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WINNING THE WAR FOR TALENT – A 3<sup>RD</sup> PARTY SUPPLIER ANALYSIS

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## **Abstract**

### WINNING THE WAR FOR TALENT – A 3<sup>RD</sup> PARTY SUPPLIER ANALYSIS

The main aspects of this Work Project will revolve around the distribution strategy for one of Universum's products – Wintrgarden. The main question to be answered was “What are the third party suppliers with the most potential to push Wintrgarden through their channels?”. To answer this question a series of steps was taken, culminating in the development of a scoring model. This model was then used to assess a series of candidates in four markets: Germany, France, Scandinavia and United Kingdom. The final shortlist of the candidates with the most potential is presented for each. In the end, an academic discussion on the topic of Marketing Mix and its connection to this case is provided, as well as an individual reflection on the project.

*Keywords: Wintrgarden, Third Party Suppliers, Human Resources, Technology*

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## Brief Context

### The Client

The Business Project was conducted between a team of four CEMS students, at the time enrolled in the Copenhagen Business School, and Universum. Universum is the leading company in employer branding worldwide, known best for its large research studies on career expectations of students and young professional. Its mission is to “create the best possible match between employers and talent by providing knowledge, guidance and actionable insights” (Universum, 2016). Their Ideal Employers Survey is delivered to millions of students, graduates and professionals in more than 55 countries around the world. It is well known for its expertise in providing talent market insights, communication solutions and advisory services for HR practices, having developed the largest career preference data set in the world over the last 25 years. Universum’s extensive product portfolio of more than 30 other products and services focuses on employer branding and is divided into two streamlines – training, toolkits, templates and talent research, consulting. Through this portfolio, they serve more than 1,200 clients and 1,500 universities around the world.

It is the company’s goal to continuously to extend its product suite, adding new ventures, such as Wintrgarden (WG), which has been part of the Universum group since 2013 and was the focus unit of this project. WG is a cloud-based software as a service (SaaS) tool providing employers with an effective solution for talent relationship management.

There are three main functions of the WG product: it builds proactive talent pipelines, it targets and engages specific talents and it streamlines talent acquisition efforts. This tool may be used to initiate contact with potential candidates through registration application programming interfaces (APIs) for various channels, among others LinkedIn, and to turn their interest into active leads. It nurtures the relation between employer and talents by enabling engaged interaction and by communicating relevant messages to designated talent segments.

Last but not least, it measures talent acquisition operations in order to allow for an efficient use of a company's employer branding budget. Moreover, the company will gain a holistic view on its talent management progress and it will be able to evaluate the effect of its employer branding through efficient analytics. Companies interact with potential talents on a daily basis actively or passively. However, the majority of these activities are directed at 'non-ready-to-hire' people, therefore an employer brand is not used to its full potential and talent, that has been reached out to before, is forgotten. Once they become active job applicants, they may have forgotten about prior employer brand campaigns. WG attempts to bridge this temporal gap by facilitating the maintenance of an active relationship with identified talent. The unique selling proposition (USP) of WG is that it puts the company into the driver's seat and lets it have full control over its talent pool, create a connection between company as an employer and talent, building up a company-specific micro talent networks (König, 2016).

## Market Overview

The market for HR technology is growing. Digitization in all functional departments has been a trend since the early IT ages in the 1980's (KPMG, 2013); naturally this includes HR where traditional practices slowly fall behind (Deloitte, 2016). Therefore, HR tech is very relevant for companies as it gives them the opportunity to differentiate themselves. Since it is a relatively recent field, studies about its effectiveness are still in progress. Nevertheless, companies are already innovating in the HR software market, which has an estimated size of over 20 billion US dollars. More than 40% of companies now replace their core HR systems, 60% of them work on a new strategy for HR systems and 46% increase their budgets for this purpose (Bersin, 2015a). Lately, vendors have developed HR systems with the aim to facilitate HR administration, to increase the efficiency of record-keeping tools and to help to redesign HR processes. Nowadays, the aim has shifted towards the transformation of every HR aspect, from sourcing and recruiting to employee development and performance management, by using

digitization (Bersin, 2015b). The Top 10 Human Capital Trends for 2016 are said to be organizational design, leadership, culture, engagement, learning, design thinking, changing skills of the HR organization, people analytics, digital HR and workforce management. 74% of executives see digital HR as a priority and a major focus in 2016 (Deloitte, 2016). Especially the subdomain of application management is receiving considerable attention. WG participates in this trend by offering a tool for TRM, thus revolutionizing traditional application processes. According to Bersin (2014), the ability to attract relevant talent is one of the most critical factors for a company.

Despite the realization that a solution for this critical issue has to be provided, dominant players in the HR tech market, Workday, SAP and Oracle (Limam, 2016), fail to address it in their software solutions that attempt to integrate all sub-steps of the HR cycle. This provides a window of opportunity for WG.

### Current Client Situation & Challenge

At the moment, WG is at a market entry stage. Universum is still looking for the best way to introduce the product to potential buyers. Universum is aware that WG's entry in the market needs to be carefully executed. As such, the challenge proposed was for the group to investigate new opportunities and ways of selling the product. This would be done by performing a market research on third party suppliers of HR technology systems, and study the trends in the market. In the end, the students were supposed to provide recommendations on how to sell the product, with a focus on the topic of third party supplying. Relevant companies with Recruitment Process Outsourcing should be identified, as they would make the first line of third party suppliers to be considered.

## Reflection on the work done and individual contribution

### Problem definition

Despite targeting a concrete market need, WG currently struggles with meeting its sales potential due to a combination of external and internal factors.

From an external perspective, WG is still facing general market scepticism in terms of firms expanding their digitization of HR processes. This issue is amplified for WG, since the area in which it operates – Talent Pool Management – is recent in itself. Adding to this, WG is a product that has been in the market for two years only (launched in 2013). This means that the product has little to no name recognition among potential adopters.

Internally, WG also faces some challenging conditions. As a whole, Universum's product portfolio spans over 30 products spread throughout two different areas of specialization. This means its sales force is already relatively strained, trying to push all of these products to its clients. WG, due to its recent entrance into the market, is not a high priority in the internal sales process. This means that by the time comes for WG to be pitched, the client has already been offered dozens of other products, resulting in a reduced budget and willingness to acquire new products. Also, due to its nature, WG is a product that requires its sales agents to spend a considerable amount of time explaining to the client how it operates and how it generates value for them. This puts even more pressure on an already strained sales force, making the selling process less efficient.

Despite these issues, there has been interest in the product from potential customers, as well as interest from 3rd party suppliers to sell it through their channels. In theory, the use of 3rd party suppliers could in fact help the company overcome some, if not most, of the challenges facing WG. Partnering with highly reputable companies could help overcome market scepticism towards the product. It could also ensure the product is being sold under effective conditions, with the appropriate resource investment.

Accordingly, the purpose of our Business Project was to answer the question: **what are the third party suppliers with the most potential to push WG through their channels?** To answer this, the group decided to develop a segmentation of an array of third party suppliers and analyse them as potential partners. As requested by Universum, the scope of this analysis was limited to four European markets – Germany, France, Scandinavia, and United Kingdom.

### Hypothesis & Methodology

In order to test out hypothesis and assess potential third party suppliers effectively, the group decided that the final output should consist of two deliverables – a theoretical and a practical one. Firstly, a scoring model would be developed that made assessment across all markets possible. The model would be adjustable for long-term use, ensuring its relevancy for Universum even after the project was over. Secondly, the model would be used to process a number of potential suppliers in each of the four markets. As a result, a short-list of suitable candidates would be presented for immediate use.

To derive a scoring model for potential 3rd party suppliers, a number of steps were undertaken. For the purpose of assuming a holistic perspective on which parameters might be important in the selection of a 3rd party supplier, a situation analysis spanning all 5Cs was conducted. Performing a 5C analysis allows for the creation of a comprehensive picture of the macro-, micro- and internal firm environment, as each domain may pose different requirements for a potential 3rd party supplier. From these requirements, parameters were formulated according to which potential 3rd party suppliers were to be scored as to assess their suitability for WG and all stakeholders involved. During this analysis, the scoring model was subjected to an iterative development approach consistently challenging and refining the parameters whenever new insights made it necessary.

To gather an initial feeling, the **Company**, more specifically the product, was examined through interviews with WG team members, providing the model with product- and company-

specific requirements. **Contributors** were interviewed both to initially screen specific 3rd party suppliers and to refine the scoring model if additional criteria became evident. **Consumers** were consulted to derive an understanding of what their criteria for selecting suppliers are. These criteria should match the scoring model dimensions, since the ultimate goal is to connect WG with clients. **Competitors** were investigated most importantly to get a feeling for typical 3rd party sales models in the industry and to identify specific potential distributors. Lastly, theoretical research into standard supplier selection processes and criteria formed the **Context** analysis, during which selection parameters were refined and legitimized.

Research into the company, contributor and consumer base was undertaken in the form of qualitative interviews. Given the spatial distance of the local research context and the to-be-investigated markets, interviews were undertaken through the medium of phone calls. In instances when interviewees were not available for a conversation, a questionnaire was sent to them via email. As such the interview guideline had to be sufficiently flexible to meet the explorative requirements of qualitative research, yet clear enough to be used in an unaccompanied setting. The same interview guideline was used across all markets as to ensure comparability of results. Especially in the UK, accessibility of interviewees was a challenge, which is why the researchers resorted to an analysis of material about potential suppliers available publicly, for instance in online resources, at a certain point in time.

Based on the information collected, six parameters were chosen to assess the fit of potential third party suppliers, and to form the backbone of the scoring model:

**Orientation towards HR Tech:** This first parameter of the supplier assessment aims at identifying the potential supplier's technological endowment and insight into the world of HR tech. The supplier's embeddedness into the industry can pose a great competitive advantage for WG given certain premises. Borrowing from the conceptual strands of market-, product-, and employee-orientation, these put significant emphasis on the spurring engagement of both

consumers and employees as a mean for businesses to avoid obstacles related to potential loss of market share (Jaworski and Kohli, 1993; Wanous and Reichers, 2000). For these reasons the premises imply that a strong alignment on similar convictions of the importance and positive contributions of HR tech and, more specifically, TRM are a main driver for the potential collaboration securing a high level of engagement from the supplier. This mutual belief in HR tech would also be assumed to transcend into aligned business goals for both parties characterized, for example, by organizational commitment. Projecting this over on 3rd party suppliers, the engagement principal is a vital component in future collaborations, which the orientation towards HR tech parameter is meant to represent.

**Experience in 3<sup>rd</sup> Party Supplying:** Trust and credibility are pivotal factors of successful supplier relationship management. It was stated in the 5C analysis that close cooperation between WG and a trusted brand is required of distribution partners to complement the WG expertise since the reputation of a potential 3rd party supplier reflects back on WG. The aspect of trust in an inter-firm collaboration is essential according to research on supply chain management conducted by Baker and McKenzie (2013). In addition to that, they state that when selecting 3rd party suppliers, experience and reputation are the most important traits. Furthermore, a good track record is deemed necessary to ensure that the 3rd party supplier can be trusted to represent the WG brand. This means deriving the supplier's concrete experience in selling 3rd party elements to clients and the means with which they did it. This implies acquiring knowledge about whether they have ever sold 3rd party products before, and if so, approximately for how long.

**Strength of Cooperation:** The primary guidelines for this parameter relate to the strength and type of relationship between WG and the potential supplier. Accordingly, the key purpose of this parameter is to assess the interaction mode between WG and the supplier (Campbell, 1985). The driver for the parameter assessment revolves around a few aspects of principal concern to

WG: the supplier's relative level of bargaining power as opposed to WG, the process of negotiating and detailing a payment scheme, and the assessment and understanding of supplier willingness to implement the WG sales process.

**Adequacy of Size:** Based predominantly on WG's requirements, this parameter is a bit more assumptive in its general traits, assessing both the supplier's organizational capabilities as well as its overall project volume in this 'proxy parameter'. The basis for this proxy is twofold. It both acts to assess the supplier's internal resource dedication to selling the WG product as well as its ability to deal with several clients at once to stimulate quicker market penetration, product diffusion, and broader network effects. This parameter tries to assess the likelihood of the supplier having a specific team or key account manager to deal with situations regarding WG only in order to ensure a high level of experience and quality in selling. Regarding the latter aspect, WG needs suppliers with capabilities for delivering scalable options and operating on a scale with profound exposure to potential clients. These aspects are highly compatible with the term "relationship value" which looks into in which ways, and to what extent, inter-firm collaborators and customers contribute to the focal firm's profitability (Ritter and Andersen, 2014). These have been further extended and elaborated upon. An additional contribution to the relationship value concept was made by Ritter and Walter (2012), which broadens it out into eight areas of potential profit contributions.

**Access to Relevant Clients:** In the C analysis of WG they explicitly stated clear criteria for their primary end consumer groups. These were either larger companies of at least 200 to 300 employees with a recruitment cycle of at least ten hires a year or smaller firms with a need for highly specialized skills and a need to automate and improve the overview of their recruitment processes. Based on these rather static segmentation criteria the process of finding and evaluating potential suppliers within this parameter nonetheless requires a solid insight into the respective client portfolios of potential suppliers.

The relationship value aspect, presented above, also tapped into this parameter, as Ritter and Hansen (2014) exemplify it by potential suppliers' access to new customers. They highlight that "value is created through references to new customers, access to industry associations, and contact to important players in the political system, the technology arena, and the business system." (Ritter & Hansen, 2014, p. 1006) Moreover, the benefit of tapping into suppliers' network poses a great benefit to WG. The early seminal papers on strength of weak ties (among others: Granovetter, 1973) have underlined the great impact of external networks to the focal agent. Johanson and Vahlne (2003) claim that by focusing on business network relationships as part of an internationalization strategy "firms engage in learning relationships enabling them to enter new country markets in which they can develop new relationships ... [and] give them a platform for entering other country markets." (Johanson & Vahlne, 2003, p. 83) It should be noted, though, that a potential supplier's global outreach via its network poses as an extra benefit under the parameter but will not alter the possibility for top assessment scores for companies' whose networks lack this aspect as the research is conducted on a country-by-country basis as requested by WG.

**Speed of Execution:** The motivation for establishing this parameter is threefold. Firstly, the USP of WG's product as an easy-to-use plug-and-play service is one of the most predominant features. This naturally leaps over into the second motivation framed as WG's goal of quick market entry, which will be achieved only by an appropriate speed of execution from a 3rd party supplier's side. According to Randy Ottinger (2013) "speed and agility are the Holy Grail that leaders of organizations seek to achieve, but many don't." Thus he argues that companies must align suppliers into a seamless value chain in order to reduce cost and improve quality and gain competitive advantage. In relation to the speed of execution parameter, this entails acquiring knowledge on suppliers' average project durations, volume of concurrent projects, and planning horizons. Lastly, by focusing on suppliers' speed of execution in selling the WG

product this most likely prevents, or at least limits, WG from facing potential late-mover advantages. The urgency of bringing the WG product to market is crucial for combating present competitors on the market.

After establishing the parameters to be used in measuring the potential of each supplier, the next step was to combine them into a scoring model. The scoring process follows a sequential approach. In its entirety, it incorporates four steps, each building on the result of the latter. It was not only used for the specific scoring undertaken within this research scope, but was also, in a slightly adapted version, provided to WG for their future use. During the final project presentation, it was confirmed that the tool will be used for future strategic application within the Universum group. The steps of the model are detailed below.

**Step 00 – Assessment Matrix:** In order to keep the model coherent and objective, the first step in designing it was to develop an assessment matrix. This matrix consists of a detailed guideline on how to score a supplier from 0 to 4 in each of the parameters (Appendix 1). A higher score corresponds to greater potential of a supplier in a given parameter. In cases in which no information could be accessed regarding a parameter, the supplier is scored with a zero. This score does not represent the lowest score on the continuum, but rather signals that further action has to be undertaken in order to paint a complete picture of the 3rd party supplier's capabilities. While assigning this score runs the risk of confusing the onlooker, it is viewed as the most satisfying solution for this dilemma.

**Step 01 – Absolute Scores:** After scoring the suppliers using the assessment matrix, the absolute scores in each parameter are translated into a radar chart, as suggested by the original AT Kearney framework (2012). This chart serves as a visual representation of the potential of a supplier across all parameters. Its purpose is ease data interpretation at first glance, as well as to enable comparisons between suppliers (Appendix 2).

**Step 02 – Weighted Scores:** After translating the scores into the radar chart, the next step was to introduce weighted scores to each of the categories. This decision resulted from the realization that categories differ in their significance for Universum. After assigning the same weight of 50% to each of the two main categories – Relationship Capabilities and Selling Capabilities – a customized distribution was given to the three parameters in each. As such, the following weights were assigned: Orientation towards HR Tech – 20%; Experience in 3rd Party Supplying – 15%; Strength of Cooperation – 15%; Access to Relevant Clients – 20%; Adequacy of Size – 15%; Speed of Execution – 15%. This weighting approach adds more depth to the analysis. It allows for a more strategic assessment of potential suppliers by prioritizing certain company needs. Also, these weights are adjustable, ensuring that in the future Universum can make any changes they deem necessary to fit their needs.

**Step 03 – Clustered Scores:** The final output of the model is a two-by-two matrix that clusters all potential suppliers along the two overarching capability themes (Appendix 3). The axes of the matrix represent these two main sub-categories: the horizontal axis refers to Relationship Capabilities, and the vertical axis to Selling Capabilities. Intercepting the axis at the middle results in the creation of four quadrants, each representing a different type of partnership value.

The suppliers with most potential will be located at the top right quadrant, and are labelled ‘Strategic Ally’. These candidates have high scores in both of the main subcategories; they show, at the same time, potential as sales agents and as strategic partners. This makes them the perfect fit for a profitable, long-term partnership that guarantees a timely market penetration. The suppliers with the least potential will be located at the bottom left quadrant, and are labelled ‘Low Capability’. They show little to no potential in both of the sub-categories, which is why an unsuccessful execution of the indirect selling process would be anticipated. Finally, both the top left and the bottom right quadrant should be granted some consideration, but treated with caution. Candidates in these quadrants show potential in one of the

subcategories, but not the other. Cooperating with either of these means accepting a trade-off between fulfilling one company objective at the expense of the other. Candidates in the top left corner – the ones with high Selling Capabilities, but low Relationship Capabilities – are labelled ‘Door Opener’. They can be used to work the market in the short-term, but in the long-term the probability of developing a fruitful partnership is low. At the same time, candidates in the bottom right corner – the ones with low Selling Capabilities, but high Relationship Capabilities – are labelled ‘Growth Partner’. Although they do not have immediate access to the right type of clients, they show potential of becoming a good long-term partner. Overall, this matrix provides a visual representation of the scoring of each company assessed. It is suitable for comparing all candidates within a specific market or across all markets.

### Analysis

After defining the model, the next step was to analyse each market.

**Germany:** For this market, interviews were conducted with *rbc*, based both in Hamburg and Vienna, *Kienbaum*, operating globally but concentrating on the German market with a total of twelve offices, and *clevis*, a HR consulting boutique located in Munich. Additionally, *BMW* was approached and submitted a filled-in questionnaire via email. Despite traditionally falling under the category of consumers, it was imperative to obtain their insights. It was to objective to test whether clients could officiate as 3rd party suppliers by leveraging their corporate network. *BMW* was considered to be able to recommend the tool to businesses they have and ownership in or to influence competitor choice assuming a halo effect within companies’ respective industries. This hypothesis could not be verified for the specific case of *BMW*, as they lack Selling Capabilities, but might be worthwhile checking within other industries. In the end, the two recommendable candidates are *Kienbaum* and *clevis*. *Kienbaum*, a consultancy focused on HR, has a separate business unit entirely focusing on digital transformation. Especially this orientation towards HR tech and its size make it suitable, as it performs well on

both capability axes. However, it has reservations regarding pin-point solutions that do not cover the entire HR cycle and regarding customization if and when it impacts usability in times when updates are made to the software. *WG* as a SaaS should not succumb to such issues however. On the other hand, *clevis* puts forward a high speed of execution at 15 days. Having just founded *SIMPLEXIS*, an independent reseller platform loosely attached to the consulting business, shows their desire to strongly position themselves in the marketplace for HR tech solutions. Appendix 4 compares the radar charts of the two.

**France:** Five companies were assessed within French market – *HR Path*, *Capgemini*, *Arago Consulting*, *GFI Informatique* and *Devoteam*. They were chosen according to their industry (HR consultancy, IT consultancy or management consultancy), the placement of headquarters (specifically France), geographical focus (portfolio of French companies, global activity is an advantage) and number of employees (more than 50 employees in French offices at least). The candidates with the highest scores are *HR Path* and *Arago Consulting*. Both of them are HR consultancies with a strong focus on the French market. However, *HR Path* offers the advantage of its longer local presence and its scope of activity is broader supported by the number of markets in which they operate. *Arago Consulting*, on the other hand, is a much younger company with a focus on three European markets – France, Switzerland and Belgium. *HR Path* prefers to engage in deep relationships and currently works with many partners such as *SAP*, *Oracle* or *TalentSoft*. *Arago Consulting* is dedicated to *SuccessFactors* (SAP) and creates partnerships only with a few other companies. Collaboration is, hence, not as extended as with *HR Path*. Both of them offer sufficient access to the relevant clients of different sizes and operate in various industries. Moreover, *HR Path* and *Arago Consulting* as HR consultancies offer services regarding HR digital transformation and consider themselves to be specialists in innovation systems for HR. Consequently, their orientation towards HR tech is more than

positive. Both of them have been recognized by a significant amount of awards from their partners. Appendix 5 compares the scores and radar charts of the two.

**Scandinavia:** The Scandinavian market encompasses Denmark, Norway, and Sweden. *Implement Consulting Group* (ICG) is a Scandinavian-based management consultancy with a broad spectrum of services including digital transformation and shows strong growth potential in the near future. *Valcon* is likewise present in the entire Scandinavian market with its home base located just north of Copenhagen. It offers a broad range of IT implementation and transformation services. *KPMG* is one of the internationally renowned ‘Big Four’ accounting firms but also exhibits advisory and management consultancy services. *Capgemini Sogeti* is a Danish subsidiary to the international management consulting corporation headquartered in France. It is one of the biggest companies within its field offering consulting, technology and outsourcing services to its clients. Lastly, *Peak Consulting Group* is a smaller company compared to the previous companies but specializes in consultancy services within management of strategic projects and business transformations. Based on the application of the scoring model *ICG* and *Capgemini* came out on top both in terms of absolute scores and weighted overall scores and are the most recommendable partnership candidates for *WG* to pursue. *ICG* displays a profound knowledge of the developments within HR tech and TRM and clearly understands the strategic importance to relevant client firms. This combined with their sheer size secured them top scores in both Orientation towards HR Tech and Adequacy of Size. Unfortunately, it has very conservative arms-length principles when it comes to cooperating with and selling for 3rd parties. *Capgemini*, however, has a more welcoming corporate strategy when it comes to cooperating with 3rd parties as current partnerships with *Microsoft* and *Oracle* within other business areas can pave the way for future collaborations with *WG*. One thing to add, however, is that *WG* should be aware of the slow project execution prevalent within the *Capgemini* organization, but in the end this does not overshadow the other more positive traits

of the organization. Appendix 6 compares the scores and radar charts of the two chosen candidates.

**United Kingdom:** In the United Kingdom market, the following companies were assessed: *Mercer, Willis Towers Watson, Aon Hewitt, PA Consulting* and *Kivala HR*. The major factor contributing to the selection of these companies was data availability. As previously mentioned, accessing information in the UK market through in-depth interviews was not possible, due to the the secrecy and closed nature of the local HR industry. As such, the alternative was to evaluate the companies through cold research only. In this sense, it became a priority to assess companies with enough relevant information available online to produce a sound and coherent scoring. On top of looking into online data availability, the relevance of the company in the market was also considered. After processing the candidates through the model, the top two candidates were *Mercer* and *Aon Hewitt*. *Mercer* shows clear signs of being in favour of HR tech, even winning awards on that front. They have solid experience in partnerships with other HR software providers, having done so for a long time now with *SAP* and *Workday*. Their client list is diverse, ensuring potential access to clients of all types and sizes. In terms of sheer size, they are one of the biggest companies in the market. *Aon Hewitt* also shows signs of being totally oriented towards HR tech, even sponsoring conferences on the topic. They have experience in partnering with other parties and selling their software through their channels, proven in their partnership with *PeopleScout*. They have a low to medium speed of execution (12 to 16 months), but they have access to all types of clients, and are also one of the biggest in the market. Concluding, according to the model, the companies with the most potential to act as 3rd party suppliers are *Mercer* and *Aon Hewitt*. Appendix 7 compares the scores and radar charts of the two.

## Recommendations

Looking back at the process of developing and applying the scoring model, three areas of improvement were identified. The first recommendation is to enhance the usability of the model. This should be done through better programming of the model automating knowledge advance enough to automatize the assessment process, enhancing its usability. One way to do this would be through the use of VBA programming. The second recommendation is for Universum to leverage on its reputation in order to gain access to relevant information regarding the largest multinational candidates for 3rd party supplying. This would circumvent the previous issue of the data inaccessibility, and allow for the processing of bigger players in the market. The final recommendation is for WG to try and use its experiences later in its going-to-market process. Based on evaluations and tacit experiences these learnings should be incorporated in a later revision and readjustment of the model.

## Concerns

During the research process, some limitations have arisen. The first one regards the scope of the model. In order to keep the scoring consistent across all markets, the model was developed with a universal application in mind. This creates a trade-off between local adaptability versus universal application. Hence the universal focus limits the approach in the sense that it does not allow for taking into consideration the local specificities of each market.

The second limitation regards the Big Four – KPMG, EY, PwC, and Deloitte. Although they appear to be a natural choice, each of them would still have to be assessed for supplier potential. However, these cases proved to be very difficult to accurately assess through the model. Despite numerous attempts at establishing contact with the companies and extracting qualitative data, access was mostly denied. As an example, the case of KPMG (Denmark) showed a clear lack of focus on HR Tech. As for EY, despite an initially strong interest in the product in Sweden, global directories forced a competitor software upon all subsidiaries

worldwide consequently pushing WG out in the cold. PwC also already have a collaboration established with a competitor. Meanwhile, Deloitte does in fact fit WG's requirements for a partnership, and should therefore be approached as soon as possible.

Another limitation was the difficulty in accessing relevant information to process through the model. This was caused by an unwillingness on the side of the companies approached to share detailed information with research students. However, it is believed that this limitation could easily be overcome by using Universum's brand. By having limited access to company data, the model had to accommodate for this by adding a score of zero in cases where no data was available. This entails a risk of underscoring a company, since attributing them a zero can be arithmetically deceiving and inaccurate.

Finally, a limitation of the scoring model is its current bias towards the "Strategic Ally" quadrant which poses the risk of scoring companies high that are irrelevant for WG. This can be partially attributed to its formation prior to the overall assessment of potential suppliers. After the assessment of all potential suppliers it has been found that the assessment is too generous, resulting in said bias. It is thus WG's objective to reassess the delimitations of the individual scores and therefrom generate a more actionable model assessment.

There are also some inherent risks to the application model. The risk identified relates to the model's main channel for collecting data: in-depth interviews. When using this data-collection method, there is a risk of interviewing an employee within the corporation who does not possess relevant firm-specific knowledge in the field. Related to the limitation mentioned earlier, regarding the difficulty in accessing relevant information as a student, comes the risk inherent to the alternative, which is to rely solely on cold research. When looking for information on certain companies, there was no other alternative other than using a patchwork of online research to complete the scoring. This method poses both a risk and limitation such as collecting wrong or inaccurate data, or simply no information at all.

## Individual Contribution

Throughout the Business Project our strategy for the group dynamic changed according to the stage of the project. At the beginning it was vital to work together and to make sure everyone understood the challenge ahead. As such, the planning of the project was made through regular group discussions, and we tried to make sure everyone was involved at all times. This lasted for the next stages of developing the scoring model, including the stakeholder analysis and the definition of the parameters. As the project moved on, however, it became more efficient to “divide and conquer”. Especially when it came to data collection, the group decided to assign the responsibility of one market to each member. For each market, each of us had to collect the necessary information through the means defined, identify suitable candidates for third party supplying, process the candidates through the model, and present a short-list of the ones with the most potential. Qualitative commentary was also encouraged for each market.

In this part of the project, I was responsible for the United Kingdom market. As it turned out, this market was unanimously considered the hardest to process. Without having access to personal connections in the HR industry, it wasn't possible to conduct interviews with any of the desired candidates. Out of the list of 15 candidates I set out to reach, the vast majority didn't answer my enquiries, and the few that did wouldn't agree to an interview. In fact, as we later found out, Universum themselves have had trouble in the past getting information on this market. This posed a huge challenge. The solution, arranged in cooperation with Universum, was to get the information needed through online research only. This research would have to be as accurate and reliable as possible, and backed by reliable sources. Fortunately, after intensive research, I managed to find enough information to score the desired number of candidates, guaranteeing reliable sources for every single score in every single category. After that, I ran the candidates through the model and presented a final shortlist of the ones with the most potential, accompanied by qualitative commentary for all of them.

In the end, the group came together again for the final stretch. We went through all the work done so far, reviewed and adjusted each other's work, and discussed final topics such as recommendations and limitations.

## Academic Discussion

Considering the challenge that Universum is facing in their quest to market WG, a link can be made with the topic of Marketing. This is because the root of the challenge that Universum is facing is how to market WG. As such, I will focus on the specific topic of Marketing Mix – a business tool used in situations like these. Although it's applicability is more common when companies want to market their products to customers directly, this tool is still relevant in a B2B scope.

The Marketing Mix is a tool that has been used by marketers for decades. It is a tool that is predominantly associated with the 4P's of marketing, the 7 P's of service marketing, and the 4 C's theories developed in the 1990s. In this academic discussion I will go over all these concepts, see how they evolved through time, and how they relate to the Business Project.

In 1960, the marketer E. Jerome McCarthy introduced what became known as the four P's of the Marketing Mix: Product, Price, Promotion, and Place (McCarthy, Jerome E.; 1964).

The Product refers to the item that satisfies a consumer demand. It is either a tangible good or an intangible service. Every product is subject to a life-cycle including a growth phase followed by a maturity phase and finally an eventual period of decline as sales fall. Marketers must do careful research on how long the life cycle of the product they are marketing is likely to be and focus their attention on different challenges that arise as the product moves. The marketer must also consider the product mix. Marketers can expand the current product mix by increasing a certain product line's depth or by increasing the number of product lines. Marketers should consider how to position the product, how to exploit the brand, how to exploit the

company's resources and how to configure the product mix so that each product complements the other.

The Price refers to the amount a customer pays for the product. The price is very important as it determines the company's profit and hence, survival. Adjusting the price has a profound impact on the marketing strategy and, depending on the price elasticity of the product, often it will affect the demand and sales as well. The marketer should set a price that complements the other elements of the marketing mix. When setting a price, the marketer must be aware of the customer perceived value for the product. Three basic pricing strategies are: market skimming pricing, market penetration pricing and neutral pricing. The 'reference value' (where the consumer refers to the prices of competing products) and the 'differential value' (the consumer's view of this product's attributes versus the attributes of other products) must be taken into account.

The Promotion refers to all of the methods of communication that a marketer may use to provide information to different parties about the product. Promotion comprises elements such as: advertising, public relations, sales organisation and sales promotion. Advertising covers any communication that is paid for, from cinema commercials, radio and Internet advertisements through to print media and billboards. Public relations is where the communication is not directly paid for and includes press releases, sponsorship deals, exhibitions, conferences, seminars or trade fairs and events.

Finally, the Place /Distribution refers to providing the product at a place which is convenient for consumers to access. Various strategies such as intensive distribution, selective distribution, exclusive distribution and franchising can be used by the marketer to complement the other aspects of the marketing mix.

Expanding on this theory, in 1981 Booms and Bitner created the Extended Marketing Mix, with the intent of addressing the different nature of services. They did this by adding

People, Process, and Physical Evidence to McCarthy's 4 P's (Booms, Bernard H.; Bitner, Mary Jo; 1981). Physical Evidence is the evidence which shows that a service was performed, such as the delivery packaging for the item delivered by a delivery service, or a scar left by a surgeon. This reminds or reassures the consumer that the service took place, positively or negatively. People refers to The employees that execute the service, chiefly concerning the manner and skill in which they do so. And finally, Process refers to the processes and systems within the organization that affect the execution of its service, such as job queuing or query handling.

In 1990, Robert F. Lauterborn proposed a four C's classification (Lauterborn, B; 1990). This was aimed at being a more consumer-oriented version of the four P's (Kotler, P. and Keller, K; 2006).

As such, Product was replaced with Consumer: A company will only sell what the consumer specifically wants to buy. So, marketers should study consumer wants and needs in order to attract them one by one with something he/she wants to purchase

Price was replaced with Cost: Price is only a part of the total cost to satisfy a want or a need. The total cost will consider for example the cost of time in acquiring a good or a service, a cost of conscience by consuming that or even a cost of guilt "for not treating the kids". It reflects the total cost of ownership. Many factors affect cost, including but not limited to the customer's cost to change or implement the new product or service and the customer's cost for not selecting a competitor's product or service.

Promotion was replaced with Communication: While promotion is "manipulative" and from the seller, communication is "cooperative" and from the buyer with the aim to create a dialogue with the potential customers based on their needs and lifestyles. It represents a broader focus. Communications can include advertising, public relations, personal selling, viral advertising, and any form of communication between the organization and the consumer.

Finally, Place was replaced with Convenience: With the rise of Internet and hybrid models of purchasing, Place is becoming less relevant. Convenience takes into account the ease of buying the product, finding the product, finding information about the product, and several other factors.

Having gone through the major theories on the topic, we can see how different theories emerged over time. Authors expanded on the work done before and made sure the model was up to date to the latest developments in the business world. It is also easy to draw the link to the Universum/WG case. What is interesting about the application of the Marketing Mix to this case is that, due to its nature, the Mix for this software would be a combination of the physical product and service approaches. The initial 4 P's would all apply – Product, Price, Placement, Place/Distribution. However, from the extra 3 dedicated to service offerings, only 2 would: People and Process. This is because after being sold to the client, WG's offering would include constant support from the Universum staff. However, no physical location would be associated to the product. Following this, I believe that preparing a Marketing Mix for WG would be a valuable help for Universum, helping them solve the challenge they currently face.

## Personal Reflection

Looking back, I would say that the Business Project experience was very positive. It was challenging in a good way, and gave me a unique opportunity to work closely with a real company in a real issue. Moreover, feeling like the work done will actually make a difference was very motivating and overall invaluable. Another positive thing was the opportunity to learn more about an industry that I knew so little about – HR technology. I was pleasantly surprised at how interesting this industry is, and how relevant it is for someone in my position, about to enter the job market.

During the project, I would say one of my key strengths was the ability to act as a buffer to the clashing work ethics in the group. The four members came from very different

backgrounds and showed different cultural behaviours – the members were Danish, German, Czech, and Portuguese. Even though we all got along, there were some moments of tension when things got tough. Many times I managed to pull everyone together and avoid unnecessary conflict. Another strength I believe I brought to the group was flexibility. When something didn't go according to plan, some members of the group would lose confidence or get very upset and become less productive. I have always been someone who's ready to work "on the go", and I like to think I helped the group be more like me in those moments. Overall I think my relaxed and confident posture brought a much needed positivism to the group. In my opinion personality traits like these tend to be overlooked, but factors such as sense of humour and playfulness can be invaluable for a group dynamic, and I think I brought those to the table in a good way. As a weakness, I can see that I could work on my time management skills. There were times when I got too overwhelmed by other deadlines, or interviews, or personal issues, which caused me to turn in my work after our internal deadlines. In the future, I would definitely make it a priority to work on this aspect, and make sure all my work is turned in on time.

Regarding team roles, I noticed from the start that there was tension between two members of the group who wanted to take on the leadership of the project. I have strong leadership skills myself, and lead when I can, but this time I consciously stepped back because the tension was already quite high between the two aforementioned members, and I knew that adding another contender to the mix would only make things worse. As such I adopted the position of moderator.

The whole Business Project experience was extremely valuable in both a personal and professional way. Working on such a challenging project, while at the same time dealing with very different personalities within the group, was a learning experience that I am positive will be very helpful in the future.

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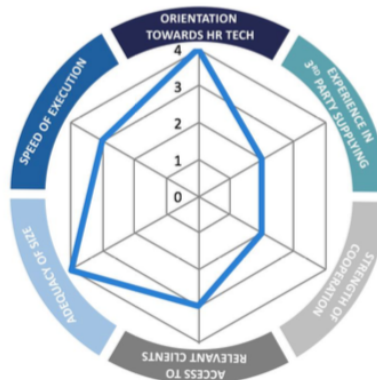
## Appendixes

### Appendix 1: Assessment Matrix

	ORIENTATION TOWARDS HR TECH	EXPERIENCE IN 3 <sup>RD</sup> PARTY SUPPLYING	STRENGTH OF COOPERATION	ACCESS TO RELEVANT CLIENTS	ADEQUACY OF SIZE	SPEED OF EXECUTION
0	No data. Further research recommended.	No data. Further research recommended.	No data. Further research recommended.	No data. Further research recommended.	No data. Further research recommended.	No data. Further research recommended.
1	Limited knowledge of HR Tech capabilities. No promotion of HR Tech solutions.	No experience with 3 <sup>rd</sup> party supplying.	No relations.	No access to focus clients of <i>Wintgarden</i> .	1-2 current projects and/or <50 employees	>12 months long-term commitment
2	Basic knowledge of HR Tech capabilities. Usefulness for administrative tasks.	Low experience with 3 <sup>rd</sup> party supplying in general (typically only advisory role).	Good relations without concrete business goals.	Primary focus on SMEs, but adequate mix of large and small clients.	3-6 current projects and/or <200 employees	6-12 months including implementation
3	Adequate knowledge of HR Tech capabilities and it's strategic importance.	Profound experience with 3 <sup>rd</sup> party supplying.	Good relations with goal of selling, but staying independent.	Primary focus on large clients but adequate mix of large and small clients.	7-9 current projects and/or <400 employees	3-6 months process design and sales
4	Complete understanding of HR Tech capabilities, including its value in TRM.	A central part of service and product offering.	Preferential treatment – specific strategic partnerships.	Entire <i>Wintgarden</i> scale of potential clients covered. (international scope)	≥10 current projects and/or ≥400 employees	<3 months selection and sales only

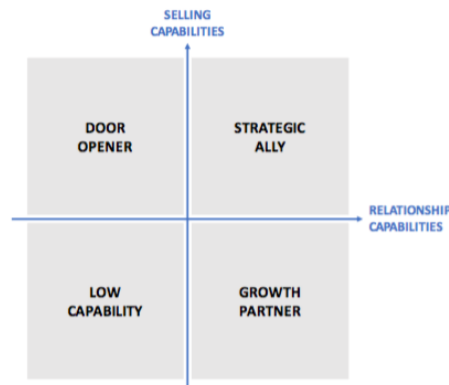
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### Appendix 2: Scoring visualized in a radar chart



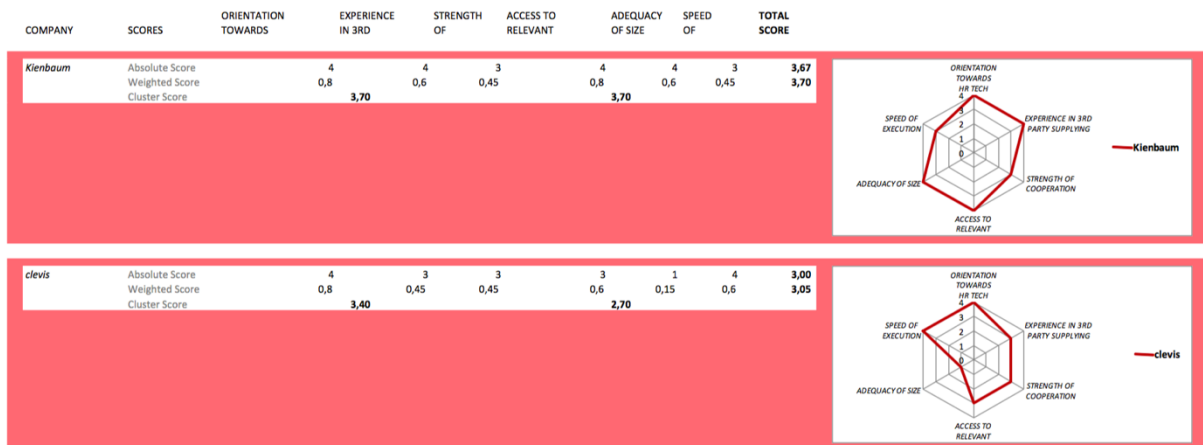
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### Appendix 3: Two-by-Two Matrix



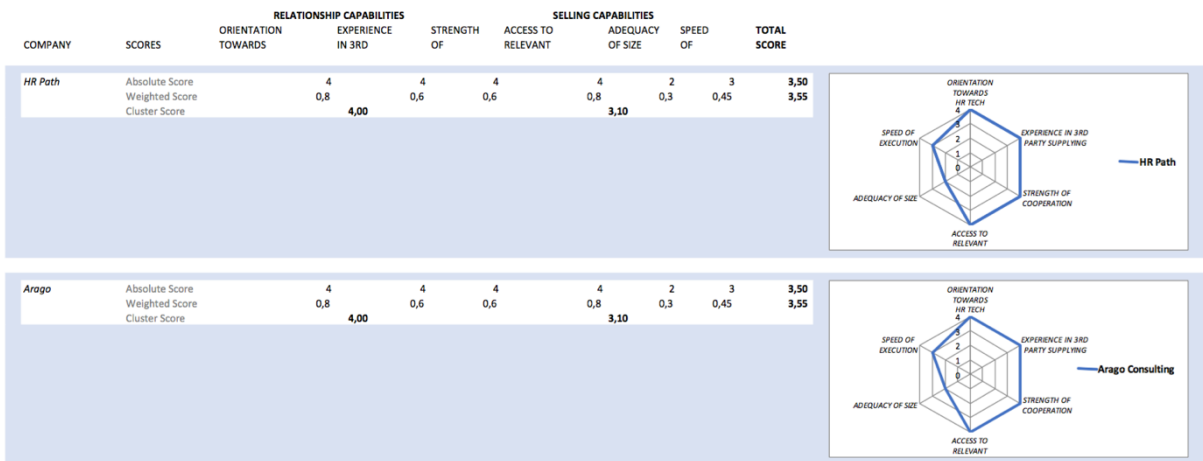
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### Appendix 4: German Market Radar Charts



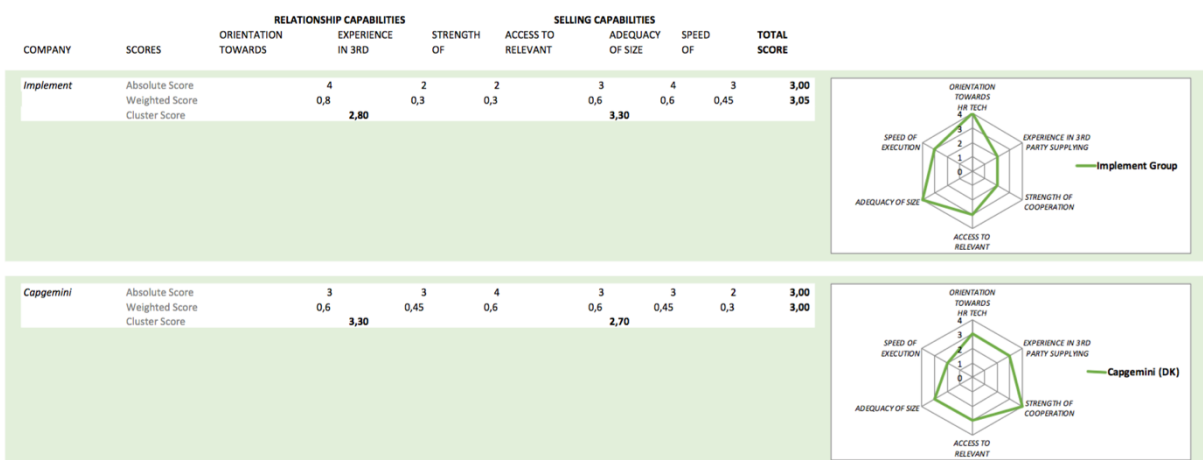
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### Appendix 5: France Market Radar Charts



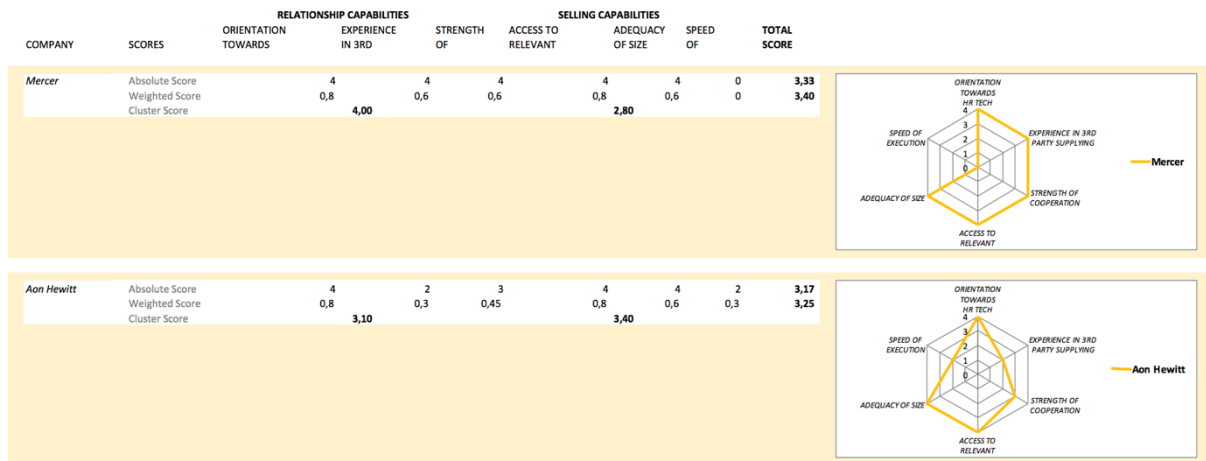
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### Appendix 6: Scandinavia Market Radar Charts



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## Appendix 7: United Kingdom Market Radar Charts



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