
Contents

1	Driving Growth and Profit with Solution Business	1
1.1	Why Move into Solution Business?	1
1.1.1	Finding Growth by Focusing on Use-Value	2
1.1.2	Driving Profit and Creating Stable Cash Flows	3
1.2	What Is Solution Business?	4
1.2.1	Customer Embeddedness—From Transactional to Relational	6
1.2.2	Offering Integratedness—From Bundles to Integrated Solutions	7
1.2.3	Operational Adaptiveness—From Standard to Customized	7
1.2.4	Organizational Networkedness—From Producer to Provider	8
1.2.5	Taking Deliberate Steps Towards a Solution Business Model	9
1.3	Solution Business Requires New Capabilities	11
1.3.1	The Pitfalls of Solution Business	11
1.3.2	Avoiding the Pitfalls Through Commercialization and Industrialization	13
1.4	A Framework for Developing Solution Business	14
1.4.1	Levels of Analysis—The Role of a Solution Platform	14
1.4.2	The Solution Business Framework	15
1.4.3	Solution Business Phases	16
1.4.4	The Solution Platform	17
2	Develop Solutions: Identifying New Value-Creation Opportunities	19
2.1	Value Research: Understanding Customers' Business and Financial Drivers	20
2.1.1	Customer-Value Research	20
2.1.2	Lead Customer Involvement	23
2.2	Solution Hierarchy: Defining Basic Sales Items (BSIs)	25
2.2.1	Solution Development Is Different from Product Development	26

2.2.2	Hierarchical Solution Structure—Basic Sales Items as the Foundation for Efficient Customization	29
2.2.3	Standardization and Digitalization of Basic Sales Items Enables Repeatability	31
2.3	Assessing Your Performance in Developing Solutions	32
3	Create Demand: Generating Sales Opportunities	35
3.1	Value Propositions: Proposing Value to Customers and Generating Sales Leads	36
3.1.1	Proposing Value to Segments and Individual Customers	36
3.1.2	Crafting Persuasive Customer-Specific Value Propositions	38
3.1.3	Using a Proactive Approach to Find Hidden Sales Opportunities	40
3.2	Solution Configurations: Mass-Customized Solutions for Different Customer Situations	43
3.2.1	Pre-defined Solution Configurations for Growth and Efficiency	43
3.2.2	From One-Off, Ground-Breaking Projects to Profitable Solutions	45
3.2.3	From Global to Local Solutions—And Vice Versa	47
3.3	Assessing Your Performance in Creating Demand	48
4	Sell Solution: Turning an Opportunity into an Order	51
4.1	Value Quantification: Learning to Speak Finance	51
4.1.1	Managing Opportunities with Win-Plans	52
4.1.2	Value Quantification—Translating a Solution into Finance	54
4.1.3	Improved Performance Through Value-Based Pricing	58
4.2	Solution Tools: Industrializing the Sales Process	61
4.2.1	Solution Configuration Tools	62
4.2.2	Tools for Value Quantification and Value-Based Pricing	66
4.2.3	Support for Tendering	69
4.3	Assessing Your Performance in Selling Solutions	70
5	Deliver Solution: Securing Customer Value Creation and Firm Value Capture	73
5.1	Value Verification: Delivering on the Promise	73
5.1.1	Securing Correct Input to the Delivery Process	74
5.1.2	Finding the Balance Between Value Creation and Value Capture	75
5.1.3	Collecting Benchmark Data: Documenting Success	78
5.2	Solution Deployment: Delivering Outcomes and Profit	80
5.2.1	Communicating and Delivering on the Promise	81

5.2.2	Value Creation Support by Increased Customer Embeddedness	83
5.2.3	Partner Network Management	85
5.3	Assessing Your Performance in Delivering Solutions	86
6	Solution Platform: Foundation for Sustainable Success	89
6.1	Strategy Planning: Making Solution Business a Priority	90
6.1.1	Vision and Goals: Make Solution Business a Priority	90
6.1.2	Accelerating Solution Business Growth by Focusing on the Right Segments	91
6.1.3	Solution Portfolio Management	93
6.2	Management System: Supporting Success in Solution Business	95
6.2.1	Organizing for Solution Business	96
6.2.2	Roles and Responsibilities	98
6.2.3	Measuring Success in Solution Business	100
6.3	Infrastructure: Supporting Efficient Sales and Delivery	102
6.3.1	Business and Customer Intelligence	103
6.3.2	Tendering and Contracts	104
6.3.3	Information and Communications Technology	106
6.4	Human Resources Management: Having the Right Skills in Place	108
6.4.1	Skill Profiles for Different Roles	108
6.4.2	Remuneration Systems: Rewarding Team Efforts	110
6.4.3	Training and Development Support	112
6.5	Assessing Your Performance with Respect to the Solution Platform	114
7	Making It Happen: Are You Ready for Solution Business?	117
7.1	Is the Market Ready for Solution Business, and Are You?	117
7.1.1	Market Readiness	117
7.1.2	Organizational Readiness	120
7.2	Shaping Market Readiness	121
7.2.1	Shaping Exchange Practices: New Ways of Doing Business	123
7.2.2	Shaping Normalizing Practices: New Rules of the Game	124
7.2.3	Shaping Representational Practices: Creating a New Language	124
7.3	Filling Capability Gaps for Organizational Readiness	125
7.3.1	A Summary of Core Solution-Business Capabilities	126
7.3.2	Assessing Your Readiness: Results from the Solution Business Assessment	127
7.4	Managing the Transformation	128
7.4.1	Managing Parallel Business Models	128
7.4.2	Solution Business Differs in Different Industries	129
	Literature	133

Solution Business

Building a Platform for Organic Growth

Storbacka, K.; Pennanen, R.

2014, XVII, 136 p. 44 illus., 6 illus. in color., Hardcover

ISBN: 978-3-319-03975-6