



A Work Project, presented as part of the requirements for the Award of a Master's Degree in Economics/  
Finance / Management from the NOVA - School of Business and Economics

DEVELOPING A PARTNER EVALUATION PROCESS FOR KONE'S ECOSYSTEM

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## **ABSTRACT**

### **Developing a Partner Evaluation Process for KONE's Ecosystem**

KONE, the leading company in elevator and escalator industry, is actively seeking the potential partners to form a strategic alliance in the form of business ecosystem. This paper is to develop a Partner Evaluation Process for KONE's Ecosystem that enables KONE to effectively grow the ecosystem using resources efficiently. The project mainly covers the development of the practices of two stages in the process: 1) Prospective Partner Questionnaire; and 2) Potential Partner Evaluation. In using relevant literature review and iteration with KONE's stakeholders, this project will contribute to the practice in real business world.

**Keywords:** business strategy, partnership, business ecosystem, evaluation framework

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## **1. BRIEF CONTENT**

### **a. Client**

KONE, founded in 1910 and headquartered in Helsinki, Finland, is an international engineering and service company. As a global leader in the elevator and escalator industry, KONE provides elevators, escalators and automatic building doors, as well as solutions for modernisation and maintenance to add value to buildings throughout their life cycle. Dedicated to more effective People Flow, for making people's daily journeys safe, smooth, convenient and reliable, KONE is a proven technology leader that provides a systematic and long-term investment into its R&D capabilities, and explores technologies in other industries and monitors changing markets, trends, customer needs and working methods.

KONE currently operates through more than 1,000 offices with more than 47,000 dedicated employees in over 60 countries around the world, with eight global R&D centres. In 2015, KONE generated 8,647 million euros as total sales from new equipment (57%), maintenance (31%) and modernisation (12%). It is estimated that KONE's net sales in 2016 will grow by 2%-6% at comparable exchange rates as compared to 2015.

### **b. Market overview**

In accordance with the report of World Urbanisation Trends 2014, issued by the United Nations, 54 per cent of the world's population would be residing in urban areas, and by 2050, the percentage will go up to 66 per cent. This mega trend of urbanisation makes the cities expand fiercely and required for taller buildings to accommodate the incoming population. At the same time, it also brings about another challenge of tackling the potential constraints inside of people flow and outside the buildings.

Digitalization seems to be the ultimate solution, which is changing greatly the way of how people live and work. The rapid advances in technologies have been redefining many industry sectors. The products, solutions or services are now closely combined with data and analytics, which improve customer experience through real-time transparency. It provides the possibility of making better use of energy and resources in sustainable and smart buildings.

These two mega trends, namely urbanisation and digitalisation, are greatly altering the face of escalator and elevator industry. The main players are working hard to bring innovations closer to the customers, and make new services and solutions faster into the market.

### **c. Current client situation**

KONE has had a long and successful history of innovation in areas like technology, safety and eco-efficiency, and especially with a strategic focus on offering a better and personalised experience through the whole elevator and escalator journey, right from access to destination. However, the main challenge associated within the industry is the speed at which new solutions are introduced. Schindler, Otis, ThyssenKrupp, Mitsubishi and Hyundai are identified as the main competitors to KONE. These companies have been taking several strategic actions through establishing alliances with the world-class data players to accelerate the application of digitalised solutions. For example, ThyssenKrupp revealed an IoT partnership with Microsoft in 2014 (ThyssenKrupp, 2014), Schindler is partnering with Apple on the field of predictive maintenance (Apple, 2016) and OTIS just announced a partnership with AT&T to enhance their cloud environment (OTIS, 2016). However, these partnerships appear to only take advantage of cloud computing and analytics. In contrast, the partnership between KONE and IBM also provides a building block for the future ecosystem.

In order to gain a more competitive position in the escalator and elevator industry, in stead of adopting a closed or only in-house model of innovation, KONE is pursuing a strategy of concentrating on their core competencies and leveraging the agility of third parties simultaneously. A large corporation’s overall ecosystem is always more valuable than the enterprise itself where the values from integration can be maximised. Building an ecosystem of players in Smart Building, Analytics and IoT has become a major strategic objective for KONE (see Figure 1) and they are actively seeking for different types of partners, ranging from established companies to start-ups to form these business ecosystem.

**KONE People Flow Ecosystem - Big Picture**

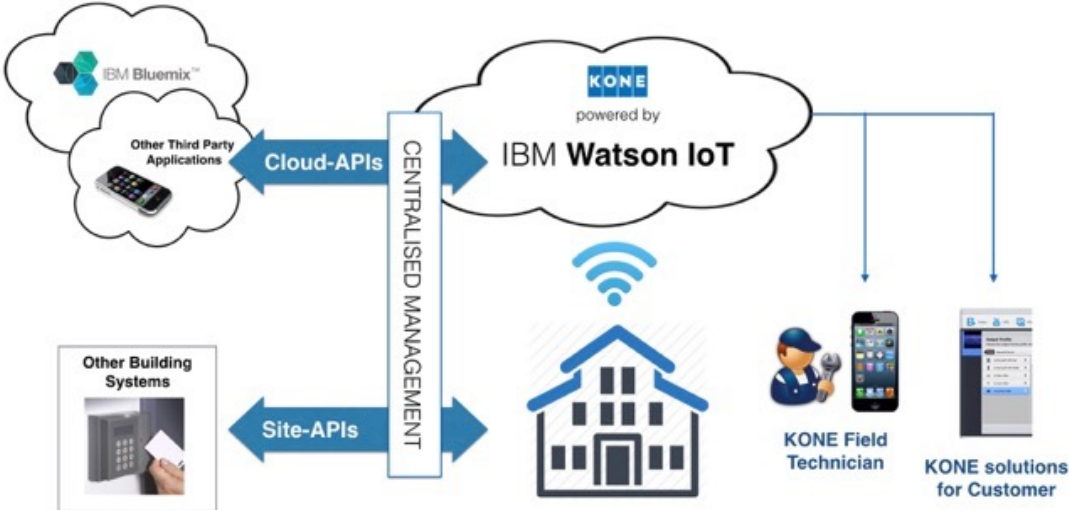


Figure 1. The KONE Ecosystem Platform

The active search for partners has yielded results. Current partners include e.g. Indoor Ninja, a start-up providing a sophisticated visitor identification and access control smartphone application. KONE is supporting the start-up in its pioneering phase and expects a commercial launch of the product in 2016. Another existing partner is Kaba, a leading company in the security technology industry, with whom KONE partnered in 2012. By

providing a tailored software application with cutting edge security technology, KONE and Kaba have been able to develop an integrated and comprehensive building access solution.

**d. The business project challenge**

KONE has already formed partnerships with several companies, and started building the foundation of the ecosystem with the core objective of delivering better People Flow. Though the different phases of the KONE ecosystem building and management process have been defined, the substantial practices within each stage have not been developed yet. Therefore, the main challenge of this business project is to develop the optimal practices for the second step, *Prospective Partner Questionnaire*, and the third step, *Potential Partner Evaluation*, in order to support and simplify decision-making and partner selection. These practices of the two stages would also allow KONE to constantly accumulate the information from their perspective, and extract the data whenever they need. The development of these two steps is the core deliverable of the whole business project, which was tested on five companies provided by KONE. Moreover, the report also gives recommendations on the implementation of the ecosystem building and management process in the form of a checklist with critical questions.

## **2. REFLECTION ON THE WORK DONE AND INDIVIDUAL CONTRIBUTION**

### **a. Problem definition**

From the former experiences of partnership to build the KONE ecosystem, it was found that the selection of potential partners had required a lot of resources from KONE, which was lack in efficiency, time-consuming and acquiring many human resources. Numerous potential partners scatter in the market. But in reality the signalling of seeking partner from KONE didn't reach them effectively. At the same time, the companies showed interests of partnership to KONE provide unstructured information that added many difficulties in management at KONE's side. The discrepancies between KONE and the potential partners not only hold the efficiency in a relatively low level but also extend to other issues, such as hard expectation management and internal organisational management. Therefore, a structured and standardised process needs to be created to tackle this managerial challenge.

### **b. Methodology**

#### **I. Research questions**

Over the last few decades, we have entered into the age of interdependence, relationship networks, and multidimensional, holistic competition (Nohria et. al, 1991). There has been a shift from traditional firm-to-firm competition to network-to-network competition. A web of entities, rather than a single firm, coordinates the set of activities that delivers utility to customers. Such networks can be considered as business ecosystems (Dass et. al., 2014) that KONE has taken several important steps to build. Aiming to support KONE in developing a standardised and structured ecosystem building and management process (see Figure 2), the two steps, *Prospective Partner Questionnaire* and *Potential Partner Evaluation*, are

developed in concrete practices to enable KONE to effectively deploy the resources and grow the ecosystem.

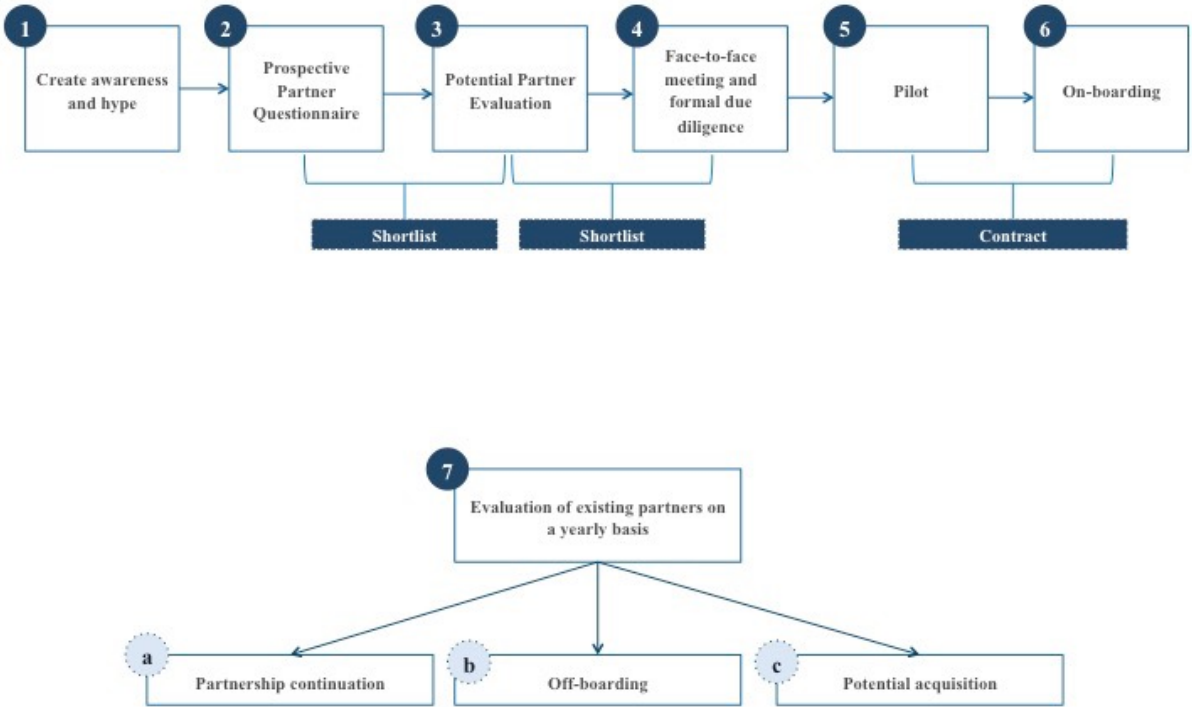


Figure 2. An outline of the KONE ecosystem formation and management process

Therefore, the central research questions are:

- What kind of information on prospective partners should KONE collect in the Prospective Partner Questionnaire and how should these data be used and managed?
- Which are the practices and tools KONE should use to evaluate the overall fit of potential partners to their ecosystem?

**II. Results**

**1) Prospective partner questionnaire**

The *Prospective Partner Questionnaire* acts as the first layer of the overall process of partner development. It will be used by KONE as a pre-screening tool and for prospective partners, to

communicate their intent and interest of partnership with KONE. This pre-screening tool can assist KONE's experts in filtering and categorising the applicants to the firm's current needs and priorities. And it serves as a machine to gather the information into a database of potential partners for KONE's future use in accordance with the changing needs. On the other side, it will become the bridge for the prospective partner to get in contact with KONE without wasting their resources on locating the contact person within KONE.

Since the essential nature of this questionnaire is to filter and categorise the potential partners with optimal efficiency, it is crucial to minimise the number of questions and the corresponding answers. To further improve the quality of this process, the questions are usually fixed but with alternative answers, rather than open fields. Through the questionnaire KONE's intent is to obtain an overall picture of the potential partners. Therefore, the questions concentrate on the type of the company, maturity of business, type of solution, geographical presence, and how the company and their solution would be placed with KONE's solution portfolio and organisation.

KONE is interested in partnering with both start-ups and established companies. Thus, considering the broad definition of start-up, the different stages that a start-up can be are classified as seed-stage, early stage and later stage start-up. In order to avoid the misunderstanding, a simple user manual has been developed, serving as a guide to help position correctly the company. In addition to maturity of the prospective partner, the questions regarding how the firm adds value to the ecosystem and how their solution will fit with KONE's current portfolio, are specially stressed. The prospective partner is also required to define the development stage of their solutions, and their geographical presence, in terms of number, variety, and proximity. The examples of the fixed questions are as follows:

In which of the KONE Business Lines would you position your solution? (*multiple answers possible*)

- Elevators
- Escalators and Auto-walks
- People Flow Intelligence
- Services (Design, Construction, Maintenance, Modernisation)

Built on the aforesaid requirements, an initial version of the *Prospective Partner Questionnaire* was developed. It was tested with five real companies to see whether the questionnaire could be easily understood and facilitated the filtering and categorisation of the database. It turned out that the questionnaire is straightforward together with the simple guide and merely two changes were made (see Appendix 1), which were to incorporate the general description of the prospective partner's solution and specify the respective cities where the company is located.

The prospective partners within the database will be marked by KONE by a traffic-light system (no / pending / yes) that represent their attractiveness to the current ecosystem (see Figure 3). Those companies with the lowest mark will be deleted from the database and the ones with the highest mark, moved to the *Potential Partner Evaluation*. The companies in between with a pending mark will be asked to fill in the questionnaire again when significant changes occur to the information they provided. KONE needs to pay attention to update the database on a regular basis.

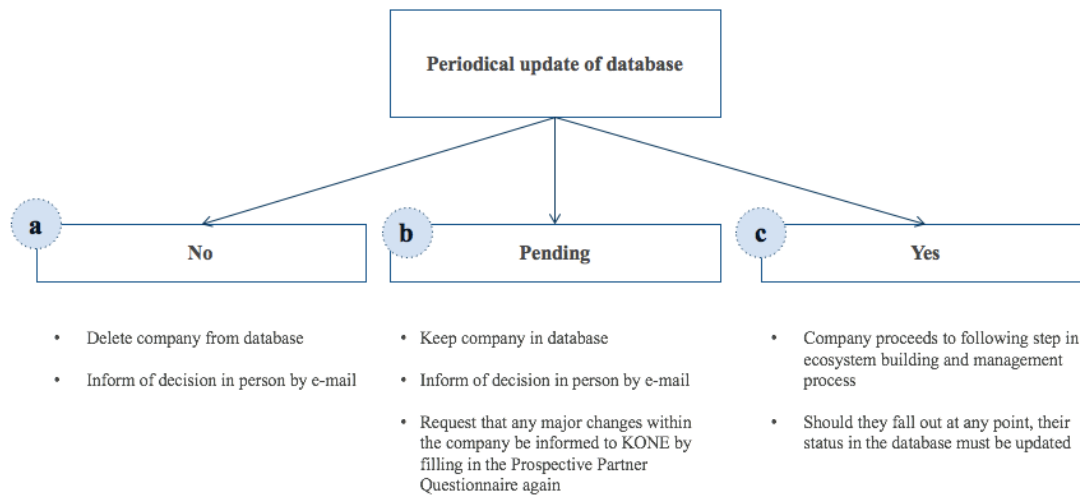


Figure 3. Managing the database of prospective partners

## 2) Potential partner evaluation

The *Potential Partner Evaluation framework* represents the third step in the ecosystem building and management process. It acts as a tool with more depth to evaluate the fit of a company that has been chosen from the database. Since it is the step before the formal face-to-face meetings, it needs to provide more and detailed information for KONE to on-board the right potential partners to the stage of negotiation and due diligence.

Following the core principals of effectiveness and efficiency, the framework needs to hold the complexity at a relatively low level but not losing its amplexness. Intuitive illustration and visualisation of the results are also required for KONE to directly compare the various potential partners and track the differences in the important factors relating to the potential fit of partners at this stage. Therefore, a quantitative method is applied in the framework. Moreover, considering the fact that the framework will be used by difference people or teams

with KONE's organisation, the subjectivity on the results is aimed to be minimised. Finally, the evaluation method has to differentiate between start-ups and established companies.

A literature review was conducted to identify the kind of firm attributes that influence alliance success. The specific methodology will be explained in the next sector. Based on the insights from the reviewed literature, the key Critical Success Factors were defined and further categorised into Value Proposition Fit, Partner Fit and Execution Fit (see Appendix 2), which were evaluated and modified in cooperation with KONE. Value Proposition Fit is considered to come first in the whole framework. It is further decomposed into three Critical Success Factors from the perspectives of solution, corporate strategy/condition and market related knowledge. The same rules apply to the Partner Fit and Execution Fit. The combination of these three fits ensure a more thorough and detailed evaluation of the potential partners.

Although the key Critical Success Factors have formed an easy and thorough base for the evaluation framework, it could still lead to a high level of subjective results considering people's varied understandings. Accordingly, the specifying questions for each of the Critical Success Factors are made to raise at utmost the objectivity. They lead the evaluators to concentrate on the core issues to ensure that the meanings of the Critical Success Factors are interpreted in the same way. Although the Critical Success Factors are relevant for the companies at all stages of their business lifecycle, the criteria, needs to be considered to determine how well a prospective partner performs a certain Critical Success Factor, can differ. Therefore, two versions of specifying questions are developed to meet the different conditions of start-ups and established companies.

Though the *Prospective Partner Questionnaire* has gathered some information, it is still considered too general for a profound analysis. Therefore, the *Potential Partner Evaluation Questionnaire* is developed from the specifying questions (see Appendix 3), from which the

information is extracted and will be evaluated through the framework. The questions of this questionnaire are not provided with fixed options but are rather open for descriptive answers under the premise of limited word counting.

One of the purposes of the framework is to compare and evaluate the performance of the different potential partners, and to provide the data for illustration and visualisation. To achieve these targets, a scoring method is defined where each Critical Success Factor is allocated with a certain score by the evaluator. The scale contains three values, i.e. 0 (zero), 3 (three) and 9 (nine), that represent very poor, fair and very good respectively. The adoption of these three values is mainly to expand the gap between the well-performed company and poorly-performed company, and enable a clearer distinction in visualisations. Each value is back up with specific rationales.

After allocating the score to each Critical Success Factor by referring to the scaling matrix, the relative importance of each Critical Success Factor needed to be assigned. Nevertheless, considering that the final weight of the Critical Success Factors must be decided by KONE based on their actual needs, only suggestions are given in the project. It is recommended to assign 50% to those Critical Success Factors identified as the most important, and the remaining weight to be distributed equally for all the other Critical Success Factors. For example, the Value Proposition Fit was mentioned as extremely important, which resulted in being allocated with 50%. In this category of Value Proposition Fit, the Complementarity of solutions to KONE People Flow Ecosystem was asserted to be the most crucial one, which ended with 50%.

After scoring the different Critical Success Factors and assigning them with relative importance, the final score of the potential partner can be calculated. It can be simply presented as follows: every score that has been assigned to each of the Critical Success

Factors is multiplied with the Critical Success Factor's corresponding relative importance. These interim results will then be summed, within each category, and finally multiplied with the corresponding main category's relative importance (see Equation 1). The final score of each category may all have a different maximum score due to their various relative importance. It will not influence the comparison as the scores are compared horizontally.

$$\text{Category Score} = \sum_1^n CSF_n * RI_{CSF_n}$$

$n$  = the total number of CSFs within the category

$CSF_n$  = the score of the CSF (0, 3, 9)

$RI_{CSF_n}$  = the relative importance of  $CSF_n$

$$\text{Final Score} = \sum_1^n \text{Category Score}_n * RI_{\text{Category}}$$

$n$  = the total number of categories

$RI_{\text{Category}}$  = the relative importance of the category

Equation 1. Calculation of the weighted average for the different categories and the company as a whole

The scores will then be used for the illustration and visualisation, which adopt bar chart and radar chart. The former is mainly used for comparing two or more companies to obtain an overview. The latter is dedicated to highlight the strengths and weaknesses of the companies in each category. Hence, more than one companies can be fitted into the same radar chart for making the comparison.

From the *Potential Partner Evaluation Questionnaire*, the evaluation framework and its scoring matrix, to the final illustration and visualisation of the scores, the *Potential Partner Evaluation framework* can be considered as complete and a good practice.

### III. Methodology

The development of the *Prospective Partner Questionnaire* is based on the collection of qualitative data gathered from the discussions and meetings with stakeholders of KONE. As this questionnaire serves as a tool to build and manage a database of the prospective partner candidates, KONE required the questionnaire to assist filter and position the potential partners in the database in accordance with their actual needs. As such, this was ensured through an iterative process approach in establishing the questionnaire, where the questions were formed through multiple discussions.

Despite the iteration process, a systematic database search was conducted to choose literature that would secure a solid foundation for the framework. The database was Thomson Reuter's Web of Science and the search was carried out in the area of Business Economics using the search word Alliance. The articles were sorted based on the number of citations and they were then filtered according to their abstracts to identify whether the research topic is firm-specific factors that influence alliance success. In terms of credibility of the research, no articles published in journals with an impact factor under 3 were included in the material. The framework was then further iterated in tight cooperation with KONE to reflect their specific needs and requirements. The articles selected were *The effects of partner and relationship characteristics on alliance outcomes* by Saxton (1997), *Partner selection in emerging and developed market contexts: Resource-based and organisational learning perspectives* by Hitt et. al (2000), *Managing Strategic Alliances: What Do We Know Now, and Where Do We Go From Here?* by Kale et. al (2009) and *Characteristics of partnership success: Partnership attributes, communication behaviour, and conflict resolution techniques* by Mohr et al. (1994).

Hence, both the *Prospective Partner Questionnaire* and *Potential Partner Evaluation framework* were tested on five companies that have manifested interests in partnering with KONE. Most of the companies showed strong commitment and finished the questionnaires in a thorough and detailed manner. Based on their actual feedback, the questionnaire and framework were revised to be more content-wise ideal. Though finding the potential partners is not the core deliverable of this business project, a list of companies was formed by a secondary data collection through a systematic web-search with various keywords, and also by sorting through the attendants of recent start-up conferences.

**c. Recommendations to the company**

Though the purpose of this business project is to develop the second and the third step of KONE's ecosystem formation and management process, it is also essential to ensure the successful implementation of the whole process into KONE's organisation and existing managerial system, to make these two step become the best practices. A step by step checklist for each stage of the partnership process is created (see Appendix 4), which serves as a reference tool with focal implementation steps for KONE's internal use. Certain critical questions are made for the responsible teams or persons in charge to check whether certain steps are executed correctly and achieve their objectives.

In accordance with the former partnership experiences, KONE found that many companies in the market did not even know that KONE was actively seeking for potential partners. Though KONE holds a premium market position, it does not necessarily ensure the potential candidates to have received the signalling. Therefore, creating awareness and hype in the market through marketing and advertising activities is highly recommended to widely spread the partnership information and to attract more potential candidates to join in the process. A

dedicated marketing team shall be well formed before starting the actual creation of awareness.

When the marketing and advertising activities are implemented as the external exercises, the internal implementation needs to be attached with more attention. Considering this ecosystem formation as an organisational and managerial change, the purpose and possible outcomes require effective communication and execution inside KONE. Therefore, it is suggested to have a dedicated team of specialists to focus on this implementation. This team needs to have the full competencies to communicate and coordinate with other organisational departments, and diversity must be addressed in the team through job titles, expertise, and political influence. Their role would not be restricted to a certain step in the process but rather accompany the execution of the whole process. Then their knowledge would be particularly significant during fact-to-face meetings and competitive negotiations when acting as internal consultants.

#### **d. Limitations**

This business project naturally contains some limitations like any other project. Firstly, though many methods have been taken to lower the level of subjectivity entailed in *Potential Partner Framework*, the objectivity cannot be fully achieved. Our team was working only as external student consultants. It was hard for us to obtain the very full picture of KONE's business and organisation. We, who developed the practices of questionnaire and framework, could have been biased in the process. Hence, this business project provides a checklist of focal steps to follow in the implementation phase. It does not provide any cost estimation.

In the perspective of KONE, the evaluator could still form his/her own opinions about the potential partners without taking the principles of the framework into consideration. Another

limitation is that the *Potential Partner Evaluation framework* is only tested on start-ups but not including the established companies. This limitation cannot be avoided at the current stage as the companies were provided by KONE. Nevertheless, the established companies may need the signing of NDA to proceed with the testing but start-ups can be more open about their interests as a trade-off for seeking strong partner like KONE.

**e. Individual contribution**

It is hard to clearly summarise my works and contributions with certain roles or boundaries within the whole business project. Our team has been closely following the principles of working as a team, respecting each other's strengths and weaknesses and finding the balance in order to deliver the best piece of work.

In the perspective of content, I was responsible for the literature review and elaboration of the business ecosystem, the KONE ecosystem today and the implementation, including the list of potential partners and the checklist with critical questions. I was actively participating in all the discussions, especially the decision-making of the Critical Success Factors and scaling matrix in development of the framework. Other than the written part of the business project, I was fully in charge of creating the slides for the research plan, preliminary presentation and the final presentation, and the slides for check-up meetings with KONE as well.

Furthermore, considering the communications with multiple parties involved in supporting the business project, I was mainly assisting the communications with external consultants and Aalto CEMS office.

### **3. ACADEMIC DISCUSSION**

#### **a. Change management**

This sector contributes to the specific challenge, namely change management, which was encountered during the development of this business project, and closely related to my area of study of International Management with a focus on strategy and international business.

Throughout the last couple of years the financial market has become more turbulent and unpredictable wherefore many companies are initiating management transformation efforts to stay competitive in the market. This can be seen as a profound reason for KONE to seek partnerships to establish a powerful platform to hold and improve its market position. The framework developed to support the partnership decision in the business project can be seen as a change project as it doesn't exist in KONE's current management process. Thus, conducting successful change projects is a complex process engaging considerations of different aspects, such as resources, organisation structure and stakeholders.

Reflected on the framework developed for evaluating the potential partners, it would stay argumentative whether it could be smoothly implemented into KONE's organisation and management process. Because the implementation of this framework, which could change the firm's current partnership process, may acquire more resources and risks from the financial and organisational perspectives.

Another concern about change management is the measurement of the success. Some change management can be measured through the financial indices as they may be directly related to financial revenues or costs. Nevertheless, many change management projects are hard to be measured in a quantitative way as they concentrate on intangible changes, such as organisational culture or behaviour.

## **b. Theories and empirical studies**

Different from project management, which has been focusing mainly on the structures and dynamics of an individual project, excluding the context or history of the projects (Engwall, 2002), change management attaches much importance on the wholistic picture of the organisation rather than a single project. The organisation's willingness to change is an essential consideration to make. This can be affected by various aspects in accordance with the literature review, such as age and size of the organisation, environment, resources, culture and structure of the organisation (Lehtonen and Martinsuo, 2008; Waddell and Sohal, 1998; Maurer, 1996; Engwall, 2002).

In accordance with Mintzberg (1983), the older and larger organisation tends to have more structural inertia and resistance to change. Many authors have considered these two phenomenons as the reasons for failure in many change management (Waddell and Sohal, 1998; Lawrence, 1954; Maurer, 1996, among others), which usually lead to delaying or slowing down the beginning, hindering its implementation and increasing its costs (Ansoff, 1988, cited in Waddell and Sohal, 1998).

The environment has the similar impact as the age and size of the organisation, and it covers the concepts of the immediate change management environment and the external environment. The centralised management style is useful when the project and the environment are simple and therefore need less flexibility (Mintzberg, 1983). In this kind of environment, the change management can adopt the strategic approach of "hierarchy" that leaves the responsibility of replying to environmental change to some organisational "fixed point" like a director, plan or procedure (Kreiner, 1995). Thus, this approach may cause organisational resistance because it can end without letting the employees understand the change before its implementation, and adds up to the resistance to change. Furthermore, John

Kotter (1995) stresses the importance of communication in his guide that contains eight steps revolving around creating a sense of urgency, communicating the vision, getting rid of obstacles and institutionalising the new approaches.

The external environment of the host organisation could play an important role in the likelihood of successful change management, such as economic, political and cultural factors (Blomquist and Packendorff, 1998; Kraatz and Zajac, 2001).

Thus, as change management is a relatively new field of study, most of the relevant literature is still based on a best practice approach. Many of the change management theories based on company experiences cannot escape the halo-effect, which means that when a successful strategy is achieved and evaluated afterwards, the management tends to concentrate only on the positive sides of the outcome and forget the negative consequences.

A.P. Møller Maersk Line, the Danish giant in shipping industry, has been active in the change management. They have been the market leader for a long time. Unfortunately, they started to lost money two years ago. As a result, they have been launching ten major change projects under a major transformation strategy called StreamLINE with the innovative internal consultants. Five projects have been implemented and the other five are currently ongoing. It was revealed that only one project was considered satisfactory, which was evaluated on financial contributions. This only indicator apparently could not reveal the whole picture of the change management. Maersk Line has begun to incorporate and integrate more evaluation indices or factors in their framework. Furthermore, the problems discovered with the implementation of the change management in Maersk Line, such as resistance to change, insufficient communication efforts, or lack in organisational coordination, align with the findings from the literature review.

### **c. Implications for theory and future research**

As stated in the beginning of the Work Project, the trend in future market competition has been gradually changing to alliance-to-alliance instead of single firms. This implies the increasing complexity in management. A firm can no longer only manage the internal organisation and business activities but also the overlapping areas with the partners, which will surely bring great changes to the firm. Currently change management has not been attached with enough importance in many firms, and some firms may not even have the idea of change management yet. The firms with structured change management may obtain more competitive advantages as they can better face with the internal and external change. Change management can also serve as ante-change or post-change tools in terms of predicting, managing changes, and gather learning experiences.

The further academic research for change management can develop from a structured framework, measurement system of the success or impact of change management, to how change management differs in large and small companies.

#### **4. PERSONAL REFLECTION**

The business project has been an amazing journey. I was working with other CEMS students of different nationalities and from various backgrounds. Our strengths and weaknesses were respected, enhanced and improved. The excellent learning experiences not only come from the team dynamics but also from the support of business tutors of KONE, and the academic tutor of Aalto School of Business. Furthermore, the business project did not only result in a professional working relationship. I harvested the most friendship in these months.

The difficult situations of our business project was the shift from the initial focus, which meant that we started almost everything over in the middle. Thus, our group was handling it very well. We quickly had check-up meetings with our tutors and requested for their support. As I stressed already, there was such a clear role to define myself in the team. I could not say how I dealt with this shift personally but rather as a part of the team.

Our group did a feedback session about our working style, and personal strengths and weaknesses after handing in the business project. My core strength is my good soft skills that can communicate effectively with others and keep the agreeable dynamics. At the same time, I acted like an active listener that respected others' opinions. My former working experiences had helped offer more insights from other perspectives other than academic ones.

My teammates' feedback on my weaknesses is on the space of improvement for leadership that sometimes I couldn't hold ground to my own opinions. They suggested me having more self-confidence when addressing opinions. And my presentation skills could be trained more to get rid of the nervousness.

If I would start this project again, surely I would take my teammates' recommendations into account, to seize the chances to train my leadership skills and act faster in the discussions.

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**6. APPENDIX**

**Appendix 1: Prospective Partner Questionnaire**

**Company Name and Date:** \_\_\_\_\_

**1. Which of this stage best define your company?**

- Seed stage start-up
- Early stage start-up
- Later stage start-up
- Established company

Question 1 User Manual	
<b>Seed Stage Start-Up</b>	Your company has not established commercial operations.
<b>Early Stage Start-Up</b>	Your company is able to begin operations, but not yet at the stage of commercial manufacturing and sales.
<b>Later Stage Start-Up</b>	Your product or service is in production and is commercially available. Your company demonstrates significant revenues growth, but it may not be showing a profit.
<b>Established company</b>	None of the above descriptions apply to your company.

**2. In which of the KONE Business Lines would you position your solution? (*multiple answers possible*)**

- Elevators
- Escalators and Auto-walks
- People Flow Intelligence
- Services (Design, Construction, Maintenance, Modernization)

**3. In which area of the KONE People Flow Intelligence would you position your solution? (*multiple answers possible*)**

- Access Control
- Destination Control
- Monitoring
- Information
- Other
- Not applicable

**4. Briefly describe your solution and its features. (*max 150 words*)**

**5. Briefly describe your value proposition. (*max 150 words*)**

**6. Are you a hardware or a software provider?**

- Hardware
- Software
- Both Hardware and Software
- Other

**7. Which type of solution are you currently offering?**

- Standalone solution
- Integrated solution
- Both Standalone and Integrated solution
- Other kind of solution

**8. At what life stage is your solution?**

- Idea
- Prototype
- Pilot
- Ready-to-market

**9. How many customers do you have in your portfolio at this stage?**

- 1-5
- 5-20
- 20-50
- 50+
- No customers

**10. In how many geographical markets are you able to offer your solution?**

- 1
- 2-4
- 5+

**11. Name the countries and cities in which your offices are located. (*dropdown menu*)**

**Appendix 2: Critical Success Factors**

Category	Critical Success Factor
<b>Value Proposition Fit</b>	Complementarity of solutions to KONE People Flow Ecosystem
	Compatibility of corporate strategies
	Partner's market knowledge/access
<b>Partner Fit</b>	Quality and reliability of partner's operations and solutions
	Partner's financial soundness
	Partner's technological capabilities and innovativeness
	Compatibility of business models
<b>Execution fit</b>	Partner's competencies
	Partner's organizational compatibility
	Degree of commitment and interdependence
	Partner's willingness and ability to disclose information
	Risks related to the execution of the partnership

### Appendix 3: Specifying Questions

Category	Critical Success Factor	Specifying Question
Value Proposition Fit	Complementarity of solutions to KONE People Flow Ecosystem	Solution within the scope of KONE people flow Solution adds value to KONE customers
	Compatibility of corporate strategies	The long-term objectives and goals of the the Partner and KONE are aligned
	Partner's market knowledge/access	Partner facilitates the access to new markets/customers*
Partner Fit	Quality and reliability of partner's operations and solutions	Partner has set up operations and processes* Partner has a strong partnership network and/or renown partners (VC's)
	Compatibility of business models	Partner has a business model that is compatible to KONE's business model
	Partner's financial soundness	Partner has a credible business plan* Partner has received sufficient funding* Partner requires funding from KONE*
	Partner's technological capabilities and innovativeness	Partner owns attractive IP Partner has means to to continuously innovate
Execution Fit	Partner's competencies	Specialised knowledge of the founding team* Years of relevant experience of the founding team* Partner need from support from KONE*
	Ease of communication with the partner	Physical proximity between KONE offices and partner offices
	Degree of commitment and interdependence	Partner is willing to commit time and resources to managing the partnership Partner is actively seeking and dependent on this alliance
	Partner's willingness and ability to disclose information	Partner is willing to share potential data generated through their solution

## Appendix 4:

Marketing and Advertising for Creating Partnership Awareness	
	Marketing and advertising team formation
	- Marketing director: preferable with abundant online and offline Marketing experiences
	- Marketing specialist(s)
	- External consultant (if needed)
Online marketing and advertising (globally and locally)	
	Campaign plan creation
	- Duration
	- Budget
	- Objectives
	- Action plan
	Campaign content generating
	Infrastructure construction (website, email, social networking and etc.)
	- Website creation: kone.com/partner, including Prospective Partner Questionnaire and information on the KONE Ecosystem
	- Email marketing (to potential candidates)
	- Search engine media buying for keywords
	- Social networking: Facebook (keywords/newsfeed), twitter, slush (pitching) and etc.
	Media buying for search engine advertisements
	Campaign tracking
	- Data driven results
	- Monitor differences and adjust to niche options
	Maintenance of online marketing and advertising activities
Offline marketing and advertising (only locally)	
	Campaign plan creation
	- Duration
	- Budget
	- Objectives
	- Action plan
	Campaign content generating
	Media buying (through media buying agency or KONE's own media channels)
	- Newspaper
	- Out-of-home
	Campaign tracking
	- Data driven results
	- Monitor differences and adjust to niche options

Partner Selection and On-boarding	
	Team formation
-	Director
-	Specialist(s) from different divisions of KONE, e.g. strategy, new business development, sourcing, finance, human resources and etc.
-	Analysts
-	Potential participation from board members
-	External consultant(s) if necessary
	Critical questions
	<i>Does the team have people from diversified backgrounds and expertise?</i>
	<i>Does the leader have abundant experiences and knowledge of leading the team?</i>
	Prospective partner questionnaire
-	Receiving questionnaires
-	(Automatically) categorize prospective partners
-	Periodically classify the prospective partners in the database ( <i>no / pending / yes</i> ).
	Extract the answers of the prospective partners (marked with <i>yes</i> ) that proceed to the next stage.
	Contact the prospective partners in pending status (marked with <i>pending</i> )
	Delete the applicants not qualified for the partnership (marked with <i>no</i> )
-	Collect and generate feedback about the questionnaire
-	Make necessary changes or adjustments to the current questionnaire
	Critical questions
	<i>What are KONE's current partnership requirements?</i>
	<i>Shall the marketing and advertising activities to be repeated in case that the potential partners are not enough?</i>
	<i>Is it necessary to make changes or adjustments to the current questionnaire?</i>
	Potential partner evaluation
-	Allocate the relative importance to the critical success factors according to KONE's current needs
-	Set a standardized form for the evaluation report
-	Contact companies to extract answers for potential partner evaluation
-	Rate the potential partners using the support of the framework
-	Form the evaluation report
-	Decide the potential candidates to the next stage
-	Collect and generate feedback about the questionnaire
-	Make necessary changes or adjustments to the current evaluation
	Critical questions
	<i>What are KONE's current partnership requirements?</i>
	<i>What's the relative importance for each critical success factor?</i>
	<i>Are all the critical success factors rated?</i>
	<i>Is it necessary to make changes or adjustments to the current evaluation?</i>
	<i>Shall the potential partner proceed to the next stage or be kept in partner pool for future action?</i>

Partner Selection and On-boarding	
	<b>Formal evaluation and due diligence</b>
	<ul style="list-style-type: none"> <li>- Invite the promising candidates to competitive negotiations for partnership</li> <li>- Formal due diligence</li> <li>- Discuss the next step for process</li> <li>- Decide the potential candidates for the next stage</li> </ul>
	Critical questions
	<i>Are there additional critical success factors that influence the decision?</i>
	<i>Are there critical success factors from the previous stages that have been wrongly evaluated?</i>
	<i>Does the potential candidate "play the same style" (i.e. communication, openness, trust etc.) with KONE?</i>
	<b>Pilot solutions/projects</b>
	<ul style="list-style-type: none"> <li>- Invite the potential candidates to develop pilot solutions/projects together with KONE</li> <li>- Test the pilot solutions/projects</li> <li>- Set the test duration</li> <li>- Record and evaluate the solutions/projects and team performance</li> <li>- Decide the potential candidates for the next stage</li> </ul>
	Critical questions
	<i>Does the potential candidate shown the full capabilities during the development of pilot solutions/projects?</i>
	<i>Do the pilot solutions/projects meet expectations?</i>
	<b>On-boarding the potential partners</b>
	<ul style="list-style-type: none"> <li>- Decide the partnership model and level of integration</li> <li>- Contract elaboration with certain conditions defined specifically</li> <li>- Final negotiation of contract</li> <li>- Close the deal</li> <li>- Sign the contract</li> <li>- On-board the potential partner</li> </ul>
	Critical questions
	<i>Are there specific contract conditions to be defined for the partner?</i>
	<i>Are there potential partners of the same kind if this potential candidate decides not to have partnership with KONE?</i>
	<b>Evaluation of existing partners on a yearly basis</b>
	<ul style="list-style-type: none"> <li>- Evaluate the existing partners on a yearly basis to decide if the partnership shall continue or be stopped</li> <li>- Consider the possibility of acquire certain partner</li> </ul>
	Critical questions
	<i>What are reasons for the potential off-boarding of partners?</i>
	<i>Shall evaluation duration be changed into a shorter period or longer period? (Only when KONE has enough past experiences)</i>