project level of service development, to anticipate customers’ latent needs and develop new service accordingly” (Matthing et al. 2004, p 487). The new service development process consists of four fundamental phases, namely: design, analysis, development, and launch (Johnson, Menor, Roth and Chase 2000). The design phase regards stages where new service ideas occur and are turned into service concepts. In the analysis phase, the service concept is evaluated in regard to market potential, growth, reward, and competitive advantage potential. When the concept has been analyzed, the NSD team transforms it to a “marketable service” in the development phase. Lastly, the launch phase regards commercialization of the service, the launch, and its introduction to the market (Johnson et al. 2000). Findings from previous research in each phase are presented below.

2.2.1.1 Design Phase

Involving customers in the initial phase in the development process is argued by several authors to be particularly fruitful for the service’s success (e.g. Nambisan 2002; Matthing et al. 2004; Alam and Perry 2002). Research has shown that by involving customers early in the development process, organizations have the opportunity to gain valuable initial ideas for concepts (Nambisan 2002; Gruner and Homburg 2000; Alam and Perry 2002), which according to Melton and Hartline (2010) could have a direct contribution to competitive advantage. In a similar vein,
Matthing et al. (2004) stresses the importance of adopting a proactive approach by involving customers early in the development process, as it would facilitate learning and reducing the risk of being copied and outperformed by competitors (Matthing et al. 2004). It further enables the service provider to ensure a certain degree of service acceptance when it is launched to the market (Cheng, Chen and Tsou 2012). That is since the NSD team is provided with a clearer picture around service concepts that corresponds with customers’ requirements, as well as obtain a critical evaluation of the overall offering (Alam 2008). Thus, involving customers could be of importance to disclose customer reaction towards the service concept (Alam and Perry 2002). Additionally, involving customers early in the development process is favorable as successful services ideas are fostered by user interactions. Thus, the level of customer involvement should be particularly high initially in the service development process as it tends to be a correlation between quantity of ideas and the probability of finding a successful one (Alam 2002).

However, involving customers in the design phase should not only be on the premise of generating new service ideas. Organizations should also see it as an opportunity to obtain input concerning customers expectations and preferences (Melton and Hartline 2010). Emphasis should be directed to identify desired service benefits, features and attributes (Alam 2008). This will reduce the risk of creating a gap between customers’ expectations and what the new service actually delivers (Melton and Hartline 2010). Organizations need to consider the large amount of information customer involvement might yield. Information overload can be particularly challenging in the design phase of the development process, since screening and sorting relevant ideas might be time-consuming. The potential risk of information overload can be a complex task that could threaten the freshness’ and relevance of customers’ input, which entails that the other phases in the development process might suffer (Hoyer, Chandy, Dorotic, Krafft and Singh 2010).

2.2.1.2 Analysis phase
This phase concern the analysis of the synergies between customer satisfaction and the economic value of the service. The service will consequently not proceed to development just on the premise of satisfying customer demand, it also has to be profitable for the organization (Johne and Storey 1998). Melton and Hartline (2010) argue that customers normally are not involved in the analysis phase as it is a phase often controlled by the managers. Managers analyze the service profitability potential for the purpose of determining whether or not to proceed with the development project. Cheng et al. (2012) found that customer involvement during the analysis phase had a negative impact in the NSD process. Consequently, customers do not normally possess the necessary knowledge or tools to provide any valuable feedback in this phase, which might explain why involvement is rarely emphasized (Cheng et al. 2012).

2.2.1.3 Development phase
In the development phase customers could be involved in activities related to various development tasks, such as decisions concerning design of the features and specifications concerning interface requirements (Nambisan 2002). Such involvement enables customers to be active in designing services according to their requirements (Fuller and Matzler 2007). This in turn would allow organizations to make vital refinements that would increase the perceived value of the service while it is launched to the market (Melton and Hartline 2010). It further provides the organization with an
opportunity to identify potential flaws early in the development process (Nambisan 2002). Involving customers in this phase consequently provides organizations with efficient management throughout the development process as it decrease the overall development costs and time of the service (Melton and Hartline 2010; Thomke and von Hippel 2002). Organizations are further provided with the opportunity to grasp how the service would get along in different user context. As such, valuable feedback is provided for further improvements (Nambisan 2002).

2.2.1.4 Launch phase
Melton and Hartline (2010) found that customer involvement during the launch phase of the development process should not be neglected. This would enable the NSD team to make vital refinements and hence an opportunity to enhance the perceived value of the newly developed service. Thus, the feedback customers provide during this phase would enable the organization to grasp how well the developed service corresponds with customers evolving needs, which provides valuable feedback for modifications and improvements (Melton and Hartline 2010; Alam 2007). Even though customer involvement during the initial phases of the development process might yield new service opportunities, it is in the launch phase that customer involvement has the potential to increase the performance of the service, and further, to increase the market acceptance and ultimately result in a successful service (Cheng et al. 2012).

2.4 Customer involvement in NSD-models
Customer involvement has previously been emphasized as important for an organization’s innovation process (i.e. von Hippel 2007), but is mostly lacking within NSD processes and the develop models (Alam 2007). Some researchers have used traditional product development models as an attempt to examine the NSD process. It is argued that such models do not highlight the uniqueness of services and could thus neglect important processes and stages related to service development (Alam 2007). Consequently, an array of models have been developed that could be categorized into three main categories: partial models, translation models, and comprehensive models (Johnso et al. 2000).

Scheuing and Johnson (1989) developed a 15-step model that covers NSD holistically. The model is argued to be valuable since it (1) demonstrates both internal and external development activities and (2) highlights the importance of interactions throughout the process (Johnson et al. 2000). However, the model has been criticized as it could enhance the “official procedure” and does not apply for all processes, services, or industries (Alam 2007). A more recent model developed by Alam and Perry (2002) simplifies the process by removing some of the stages. The 10-stage model allows parallel processing to speed up the overall development cycle (Alam 2007), which means that some of the development stages overlap. It is argued that such approach constitutes a rather informal development process and hence a common approach for smaller firms. Large organizations tend to perform NSD activities in a more sequential manner, thus managing the development process more linear (Alam and Perry 2002). The model further covers the four fundamental development phases of design, analysis, development and launch (Johnson et al. 2000). It is argued that further research is needed to understand organizational processes and systems connected to NSD processes in general, and throughout the whole development process in particular (Kelly and Storey 2000). As such, a comprehensive model could be suitable to address an organization’s whole process due to the holistic approach such models allows for.
2.4.1 Customer involvement in Alam and Perry’s 10-stage model

The 10-stage model is customer-oriented and highlights the importance of producer-consumer interactions in each development stage (Alam and Perry 2002; Alam 2007). Alam and Perry’s (2002) research presented below provides insights into how customers can be involved in each stage.

Table 1 – Customer involvement in the 10-stage model

<table>
<thead>
<tr>
<th>Development stages</th>
<th>How customers could be involved</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Strategic Planning</td>
<td>Customers could be involved to generate feedback on financial data. (Alam and Perry 2002)</td>
</tr>
<tr>
<td>2. Idea Generation</td>
<td>Customers could be involved in the sense that they are able to state their needs, problems, and their solutions. It is further argued that customers could criticize the organizations existing services, identify market gaps, and express their wishes regarding service attributes. (Alam and Perry 2002)</td>
</tr>
<tr>
<td>3. Idea Screening</td>
<td>Customers could provide the organization with indications regarding sales and market sizes. In addition, by involving customers during this stage, the customers could disclose preferable attributes, features, and/or benefits found with the service. The organization could also let customers take part in go/kill decisions and the customers could disclose their purchase intentions to the concept. (Alam and Perry 2002)</td>
</tr>
<tr>
<td>4. Business Analysis</td>
<td>The organization could attain more financial data and competitor data, regarding the service potential profitability. (Alam and Perry 2002)</td>
</tr>
<tr>
<td>5. Formation of cross-functional team</td>
<td>Customers could be involved for the purpose of helping managers to select the NSD team. Alam and Perry (2002)</td>
</tr>
<tr>
<td>6. Service Design and Process System Design</td>
<td>Customers could jointly develop and review “the blue prints” and suggest improvements, hence identify eventual failures in service delivery through a trial performed by employees of the organization (Alam and Perry 2002).</td>
</tr>
<tr>
<td>7. Personnel Training</td>
<td>Customers could be involved in the training of employees, by participating in a simulated delivery process. (Alam and Perry 2002)</td>
</tr>
<tr>
<td>8. Service Testing and Pilot Run</td>
<td>Customers could be involved and participate actively in the delivery process and thus suggest how the organization could improve the service itself, and also suggestions concerning design changes. (Alam and Perry 2002)</td>
</tr>
<tr>
<td>9. Test Marketing</td>
<td>Before the launch of the service, customers could be involved in decisions regarding on how the service should be marketed. (Alam and Perry 2002)</td>
</tr>
<tr>
<td>10. Commercialization</td>
<td>In the last step, customers could provide the organization with feedback about the whole performance of the service. They could also express desired improvements and, if satisfied with the service, spread word-of-mouth that generates new customers. (Alam and Perry 2002)</td>
</tr>
</tbody>
</table>
2.4.2 When and where to involve
There are different views concerning when and where in the development process it would be most beneficial to involve customers (e.g. Johnson et al. 2000; Alam and Perry 2002; Nambisan 2002; Matthing et al. 2004; Cheng et al. 2012). Alam (2007) further argues that the services’ required level of innovativeness should determine where in the development process to emphasize the involvement of customers. If organizations aspire to develop services that are not completely new to the market, it might be more favorable to involve customers during the business analysis and commercialization stages. Conversely, if the aim is to develop a completely new service for the market, emphasis on customer involvement should be directed towards the idea generation stage (Alam 2007). However, Carbonell, Rodríguez-Escudero and Pujari (2009) argue that the impact of customer involvement on new service performance is independent of which stage in the development process the customers are involved. Organizations should seek to involve customers throughout the entire development process, rather than limiting the involvement to particular stages (Carbonell et al. 2009). Evardsson et al. (2006) support this view, by arguing that even though focus should be directed to develop intense dialogues with customers early in the development process, organizations should not neglect to involve customers throughout the development process and risk to forfeit valuable input.

2.5 Challenges brought by customer involvement
Involving customers in NSD can be a major contributor to competitive advantage and researchers often consider customers as a key NSD resource (Cheng et al. 2012). However, in order to gain the competitive advantage and leverage on its benefits, organizations need to foster an organization capable of managing it (Foss et al. 2011). The following sections provide a review among the main challenges brought by customer involvement in NSD.

2.5.1 Organizational structures and processes
Internal challenges are often a result of well-founded structures, processes and culture (Matthing et al. 2004). Customer involvement stresses the importance of organizational flexibility. Prahalad and Ramaswamy (2000) exemplify this by arguing that, “no part of the company, a single salesperson or an entire business unit, will be able to assume its role in the organization is stable” (p.87). Close collaborations with customers consequently force major transformations for many organizations. These transformations are argued to be particularly significant for financial services actors and can pose a threat for the organization’s well being (Day 1998).

An organization that seeks an interactive approach needs to establish and maintain a new organizational design. Traditional hierarchies within the organization need to abandon a centralized and strictly controlled structure in order to handle the demands brought by an interactive approach. Moving towards customer involvement implies an increased distribution of information and decision-making. However, in order to make the transformations required, the organization needs to challenge prevailing mind-sets and well-founded views (Day 1988).

2.5.2 The “not invented here syndrome”
To harness the benefits of involving customers, organizations need to open up its boundaries and embrace customers as a part of the development team (Nambisan 2002). Although open boundaries are essential for involving customers in NSD, it can
also increase the complexity in decision-making (Chan, Yim and Lam 2010). During such a circumstance, customer involvement could decrease employees’ sense of power and control. Customer involvement could further bring input uncertainties and a sense of handling unrealistic demands and expectations, since the employees’ need to include customers’ influence in their planning and daily operations (Chan et al. 2010). The complexity in decision-making could ultimately lead to reluctance to embrace customers’ feedback (Enkel, Kausch and Gassmann 2005).

Researchers commonly refer to the reluctance of embracing customers’ feedback to the “Not Invented Here (NIH) syndrome” (e.g. Enkel et al. 2005). The NIH-syndrome is herein defined as “the tendency of a project group of stable composition to believe it possesses a monopoly of knowledge of its field, which leads it to reject new ideas from outsiders to the likely detriment of its performance” (Katz and Allen 1982, p.7). Consequently, there is a negative attitude towards ideas that stems from outside the organization’s boundaries, which lead to an unwillingness to implement those ideas internally (Lichtenthaler and Ernst 2006). This is particularly salient when the employees are having a low power distance and an individualistic value orientation (Chan et al. 2010). A more recent research from Carbonell and Escudero (2015) revealed that NSD teams’ prior experience had a negative impact on their willingness to embrace customers’ feedback in the development process. NSD teams’ with prior experiences would rather draw upon their existing know-how and prior projects, than using the involved customers’ feedback. The consequence of the NIH-syndrome can imply that innovative and valuable ideas never get implemented. This might be detrimental for the organization's success, as customer ideas often are more innovative than those provided by the employees (Matthing et al. 2004). Thus, ignoring customers’ feedback might lower the market performance of the new service (Carbonell and Escudor 2015). The NIH-syndrome can be overcome by establishing incentives for embracing customers’ feedback (Enkel et al. 2005; Carbonell and Escudor 2015). Besides incentivizing employees, it is important to delegate responsibilities and decision rights, as well as to support communication throughout the organization. This would enable the organization to better harness customers’ feedback (Foss et al. 2011) and increase employees’ motivation accordingly (Enkel et al. 2005).

2.5.3 Facilitating transfer between units
Nambisan (2002) stresses the importance of finding a balance between the flexibility needed to harness valuable feedback from the customers, and the internal directions needed to handle the development process efficiently. Establishing and maintaining a direct link between the development team and the platform where customers participate can facilitate this balance (Nambisan 2002). If the resource and development (R&D) department and the involved customers freely have the possibility to interact, organizational problems are limited concerning R&D personnel’s ability to acquire an accurate understanding about customers’ needs (Nambisan 2002). For instance Veryzer (1998) found that when development teams directly interacted with the customers, the quality and utility of customers feedback were heavily improved (Veryzer 1998). However, organizations normally have assigned employees or even units with the responsibility to act as a liaison between the platform and the development team (Nambisan and Baron 2009). Thus, the primary role for those employees are to ensure that customers’ feedback are filtered and transferred to the appropriate units within the organization, in order to provide a
clear direction and focus (Nambisan 2002). The term emphasized here to describe transfer of customer feedback stems from theories within knowledge management and refer to the process in which knowledge is shared from an individual to others, which could be both purposefully or arise as a consequence of a given activity (Roberts 2000). Organizations could face challenges due to unawareness of the knowledge and competencies they possess, or that they have weak systems for transferring knowledge (Huber 1991). This entails that valuable customer feedback can be lost when it has to be transferred between different units (Enkel et al. 2005). Wang and Juan-Ru (2008) stress the importance of establishing a knowledge database that is accessible in given areas. Technology has been recognized to ease the transfer of knowledge within organizations, as it facilitates increased linkages between units (Alavani and Leidner 2001).

2.5.4 Managing customer heterogeneity

The identification of the right customers to collaborate with is argued to be an important factor in the organization’s strive for success and ultimately reduction of market risks (Enkel, Perez-Freije and Gassmann 2005). There are three main criteria that organizations should consider while selecting customers to involve in the development process, (1) loyal customer, (2) lead users, and (3) customer heterogeneity. Loyal customers often have a higher degree of motivation to provide valuable ideas (Hoyer et al. 2010). The commitment and strong relationship such customers have developed with the organization make them particularly appropriate to involve in NSD activities (Edvardsson et al. 2006). Another common selection criterion is to involve the so-called lead users (Edvardsson et al. 2006), due to such users ability to anticipate the needs prior to the marketplace. It is further argued that lead users would show a high level of motivation to participate in NSD activities due the benefit it would yield for them as users of the service (von Hippel 1986). However, none of the above criteria emphasize the multiple characteristics of the customers (Edvardsson et al. 2006).

The third selection criterion thus favor the importance of developing dialogues that captures and utilize the heterogeneity of their customers (Lesser et al. 2000). Customer heterogeneity refers to differences in customers’ characteristics and behavior that might affect the perceived value of the service (Castro, Martin Armario and Martin Ruiz 2007). Organizations need to structure and channel customers’ suggestions (Nicolajsen and Scupola 2011) and ensure that the involved customers are representative for the customer base and not only for individual customers (Blazevic and Leivens 2008). A lack of recognition in customer heterogeneity might imply that the newly developed service only represent the needs of a limited number of customers (Nambisan 2002). Menor and Roth (2008) argue though, that a too formalized and strict process of incorporating customers feedback, might fail to capture the heterogeneity of the customers. Thus, organizations would favor an informal and loosely coupled process in order to ensure customer heterogeneity (Menor and Roth 2008). Taken together, a careful selection of customers is required, but is often a difficult and costly process (Nambisan 2002).
2.5.5 Motivating customers to share
Regardless of what criteria organizations use to select customers to participate in organizational practices, they are reliant on customers’ willingness to share (Paquette 2006; found in Schwartz 2006). If customers do not expect any gains by their involvement, they are unlikely to devote their time and effort in organizational activities. This entails that just relying on human kindness by enabling customers to participate will not be enough (Nambisan and Baron 2009). Organizations need to identify what motivates their customers to participate and more importantly, develop strategies to trig those motives (Hoyer et al. 2010). This would provide the organization with valuable insights of how to foster increased commitment among the involved customers (Nambisan 2002). Organizations can also take strategic actions towards increasing customers’ willingness to share by reducing the costs of participation. That is, making the involvement as time efficient and effortless from a customer point of view as possible (Hoyer et al. 2010). However, von Hippel and von Krogh (2006) found that customers might very well freely reveal their ideas to the organization, and that is the central aspect of using customers as a valuable source of information. The same authors urged that customers share their ideas as a mean to obtain improvements according to their requirements (von Hippel and von Krogh 2006). Thus, “free revealing” refers to the activity when an information possessor, such as a customer, grants all interested agents access to information without expectations of any monetary rewards (Harhoff, Henkel and von Hippel 2003).

2.6 Operationalization of theory and conceptual model
The model below visualizes this thesis’ theoretical conceptualization and foundation (see figure 1 – Conceptual research model). Customers could be involved in each of the four fundamental development phases design, analysis, development, and launch. Each phase is argued to consist of different development stages, which for the purpose of this thesis will be investigated in relation to an organizational development program. The first three stages in the 10-stage model, stage 1-3, could be related to the service design phase. The fourth stage relates to the analysis phase. Stage 5-9, all relate to the third phase, development. Lastly, the 10th stage relates to the fourth phase, namely launch.

Furthermore, research has shown that customer involvement can bring challenges for an organization. In order to attain the outcome of successful new service development, the organization may have to overcome these challenges. To the best of our knowledge, previous research has not derived challenges to specific phases or stages in the development process. It is therefore unclear where in the development process these challenges are prevalent. Taken together, the conceptualization below suggests that customer involvement could be employed in each fundamental phase of an organization's development process and additionally in each stage, in which challenges could be more or less prevalent. However, given the nature of technology-based services, it could be assumed that the level of customer involvement may have implications on certain development stages throughout the new service development process. Such assumption could be founded in what Kristensson et al. (2008) relates to in their research. A lack of technical knowledge could entail that organizations should view their customers as a source of inspiration rather than a source of ready-made solutions. Thus, customer involvement in the stages of idea generation (2) and service design and process system design (6) could facilitate learning of customers
latent needs, rather than potential solutions. Additionally, customer involvement in the stage of training of personnel, which according to Alam and Perry (2002) could be performed to educate personnel through a simulated delivery process might not be a feasible stage to involve customers, as the service outcome is created independently from the service provider (Kristensson et al. 2008; Meuter et al. 2000).

Figure 1 – Conceptual research model
3 Method

The following chapter outlines the methodological reasoning and choices employed in this thesis. A summary can be found at the end of this chapter.

3.1 Research approach

This thesis contains elements from both deductive and inductive reasoning, called the abductive approach (Dubois and Gadde 2002). Thus, in line with Saunders, Lewis and Thornhill (2009) which approach best suited depends on how the researchers view the relationship between theory and data, although a combination is often more fruitful (Saunders et al. 2009). The applicability of the theoretical framework employed in this thesis was analyzed through subsequent data collection. Consequently, this research urged that theoretical constructs and questions were defined prior to the data collection. The findings derived from an operationalization of existing theories within the field of new service development and customer involvement, and explored whether the theories applied to the context of this thesis. These are elements that characterize a deductive approach (Saunders et al. 2009; Hyde 2000; Rowley 2002). Conversely, in the initial stages of this thesis, an unstructured interview was conducted with a respondent at the chosen organization. This interview guided the chosen theoretical framework employed in this thesis, which ensured that the research as whole turned out in accordance to the research objectives, which according to Saunders et al. (2009) reflects the inductive reasoning. The abductive approach was further fruitful for this thesis as it allowed the employed theoretical framework to be altered by the empirical findings (Ali and Birley 1999). That is, since a combination of the two ways of reasoning does not force theory to match the empirical data (Dubois and Gadde 2002).

As the internal perspective of customer involvement in NSD further is an unexplored research field (eg. Foss et al. 2011; Cui and Wu 2015), a qualitative approach was considered appropriate (Saunders et al. 2009). To answer the stated purpose and research questions there was a need to draw upon rich data rather than to derive measures for generalizations, which arguably excluded the quantitative approach. Although a qualitative approach does not exclude generalization, the nature of those generalizations is different. The intention was to expand and generalize theories instead of determine whether or not the phenomenon could be generalized across the population. Additionally, the findings will be based upon the respondents’ subjective interpretation of their daily work, which according to Yin (2011) stresses a qualitative approach.

3.2 Research design

Given the immaturity of this research field, an exploratory research design was employed. Saunders et al. (2009) support the choice of such design when there is a need to bring further clarity and understanding of a problem, which one could argue to be the case in this thesis. The exploratory research design was further considered appropriate due to the need for flexibility. Given the uncertain nature brought by an undeveloped research area, the empirical data might provide insight that requires a change of direction (Saunders et al. 2009). The internal processes of how to manage customer involvement in NSD might not be fully in line with the theoretical
framework employed in this research. Furthermore, as data were not collected over a long period of time, but rather within a limited timeframe, a cross-sectional design was conducted. The intention was to explore a process of how the investigated organization was managed customer involvement in new service development by targeting representative members, rather than following and observing the processes itself. Hence in accordance with Saunders et al. (2009) the longitudinal research design was excluded.

3.3 Research strategy
The purpose of this thesis called for a case study to be conducted. A case study is a suitable research strategy for researches that aims to answer questions of “how”, “what”, and “why” certain phenomena occur. Further, a case study is a research strategy that is commonly used for exploratory research (Saunders et al. 2009), also considered appropriate since the thesis was exploratory in character. In order to explore, it is argued that data allowing for deep understanding is needed (Saunders et al. 2009; Baxter and Jack 2008). This justifies the strategy since the thesis aimed to explore a process that was context dependent and further could vary in accordance with specific organizational capabilities.

Due to the chosen research strategy, the findings of this research should not be generalized beyond the sample of this study. Nor did such intention ever exist. However, the findings can be generalized to some broader theory, thus it is of interest to make analytical generalizations (Yin 2011). The intention was to bring further strengths into the theoretical framework by comparing it to the empirical results. Others researchers can apply the same theoretical framework and conduct a similar study in a different industry, which strengthen the external validity in this thesis.

3.3.1 Case study design
To consider the nature of an internal process entails that there is a need to involve multiple units of analysis. Following the recommendation by Rowley (2002), these different units will be explored individually, but drawn together to provide an overall picture. In order to provide a thorough picture of how the investigated organization managed customer involvement in NSD, data had to be collected from members with different roles and responsibilities. The units of analysis in this thesis included employees that worked at a strategic level, as well as employees that worked at an operative level. Given that different units of analysis will be explored, the chosen case study design was single embedded.

3.4 Sampling
Skandia was considered particularly appropriate to answer the stated purpose and research question. The organization seeks strategic initiatives to involve their customers more efficiently in new service development. This entails that Skandia was chosen based upon appropriateness. This goes in line with Saunders et al. (2009) who argue that judgmental sampling is fruitful when there is a need to choose a case based upon its high informative character related to the research questions (Neuman 2005; in Saunders et al. 2009, p. 239). The judgmental sampling technique was used initially to target the member that specifically possessed qualities and information related to the aim of this thesis. The head of Customer Influence was sampled based upon that premise. The sample technique of snowballing was further used to determine the sample frame. This sample technique continued until no further respondent was recommended and when a reasonable degree of saturation was reached, as suggested
by Saunders et al. (2009). All respondents were part of Skandia’s pilot project and outlined the team that provides the foundation for how Skandia could involve customers in NSD-programs in the future. Given this information, the sample frame was considered appropriate despite the rather limited amount of respondents.

The authors of this study are aware of the potential biases brought by snowball sampling. The potential risk of receiving a homogeneous sample, based upon access to likeminded people (Lee 1993; found in Saunders et al. 2009), was considered while choosing sample technique. However, snowball sampling was a necessity, in order to establish contact with the representative members, which outlined this pilot project. Information about the respondents could be found in table 2 – *Table of respondents* below.

### Table 2 – *Table of respondents*

<table>
<thead>
<tr>
<th>Respondents name</th>
<th>Unit of analysis</th>
<th>Position</th>
<th>Referred to as</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nordborg</td>
<td>Strategic</td>
<td>Head of Customer Influence</td>
<td>Nordborg (2015)</td>
</tr>
<tr>
<td>Hartsö</td>
<td>Strategic</td>
<td>Head of Consumer Insight</td>
<td>Hartsö (2015)</td>
</tr>
<tr>
<td>Sjöberg</td>
<td>Strategic</td>
<td>Skandia’s Program Office</td>
<td>Sjöberg (2015)</td>
</tr>
<tr>
<td>Magnusson</td>
<td>Operative</td>
<td>Product Owner</td>
<td>Magnusson (2015)</td>
</tr>
<tr>
<td>Knapp</td>
<td>Operative</td>
<td>Team leader IT development</td>
<td>Knapp (2015)</td>
</tr>
</tbody>
</table>

3.4.1 Research ethics

The respondents and the organization’s names were used in accordance with the respondents and Skandia’s top management approval. Data from primary and secondary sources did not interfere with any confidentiality or anonymity issues, as suggested by Saunders et al. (2009).

3.5 Data collection method

The primary data was collected through semi-structured interviews. Such data collection was considered appropriate since it allows for a favorable combination of *flexibility* and *consistency*. The flexible character of semi-structured interviews allowed probe questions to be asked and thereby enabled the respondents to elaborate on their responses (Silverman 2007: in Saunders et al. 2009). The respondents could hence disclose their subjective interpretations, which implied that new areas of interest could arise (Bryman and Bell 2011). As such, semi-structured interviews were chosen based upon the premise that it captured the voice of the individual respondent. Furthermore, the interview guides (see paragraph 3.7 - *Interview guide*) were used in
order to hold the flexibility at a reasonable level, and thus reduce the risk for letting the interviews result in inconsistent answers (Bryman and Bell 2011).

As a complement, secondary data was gathered from organizational reports, Skandia’s website and blog, and presentations related to Skandia’s NSD process. The secondary data was hence used to enable triangulation, which according to Saunders et al. (2009) is employed to “… ensure that the data are telling you what you think they are telling you” (p. 146). The triangulation was undertaken based upon Riege’s (2003) argument that construct validity in research only can be achieved if the theoretical constructs actually measures what they intend to measure (e.g. Riege 2003; Hernon and Schwartz 2009). Acknowledging multiple sources of data provided a good foundation for the construct validity criterion to be upheld.

3.5.1 Data collection procedure
The respondents were encouraged to answer the interview questions at a program level. Such approach entails that the respondents were not restricted to answer from a specific project, but could choose any development project that concerned how customers had been involved in the NSD process as a reference point (Alam and Perry 2002). The respondents were encouraged to elaborate on their answers by exemplifying with real examples. This was done in order to reduce the potential risk of respondents rationalizing their recall.

Five out of six interviews were made face-to-face, which was considered appropriate since it allows for interpretations of the respondents’ reactions (Bryman and Bell 2011). One interview was further conducted over telephone due to geographical distances. The interviews proceeded by following the recommendation provided by Yin (2011). The sessions lasted between 40 to 75 minutes and the face-to-face interviews were conducted at Skandia’s head office in Stockholm, Sweden. The chosen location was based upon the recommendation provided by Saunders et al. (2009), who suggest that the location should be convenient for the respondents. The interviews were recorded, subsequently transcribed and translated from Swedish into English. To save time however, the transcription only covered those parts of the interviews that were relevant for the objective of this thesis, based upon the recommendation by Saunders et al. (2009). Given this information, the reliability of the conducted research was considered as fairly high, due to the transparency of the data collection procedure, measurements and documentation of the raw data provided by the transcription. The transparency enables other researchers to employ the same data collection procedure and instruments. However, given the flexible character of qualitative data, the authors of this thesis argue in line with Riege (2003) that despite a thorough documentation of the conducted research, the results might differ. That is since the control of variables are low, which constitute a consequence characterized particularly by case study research (Rowley 2002).
3.6 Operationalization and measurement of variables
The essence of doing an operationalization was to secure that the research objectives were answered in a rigorous way by transforming theoretical constructs into feasible measures (Saunders et al. 2009). The operationalization further ensured that the same construct was measured regardless of unit of analysis. Thus, the theoretical constructs defined in the literature review guided the empirical investigation and in line with Ghauri and Gronhaug (2005) were used in order to gather relevant data.

Further, a conceptual definition was provided in relation to the theoretical definitions employed in this thesis. The conceptual definitions contextualize the theoretical constructs by showing the purpose they fulfilled in this research. The theoretical constructs were further transformed into measures to ensure that the questions, despite their “atheoretical” character, led to the intended constructs (Ali and Birley 1999). As such, provided a prerequisite for the construct validity to be upheld (Saunders et al. 2009). The final step in the operationalization visualizes how the measurements were captured in the questions. See table 3 – Operationalization of variables below.
<table>
<thead>
<tr>
<th>Concept</th>
<th>Theoretical definition</th>
<th>Conceptual definition</th>
<th>Measures</th>
<th>Questions</th>
</tr>
</thead>
</table>
| **New Service Development Process** | “The overall process of developing new service offerings” (Goldstein et al. 2002, p. 122) | To get an understanding of how Skandia involves customers their NSD process. | - Design Phase  
- Analysis Phase  
- Development Phase  
- Launch Phase  
Johnson et al. (2002) | Interview guide 1:  
Questions 5-19  
Interview guide 2:  
Questions 5-19 |
| **Design Phase** | Consist of development stages that new service ideas occur and are turned into service concepts (Johnson et al. 2000) | To gain deeper understanding for how Skandia involves customers to provide them with valuable inputs during stages that concern the development of the service design and concept. | - Strategic planning (Alam and Perry 2002)  
- Idea generation (Alam and Perry 2002)  
- Idea screening (Alam and Perry 2002) | Interview guide 1:  
Questions 5-8  
Interview guide 2:  
Questions 5-8 |
| **Analysis Phase** | Consist of development stages that evaluate the service concept in terms of market potential, growth, reward, and competitive potential (Johnson et al. 2000) | To gain an understanding of how Skandia involves their customers in development stages that provide them with insights and inputs regarding business performance. | - Business analysis (Alam and Perry 2002) | Interview guide 1:  
Questions 9-10  
Interview guide 2:  
Questions 9-10 |
| **Development phase** | Stages related to when the development teams are transforming service concept to a “marketable service” (Johnson et al. 2000) | To gain understanding for how Skandia involves their customers in development stages connected to the actual development of the service. | - Formation of cross-functional teams (Alam and Perry 2002)  
- Service design and process system design (Alam and Perry 2002)  
- Personnel training (Alam and Perry 2002)  
- Service testing and pilot run (Alam and Perry 2002)  
Test marketing (Alam and Perry 2002) | Interview guide 1:  
Questions 11-17  
Interview guide 2:  
Questions 11-17 |
## Launch phase

**Development stages** that concern activities and processes connected to the launch of the service, i.e., commercialization of service (Johnson et al. 2000)

*To gain understanding of how Skandia involves their customers in development stages concerning the launch of the service* - Commercialization (Alam and Perry 2002)

*Interview guide 1:*

*Questions 18-19*

*Interview guide 2:*

*Questions 18-19*

## Organizational structures and processes

**Internal challenges** are often a result of well-founded structures, processes, and culture (Matthing et al. 2004).

*To gain understanding if Skandia has an organizational design suitable for customer involvement.*

- **Organizational flexibility** (Prahalad and Ramaswamy 2000)

*Interview guide 1:*

*Question 20*

*Interview guide 2:*

*Questions 20*

## The NIH-syndrome

*The tendency of a project group of stable composition to believe it possesses a monopoly of knowledge of its field, which leads it to reject new ideas from outsiders to the likely detriment of its performance*” (Katz and Allen 1982, P.7)

*To uncover if there are any reluctances among employees to embrace customers feedback in NSD.*

- **Attitude to customers feedback** (Lichtenthaler and Ernst 2006)

- **Input uncertainties** (Chan et al. 2010)

*Interview guide 1:*

*Questions 21-24*

*Interview guide 2:*

*Questions 21-24*

## Facilitating transfer between units

**The process in which knowledge is transferred from one individual to others** (Roberts 2000)

*To grasp how Skandia ensures that customers’ feedback are disseminated to the right places within the organization.*

- **Transfer of customer feedback** (Roberts 2000)

*Interview guide 1:*

*Question 25*

*Interview guide 2:*

*Questions 25-26*

## Managing customer heterogeneity

**Customer heterogeneity** refers to differences in customers’ characteristics and behavior that might affect the perceived value of the service (Castro, Martin Armario and Martin Ruiz 2007)

*To understand what actions Skandia is taking to involve customers with different characteristics.*

- **Selection criteria** (Nambisan 2002)

*Interview guide 1:*

*Question 26*

*Interview guide 2:*

*Questions 27-28*
3.7 Interview guide
Two different interview guides were used as data collection instruments in this thesis. The questions needed to be tailored to each unit of analysis, hence the operationalization was used to ensure that the theoretical constructs were covered. Even though multiple interview guides increased the complexity of the data collection procedure, it was not considered as a threat to the quality criteria. It was rather considered as a necessity in order to ensure that the gathered data reflected the perspective of each unit. Furthermore, the content validity was established, by letting one person with strong academic skills reviewed the interview guide for the purpose to determine how well the questions represented the theoretical constructs. This provided valuable feedback concerning potential flaws in the interview guide and which questions that needed further clarification.

The first interview guide (see Appendix 1 – Interview guide strategic level) was designed for respondents that had managerial responsibilities in Skandia’s NSD program. Thus, respondents that worked with the investigated issues at a strategic level. The questions were tailored specifically to capture Skandia’s NSD program. These interviews provided a thorough picture of how Skandia managed the process of involving their customers in NSD.

The second interview guide (see Appendix 2 – Interview guide operative level) was designed for respondents that were hands-on by involving customers’ feedback in the NSD process. Thus respondents that worked at an operative level. These interview provided insight into how the strategic directions were transformed into actions.

3.8 Data analysis method
Given the integrated approach of combining inductive and deductive reasoning, the data analysis method employed in this thesis follows the recommendation provided by Miles and Huberman (1994). Thus, the activities of data reduction, data display, and conclusion and verification were employed. This method of data analysis is favorable for an abductive approach, as it is not restricted inherently to one of the two ways of reasoning (Saunders et al. 2009), and therefore considered relevant to employ in this thesis.
Drawing upon the three flows of data analysis activities suggested by Miles and Huberman (1994), the first step contained the activity of selecting, sorting and synthesizing the gathered data, hence related to what Miles and Huberman (1994) would address as data reduction. The transcribed interviews were summarized and the empirical data that did not contribute to the aim of this thesis was reduced. Key constructs of the selected data were further organized and displayed in a manageable form (see table 5 - summary of key findings). Displaying data in such way was conducted in order to derive at key insights and to determine what the generated data actually means. Displaying and organizing the data prior to the actual analysis is according to Yin (2011) a prerequisite for a strong analysis and ultimately for conducting a rigorous qualitative research. Visualizing the empirical data in such way was considered favorable for drawing conclusions and verifications (Yin 2011).

The employed data analysis strategy followed Yin’s (2012) suggested analytical strategy for case study research, hence relying on theoretical propositions. The empirical data were consequently analyzed in relation to the chosen theoretical constructs. Eisenhart and Graebner (2007) argue that the chosen strategy is particularly favorable in case study research, as it creates a strong bridge between the empirical evidence and the theoretical constructs. It visualizes more concrete how theory and empirical data relates and hence enabled pattern matching to occur (Eisenhart and Graebner 2007). The visualized data can be seen in table 5 – summary of key findings. Deriving from terms founded in existing theories further increases the transparency of how the interpretations from the empirical data were made (Saunders et al. 2009), a decision taken to increase the validity of the conducted research.
3.9 Summary of methodological choices

Table 4 – *Summary of methodological choices*

<table>
<thead>
<tr>
<th>Research Methodology</th>
<th>Chosen approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research approach</td>
<td>Deductive and inductive reasoning</td>
</tr>
<tr>
<td></td>
<td>Qualitative</td>
</tr>
<tr>
<td>Research design</td>
<td>Exploratory</td>
</tr>
<tr>
<td></td>
<td>Cross-sectional</td>
</tr>
<tr>
<td>Research strategy and design</td>
<td>Case study</td>
</tr>
<tr>
<td></td>
<td>Single embedded</td>
</tr>
<tr>
<td>Sampling</td>
<td>Judgmental sampling technique</td>
</tr>
<tr>
<td></td>
<td>Snowball sample technique</td>
</tr>
<tr>
<td>Data collection method</td>
<td>Semi-structured interviews</td>
</tr>
<tr>
<td>Data analysis method</td>
<td>Data reduction</td>
</tr>
<tr>
<td></td>
<td>Data display</td>
</tr>
<tr>
<td></td>
<td>Conclusion and verification</td>
</tr>
<tr>
<td></td>
<td>Relying on theoretical propositions</td>
</tr>
</tbody>
</table>
4. Pre-understanding of Skandia’s NSD process

The aim of this chapter is to bring clarity for Skandia’s organizational processes around service development and customer involvement.

4.1 Introducing Skandia’s NSD process

The organization has a mutual process of priority, which aims to steer all projects and development activities within the organization. Before any development project can be initiated, a business case has to be established and stated in the form of what Skandia calls an A3. In an A3, information concerning what the development project concerns, why it is needed, and what is demanded in order to realize it needs to be stated. The form enact the groundwork for if the project is needed, how it should be prioritized, and to secure that the development project goes in line with Skandia’s tactical and strategic priorities. In order for a development project to pass this process, it must be connected to one of the organization’s strategic initiatives (Appendix 3 – The process of priority).

When a project is initiated it must follow a development framework called PROPS. The framework aims to enhance a profitable and optimized service portfolio of the organization. Internal documents disclose that Skandia use PROPS to secure that all projects deliver on two main objectives. Firstly, it is implemented from a business perspective to arrange and synchronize all activities in the development project in order for it to support the superior business goals. Secondly, the framework is implemented from more of a human perspective, where the aim is to establish a joint development culture with a focus on employees as the most important resource. This perspective of the framework should enhance collaboration between team members. Consequently, all members have stated roles in the development project with a defined responsibility distribution. PROPS further steer decision-making related to the project. Most commonly, projects consist of six different tollgate points in which decisions are taken in relation to the development project and its status. The decisions range from whether an analysis phase should be initiated, to a decision point in which the project is accepted and could be delivered (Appendix 4 - PROPS).

Customers of Skandia are involved in developing activities mainly through digital channels. The empirical investigation revealed that feedback is collected from a platform called “Kundo”, through social medias, web-based surveys, and instant messaging. The platform “Kundo” is connected to Skandia’s banking mobile application and their website. It is mostly used for customer service, where customer service employees could respond to comments by customers. The comments were logged in Kundo, which enable customer service employees to tag feedback in relation to nature of the feedback and which area it concerns. This platform is an important tool for collecting, sharing, and managing customer feedback within the organization. All respondents have access to the platform. (Sjöberg 2015; Nordborg 2015; Hartsö 2015; Magnusson 2015; Knapp 2015; Hildingsson 2015)
5 Discussion of empirical results and findings

In this chapter the empirical results will be discussed in regard to the theoretical backdrop of this thesis. The chapter starts with a summary of the key findings to provide an overview for the in-depth discussion that follows (see table 5 – Summary of key findings). The chapter then discusses Skandia’s development process to show how customers are involved in development stages and its related phases. Finally, challenges brought by Skandia’s customer involvement activities are discussed in relation to theory.

5.1 Summary of key findings

Table 5 – Summary of key findings

<table>
<thead>
<tr>
<th>Concept</th>
<th>Measures</th>
<th>Key findings</th>
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<tbody>
<tr>
<td>New service development process</td>
<td>- Design Phase</td>
<td>Skandia involved customers in three of the fundamental phases; Design, Development and Launch.</td>
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<tr>
<td></td>
<td>- Analysis Phase</td>
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<td>- Development Phase</td>
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<td></td>
<td>- Launch Phase</td>
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<tr>
<td>Design phase</td>
<td>- Strategic planning (Alam and Perry 2002)</td>
<td>The empirical investigation brought no support that Skandia involves their customers in the strategic planning stage. The activities related to this development activity must be predefined.</td>
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<tr>
<td></td>
<td>- Idea generation (Alam and Perry 2002)</td>
<td>Customers were involved to generate new service ideas sporadically rather than continuously.</td>
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<tr>
<td></td>
<td>- Idea screening (Alam and Perry 2002)</td>
<td>Customers were involved to provide feedback concerning the features of the service in the idea screening stage.</td>
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<tr>
<td>Analysis Phase</td>
<td>- Business analysis (Alam and Perry 2002)</td>
<td>Skandia had predefined parameters that laid the groundwork for how the development project will be analyzed. Hence, involving customers in the business analysis stage was neglected.</td>
</tr>
<tr>
<td>Development phase</td>
<td>- Formation of cross-functional teams (Alam and Perry 2002)</td>
<td>The predefined parameters of how the development project will be prioritized prevent customers from being involved in the formation of cross-functional teams.</td>
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<tr>
<td></td>
<td>- Service design and process system design (Alam and Perry 2002)</td>
<td>Skandia neglected customers to be involved in the development and design of service blueprints.</td>
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</table>
Personnel training (Alam and Perry 2002)  
The customers were not involved in the training of personnel, a direct consequence of the nature of technology-based services.

Service testing and pilot run (Alam and Perry 2002)  
Skandia involved their customers to provide feedback on newly developed beta-versions, regarding features and design.

Test marketing (Alam and Perry 2002)  
Customers were not involved for the purpose of providing feedback on activities related to the marketing of the service.

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<tr>
<th>Launch phase</th>
<th>- Commercialization (Alam and Perry 2002)</th>
<th>Customers were involved in the stage of commercialization regarding word of mouth activities, and to provide feedback regarding further improvements of the service. However, such involvement occurred sporadically.</th>
</tr>
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Organizational structures and processes  
- Organizational flexibility (Prahalad and Ramaswamy 2000)  
Skandia’s current structure and organizational flexibility was found to be the main challenge for involving customers in new service development.

The NIH-syndrome  
- Attitude to customers feedback (Lichtenthaler and Ernst 2006)  
The unwillingness to embrace customers’ feedback was due to lack of quantification, inexperience, and accustomed patterns of “how things ought to be done”.

- Input uncertainties (Chan et al. 2010)  
The lack of synchronization between customers’ feedback and the development teams’ planning and daily operations, as well as unawareness of the quantification of customers’ feedback brought input uncertainties for the developers.

Facilitating transfer between units  
- Transfer of customer feedback (Roberts 2000)  
Manual process of transferring customers’ feedback constrained Skandia’s ability to reach the development team with timely customer feedback.

Managing customer heterogeneity  
- Selection criteria (Nambisan 2002)  
No actions were taken to ensure that the received customer feedback was representative for the customer-base. Additionally, informal processes of harnessing customer feedback impeded customer heterogeneity to be realized.

Motivating customers  
- Strategies for motivating customers (Nambisan and Baron 2009; Hoyer et al. 2010)  
Skandia relied on their customers to freely reveal their feedback as a mean for self-help activity. The consequence was however that customers’ feedback were skewed towards a certain customer segment.
5.2 Customer involvement in the stages of strategic planning, idea generation, and idea screening

Alam and Perry (2002) argue that customers could be involved to generate feedback on financial data in an initial stage of the development process, namely strategic planning. The conducted interviews disclosed that Skandia does not actively perform any business activities that aim to engage customers to provide feedback on financial data. Matthing et al. (2004) argue that organizational structure, processes, and culture could prevent customer involvement, which could explain why Skandia did not involve customers during this development stage. In order for a development project to be realized and prioritized an extensive A3 must be established, in which a rigorous project plan is included, where resource requirements must be specified (Sjöberg 2015; Nordborg 2015; Hartsö 2015; Magnusson 2015; Knapp 2015; Hildingsson 2015). Taken together, one could argue that organizational structure in that sense impeded project initiators to involve customers to provide them with inputs regarding financial data, as much of the strategic planning must be predefined.

During the empirical investigation there was organizational examples found indicating that Skandia initiates business activities aiming to involve customers to provide new service ideas. One empirical example revealed that Skandia announced a contest to attain ideas of how to further develop their mobile banking application (Magnusson 2015; Hildingsson 2015). Customers were allowed to express themselves freely in relation to a solution, where the best idea was implemented and rewarded with an iPad. “That is a rather good example of how Skandia involved customers to generate the idea...” - Magnusson (2015). As such, empirical findings suggest that customers were engaged to perform activities in the idea generation stage, as argued by Alam and Perry (2002). Skandia was further found to initiate organizational activities to involve customers in the development stage idea screening (Alam and Perry, 2002). It was disclosed that the organization engaged customers to provide feedback on certain service features and concepts. Employees at the strategic level emphasized this activity. Hartsö (2015) claimed that product owners occasionally contact her for input regarding market potentials, most commonly through Internet based surveys. The process was exemplified through a project that concerned Skandia’s funding services, where the product owners wanted to present a new service concept to customers in order to determine whether or not to develop the service. Hartsö (2015) expressed it as a way to provide them with indications regarding sales potential and a “hint” of what the customers think of the contemplated service. It is argued that activities performed by customers in this stage could be to provide reactions to service concepts (Alam and Perry, 2002), thus implying that Skandia was involving customers in the idea screening stage.

5.2.1 Implications of involvement in the Design Phase

Research has shown that involvement during the design phase is fruitful for service success (e.g. von Hippel, 1986; Nambisan, 2002; Matthing, 2004; Alam and Perry, 2002) and to get gain valuable initial ideas for service concepts (Nambisan, 2002; Gruner and Homburg, 2000). All of the respondents emphasized the importance of, and expressed a willingness to involve customers in the initial stages more frequently. According to Nordborg (2015), the organization is turning towards this type of customer-oriented development process and is opening up more channels accordingly. The empirical investigation revealed that some parts of the organization has been involving customers to attain ideas, but such activities has not been fully embraced in
the organization. Nordborg (2015) claimed: “We are not there yet, we can improve”. Several respondents claimed that customer involvement in the design phase would be beneficial for developing the “right” thing and referred to the possibility of developing services that meets customers’ requirements and needs (Nordborg 2015; Magnusson 2015; Knapp 2015; Hildingsson 2015). Such arguments could highlight one of the advantages of involving customers in the development process, which Cheng et al. (2012) argue to ensure service acceptance. Service acceptance implies that developers, through involving customers, could attain a clearer picture around the service concept and that it matches requirements of customers (Cheng et al. 2012). In addition, Skandia organized competitions (Nordborg 2015; Magnusson 2015; Hildingsson 2015) to attain new service ideas, which could provide the organization with competitive advantages, in line with Lengnick-Hall (1996). However, this type of organizational activity was found to be performed sporadic and not continuously, which could imply that Skandia does not adopt customer involvement proactively, as argued by Matthing et al. (2004). The sporadic nature of processes allowing customer involvement in the design phase could bring consequences of Skandia being outperformed and easily copied by competitors, supported by Matthing et al. (2004). This was recognized by the respondents at the strategic level, “customers are not viewing Skandia as innovative anymore” (Nordborg 2015). Skandia needs to reposition the organization as innovative (Nordborg 2015; Hartsö 2015), which could be a consequence brought by Skandia’s infrequent involvement of customers during the design phase, as argued by Matthing et al. (2004).

Hoyer et al. (2010) argue that customer involvement could bring the problem of information overload. The empirical investigation revealed that Skandia did not systematically structure feedback and input provided by customers. Such concern was expressed and Skandia was claimed to not be able to distribute customer feedback efficiently (Knapp 2015). The head of consumer insights expressed that it is a time-consuming activity to collect, distribute and share feedback to the right people and departments within the organization. This could constitute an explanation for why customers’ feedback was not always received by service developers and product owners (Magnusson 2015; Knapp 2015). The empirical investigation further disclosed relevance concerns of customers’ input, which could go in line with Hoyer et al. (2010). Feedback from customers was found to be unstructured and hence hard for product owners and service developers to take into consideration (Magnusson 2015; Knapp 2015). The distribution of feedback was additionally criticized: “The communication has not been very good [...] Until recently, I have not been aware of who is in charge to distribute the inputs from customers” (Knapp 2015). Given that the empirical investigation found that customers were not frequently involved during the design phase, Skandia may suffer from information overload that could prevent customer involvement in the design phase, as argued by Hoyer et al. (2010).

5.3 Customer involvement in business analysis stage
The empirical investigation did not reveal any organizational activities indicating that Skandia involved customers to provide feedback on the service’s potential profitability, through financial and competitor data (Alam and Perry 2002). Thus, the findings suggest that Skandia neglects customers to be involved in activities related to the business analysis stage. A large proportion of analysis concerning business and service profitability must be connected and specified to the organization’s strategic initiatives, which could explain such negation (Nordborg 2015, Hartsö 2015; Sjöberg
5.3.1 Implications of involvement in the Analysis Phase

Skandia did not involve customers to generate feedback while trying to determine the services potential in terms of market potential, competitiveness, or growth (Nordborg 2015; Hartsö 2015; Sjöberg 2015; Magnusson 2015; Knapp 2015; Hildingsson 2015). Nordborg (2015) however argues that since Skandia turned to be jointly owned by their customers, the organization has changed the way profit is calculated. A product focus has historically impregnated profit calculations, whereas today the calculations are customer oriented. Such orientation enabled the organization to put customers in the center, calculate customers’ lifetime value, and provide them with new services accordingly. It is reasonable to argue that involving customers in the analysis phase would not be beneficial for Skandia, as customers’ possess limited knowledge and a lack of tools for conducting such analysis, in line with Cheng et al. (2012). The respondents did not see how customers could be involved for business analysis purposes, which could emphasize that managers of the organization control business activities related to the analysis phase, in line with Melton and Hartline (2010). All respondents explained that an analysis in terms of profitability need to be explicitly stated in the A3 in order for it to pass the process and be prioritized as a development project. Nordborg (2015) exemplified by arguing that, “it does not matter if we have 10,000 customers who wants a certain thing, it must be profitable for the organization in the long run”. This could go in line with Johne and Storey (1998), who argue that services cannot only be developed by customers’ demand. A synergy needs to exist with the profitability of the service.

5.4. Customer involvement in the stages of formation of a cross-functional team, service design and process system design, personnel training, service testing and pilot run

Alam and Perry (2002) argue that customers could be involved to help managers select members to include in the development team in the stage of formation of a cross-functional team. However, such information must be predefined in the A3 before the project is realized (Sjöberg 2015; Appendix 3 – The process of priority). Thus, it indicates that customers were not involved in this stage. One could argue that formation of a cross-functional team however was vital for Skandia since it is one of the required parameters in a development project (Sjöberg 2015; Appendix 3 – The process of priority). This could be seen to support findings by Alam and Perry (2002), who argue that this stage is vital for successful NSD programs (Alam and Perry 2002). The empirical investigation further acknowledged that limited actions were taken to involve customers for the purpose of developing and review service blueprints, hence Skandia neglects customers to be involved in the stage of service design and process system design (Alam and Perry 2002). However, such involvement would be difficult to execute for technology-based services since customers normally possess limited knowledge concerning the technology’s potential and limitation (Kristensson et al., 2008).

Alam and Perry (2002) further suggests that organizations could involve customers in a development stage called “personnel training”, where customers could participate in a simulated delivery process of the service. As such, customers are argued to be able to provide the service provider with potential improvements (Alam and Perry 2002).
Given that Skandia did not encourage customers to participate in any simulated delivery processes (Magnusson 2015; Knapp 2015) and that their services are technology-based, one could argue that the stage of personnel training was not performed. That could be since the service outcome is performed independently from any interactions with the service provider (Kristensson et al. 2008).

Skandia has released beta-versions of developed services in order for customers to provide them with feedback regarding service features and design. One example brought up during the interviews was Skandia’s new website. Customers were encouraged to enter the website and provide Skandia with their opinions and feedback through the platform Kundo. Such activity entails that Skandia involves customers in the development stage of *service testing and pilot run*, in line with Alam and Perry (2002). During this stage, customers could actively participate in a trial delivery process and give feedback for improvements and design changes (Alam and Perry 2002), which was found to be a reason why Skandia released beta-versions (Knapp 2015). However, Knapp (2015) expressed a concern regarding the technical limitations in releasing beta-versions as frequently as preferred. If managed properly, such activity was argued to enable developers to develop the “the right thing” (Knapp 2015; Magnusson 2105). Magnusson (2015) pointed out that such tests are mostly carried out to confirm or verify certain application handiness, rather than to involve customers in the development per se. The respondent claimed that there was a need for formalization of processes that allows customer involvement and “test, discuss, adjust, and continue develop” together with the customers (Magnusson 2015).

All respondents claimed that Skandia did not involve customers to provide them with feedback and input on for instance communication plans or activities related to the marketing of the service. Thus suggesting that Skandia did not initiate activities to encourage customers to perform activities during the stage of *test marketing*, as suggested by Alam and Perry (2002).

### 5.4.1 Implications of involvement in the Development Phase

Customer involvement was emphasized both from the strategic and operative level in the development phase. Organizational examples brought up during the interviews were mainly connected to “beta-versions” of new services. At such instances, customers are encouraged to provide the organization with feedback in order to refine for instance design or certain features in accordance to customer requirements, supported by Fuller and Matzler (2007). Involving customers during the development phase could speed up the development cycle (Thomke and von Hippel 2002), reduce development costs, and development time (Melton and Hartline 2010). As such, the findings could be seen as contradictory as respondents on the operative level claimed customer involvement increased the development time (Magnusson 2015; Knapp 2015). However, it was expressed as a trade off, where the benefits of involving customers were considered worth the “extra time” (Magnusson 2015).

At the strategic level, respondents expressed concerns regarding required resources to efficiently manage customers’ feedback for development purposes. Given that the findings revealed a lack of formalized processes directed towards involving customers in development projects, together with that customers feedback is not connected to Skandia’s development process, could entail that Skandia faced internal challenges. These challenges could consequently impede the beneficial outcomes of involving
customers during the development phase, as argued by Nambisan (2002), Melton and Hartline (2007), and Thomke and von Hippel (2002).

5.5 Customer involvement in the commercialization stage
Customer involvement during this stage was performed rather sporadically and was not a standard procedure in this stage (Hartsö 2015; Hildingsson 2015). Skandia used to involve customers in launches of new services 3-4 years ago, but such activities are rarely organized today (Hildingsson 2015). Skandia organized a slogan-contest for a newly developed service in their social media channels. The aim of the contest was however not to make the service more “commercial”, rather performed as a cross-selling activity (Hartsö 2015). Arguably though, the contests in social medias could indicate that Skandia initiated activities as an attempt to make customers spread word of mouth, which is an activity performed by customers in the commercialization stage (Alam and Perry 2002). Additionally, Skandia has engaged customers to provide them with feedback on service performance. When Skandia released its new website, Nordborg (2015) posted the following on Skandia’s blog: “There are still good ideas concerning both functionality, design, and content that we have not been able to process before launch but that we will continue work with. […] Which changes would you prefer as a next step in the development of our new web?” (Skandiabloggen 2015). As such, customers’ were also allowed to provide their suggestions for improvements, in line with Alam and Perry (2002).

5.5.1 Implications of involvement in the Launch Phase
Given that the empirical investigation found that customers are not formalized involved in all of the phases in the development process in any project, it could be of importance for Skandia to engage customers in activities related to the launch phase. Such involvement has shown to increase market acceptance and service performance (Cheng et al. 2010). In addition, it is argued that NSD teams could benefit from involving customers in the launch of the service as it could enhance the perceived value of the service (Melton and Hartline 2010), which was emphasized and disclosed during the interviews with the respondents on the operative level. As previously mentioned, it would be beneficial in order to secure that the organization is developing “the right thing” (Knapp 2015).

5.6 Challenges brought by customer involvement
The discussion above discloses that Skandia neglect customer involvement in several stages in the development process. This could indicate that Skandia is facing challenges to efficiently manage and perform customer involvement in their NSD program. The following section aims to discuss potential challenges preventing Skandia to involve customers more frequently throughout the development process.

5.6.1 Organizational structures and processes
The empirical investigation disclosed that the most prevalent challenge Skandia was facing while involving customers were related to the organization’s current structure and processes, supported by Matthing et al. (2004). Consequently, everything needed to be systematically documented and processed, which impeded customer involvement to occur efficiently (Knapp 2015). Thus, Skandia’s existing development processes did not fully coincide with the customer-oriented development process that customer involvement requires. Prahalad and Ramaswamy (2000) argue that a customer-oriented approach, characterized by customer involvement, stresses the
importance of organizational flexibility. Skandia’s process of priority for development projects could be viewed as one process that reduced the organization’s flexibility. That is since every development projects needs to follow a strict procedure (Appendix 3 – The process of priority). One could argue that this challenge was particularly prevalent in the stages of strategic planning, formation of cross-functional teams, and business analysis, since these parameters needed to be predefined in the A3, before initiating the development project (Nordborg 2015; Hartsö 2015; Magnusson 2015; Knapp 2015; Hildingsson, 2015; Sjöberg 2015).

Day (1998) further argues that close collaboration with customers force major internal transformations for the organization, where previous mindsets need to be challenged (Day, 1998). The empirical investigation disclosed that Skandia is taking initiatives towards anchoring customer involvement as a part of the organization’s culture. Magnusson (2015) exemplifies: “The focus has shifted from product-centered towards a more customer-oriented. It nothing concrete, but it talks a lot about it. It is highlighted in everything we do and people with certain positions are employed”. In similar vein, Hildingsson (2015) argues that “We are trying to think customer first in everything we do, trying to incorporate the voice of the customer in everything we develop. Back in time, people were sitting in their offices and tried to figure out what the customer might be interested in. But now, we are trying to involve them”. Skandia arguably tries to establish a new organizational design, which is more open and flexible for involving customers in their NSD program. Day (1998) stress such design in order to handle the demands brought by an interactive approach. It is further acknowledged that organizations need to abandon centralized and strict controlled structures (Day 1998), which Skandia’s NSD program was found not to allow.

5.6.2 The NIH-syndrome

Involving customers in the development process entails that the organization needs to embrace customers as a part of the development team (Nambisan 2002). A sense of inexperience in working with customer involvement and new service development was found. Nordborg (2015) explained: “that’s why I want customer involvement as a KPI [Key Performance Indicator] in our process of priority. You simply do what is measured”. The insecurity depends on how close to the customer you are in your daily work, “The further from the customer you work, the harder it gets” (Nordborg 2015). Arguably, there was an acknowledgement that customers’ feedback might be ignored if such action was not taken internally. Nordborg (2015) exemplified: “I have a nightmare example. We received a lot of feedback from our customers where they wanted to be able to change the names on their banking accounts. Something that took forty hours to develop, took ten years to implement”.

Carbonell and Escuderdo (2015) argue that NSD teams with prior experience could prefer to draw upon existing know-how and prior projects rather than to use customers’ feedback. The empirical investigation revealed that Skandia has well-established routines and processes that enacted a way of “how things ought to be done”. This prevented customers’ feedback to reach a high priority in development projects. Hildingsson (2015) exemplified: “I think this is common in many organizations, and not just here, when people have worked in certain ways for a long

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1 “Specific measures of the performance of an individual, team, or department in defined key performance areas” (Key performance indicators 2009, Oxford University Press)
time. You have basically developed a certain pattern of how to do things, which might be hard to change”. This goes in line with Carbonell and Escudor’s (2015) findings that prior experience affects the willingness to embrace customers’ feedback in NSD. However, the results provide an additional dimension to Lichtenhaler and Ernst’s (2006) definition of the NIH-syndrome. The unwillingness to embrace customers’ feedback could be due to inexperience, rather than a negative attitude. The respondents at the operative level argued that customer feedback, if managed properly, would favor the development process. “The only risk I can see is that the development process would be little more time-consuming. But I definitely think that we would get back that time, by doing the right things” (Magnusson 2015). Developers at Skandia cannot do everything customers ask for. Knapp (2015) explained: “... but if we can find a more structural way of involving customers, then it would only be beneficial”. Nonetheless, ideas were rejected to the likely detriment of the service performance (Katz and Allen 1982). Thus, the inexperience resulted in ignorance of customers’ feedback, which could lower the market performance of the developed service (Carbonell and Escudor 2015).

The empirical investigation further supported Chan et al.’s (2010) research, that customer involvement brings input uncertainties for the developers. As argued by Magnusson (2015): “Often we do not know if the feedback is quantified. Is it just one or a thousand customers that think it should be like this? And since no one can answer that question implies that customers feedback rarely become decisive in development projects”. Since the developers did not know how many customers provided a certain feedback, they found it hard to determine whether or not to steer development projects in that direction. Knapp (2015) argued: “I miss that information. You know, if it is five hundred customers who think it should be like that or if it’s only ten. We need to be better at categorizing customers feedback”. Input uncertainties brought by unawareness of the quantification of customer feedback thus contributed to an unwillingness to let it steer the development of the service. Neglecting customers’ feedback might become detrimental for service success since customer ideas many times are more innovative than those provided by the employees (Matthing et al. 2004). The respondents at the strategic level acknowledged the risk of input uncertainties customer involvement yielded. “Today, our developers have a priority list of things to do, if they then just all of a sudden receive tons of feedback from our customers that are not at all in line with their intended planning... Well that might not favor the development process, rather the opposite” (Nordborg 2015). The importance of developing a new structure for how to incorporate customers’ feedback in the development teams daily planning was emphasized. Thus, in line with Chan et al. (2010), customer involvement increased the complexity of decision-making due to the need for including customers’ feedback in developers’ planning and daily operations. This complexity arguably prevented Skandia to involve their customers efficiently in their NSD program. Nordborg (2015) expressed it as “the main reason why we haven’t been able to involve customers efficiently early in the development process“. Taken together, this highlighted a need for delegation of responsibilities to ensure that developers receive customers’ feedback in a manageable form, which according to Enkel et al. (2005) would increase employees’ motivation to embrace customers’ feedback.
5.6.3 Facilitating transfer between units

“It is not possible in an organization with thousands employees to fully know who should have the specific feedback” (Hartsö 2015).

The transfer of customer feedback was more or less exclusively managed manually, where Skandia has assigned employees to act as a liaison between the platforms and the development team. The manual process was found to be a time-consuming activity, which was far from efficient. “The feedback received from social media, really is high and low. It does not always cover those aspects that we have asked our customers about. So, I have to read everything!” (Hartsö 2015). No actions were further taken to filter customers’ feedback before facilitating transfer to the developers. “Even if I think that customers have provided us with weird comments, the product owner might disagree, and find it valuable, even if I didn’t. So they receive every single comment as well” (Hartsö 2015).

The lack of systematic management and transfer of customers’ feedback was found to bring challenges for the development team. “The problem is to reach out to our development teams at the right time today, since we are not synced when it comes to customer feedback” (Hartsö 2015). Magnusson (2015) supported this view by arguing that his job would be easier if Skandia had a more structural way of managing customers’ feedback. It consequently became complex for the developers to sort among the feedback and to know how representative it really was, “I know that tools are not the answer to everything, but in this case I would really appreciate more sophisticated tools that manage customers’ feedback. This is something that we do not have today” (Magnusson 2015). Knapp (2015) argued that customers’ feedback not always reached the developers in time, and sometimes not at all, “I do not think we have the processes needed to ensure such transfer, and I do not think we have someone who feel that it’s their responsibility either” (Knapp 2015). The untimeliness in the transfer of customers’ feedback implied that service developers received feedback from the customers too late in the development process. In line with Wang and Juan-Ru (2008) there is a need for a knowledge database to make customer feedback accessible for the developers in time. Consistent with Huber (1991), weak systems of transferring customers’ feedback impeded the ability to reach Skandia’s development department. The empirical findings thus suggest that the organization’s current structure for transferring customer feedback was not optimized for involving customers in Skandia’s NSD program. Further, in line with Enkel et al. (2005) a lack of systematic transfer could result in a loss of customer feedback as it is transferred between units. Arguably, the only exception was when customers were involved through the open platform, Kundo. That platform cluster customers’ feedback automatically, which according to Hildingsson (2015) eased the administration extensively. Alavani and Leidner (2001) argue that technology facilitates increased linkage among different units, which in this case was found to have a direct contribution to Skandia’s ability to provide the development team with timely and accurate customer feedback. Taken together, Skandia faced the challenge of facilitating transfer between units prevalently during the development phase, as service developers did not receive timely feedback throughout this phase (Magnusson 2015; Knapp 2015).
5.6.4 Managing customer heterogeneity
The importance of identifying the right collaboration partners was to a high degree neglected in Skandia’s NSD program. No actions were taken from Skandia to involve customers with certain characteristics. Hildingsson (2015) argued that there has not been any reason to make such distinction in open platforms: “A good idea is a good idea, no matter who it comes from. We have therefore not seen any reason to put effort into making such distinction”. The respondents at the operative level perceived this as a threat towards the development process. If customers’ feedback was not representative, the essence of customers’ feedback was lost (Magnusson 2015). This skepticism was particularly prevalent in the phases of development and launch, since adjustments were rarely made due to lack of quantification of customer feedback. The respondents argued that as long as customers’ feedback cannot be quantified, it could not become decisive in development projects (Magnusson 2015; Knapp 2015). As such, a lack of acknowledgement in customer heterogeneity might result in a service that only corresponds with the needs of a limited number of customers (Nambisan 2002). However, given the nature of technology-based services, only a restricted amount of customers possess the knowledge required to provide the organization with valuable suggestions (Matthing et al. 2006). Thus, moving towards technology-based services could entail that organizations might find it increasingly challenging to ensure customer heterogeneity. That is due to customers’ unawareness of the technology’s potential and limitations (Kristensson et al. 2008).

Conversely to Menor and Roth’s (2008) findings that organizations would favor informal processes to capture customer heterogeneity, the empirical investigation revealed that informal processes, characterized by an unstructured nature, impeded customers’ heterogeneity to be realized. Consequently, the manual processes that encompassed the management of customer feedback neglected quantification to occur. Thus, in line with Nicolajsen and Scupola (2011), a process of structuring and channeling customer feedback could be essential for Skandia.

5.6.5 Motivating customers to share
Skandia took limited strategic actions to motivate their customers to share. The organization relied on customers’ engagement and willingness to participate in NSD activities as a mean for self-help activities (Hartsö 2015; Nordborg 2015; Hildingsson 2015). This indicated that customers of Skandia freely revealed their ideas without any expectation of monetary rewards (Harhoff et al. 2003). The respondents acknowledged that free revealing is central for keeping a stable engagement rate. “If customers do not participate on free will, the engagement rate becomes really low” (Hartsö 2015). Hence the findings support the view of von Hippel and von Krogh (2006) that free revealing is central for obtaining valuable input. The result of free revealing in Skandia’s case however implied that received customer feedback was skewed towards a certain segment of the customer base. Customers who provided feedback to Skandia were to a high degree representative by well-educated and high-income customers, as they tend to be more engaged in financial questions (Hartsö 2015). Customer heterogeneity was thus neglected due the activity of free revealing. This finding brings further strength into the importance of developing strategies to trigger customers’ motives to share (Hoyer et al. 2010). Consequently, organizations might need to identify and trig motives across various customer segments in order to reduce the risk of developing services that only corresponds with the needs of a particular customer segment. In line with Nambisan and Baron (2009), relying solely
in human kindness and just enable customers to participate will not be enough. For Skandia, this entailed that the customer feedback they received only represented a certain segment of the customer base.

The findings suggest that motivating customers to share was a difficult task to execute. Keeping the customer who provided the feedback updated were find to be particularly important, but often neglected. “We need to be better to make our customers feel that it is worth the effort to provide us with feedback” (Nordborg 2015). Knapp (2015) support this view: “I think that customers would be more motivated to provide us with feedback, if they know that we are taking it into account. We are quite bad to reconnect to our customers”. The respondents stressed the importance of taking initiative to show the customers in one way or another that their feedback has been taken into account, even though it might not always be a realistic idea to implement. Arguably, customers’ willingness to freely share their ideas might end if the customers perceive that the provided feedback is ignored.
6. Summary of the discussion and revised research model

The discussion in the previous chapter revealed that Skandia involves customers in three out of four predefined development phases. Organizational examples and activities could thereafter be derived to certain stages in the development process, as visualized in figure 2 – Conceptual research model revised below. Blue areas indicate phases and stages in which customer involvement activities were found, whereas red areas indicate where customers were not involved. The outlined challenges brought by customer involvement was generally found throughout the whole development process, but were particularly prevalent in the red areas.

![Conceptual research model revised](image)

The discussion indicated that Skandia did not perform activities to encourage customers to provide them with feedback during the analysis phase. As such, it enact the only fundamental development phase in which no involvement occurred, which impeded customer involvement in the business analysis stage. The empirical
investigation revealed organizational structures and processes to be the main reason for the impediment. Moreover, the discussion suggest that involvement during the development stages of strategic planning, formation of a cross-functional team, service design and process system design, personnel training, and test marketing was impeded by organizational challenges as well. Thus, the discussion suggests that Skandia does not involve customers throughout the whole NSD process, which indicates that Skandia does not have a suitable organizational design allowing customer involvement in their NSD-program.

The NIH-syndrome brought by inexperience, and a lack of quantification of customers’ feedback entailed that customers’ feedback rarely became decisive in development projects. The findings further acknowledged that a lack of systematic transfer of customers’ feedback resulted in inefficient management during the development phase. The consequence implied that the developers received customers’ feedback when decisions already were taken. Moreover, ignoring customer heterogeneity brought skepticism to incorporate customers’ feedback in development projects. Finally, by relying on customers to freely reveal their ideas were found to result in feedback skewed towards a particular customer segment. Thus, a lack of acknowledgement in strategies to motivate customers to share resulted in negation of customer heterogeneity.
7. Concluding remarks

7.1 Conclusion of the results
The purpose of this thesis was to explore how an organization within the banking industry involves customers in the new service development process. The analysis shows that Skandia involves customers in three out of four fundamental development phases in the development process, namely design, development, and launch. Organizational examples revealed that Skandia initiate business activities in their NSD-program to enhance customer involvement in the idea generation stage, idea screening, service testing and pilot run, and commercialization stage. However, the results suggest that customer involvement was initiated rather sporadically by the organization. The lack of formalized routines and structures allowing customer involvement was found to be the main challenge faced by the organization. Thus, the findings suggest that the transformation towards a customer-oriented development process bring far more implications than previous research have acknowledged in order to fully leverage the benefits of involving customers. The results indicate that organizations need to employ a new organizational design optimized for customer involvement in their NSD-programs, where current structures, processes, and mindsets need to be adjusted accordingly.

7.2 Theoretical contributions
In this case study, Alam and Perry’s (2002) 10-stage model enacted the theoretical framework to capture the NSD process holistically. As the empirical investigation revealed that Skandia did not involve customers in all the potential stages throughout the development process, the findings contributes with an understanding of organizational challenges that impede customer involvement in the different development stages. The study further suggests that the 10-stage model may have to be adjusted in line with the organizational scope to fully capture how customers are involved in NSD programs for technology-based services. Thus, training of personnel could be excluded as a stage, since the service outcome is performed independently from any interactions with the service provider (Kristensson et al. 2008). Additionally, the empirical investigation has brought more sophistication to certain development stages and its outcomes. Such contribution was brought to light as organizational examples were analyzed in relation to Alam and Perry’s (2002) model.

The findings further provide a typology worth further research, by deriving challenges brought customer involvement to particular development phases and stages. The findings could be seen to reveal the complexity of adopting and applying standardized models. The empirical results in this case study highlight challenges that impeded customer involvement in NSD programs, which cannot be fully explained such models.

Furthermore, an additional dimension to the NIH-syndrome was provided. The results indicate that an unwillingness to embrace external information could be due to inexperience and well founded structures and processes that enact a way of “how things ought to be done”, rather than brought by a negative attitude.
7.3 Managerial implications

The findings of this thesis revealed several challenges that could impede organizations to harness customers’ feedback in NSD programs. Additionally, it showed where in the development process these challenges could be most prevalent. The challenge of facilitating transfer between units was most prevalent in the development phase and more specifically in the stage of service testing and pilot run. Consequently, the manual processes of transferring customers’ feedback implied that the developers received the feedback when vital decisions of the service development already were taken. Thus, establishing a direct link between the developers and the platform were found to be essential in order to ensure that services are developed in accordance with customers’ requirements. In addition, it would increase the R&D personnel’s ability to acquire an accurate understanding about customers’ needs, and the motivation to embrace customers’ feedback accordingly, supported by Nambisan (2002).

Moreover, the NIH-syndrome was to a high degree characterized by inexperience rather than a negative attitude towards customer feedback. The findings stress the importance of establishing clear KPI:s that corresponds with customer involvement in NSD programs. Previous mindsets, well-founded structures, and accustomed patterns arguably constrained the organization’s ability to make the changes required. Making customer involvement a high priority in development projects could facilitate learning and decrease the NIH-syndrome. Additionally, ensuring customer heterogeneity was found to be an important factor for developers’ willingness to embrace customers’ feedback, particular in the phases of development and launch. Thus, the findings suggest that targeting customer heterogeneity should not only be on the premise of ensuring that the developed service corresponds with the needs of the customer-base, but also to increase developers’ motivation accordingly. Consistent with the research conducted by Chan et al. (2010), customer involvement increased the complexity in decision-making. The input uncertainties it brought for developers planning and daily operations were found to be an impediment to enable customer involvement in the design phase.

Identifying what motivates customers to share feedback was further found to be an important factor, in line with Hoyer et al. (2010). The findings revealed that the customers who freely revealed their feedback with the organization belonged to a certain customer segment, hence not representative for the customer-base. Thus, to ensure the important aspect of customer heterogeneity, organizations should take actions towards identifying and trig motives across different customer segments. Taken together, this thesis could facilitate learning of how organizations could move toward a customer-oriented new service development programs, and how to overcome the main challenges brought by it.
8. Limitations and direction for further research

This thesis contains several limitations that need to be emphasized. First of all, the limited sample entail that the findings should be carefully generalized beyond the scope of this research. However, reaching a high level of generalizability was never the intention in this thesis. It should rather be viewed as a pilot study for further research with such intentions. Thus, further research should employ a comparative multiple case-study research in order to bring further validations to the findings of this thesis.

The findings herein are based upon the respondents’ subjective interpretations, which should be viewed as a limitation due to the potential risk of rationalized answers. However, the risk of rationalization was held to its minimum by encouraging the respondents to exemplify with clear examples as reference points. Such approach consequently assisted the respondents’ recall. Nonetheless, further research should employ similar research with a project level as a focus by conducting a longitudinal research design to follow a particular development project of a technology-based service. Due to the limited timeframe, such research was not feasible to employ.

The thesis disclosed three fruitful areas for further research. Given that actors in the banking industry would become increasingly autonomous from its customers due to the nature of technology-based services, the importance of establishing close collaborations with the customer should be viewed as a key priority. However, this entails that such actors would go through major internal transformation to realize such approach. Thus, accordingly with Day (1998), the findings disclosed that customer involvement in NSD-programs require internal processes, structures, and views to be challenged. Further research should therefore employ a longitudinal research design with its foundation in organizational learning theories and target how such transformation can be made and how organizations learn over time. The findings have further derived certain challenges to particular development phases and stages in the NSD process. Further research should address this issue by adopting partial models that target particular development stages in order to bring further clarity into the tentative findings brought to light in this thesis. Finally, the findings indicate that Alam and Perry’s 10-stage model might need to be adjusted in accordance with the context of technology-based services. Further research that focuses on revising the model and its outcome in the context of technology-based services is recommended. These three areas for further research could steer inexperienced actors towards a customer-oriented development process.
List of references


Appendix 1 – Interview guide strategic level

Introduction and getting familiar with the concept

1. What is your role in this organization?
2. For how long have Skandia been working with involvement of customers in organizational development projects?
3. How is Skandia working with customer involvement during development projects? Could you give examples of successful, or unsuccessful, development projects?
4. Could you describe the “typical” development process of Skandia?

1.0 NEW SERVICE DEVELOPMENT

Design phase

5. How are Skandia involving customers to attain new service ideas?
6. How are customers involved to develop new service concepts?
7. Are they involved in planning activities? Please elaborate.
8. How are customers involved to indentify potential market gaps?

Measures: Strategic planning stage, idea generation stage, and idea screening stage

Keywords: ideas, stating needs, criticizing existing services, identification of market gaps.

Analysis phase

9. How are customers involved in the evaluation of the new service idea/concept? Please elaborate.
10. How does Skandia turn to their customers to evaluate potentials regarding markets, growth, and rewards?

Measures: Business analysis stage

Keywords: market potential, growth and reward potential, and competitive advantage potential.
Development phase

11. Who are involved in the development project?

12. How are customers involved in the development of the service before the launch? Are they allowed to express feedback during the development process?

13. Are customers involved to test features or design of the service? Please elaborate.

14. How does Skandia consider the feedback expressed by customers during the development of the service?

15. Are customers involved in deciding upon strategies around the service? I.e. how the service should be best marketed, how customers would like to be informed regarding changes or new features?

16. Are customers involved to determine which employees and competences that the development project need? Please elaborate.

17. Have customers been (are they) involved for the purpose of educating employees of the organization concerning the service delivery? Please elaborate.

**Measures:** formation of a cross-functional team stage, service design stage, personnel training stage, service testing stage, test marketing stage.

**Keywords:** suggestions for improvements in design, features, or execution.

Commercialization phase

18. Before launching the service, are customers allowed to express their opinions of the fully developed service? If yes, how does Skandia considering the feedback generated?

19. How does Skandia involve their customers to make the service commercial, after the launch? I.e. are they involved in the introduction to the market?

**Measures:** Commercialization stage

**Keywords:** launch of the service, introduction to the market, overall feedback on service, word of mouth.
CHALLENGES BROUGHT BY CI AND NSD

20. What would you say are the main challenges by involving customers in NSD?

The “not invented here syndrome”

21. Is there any reluctance among other employees to embrace customers’ feedback? Please elaborate

22. Would you say that involving customer in NSD process simplifies or impeded the development process? Please elaborate

23. Do you perceive that other units in the organizations are willing to listen to, and embrace customers’ feedback?

24. What actions are Skandia taken to motivate the employees to embrace customers’ feedback?

Measure: Attitude to customers’ feedback and Input uncertainties

Facilitating transfer between units

25. How does Skandia transfer customers’ feedback to the necessary departments in NSD?

Measure: transfer of customer feedback.

Customer heterogeneity

26. On what criteria do you select the customers that you involve in NSD process?

Measure: Selection criteria

Motivating customers

27. How do you motivate your customers to share their feedback with you?

Measure: Strategies for motivating customer
Appendix 2 – Interview guide operative level

Introduction and getting familiar with the concept

1. What is your role in this organization?

2. For how long have Skandia been working with involvement of customers in organizational development projects?

3. How is Skandia working with customer involvement during development projects? Could you give examples of successful, or unsuccessful, development projects?

4. Could you describe the “typical” development process of Skandia?

5. What is your role in the development process?

1.0 NEW SERVICE DEVELOPMENT

Design phase

5. How does Skandia involving customers to attain new service ideas?

6. How are customers involved to develop new service concepts?

7. What are your thoughts regarding involving customers for attaining new service ideas and service concepts?

8. Are customers involved to identify potential market gaps?

Measures: Strategic planning stage, idea generation stage, and idea screening stage

Keywords: ideas, stating needs, criticizing existing services, identification of market gaps.

Analysis phase

9. How are customers involved in the evaluation of the new service idea/concept? Please elaborate.

10. Do Skandia turn to their customers to evaluate potentials regarding markets, growth, and rewards? Please elaborate.

Measures: Business analysis stage

Keywords: market potential, growth and reward potential, and competitive advantage potential.
**Development phase**

11. Who are involved in the development process?

12. How are customers involved in the development of the service *before the launch*? Are they allowed to express feedback during the development process?

13. How does Skandia consider the feedback expressed by customers during the development of the service?

14. Are customers involved in deciding upon strategies around the service? *I.e. how the service should be best marketed, how customers would like to be informed regarding changes or new features?*

15. Are customers involved to provide feedback regarding how the service should work?

16. Would you say that you learn something from the customers while involving them? Please elaborate.

17. Are customers involved to determine which persons to include in your development team? Please elaborate.

**Measures:** formation of a cross-functional team stage, service design stage, personnel training stage, service testing stage, test marketing stage.

**Keywords:** suggestions for improvements in design, features, or execution.

**Commercialization phase**

18. Before launching the service, are customers allowed to express their opinions of the fully developed service? If yes, how does Skandia considering the feedback generated?

19. How does Skandia involve their customers to make the service commercial, after the launch? *I.e. are they involved in the introduction to the market?*

**Measures:** Commercialization stage

**Keywords:** launch of the service, introduction to the market, overall feedback on service, word of mouth.

**2.0 CHALLENGES BROUGHT BY CI AND NSD**

20. What would you say are the main challenges by involving customers in NSD?

**Measure:** Challenges in NSD
The “not invented here syndrome”

21. Is there any reluctance among other employees to embrace customers’ feedback? Please elaborate.

22. Do you perceive that other units in the organizations are willing to listen to, and embrace customers’ feedback?

23. Would you say that involving customer in NSD process simplifies or impede the development process? Please elaborate.

24. What actions are Skandia taken to motivate the employees to embrace customers’ feedback?

Measure: Input uncertainties and attitude towards customer feedback

Facilitating transfer between units

25. How does Skandia ensure that customers’ feedback is transferred to the right departments, or persons, within the organization?

26. How is the feedback made available for you? Please elaborate.

Measure: Transfer of customer feedback

Customer heterogeneity

27. On what criteria do you select the customers that you involve in NSD process?

28. How do you ensure that the feedback you receive and ultimately implement are representative for the customer base?

Measure: Selection criteria

Motivating customers

29. How do you motivate your customers to share their feedback with you?

Measure: Strategies for motivating customer
Appendix 3 – The process of priority
Prioprocessen

Instruktion till beställare av A3:or
Bakgrund och Syfte med A3:an

På Skandia använder vi en **Skandiagemensam prioriteringsprocess** för att styra alla projekt och utvecklingsuppdrag. I prioriteringsprocessen arbetar vi dels med en **Indikativ portfölj** med en prognos på 1-1,5 års sikt och dels med en **Taktisk prioritering** på kvartalsbasis där bl a leveransorganisationen deltar för att säkerställa att resurser finns tillgängliga för kommande period.

**Indikativ portfölj**

Tar upp alla initiativ (ett initiativ kan bestå av ett eller flera uppdrag/projekt grupperat utifrån gemensamt affärssyfte/effekt) och ser över hur mycket vi mäktar med att bedriva utifrån övergripande begränsningar i kapacitet och budget.

Detta resulterar i en indikativ Ja, Nej och Utmanarlista

**Taktisk prioritering**


- A3:an beskriver uppdraget/projektet översiktligt med fokus på vad det handlar om, varför den behöver göras och vad som krävs för att realisera den
- Syftet är att få en tillräckligt bra bild av uppdraget/projektet genom att bara läsa denna sida.
- Utifrån den skall portföljägarna kunna bedöma dess prioritering mot andra A3:or och leveransorganisationen kunna bedöma dess genomförbarhet för relevant period.
A3:ans väg genom prioriteringsprocessen
Problem eller idébeskrivning
Sammanfattande beskrivning av nuvarande utmaning och varför Skandia behöver projektet/uppdraget.

Lösningsförslag
Sammanfattande beskrivning av hur projektet ska lös problembeskrivningen/Hypotes om vad projektet ska leverera. Inför analys en grov beskrivning. Inför ett genomförande, uppdatera beskrivningen.

Beroenden
Beskriv de beroenden som finns under införandet till andra initiativ och/eller stödsystem, samt efter införandet beroendet till berörda verksamheter. Tänk på att beroendena kan gälla både realisering av projektet/uppdraget och realiseringen av effekterna.

Effektmål

Resursbehov inkl ev. övrig kostnad
Ange resursbehov med antal timmar för perioden som skall leveransplaneras (i detalj) samt för hela (grovt estimat) Ange också hur mycket är upparbetat vid föregående periodens slut.

Verksamhets-/Kompetensområden
Upparbetad tid hittills
Behöv behov aktuell period
Proje proje hela
ktet

Mall version 3.1
# Toppstrategiska initiativ med ägar- och inbördes ranking

## Utan inbördes ranking

## Strategisk prioritering

<table>
<thead>
<tr>
<th>Nr</th>
<th>Prioritering</th>
<th>Toppstrategiskt initiativ</th>
<th>Ny 2015</th>
<th>Initiativägare</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Öka kors- &amp; merförsäljning</td>
<td>CRM-program</td>
<td>Malin Dyrvall</td>
<td></td>
</tr>
<tr>
<td>1.2</td>
<td></td>
<td>Digital försäljning</td>
<td>Elisabeth Erikson</td>
<td></td>
</tr>
<tr>
<td>1.3</td>
<td></td>
<td>Effektiv kundbearbetning</td>
<td>Johan Isacsson</td>
<td></td>
</tr>
<tr>
<td>1.4</td>
<td></td>
<td>Utveckling försäkrat sparande</td>
<td>Fredrik Törnblom</td>
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<tr>
<td>1.5</td>
<td></td>
<td>Paketering privatsparande</td>
<td>Jim Rotsman</td>
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<tr>
<td>1.6</td>
<td></td>
<td>Tillväxt SME*</td>
<td>Mats Tegin</td>
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<td>Jonas Holmber</td>
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<td>Core Försäkring</td>
<td>Anna-Carin Söderblom Agius</td>
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</tr>
<tr>
<td>2.3</td>
<td></td>
<td>Apollo</td>
<td>Carolina Lindberg</td>
<td></td>
</tr>
</tbody>
</table>

*Tillväxt i SME-segmentet är ett viktigt område som vi ska säkerställa framdrift inom i den mån vi kan – dock är andra toppstrategiska initiativ av högre prioritet vid direkt resurskonflikt*
Appendix 4 – PROPS
Affärsmässigt perspektiv

Det affärsmässiga perspektivet i PROPS handlar om ett samordna alla enskilda arbetsinsatser, så att de tillsammans bidrar till organisationens överordnade affärs mål, om att fokusera på kundnytta och om effektiv och lönsam resursanvändning.

Kundnytta

Att fokusera på affärsmässighet är detsamma som att fokusera på att tillfredsställa kundens uttalade och outtalade behov och krav. Projektets krav är att fokusera på kortsiktiga mål är en styrka i projektarbetsformen.

Hantera kontaktytor gentemot kunden


Det är viktigt att allt som är med i projektorganisationen är medvetna om vilka befogenheter de har i diskussioner med olika representanter för kunden:

- Projektets styrende funktion ansvarar för att hantera strategiska, affärsinriktade roller med kunden. Detta ansvar innefattar anbudsförhandlingar, offerter och kundkontrakt. Det gäller också förhandlingar som rör dessa dokument och förhandlingar om ändrade krav eller undantag från överenskommelsen.
- Projektledningsfunktion ansvarar för att rapportera progress till kunden, hantera löpande ekonomiska frågor med kunden under projektets gång, överlåta projektets slutresultat och för att hantera nya eller ändrade krav inom ramen för överenskommelsen med kunden.
- Projektets operativa funktion ansvarar för att diskutera och lösa tekniska frågor inom projektet och för att bistå kunden vid acceptans tester.

Relationen kunder - leverantörer

I en del fall är relationen kund - leverantör mer komplex än i en vanlig upphandlingssituation där...
någon - kunden - köper något av någon - leverantören.

Två exempel ges nedan:

- Den person som kommer att använda projektets slutresultat - slutanvändaren - är ofta inte kunden i projektet, utan snarare kundens kund. När så är fallet ska projektarbetet i de tidiga faserna vara inriktat på att slutanvändarens behov och krav förstås fullt ut. Dessa behov ska identifieras i samarbete med kunden.
- En kedja av "leverantörer" och "kunder" kan också identifieras inom linjorganisationen. Marknadsavdelningen kan ha den affärsmissägiga kontakten med kunden och "beställa" projektets slutresultat från en utvecklingsavdelning. Det är i detta fall utomordentligt viktigt att projektet inte tapper kundens behov ur sikte och att kundens behov inte översnuggas av eventuella interna krav.

**Projektets moderorganisation**

![Diagram](image)

**Kunder i olika typer av projekt**

Inom olika typer av projekt kan man urskilja olika slags kunder.

Kundens roll som projektintressent varierar beroende på projekttypen:

- **Kundprojekt**
- **Produktutvecklingsprojekt**
- **Interne projekt**

**Kundprojekt**

I projekt som initieras som ett resultat av en anbudsförrågan från en kund eller genom ett kundkontakt, är kunden lätt att identifiera och i stor utsträckning närvarande i projektet. Kunden är också den som beslutar om vilka funktionella krav och kvalitetskrav som ska ställas på projektets slutresultat.

Kundens behov och krav ska analyseras grundligt. Den tolkning av kundens krav som görs i projektet ska stämmas av med kunden för att säkerställa att men är fullständigt överens.

I den styrande funktionen i ett kundprojekt bör de chefen i linjorganisationen ingå som har specifika intressen att bevaka i projektet. Som ett komplement till kundens krav ska dessa chefen formuleras organisationens krav på projektet avseende lönsamhet, kvaliteten på utförandet samt mervärden. Dessa interna krav ska vägas med de effekter de har på projektets formåga att uppfylla kundens behov.

Villkor och former för kundens acceptans av slutresultatet ska definieras så tidigt som möjligt i projektet. I acceptansprover och överlämnning av projektets slutresultat ingår att verifiera att kunden är nöjd med resultatet och att besluta om hur man ska hantera eventuella utestående frågor.

I ett mer långsiktigt perspektiv ansvarar projektansvarig för att följa upp att kunden är nöjd med projektets slutresultat, också efter det att projektet avslutats. En sådan uppföljning kan ge viktigt underlag för beslut om framtida projekt och om hur man ska hantera de affärsmissägiga kontakterna med kunden i framtiden.

**Produktutvecklingsprojekt**

I projekt vars syfte är att ta fram och lansera en helt ny produkt på marknaden är kunden den förväntade köparen av produkten. Att identifiera dessa kunder och grundligt analysera deras uttolade och uttalade behov är då en viktig del av projektarbetet.

Det är god praxis att identifiera en "första kund". Denne kund kan sedan aktivt delta i arbetet med att definiera krav, föreställ lösningar och verifiera att kraven uppfylls. Denne "första kund" blir också den som utför ett acceptansprover.

I produktutvecklingsprojektets prima ansvarar projektansvarig för produkten ur ett livscykelperspektiv, det vill säga även efter det att projektet avslutats. I detta ansvar ingår att verifiera dets business case som formulerades för projektets slutresultat, dels den marknads situation som beskrevs i projektets inledande fasor.
Internaprojekt
Syftet med ett internprojekt är att åstadkomma en specifik förändring inom linjeföretagen avseende arbetsformer, produktivitet eller organisationsstruktur. Ett internt projekt finansieras av en chef i linjerorganisationen (som då också i de flesta fall kommer att agera som projektledare). Även slutmännen av projektets slutresultat återfinns i linjerorganisationen. Det betyder att organisationen och projektet som fungerar som primära intressenter när kraven på projektet formuleras.

För att projektledarerna även i ett internt projekt ska agera affärsavspårsamt, måste de långsiktiga effekterna av projektet och dess slutresultat vara synliga kopplade till de krav kunden har. Kraven kan vara relativerade till organisationens arbetsformer, kvalitetsarbete, produktivitet eller effektivitet.

Också i internaprojekt är det viktigt med ett långsiktigt perspektiv på projektets slutresultat. Efter att det projektet har slutförts ska effekterna av projektet och dess slutresultat utvärderas och jämföras med de förväntningar som fanns när projektet inleddes.

Mottagaren
Mottagaren av projektets slutresultat är en viktig projektintresse. Mottagaren ska medverka aktivt i projektet och säkerställa att projektets slutresultat uppfyller alla krav som ställts utifrån hur den framtidiga hanteringen av resultatet ser ut.

Internointressenter, t.ex. mottagare och produktnägare, ska behandlas som kunder och affärsrelationer och affärsöverenskommelser med dem ska tas på allvar.

Projektmedpartners
I dag lämnar många organisationer den traditionella kund- leverantörrelationsen till förmån för en närmare affärsrelation i form av partnerskap. Det kräver att organisationen kan hantera projekt som inte bara omfattar olika enheter inom organisationen, utan också dess leverantörer och affärspartners.

Ett partnerskap innebär att två parter som delar en gemensam långsiktig vision samarbetar för att uppnå omöjliga föränder och är villiga att dela riskerna.

Den grundläggande principen för ett partnerskap är dess långsiktiga natur. Syftet med partnerskapet är att båda parter uppnår föränder som förmodligen inte hade kunnat vinna på egen hand.

I landet ligger fördelarna bortom det konkreta samarbetsprojektet. Det kan vara svårt att skapa ett projekt med en helt balanserad "win-win"-situation. En part kan då vara villig att ta något annat i utbyte för att korrigera obalansten.

Multiprojektstyrning
Multiprojektstyrning innebär att flera projekt som konkurrerar om organisationens resurser dras parallellt. Mognaden hos en organisationens multiprojektstyrning måste genom dess förmåga att använda sig av projektledning för att nå sina affärsavspåsiga och sociala mål.

Multiprojektstyrning handlar om styrning av organisationens totala projektportfölj.

De grundläggande kraven på en framgångsrik multiprojektstyrning är:

- Alla projekt ska vara avstängda med organisationens mål och långsiktiga stratregier för affärs-, produkt- och organisationstillgäng.
- Eventuella beslut om att initiera eller lägga ned ett projekt eller att förändra projektets omfattning och ramar, ska relateras till projekets potentiella inverkan på den totala projektportföljen och på organisationens övriga verksamhet.

Ansvaret för multiprojektstyrning inom organisationen ligger hos den högsta ledningen.

För att kunna tillämpa multiprojektstyrning på ett framgångsrikt sätt måste organisationen fokusera på:

- klart och tydligt implementerade och förstådda effärsstrategier,
- en organiserad organisatorisk struktur med klar rolle.
- en projektkultur som är gemensam för hela organisationen,
- förstått och projektledning på alla nivåer,
- rangordning och prioritering av projekt,
- ett klimat för ständiga förbättringar,
- implementerande av multiprojektstyrning.
Strategi för multiprojektstyrning

Ett beslut om att tillämpa projektledning och projektarbetsformen i vissa uppdrag är ett strategiskt beslut som kommer att påverka hela organisationen. Beslutet ska synliggöras genom att man formulerar en strategi för multi­projektstyrning. Om det inte finns någon sådan strategi finns det risk för att organisationen styras av sina projekt istället för att organisationen styr projekten.

En strategi för multi­projektstyrning ska ange hur projektledning ska tillämpas och kopplas till annan verksamhet, rutiner och praxis inom organisationen.

Organisationens högsta ledning ansvarar för att se till att strategin för multi­projektstyrning dokumenteras och görs tillgänglig för hela organisationen. För att uppfylla gällande kvalitetsnormer bör den dokumenterade strategin ingå i organisationens verksamhetssystem.

Klart och tydligt implementerade och förstådda affärsstrategier

Att förstå organisationens affärs­mässiga situation innebär att ha goda kunskaper om den marknad på vilken organisationen verkar samt om kunder, leverantörer, konkurrenter och konkurrens på denna marknad. Denna kunskap måste ständigt byggas på och hållas aktuell, även då man kanske inte är i omedelbart behov av den. Utan denna kunskap finns det ingenting att väga affärsbeslut och egna prestationer mot.

Information som förvärvas genom omvärldsanalyser ska analyseras. På grundval av denna information ska affärsstrategier formuleras. Syftet med att formulera affärsstrategier är att sprida kunskap om vad som sker på marknaden i organisationen, så att denna kunskap kan översättas i framtids­scenarier, produktplaner, projektprogram och projekt.

Affärsstrategierna utgör en grund på vilken organisationens långsiktiga affärs­kontakter med kunderna kan byggas. Nedan ges några exempel på affärsstrategier som är viktiga för multi­projektstyrningen i en organisation.

Produktutvecklingsstrategier

Produktutvecklingsstrategier har en betydande inverkan på verksamheten på alla nivåer in organisationen. Ansvaret för dessa strategier ligger hos produkt­ägarna.

Att hantera produkt­utvecklingsstrategier är en krävande arbetsuppgift. I den ingår att besluta om vilken produkt som ska utvecklas och undersökas, när den ska utvecklas och hur mycket utveckling och underhåll ska tilltas kostnader. Produktutvecklingsstrategier innebär även strategier för beslut om produktutfasing. Dessa beslut styr lönsamheten för slut­resultatet i ett produktutvecklings­projekt.


I produkt­utvecklings­strategierna ingår även att besluta om när extern upphandling är ett alternativ till utveckling inom företaget. Strategier för extern upphandling inkluderar en djupgående analys av leverantörer/marknaderna och att etablera långsiktiga relationer med leverantörer och partners.

Strategier för kompetensutveckling

Strategier för kompetensutveckling bör definieras för att säkerställa att organisationen alltid har tillgång till personer med rätt kompetens. Dessa strategier ska också omfatta hur kunskap utvecklas, förvallas och sprids. Strategierna ska beskriva hur man identifierar och underhåller de tillgångar som finns i organisationen i form av de anställdes sammade kompetens, men också processer, metoder och verktyg.

Produktutvecklings­insatserna inom organisationen bör fokuseras på områden som kommer att utveckla de anställdes kompetens och kunskaper inom strategiskt viktiga teknologier.

Strategier för organisatorisk utveckling

Även organisatoriska förändringar och förbättringar av organisationens arbetsformer och produktivitet ska grundas på strategier och lära och tydligt formulerade mål. Att fokusera på förbättring av områden som ökar eller förbättrar effektiv användning av organisationens resurser och tillgångar ger bättre effekt än att sprida arbetsinsatserna till områden med begränsad förbättringspotential. Om dock många interna projekt drivs parallellt splittras insatserna, vilket minskar effekterna av det enskilda projektet.

En optimal organisatorisk struktur med klara roller
Matrisorganisationen

För att skapa förutsättningar för en framgångsrik multiobjektstyrning måste projektledningens inflytande i organisationen definieras och kommuniceras.

I en så kallad funktionell organisation är projekt indelade i mindre segment, som fördelas på relevanta funktionella enheter inom linjorganisationen. Dessa segment leds och styrs av cheferna för de enskilda funktionella enheterna. När projekt drivs i en funktionell organisation är projektledarens arbetsuppgifter begränsade till att samordna de arbetsinsatser som görs av enskilda och grupper i projektet. Alla befogenheter ligger hos cheferna för respektive funktionsområde.

För att utnyttja fördelarna med projektledning bör i stället den organisatoriska strukturen tillåta att projektledaren och organisationens andra chefar delar befogenheter och ansvar för projektet. I den så kallade balanserade matrisen beslutar projektledaren - inom projektets ramar - VAD som ska göras och NÅR och de resursåtgärder som är inständade i projektet beslutar om VEM som ska göra arbetet och HUR.

Denna ansvarsuppdelning gör det möjligt för projektet att kraftfullt fokusera på ett kortaktigt mål, samtidigt som man säkerställer att organisationens långsiktiga mål för resursanvändning, kompetensutveckling och kvalitet inte överträffas.

Då man beslutar om den organisatoriska strukturen i en multiobjektorganisation bör flera parametrar tas i beaktande, till exempel projektets storlek, projektportföljens sammansättning, organisatoriska, nationella och regionala kulturer, projektledningskompetens och resultatansvar i organisationen.

Chefers roller i projekt

En tydlig uppdelning av ansvar och befogenheter och klart definierade projektroller, är viktiga förutsättningar för samarbethe tet mellan projektledaren och övriga chefar i organisationen.

Som intressenter i ett enskilt projekt kan chefer inom linjorganisationen icke iblanda sig fyra olika roller i projektet:

- **Projektportföljägare** är den chef som ansvarar för att styra en organisationens samlade projektportfölj i fråga om organisationens resursanvändning i projekt och för att prioritera mellan projekt i projektportföljen. Projektportföljägaren är den viktigaste bäran av projektutbudet inom en organisation.

- **Projektsponsor** är den chef i organisationen som är ekonomiskt och kommersiellt ansvarig för projektet och dess slutresultat och således den främste risktagaren i projektet. Projektsponsorns fattor tillgir beslutet utifrån en bedömning av hur väl projektet överensstämmer med organisationens affärsinriktning.

- **En resursåtgärdare** är en chef som förser projektet med resurser: personal med adekvat kompetens samt utrustning, lokaler, metoder och redskap. Resursåtgärdaren kan också ansvara för att leverera resultat till projektet i enlighet med de överenskommelser som har ingåtts med projektledaren.

- **Mottagaren** är chef för den enhet inom organisationen som tar över ansvaret för projektets slutresultat efter att projektet avslutats. Mottagaren ansvarar för hantverket av projektets slutresultat, exempelvis i fäg av tillverkning, underhåll, support och försäljning.
När ett projekt initieras bör man identifiera de chefer inom organisationen som kommer att påverka eller påverkas av projektet eller dess slutresultat. Desse chefer ska utöva sitt inflytande tillsammans i en projektstyrring. Det ska göras för att säkerställa samsyn med organisationens affärsstrategier.

Projektbeslut och styrning av projekt
För att säkerställa att projekt är väl avstämda med organisationens affärsinriktning är det chefer på hög nivå som ska utöva sina befogenheter som projektsponsorer.

Tollgate-modellen för affärsbeslut i projekt är ett verktyg för strukturerat beslutsfattande i projekt. Den föreskrivs att bedömningar av projektet ska utföras vid fördefinerade beslutspunkter, vid vilka projektsponsorn ska besluta om projektets ramar och syfte.

Tollgate-beslutet ska grundas på en kommersiell utvärdering av projektet och dess slutresultat, då nyttan såväl för organisationen som för kunden beaktas. För att stödja projektledaren ska projektsponsorn och projektstyrgruppen överiga medlemmar vara synliga i projektet och delta aktivt i projektarbetet också mellan tollgate-beslutet.

Resursupphandling
Att ha affärsfokus i projektet betyder att det finns en affärsmedvetenhet på alla nivåer i projektorganisationen. Projektsponsorn, projektledaren och resursågarerna ansvarar gemensamt för att förhålla om resurser för projektet. Förhandlingarna ska leda till bindande överenskommelser för det arbete som ska utföras. Updragsspecifikationen ska användas som underlag för kontraktsförhandlingar.

I projekt tillämpas kontrakt på två olika nivåer:
- Projektkontrakt, för uppgörelsen mellan projektsponsorn och projektledaren
- Resurskontrakt, för uppgörelsen mellan projektledaren och resursågarerna

När det gäller upphandling av externa produkter eller tjänster ska normalt linjeorganisationens ordinarie inköpsrutiner användas.

En projektkultur som är gemensam för hela organisationen
I en multi-projektorganisation drivs projekt av olika slag och storlek parallellt med förstudier, projektutredningar och löpande arbeten, t.ex. underhåll och administration.

Projektföretagen i multiprojektorganisationen bestäms till stor del av organisationens inställning till projektarbete och av dess befintliga värderingar, informella regler och normer. Chefer på alla nivåer fungerar som föregångs exemplet. Det betyder att projektföretagen är starkt beroende av alla chefer, inklusive projektledares, uppräkande och inställningar.

Företagskulturerna utvecklas vanligtvis under lång tid och är svåra att förändra. En gemensam projektkultur kan tjäna som en enande kraft mellan en organisationens varierande, ofta djupt rotade, subkulturer. I decentraliserade organisationer kan en gemensam projektkultur utgöra en bår för samarbetet mellan olika delar av organisationen.

Projektledarens ansvarar för att hantea projektportföljen inom sitt ansvarsområde och för att identifiera frågor som kan påverka de enskilda projekt och projektportföljens sammanhållning. En synlig och effektiv multiprojektstyrning förebygger resursskifte och gör det möjligt att effektivt leda det enskilda projektet.

Förstklassig projektledning på alla nivåer
Kompetenta projektledare är en grundläggande resurs som aldrig kan ersättas av metoder eller verktyg. Projektledning är en arbetsuppgift som kräver både yrkesmässiga färdigheter och social kompetens samt stör individuell kapacitet.


Genom att definiera en kompetensutvecklingsstrappa även för potentiella projektledare, kan organisationens framtida behov av kompetens på projektledningsområdet säkras.

Rangordning och prioritering av projekt
En förutsättning för framgångsrik multiprojektstyrning är organisationens förmåga att förstå var projektledning behövs och var det inte gör det - det vill säga förmågan att bestämma vilke uppdrag som ska ledas såsom projekt. Ett uppdrag av strategiskt betydelse och deras affärsavtal$new$y breaker det medför måste motivera det merarbetet som det innebär att etablera en projektorganisation och att planera och samordna aktiviterna.
• fokus på arbete i team - speciellt på tvårfunktionella team,
• medvetenhet om hur organisationens olika funktioner samverkar,
• bättre förståelse för varje individs roll i organisationen.

För att prestanda och genomförande kvalitet inom organisationen och dess projekt ska kunna förbättras måste tillämpade processer definieras och beskrivas. För att säkerställa att processerna konventionellt förbättras ska processsägare utövas för viktiga processer i organisationen. En processsägare ansvarar för:

• att definiera och fortöpande förbättra processen,
• att definiera generella mätpunkter och mätmetoder i processen,
• att övervaka processens effektivitet,
• att initiera och utvärdera förbättringar.

I projekt tillämpas olika processer. För att verifiera processernas effektivitet och lämplighet och för att implementera förbättringar av processerna, ska projektorganisationen ansvara för:

• att använda processen,
• att genomföra mätningar,
• att föreslå förbättringar,
• att implementera förbättringar.

Stöd för projektadministration

För att underlätta administrativt arbete inom projektledningsfunktionen och för att stödja ständig lärande och förbättringar av projektprocesserna behövs stöd för projektadministration:

• Ett identifikationsystem för projekt
• Effektiva system för planering och kostnadsreduktion som är lätt att använda
  Effektiva system för planering och kostnadsreduktion som är lätt att använda. Planeringstekniker ska användas som leder till effektiv planering och uppföljning och som tillåter mer, inte mindre, handlingsfrihet. Verktygen för planering och uppföljning måste vara effektiva och enkla att använda. Det är särskilt viktigt med gemensamma rutiner och kompatibla verktyg i tvårfunktionella projekt.
• Ett bibliotek för Slutrapporter och andra projektddokument
• En processdatabas med estimat och andra viktiga data som har med projekt- och processutförande att göra
  Vårdefull data om projektprocesserna och om projektgenomförandet ska samlas in och presenteras i en databas. Databasen bör innehålla måldata samt den information som behövs för att förstå och bedöma målstatens användbarhet. Exempel på sådana data är referensenhetskol för estimat av arbetspaketens storlek, arbetsmätan och kostnader, projektproduktivitetsdata, resultat från granskningar och inspektioner samt information om hur ofta man hittar defekter i projektens slutresultat.

Implementering av multiprojektstyrning

Organisationens högsta ledning ansvarar för att formulera strategin för multiprojektstyrning och för att se till att den implementeras och sprids i organisationen. När man implementerar multiprojektstyrning måste följande beaktas och beskrivas:

Implementering av PROPS

Eftersom PROPS är generell och möjligt att tillämpa i alla typer av organisationer, måste vissa begrepp i PROPS förklaras och anpassas till rutinerna och processerna i organisationens verksamhetssystem. Följande bör beaktas:

• Definition av organisatorisk struktur och relationer till projektrollerna
  Organisationens struktur bör definieras och befogenheter och roller i projektorganisationen beskrivas i rollbeskrivningarna för de ordinarie rollerna i organisationen.
• Projektdefinition, rangordning och prioritering
  För att uppnå enhetlighet i organisationens syn på projektledning måste det klart och tydligt anges i vilka uppgång projektledning ska tillämpas. Regler för hur man rangordnar och prioriterar mellan projekt måste anges.
• Ledningsnivå för projektsponsorer
  För ett projektsponsorn fullt ut ska kunna ta på sig det kommersiella och ekonomiska ansaretet för projektens och projektens slutresultat måste denne ha befogenhet att fatta
En rangordning av de enskilda projektens i projektportföljen ska göras för att skapa underlag för beslut om vilken prioritet olika projekt ska ha. För att säkerställa att ledningens uppmärksamhet och delaktighet fokuseras på strategiska och affärskritiska projekt ska projektets komplexitet, osäkerheter och strategiska betydelse bedömas. Det är också viktigt att kraven på projektledarens och projektmedlemmarnas erfarenhet och kompetens anpassas till projektets behov. Följande tabell identifierar några kriterier för rangordning av projekt:

<table>
<thead>
<tr>
<th>Osäkerheter och risker</th>
<th>Cennafaktor avser erfarenhet av teknologi, samarbete med specifik kund och produktområde.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Erfarenhetsgrad</td>
<td>Låg (stor erfarenhet)/Medium/ Hög (ingen erfarenhet)</td>
</tr>
<tr>
<td>Beroende av nyckelresurser</td>
<td>Låg/Medium/Hög</td>
</tr>
<tr>
<td>Projektomfattelse</td>
<td>Denna faktor avser projektorganisationens geografiska spridning, antal funktionella enheter, externa leverantörer, kulturell spridning, etnisk och lingvistisk spridning, etc.</td>
</tr>
<tr>
<td>Projektnomfattelse</td>
<td>Låg/Medium/Hög</td>
</tr>
<tr>
<td>Komplex intressentbild</td>
<td>Låg/Medium/Hög</td>
</tr>
<tr>
<td>Storlek</td>
<td>Projekts storlek beräknas i pengar (löstnad) eller i mantimmer.</td>
</tr>
<tr>
<td>Strategisk betydelse</td>
<td>Antal interessenter med inbördes motsägande krav på projektet.</td>
</tr>
<tr>
<td>Koppling till affärsstrategi</td>
<td>Gäller projektet produkter som ansas som perifera, eller utsatta i produktportföljen eller nya utveckling av produkt som antas bli central i en framtida portfölj? Är det en kund med liten affärsägars betydelse, eller ett försök att nå ut till en framtida viktig kund eller en ny marknad?</td>
</tr>
<tr>
<td>Förväntad vinst</td>
<td>Låg/Medium/Hög</td>
</tr>
<tr>
<td></td>
<td>Denna faktor kan avse projektet självt eller förväntad framtidiga vinst på projektresultatet.</td>
</tr>
</tbody>
</table>

Ett klimat för ständiga förbättringar
Projektmiljön i en multiprojektorganisation ska skapas med stråvan efter hög kvalitet både vad gäller projektomfattande och produkter. Projektprocessen bör innehålla rutiner för ständiga förbättringar av de processer som tillämpas i projektet, både ur ett kortssiktigt projektperspektiv och ur linjeorganisationens långsiktiga strategiska perspektiv:

- I en multiprojektorganisation ansvarar ledningen för att ständigt försöka förbättra kvaliteten på dess projektprocesser genom att lära sig av de erfarenheter som gjorts. En sådan fortlöpande förbättringsprocess kräver ett system för insamling och analys av den information som inhämtats under projektets gång.
- Projektorganisationen ansvarar för att ständigt försöka förbättra kvaliteten på projektets planer och arbetsmetoder. Den tid och de resurser som behövs för utvärderingar och interna och externa revisioner ska beaktas när man upprättar projektplanerna.
- Förbättringsarbetet ska omfatta även affärsprocesser, inklusive marknadsförings- och försäljningsprocesser, lönsamhetsberäkningar, metoder för att ta fram business case och marknadsanalys.

Processledning
Processledning är ett systematiskt tillvägagångssätt för att beskriva, mäta, kontrollera och fortlöpande förbättra tväruniversella flöden och affärsverksamhet över organisatoriska och funktionella gränser. Eftersom projekt gagnas av en 1cke-funktionell syn på verksamheten, gagnas projektverksamheten av att man anlägger en processledningssyn. De viktigaste fördelarna med processperspektivet är:

- kundfokus på alla nivåer i organisationen,
PROPS - ett ramverk för företagsbaserad projektstyrning

Framgångsrika projekt och en lönsam och optimerad projektportfölj kräver en projektkultur som grundar sig på en gemensam terminologi och projektmetodik. Klart definierade roller och ansvarsområden som är gemensamma för hela organisationen är också viktiga delar.


Det är viktigt att inte se PROPS ramverk som ett regelverk eller instruktion som ska följas. Rätt använd kan PROPS bidra till att frigöra kompetens och kreativitet hos människor, på ett sätt som gynnar organisationen.


PROPS perspektiv

Genom att beskriva företaget och dess projekt utifrån två kompletterande perspektiv ger PROPS en mångfacetterad bild av projekttarbete.

PROPS affärsämssiga perspektiv

Det affärsämssiga perspektivet i PROPS handlar om att samordna arbetssatserna i en organisation så att de förstärker organisationens överordnade affärsämål, fokuserar på kundnyttan och säkerställer högsta möjliga värde från projektet genom effektiv resursanvändning. Fatt att åstadkomma detta krävs professionell projektledning och kunskap om hur och när projekttarbetsformen ska tillämpas.

PROPS mänskliga perspektiv

Det mänskliga perspektivet i PROPS handlar om att lyfta fram individen som en av organisationens viktigaste tillgångar. Projektkulturen baseras på gemensamma roller, processer och terminologi, men också på klart uttalade förhållningssätt till ledarskap och samarbete i team.

en gemensam projektkultur är en förutsättning för att man ska kunna nyta av projektledningen och av den samla kompetens och kapacitet som finns hos de enskilda individer som på olika sätt är inblandade i projektverksamheten.

http://props.skandinavisk.org/xprops/se/x.pe.intro.html
Ett ramverk av modeller
Inom PROPS ramverk återfinns standardmodeller för projektets livscykel och organisation. Dessa modeller är tänkta som stöd och vägledning för företag och organisationer som vill förbättra sin förmåga att tillämpa företagssbaserad projektstyrning. Modellerna baseras på internationellt accepterade begrepp och definitioner, som anpassats till de speciella förutsättningar som gäller inom ett företag eller en organisation som bedriver en stor och affärskritisk del av sin verksamhet i projektform.

PROPS livscykelmodell för projekt
Projektlivscykelmodellen i PROPS handlar om att samordna de enskilda arbetsinsatserna i projektet så att de på ett framgångsrikt sätt bidrar till att uppnå projektmålet. Modellen definerar vad som ska göras i projektet, när det ska göras och av vem. Projektets faser beskrivs liksom de aktiviteter som behövs för att integrera och styra projektarbetet samt stödja projektmedlemmarna.

PROPS organisationsmodell för projekt
I PROPS organisationsmodell för projekt beskrivs olika kategorier av projekttillsynsenter och deras roller och ansvarsområden definieras.

Andra modeller i PROPS
I PROPS ramverk finner man även modeller för hur ett projektkontor kan utformas och organiseras och för hur man kan hantera och styra en projektportfölj. Roller och ansvarsområden inom en projektportfölj definieras, liksom de olika funktioner som projektkontoret ansvarar för.

PROPS egenskaper
PROPS ramverk är avsett att stödja chefer och enskilda på alla nivåer i en organisation. Informationen är strukturerad och utformad så att det ska vara lätt för användaren att hitta det stöd man behöver.

Följande egenskaper hos PROPS stödjer denna målsättning:
- PROPS nyckelelement
- Färgkodning
- Mallar, verktyg och tekniker
- PROPS-applikationer
- Web-lösningar

PROPS nyckelelement
PROPS ramverk innehåller beskrivningar av att antal nyckelelement. Vissa av dessa element är standardkoncept inom företagssbaserad projektstyrning, t.ex.:
- Projekt
- Projektportfölj
- Ledare
- Team
- Projektlivscykel
• Projektorganisation
• Projektkontor
• Kunskapsområden inom projektledning
• Projektkultur

Bland nycketelementen i PROPS finner man också ett antal roller, processer, aktiviteter, dokument och beslutspunkter.

Tillsammans ger beskrivningarna av nycketelementen helo filosofin för företagsbaserad projektstyrdning. Terminologin och färgkodade symboler och bilder används för att underbygga budskapet.

Färgkodning

Alla bilder och symboler i PROPS har färger som följer en strikt färgkod där fyra färger används: rött, blått, gult och grön:

• Rött står för organisationens långsiktiga affärs mål
  Den röda färgen representerar affärsanläggning ansvar. Organisationens affärs mål representeras av en röd pil och projectets styrande funktion i projektorganisationen är röd. Projektspionen, som ansvarar kommersiellt för projektet och projektportfoljåren har röde mössor. Tillsatte beslutet representeras av en röd rombo.

• Blått står för projektledning
  I PROPS representerar den blå färger projektledningsfunktionen. Projektledaren har en blå mössa. Projektledningsprocessen inom livscykelnmodellen är blå, liksom de tio kunskapsområdena inom projektledning.

• Gult står för operativt arbete och ansvar
  Gult representerar de operativa delarna av organisationen och projektet. Projektets arbetsmodell i projektlivscykeln är gult. Alla medlemmar i projektteamet och deras närmaste chefer i linjeföretag - resursägarna - har gula kepsar på sig. Mottagarna - det vill säga chefer som tar över ansvaret för projektets slutresultat efter det att projektet har avslutats - har också gula kepsar på sig.

• Grönt står för projektets slutresultat

Mallar, verktyg och tekniker


PROPS-applikationer

PROPS ramverk kan användas i olika miljöer och branscher, för alla slags projekt och projektportfolj. Men för att ge mer handfläkt stöd i en specifik organisation kan modellerna i ramverket behöva anpassas, exempelvis för de vanligaste projekttyperna.

En livscykelmamma som bygger på de grundläggande principerna i PROPS och är anpassad till en
viss typ av projekt, kallas för en PROPS-applikation.

När man skapar en PROPS-applikation kan det mesta av den generella informationen i PROPS återanvändas och endast kompletteras med produkt- och organisationsspecifik information. Detta minskar kostnaderna för metodutveckling och gör att det krävs mindre tid och arbete för att införa nya processer eller arbetssätt.

Weblösningar
PROPS är uppbyggt av informationselement och kan enkelt publiceras i olika typer av media för olika målgrupper, genom att man strukturerar om informationen och lyfter fram olika element.

Även om informationen är avsedd att läggas ut på en organisations intranät, kan den också användas som en fritående produkt på en dator eller skrivs ut.

PROPS - ett ramverk som grundas på åratal av erfarenhet
PROPS har utvecklats inom Ericsson, ett globalt, mångkulturellt företag som framgångsrikt har använt projektarbetsformen för att utveckla konkurrenskraftiga produkter och lansera dem på marknaden.

PROPS har använts sedan 1988 för alla slags projekt och vid olika Ericsson-företag runt om i världen, men det har också införts och använts hos ett antal andra företag. Är av projektfergenhet inom olika branscher och sektorer finns inarbetade i modellen. Den har förbättrats och utvecklats genom åren för att säkerställa att de projektleader och organisationer som är beroende av framgångsrika projekt och projektportföljer får fullt stöd.

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Processen för uppföljning och projektstöd

För att styra projektet utifrån ett offertiperspektiv måste projekets styrende funktion (projektsponsor, projektporportföljare och medlemmarna i projektskyrgruppen) aktivt delta i projektets verksamhet.

Deras ansvarsområden är:

- att hantera strategiskt viktiga kontaktytor i projektet,
- att övervaka projektet och dess progress,
- att säkerställa att projektet har tillgång till chefer i organisationen som har befogenheter att fatta beslut om projektets resurser och omfattning,
- att utöva ledarskap och fungera som förebilder.

Att hantera strategiskt viktiga kontaktytor i projektet

Projekts styrande funktion ansvarar för att hantera strategiskt viktiga kontaktytor i projektet. Det innebär relationer med kunden och partners samt med interna intressenter, såsom verkställande direktörer, produktbegare och marknadschefer. Att hantera intressenternas förväntningar kan vara svårt, eftersom dessa ofta har vildplitude olja mål som kan stå i strid med varandra.

Generellt sett ska eventuella meningsskiljaktigheter mellan eller bland intressenten löses i kundens favor. Det innebär emellertid inte att man kan eller ska ignorera övriga intressenters behov och förväntningar.

Hantering av kundrelationer

Kundens behov ska klart förstås, för att säkerställa att alla arbetssatsen i projektet är inriktade på och kan möta dessa behov. Alla medlemmar i projektorganisationen måste förstå sitt ansvar för och bidrag till att uppfylja kundens behov. Om kundens behov förändras ska dessa ändringar fortlöpande identifieras, analyseras och hanteras i hela projektet.

Det måste skapas kontaktytor och kommunikationsrutiner med kunden för diskussioner och feedback.

Hanteringen av strategiskt viktiga kontaktytor omfattar:

- identifiering av en kund och av andra viktiga strategiska externa intressenter,
- upprättande av ett ömsesidigt fördelaktigt samarbete med kundernas
- kundförhandlingar,
- verifiering av kundens acceptans,
- utvärdering av kundnyttan, både ur ett kort- och ett långsiktigt perspektiv.

Hantering av strategiska interna kontaktytor

Hanteringen av kontaktytor gentemot strategiskt viktiga och inflytelserika interna intressenter och
gentemot organisationens verksamhet och processer omfattar:

- identifiering av strategiska interna projektintressenter,
- tillsättning av projektstyргruppens medlemmar,
- säkerställande av att reglerna för hantering av säkerhetsfrågor följs i projektet,
- implementering och kommunikation av erfarenheter och förslag och bekräftelse på att organisationen drar nytta av den kompetensutveckling som har åtgärd rum i projektet.

Projektövervakning

Projektets styrende funktion ansvarar för att säkerställa projektets affärsämssiga värde, genom att hålla sig informerad om projektets status och övervaka projektets progress. Medlemmarna i projektstyrgruppen ska hållas informerade av projektledaren i Statusrapporter och på styrgruppssöndagen. Rapporteringen ska vara standardiserad för att säkerställa att alla projekt i organisationen rapporteras på samma sätt och att deras affärsämssiga värde, progress och resursanvändning kan jämföras och rangordnas.

Projektrapportering innefattar även rapportering av måtetal för projekt som ska användas vid benchmarking, identifiering av olikt genomförande och god praxis i organisationen samt som underlag när initiativ för processförbättringar initieras och utvärderas.

För att säkerställa ordentlig övervakning av projektet ska projektförrapporteringen innehålla:

- projektets progress jämfört med planerna (med fokusering på avvikelser från planerna),
- prognoser avseende projektets tidplan, ekonomi och resursanvändning,
- projektets riskstatus, däribland uppföljning av hanteringen av identifierade risker och nya risker som identifierats,
- rapportering av måtetal för projekt,
- rapportering av ändringsförslag som kan påverka projektets omfattning och mål.

Ledningsstöd

För att säkerställa att affärsinriktningen bibehålls och förstärks och för att förkorta lektiden mellan det att ett förslag till en ändring läggs fram och accepteras eller avvisas, ska projektets styrende funktion vara närvarande och tillgänglig överallt i projektet.

Att ledningsstöd och personer med beslutsbefogenheter finns till hands är särskilt viktigt i organisationer där projektledaren saknar befogenheter att upphandla resurser, godkänna ändringar av deprojektplaner eller initiera större arbetspaketer.

Projektet ställs hela tiden inför utmaningar i form av nya eller förändrade krav, tekniska svårigheter och resursproblem. Om projektets förväntade slutresultat inte kan levereras i tid eller inom aktuella budgetramar måste projektstyrgruppen informeras om sådana problem och projektsponsorna fatta beslut.

Strategiska beslut om projektet måste fattas även mellan tullgates. Sådana beslut rör projektets strategi och mål, ändrade krav och andra kundrelaterade frågor, samt nya eller ändrade resurser i projektet. Ändringsproceduren måste följas och beslut dokumenteras ordentligt. Projektsponsorn och övriga medlemmar i projektstyrgruppen bör följa beslutet och agera i enlighet med dem.

Att utöva ledarskap och fungera som förebild

Att vara en del av projektets styrende funktion innebär att man tar aktiv del i den strategiska utvecklingen av verksamheten.


Chefser i projektets styrende funktion ska främja projektet i organisationen genom att skapa ett öppet arbetsklimat, uppmuntra till att nätverk skapas och till samarbete mellan olika organisationella enheter. De ska göra projektet synligt i organisationen, lyfta fram goda arbetsprestationer och resultat som har uppnåtts och aktivt stödja projektledaren i det löpande arbetet.

Ett projekt genomförande av hög kvalitet kräver alla projektmedlemmars helhjärtade delaktighet och engagemang. Cheferna i projektets styrende funktion ansvarar i detta sammanhang för att visa vägen och för att motivera projektmedlemmarna.

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affärsmässiga beslut i projektet. Därför måste ledningsnivån för projektsponsorer för olika typer av projekt definieras.

- **Tillämpning av tollgate-modellen**
  Det måste beslutats om tollgate 0 ska användas för att initiera förstudier eller ej och om eventuella extra tollgates ska läggas till. Vid behov kan en bilaggsbeskrivning och förklaring läggas till tollgate-definitionerne.
  Om man har krav på formerna vid tollgate-beslutet, måste en procedur för dess beskrivas. Proceduren ska optimaliseras för snabbhet och flexibilitet och står i relation till de olika projektens behov, storlek, risker och komplexitet.

- **Modell för upphandling av projektresurser**
  En modell för resursupphandling i projekt och vilka kontakten som ska användas bör beskrivas. Projektledarens befogenheter bör diskuteras och vara knutna till befogenheten att underteckna interna och externa contrakt i projektupphandlingen.

**Projektportfölj**
Projektportföljen omfattar alla projekt och projektprogram som bedrivs inom organisationen. Alla projekt i portföljen ska vara avständiga med organisationens målsättningar och strategier.

Eventuella beslut om att initiera eller lägga ned ett projekt eller att förändra projektets omfattning och ramar, ska relateras till projektets potentiella inverkan på den totala projektportföljen och på organisationens övriga verksamhet.

Det yttersta ansvaret för projektportföljen i organisationen ligger på högsta ledningen. Den chef som tar på sig detta ansvar kallas för projektportföljägaren.

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