OUTSOURCING A SALES TASK, NOT THE ENTIRE FUNCTION: OUTCOME DETERMINANTS

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ABSTRACT

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Abstract
Outsourcing a sales task instead of an entire sales function has gained popularity among companies operating in B2B markets. Sales operate right in the customer interface which makes it a critical business function to outsource. However, prospecting as a sales task requires little firm related expertise and more technological related one, which makes it attractive to firms to outsource. Current research in outsourcing outcome determinants has a considerable gap in terms of a timely phenomenon of a sales task outsourcing.

This study utilizes a framework, created by Lacity et al. (2016), that concerns outsourcing outcome determinants when outsourcing an entire business function and expands the current knowledge by exploring such outsourcing outcome determinants in prospecting outsourcing. Further, the study explores possible risks in prospecting outsourcing and ways to avoid such. The study was conducted as a qualitative single case study for which eight client-side informants and two provider-side experts were interviewed.

The main findings of the study emphasize the importance of communication, client understanding, and trust when aiming for successful prospecting outsourcing. A significant amount of the findings are parallel to the current knowledge in business function outsourcing. However, the study also reveals four determinants that are new to prior research and seem to affect prospecting outsourcing success: customer understanding, proactivity, a client-specific communication, and provider-specific communication.

Keywords
Outsourcing, out-tasking, outsourcing outcome determinants, B2B sales, prospecting

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Tiivistelmä
Yksittäisten myyntiprosessiin liittyvien tehtävien ulkoistaminen on yleistynyt B2B-markkinoilla toimivien yritysten keskuudessa. Sen sijaan, että yritykset ulkoistaisivat koko myyntiprosessin, yhä useampi yritys ulkoistaa yksittäisen myyntiprosessiin liittyvän tehtävän. Myynti toimii yrityksen asiakasrajapinnassa, joka tekee siitä kriittisen kohteen ulkoistamiselle. Prospektointi vaatii vähän yrityskohtaista asiantuntijuutta keskittyen enemmän tekniseen ja prosessikohtaiseen asiantuntijuuteen, joka tekee siitä houkuttelevan ulkoistamiskohteen. Nykytutkimus liittyen ulkoistamisen lopputulemiin vaikuttaviin tekijöihin ei kata tällaista ajankohtaista yksittäisen myyntitehtävän ulkoistamista.

Tämä tutkimus hyödyntää olemassa olevaa tutkimusmallia (Lacity et al. 2016), joka keskittyy ulkoistamisen lopputulemiin vaikuttaviin tekijöihin koskien kokonaisen prosessin ulkoistamista, ja laajentaa nykytietämystä selvittäen kyseisiä tekijöitä koskien yksittäisen myyntitehtävän, prospektoinnin, ulkoistamista. Tämän lisäksi, tutkimus selvittää, millaisia riskejä tällaiseen ulkoistamiseen voi liittyä ja voidaanko niiltä välttyä, mikäli niiden olemassaolo tiedostetaan. Tutkimus toteutettiin tapaustutkimuksena tarkastellen yksittäistä prospektoinnin ulkoistamista tarjoavaa yritystä. Tutkimukseen haastateltiin kahdeksaa yrityksen asiakasta ja kahta asiantuntijaa.

Tutkimuksen tulokset osoittavat, että tärkeimpiä tekijöitä prospektoinnin ulkoistamisen onnistumisessa ovat kommunikointi, asiakasymmärrys ja luottamus. Suurin osa löydöksistä ovat yhdensuuntaisia olemassa olevan tutkimuksen kanssa, joka on keskittynyt kokonaisen prosessin ulkoistamiseen. Tutkimus paljastaa kuitenkin myös täysin uusia tekijöitä mukaan lukien asiakasymmärrys, proaktiivisuus ja asiakas- sekä palveluntarjoaja kohtainen kommunikoinnin osaaminen ja hallitseminen.

Asiasanat
ulkoistaminen, tehtävän ulkoistaminen, ulkoistamisen lopputulemat, B2B myynti, prospektointi

Säilytyspaikka Jyväskylän yliopiston kauppakorkeakoulu

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1 INTRODUCTION

1.1 Introduction to the topic

The current knowledge in outsourcing research has a considerable gap in understanding sales task outsourcing. Research in outsourcing an entire business function such as sales (e.g. Park, Lee & Morgan 2011; Rapp 2009; Ross, Dalsace & Anderson 2005; Klein, Frazier & Roth 1990; Anderson 1985), IT and other business processes (BP) (e.g. Qi & Chau 2013; Lacity, Willcocks & Solomon 2012; Mathew & Aundhe 2011; Mehta, Larsen, Rosenbloom & Ganitsky 2006; Tate & Ellram 2009; Wüllenweber, Beimborn, Weitzel & König 2008) is vast. However, companies today are more often willing to outsource a task instead of an entire function in order to strengthen their competitiveness, though without losing control over their core functions. In order to understand the nature of outsourcing, the entire outsourcing process must be investigated. An outsourcing process can be divided in three phases: evaluation and decision-making, implemented outsourcing, and re-evaluation. Rogers & Rodrigo (2015) have opened up the discussion on sales task outsourcing by studying the first phase of the process, the evaluation and decision-making. However, a considerable gap in understanding the entire process of sales task outsourcing still exists in the current knowledge.

Understanding the phenomenon is essential considering the current situation in B2B-markets. Deloitte (2012) predicted in their Global Outsourcing and Insourcing Survey that outsourcing sales and marketing supportive tasks will gain much popularity during upcoming years and thus it will be a growing area in outsourcing business (Figure 1). This is now visible in the B2B-markets where competition is getting tougher than ever before due to the excitable internationalization, and companies are trying to find more efficient and cost-effective ways to operate. Due to these factors, more research in sales task outsourcing is needed in order to better understand the entire process. As mentioned before, no research yet exists in the areas of implemented sales task outsourcing and re-evaluating the outsourcing. However, existing research in implemented outsourcing and outsourcing outcome determinants concerning outsourcing an entire business function, such as sales (Rapp 2009) or other business processes (Lacity et al. 2016), offered a suitable research model for this study (see chapter 2.4).

In order to gain insight into outsourcing outcome determinants considering sales task outsourcing, this study investigates the phenomenon in the light of outsourced prospecting. Prospecting has been defined in multiple ways over the years. Wotruba (1991) defined prospecting as a process of seeking out selected buyers who are perceived by a salesperson to have a need for a firm's available offerings and have the needed resources and authority to buy. Some ten years later prospecting was defined by Gombeski et al. (Gombeski, Kantor,

Bendycki & Wack 2002) as a process of identifying and qualifying individuals very likely to buy and able to generate high net income for the company from those who have little or no possibility of buying. Finally, Moncrief et al. (Moncrief & Marshall 2005) defined prospecting as a method by which sales personnel search for new and potential customers. However, today prospecting is most efficiently carried out by others in an organization than salespeople in order to free the costly salespeople time to actions requiring a more personal contact. Therefore, today the definition of prospecting could be modified from the one of Moncrief & Marshall's (2005) by leaving out the word sales personnel and adding the need identification factor from the earlier definitions. In this research, prospecting is handled as the method by which new and potential customers, including the ones formerly lost, are searched and their need is identified. Prospecting is a task that companies most often outsource from their entire sales function due to the nature of prospecting that requires relatively little personal expertise and more process related expertise.

In this study the term outsourcing is used instead of the existing term 'out-tasking'. Out-tasking refers to assigning a part of an entire function to a source external to a company (Sanders, Locke, Moore & Autry 2007; Kroes et al. 2010). However, in outsourcing literature the term is not as well-established as outsourcing, and outsourcing is commonly used when discussing on out-tasking as well. Outsourcing is defined as allocating organization's internal business activities (i.e. functions and tasks) to a source external to the organization (Kroes & Ghosh 2010).

Further, the study applies a single case study as a research strategy due to it offering a coherent and comprehensive setting for investigating the phenomenon, including taking into consideration informants from both sides, a client-side and a provider-side. The case company provides automated email prospecting for B2B-sales organizations in the names of a client's salespersons. The case company was established in 2017 and since the establishment it has expanded its client base steadily. All in all, 10 informants were interviewed to the research, including eight client-side informants and two provider-side experts.

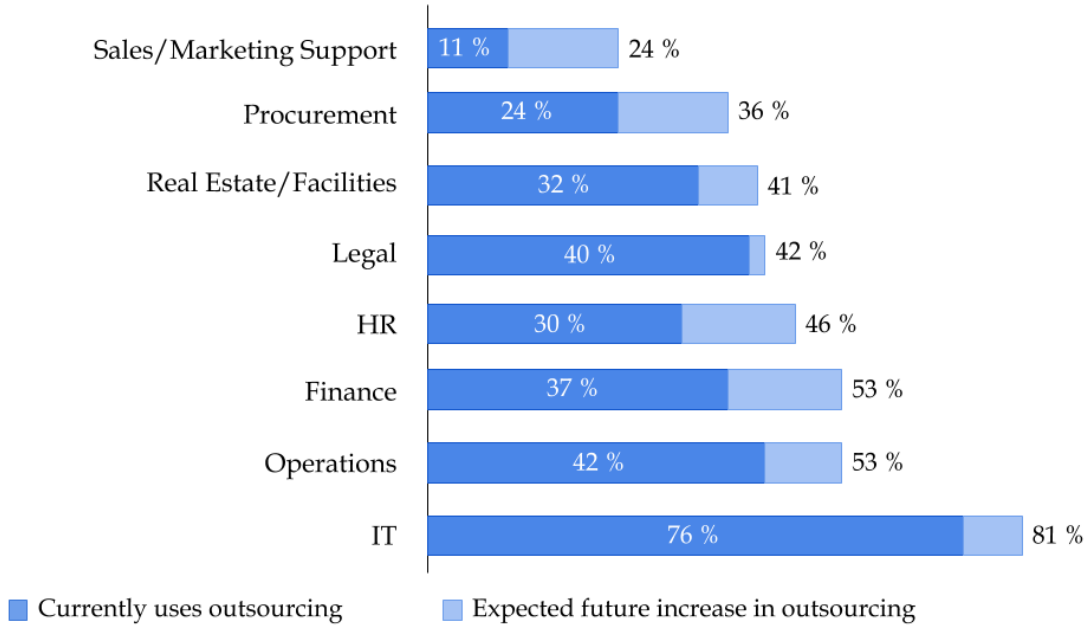

FIGURE 1 Current state of outsourcing and future outsourcing plans (Deloitte 2012)

Next, the research objective and the research questions are presented in greater detail.

1.2 Objective of the study and research questions

The objective of this study is to find out what factors determine outsourcing outcomes when outsourcing concerns a sales task instead of the entire sales function. By investigating outsourcing outcome determinants in terms of an outsourced sales task, this study expands the current knowledge in sales task outsourcing by moving forward from the evaluation and decision-making phase of the process.

In order to reach the research objective, this study has two research questions it aims to answer. First, it aims to find out what factors determine outsourcing outcomes when outsourcing concerns a sales task. Second, it aims to find out what factors may be harmful for the outsourcing success in such an arrangement. The research questions were formed by the support of the current knowledge in outsourcing outcome determinants in outsourcing an entire business function such as sales or other business processes, as mentioned before. Finding out answers to the two research questions enables forming a comprehensive view of the phenomenon under investigation.

RESEARCH OBJECTIVE

To examine determinants that impact on outsourcing outcomes when outsourcing considers a sales task instead of the entire function.

RESEARCH QUESTIONS

1) What factors determine outsourcing outcomes when outsourcing a sales task?
2) What factors may be harmful for the success of a sales task outsourcing?

FIGURE 2 Research objective and research questions

1.3 Study structure

The study consists of five separate chapters. Chapter 2 discusses the existing theoretical knowledge in outsourcing outcome determinants by starting from the current findings in sales outsourcing, then presenting the main theoretical framework derived from IT and BP sourcing, and shortly discussing the current knowledge in risks in outsourcing. Finally, chapter 2 ends in presenting the research model. Next, chapter 3 discusses the methodological choices made for this research including presenting a case company that was chosen for this research. Chapter 4 reports the findings of the research. Finally, chapter 5 ends the research by presenting the theoretical contributions of the research, discussing the managerial implications derived from this research, presenting the evaluation of the study considering its reliability and validity, and presenting suggestions for future research.

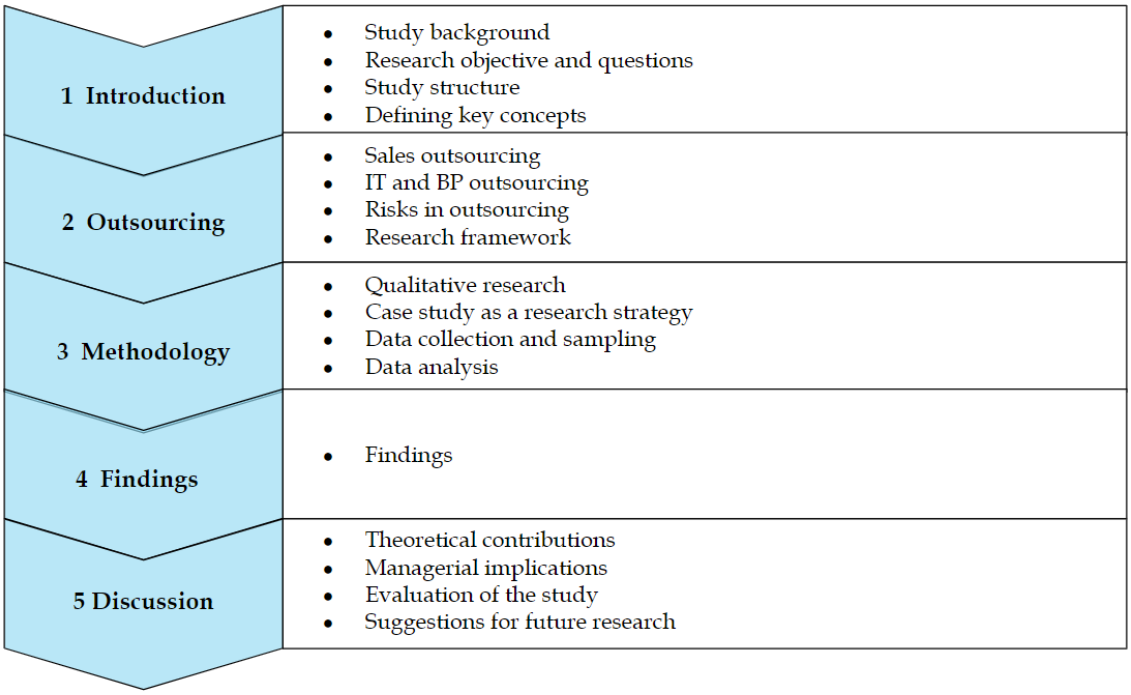

FIGURE 3 Study structure

1.4 Definitions of key concepts

This chapter presents definitions of key concepts covered in this research in order to clearly state how each concept is understood in the context of this research. Further, defining key concepts in a clear and unambiguous manner is important for the reliability of research (Adams, Khan & Raeside 2014).

Outsourcing

Allocating organization's internal business activities to a source external to the organization (Kroes & Ghosh 2010).

Out-tasking

Assigning a part of an entire function to a source external to a company (Sanders, Locke, Moore & Autry 2007; Kroes et al. 2010).

Offshoring

Allocating organizations's internal business activities to a source that is located abroad, whether through arm's length contracts or within the confines of a single multinational corporation through an intra-firm trade (Cypher 2015).

Multisourcing

A disciplined provisioning and blending of business and IT services from an optimal set of internal and external providers in the pursuit of business goals (Cohen & Young 2006).

Backsourcing

Bringing services outsourced to a source external to a company back in-house (Kotlarsky & Bognar 2012).

Sourcing

A term that is commonly used in outsourcing research when discussing on outsourcing, multisourcing, out-tasking and offshoring in general without having a need to specify which one is being under investigation.

Prospecting

A method by which new and potential customers, including ones formerly lost, are searched and their need is identified (Wotruba 1991; Moncrief et al. 2005).

2 OUTSOURCING

Outsourcing as a term has a colorful history in literature, and researchers have defined it in various ways over the years varying from single purchasing situations (Kotabe 1992) to allocate a firm's internal business functions to a source external to the firm (Kroes & Ghosh 2010). Among the first researchers in the field of outsourcing, Kotabe (1992) defined outsourcing from the point of view of procurement as "products supplied to the multinational firm by independent suppliers from around the world" and further as "the extent of components and finished products supplied to the firm by independent suppliers". A few years later, Mullin (1996) defined outsourcing from a more strategic point of view as "a strategy of partnering with service suppliers that perform critically, but non-core functions". Later on Gilley & Rasheed (2000) have criticized the definitions of outsourcing used in previous studies because in their opinion outsourcing basically includes procuring any good or service from a source external to the company itself. Gilley et al. (2000) further defined outsourcing as rejecting to internalize an activity and transferring it to an external supplier. Similarly, Kroes & Ghosh (2010) defined outsourcing as allocating an organization's internal business activities to a source outside of the organization. In this research, the definition of Kroes & Ghosh's is applied due to its suitability when studying a business activity such as prospecting, which unavoidably and originally is a part of a company's daily operations until it is being outsourced to an external provider.

In addition to the term outsourcing, in prior outsourcing literature multiple differing terms such as sourcing, resourcing, contracting and out-tasking are used, which all refer to different kinds of outsourcing arrangements (e.g. Sanders, Locke, Moore & Autry 2007). These terms also exist in this study due to their appearance in prior research. However, defining other terms than outsourcing and out-tasking is not essential concerning the aim of the study. Further, out-tasking is defined as assigning only one aspect of an entire function to a source external to a company (Sanders et al. 2007; Kroes et al. 2010). In this research, when discussing outsourcing sales and marketing, the terms 'outsourcing' and 'out-tasking' are applied due to their overlapping use in prior literature, as well as their normal approaches in sales outsourcing (Rogers 2008).

Outsourcing as a process in a bigger picture can be divided into three phases: decision-making, outsourcing, and re-evaluating. Each of the phases includes many smaller actions such as planning, analyzing and execution. In the field of outsourcing research, it is common to explore outsourcing phenomena by moving on a step by step from the decision-making phase towards the re-evaluating phase in order to gain a comprehensive understanding of such a wide process. Outsourcing sales activities is a relatively new phenomenon in the outsourcing industry, due to which there is little prior literature about it. However, Rogers & Rodrigo (2015) first acknowledged this gap and opened the discussion by studying the decision-making process in sales task outsourcing.

This research now aims to expand the current knowledge by concentrating on the second phase of outsourcing, the outsourcing itself and the aspects affecting the outsourcing outcomes. The current literature lacks in knowledge of a task outsourcing despite the decision-making phase. However, prior literature in outsourcing outcomes concerning outsourcing an entire function such as IT and HR is vast and offers a base and model for this research.

Next prior literature in outsourcing outcomes is discussed. First, current literature in sales outsourcing is covered from the point of view that offers the base for this research. Second, current literature in outsourcing outcome determinants considering other business functions is covered, and the research model is presented.

2.1 Sales outsourcing

In addition to research conducted by Rogers et al. (2015), no other research in sales task outsourcing exists. A little research exists concerning outsourcing an entire sales function (e.g. Park et al. 2011; Rapp 2009; Ross et al. 2005; Klein et al. 1990; Anderson 1985), among which the most concentrate on the decision-making phase and possible cost-structures when outsourcing (Ross et al. 2005; Klein et al. 1990; Anderson 1985). However, by reviewing the current literature, it offered some knowledge in terms of aspects that seem to impact on outsourcing outcomes when outsourcing an entire sales function (: outsourcing outcome determinants). This knowledge offers some base for this research.

First, a provider's ability to offer flexibility to a client's sales considering a client's possibly changing needs at different times seems to be an aspect that affects to the outsourcing outcomes (Rapp 200; Park et al. 2011). According to Rapp (2009), it is normal for sales that a company needs to upscale and downscale the size of a sales team due whenever changes in the market take place. That need exists in the sales organization in order to manage both, the costs and the performance.

Second, a provider's ability to offer such skills and processes (Park et al. 2011) to the use of a client in order to strengthen a client's competitiveness also seems to impact on the outsourcing outcomes according to prior research (Rapp 2009). An external provider is most often profoundly specialized in the area in which it operates, which offers a client such specialized skills and certified processes that the client may need in order to operate better in sales. (Rapp 2009)

Third, a provider's ability to effectively share information to a client considering a client's prospects, customers and competitors seem to have a positive impact on the outsourcing outcomes (Rapp 2009). By operating in the customer interface of a client, a provider has exposed to a lot of valuable sales related information that a client would not otherwise get that if a provider actively shares the information with the client (Rapp 2009). In addition, Park et al. (2011) found out that outsourcing level may influence a client's capability to

learn about their customers and the market, which may cause loss of valuable learning.

Fourth and at last, a provider's ability to represent a client also seems to be a factor that enhances outsourcing success (Rapp 2009). According to Rapp (2009) customers often times view sales personnel as the company they represent, and so the sales representatives share the responsibility of a client's customer service and customer satisfaction.

2.2 IT and business process outsourcing

In order to outsourcing to work-out in a successful way, previous research in terms of outsourcing entire functions such as IT and other business processes has identified aspects that enhance positive sourcing outcomes and some that may negatively affect to it (e.g. Qin, Wu, Zhang & Li 2012; Lacity et al. 2012; Mathew et al. 2011; Mehta et al. 2006; Tate et al. 2009; Wüllenweber et al. 2008). The research in IT and BP sourcing outcomes is vast and includes concentrating on not only outsourcing but also on offshoring and multisourcing. Lacity et al. (2016) noticed a great amount of research in the area and conducted a literature review. Further, they formed a framework based on the literature review, which puts together the current findings in sourcing outcome determinants in terms of when sourcing considers an entire function (Figure 5). Due to the lack of knowledge in task outsourcing, the vast knowledge in sourcing outcome determinants combined with the findings in sales outsourcing outcome determinants, that were discussed in the previous chapter, are utilized in planning this research and the research model. Next, the findings in IT and BP sourcing outcomes are discussed as Lacity et al. (2016) have found them to exist.

The framework of Lacity et al. (2016) consists of 27 independent variables. Eight of them: outsourcing decision-offshore (-), outsourcing decision-multisourcing (-), length of relationship (0), cultural distance (-), contract type (-), client size (0), provider size (0), and transaction type (-) either do not concern the scope of this study (-) or they are found not to have an influence on outsourcing outcomes (0). Due to these reasons, they are left outside of consideration in this study. However, they can be seen in the original framework at the end of this chapter (Figure 5).

According to Lacity et al. (2016), the rest 19 determinants can be grouped into five categories: relational governance, contractual governance, provider firm capabilities, client firm capabilities, and transaction attributes. Two of the determinants applying to this study as well differ from others since they are found to have a negative influence on sourcing outcomes, and those are measurement difficulty and risk. *Measurement difficulty* is defined as the degree of difficulty in measuring the performance of a client and a provider in terms of a joint effort, soft outcomes, and/or ambiguous links between effort and performance (Tate et al. 2009; Lacity et al. 2016). Measurement difficulty has found to increase a client's business risk and a possibility for the client to lose

control over the function that is being sourced (Tate et al. 2009; Lacity et al. 2016). *Risk*, in this context, is defined as the extent to which a transaction exposes either a client or a provider to a chance of loss or damage (Wülleweber et al. 2008; Mathew et al. 2011; Lacity et al. 2016). Such risk is found to have a negative impact on outsourcing outcomes in terms of IT outsourcing projects (Gholami 2012; Lacity et al. 2016) and IT outsourcing outcomes in general (Qin et al. 2012; Lacity et al. 2016). Both determinants, measurement difficulty, and risk belong to the category of transaction attributes. The rest of the determinants are found to have different kinds of positive impacts on outsourcing outcomes. Next, the rest of the categories are explained as Lacity et al. (2016) have described them.

The category of relational governance consists of eight determinants that influence inter-organizational behavior and are found to have a positive influence on sourcing outcomes. Their nature is that they are unwritten, non-contractual and worked-based, so they appear in the interactions of clients and providers. *Communication*, in the form of open discussion about expectations, future directions, capabilities, and strengths and weaknesses (Gainey & Klaas 2003; Lacity et al. 2016), is found to have a positive influence in offshoring success from a client's point of view, and in outsourcing success from a provider's point of view. K*nowledge sharing* is defined by Mahmoodzadeh et al. (Mahmoodzadeh, Jalalinia & Yazdi 2009; Lacity et al. 2016) as the degree to which a client and a provider share and transfer knowledge. First studied by Qi et al. (2013), it is found to have a positive influence on outsourcing success (Lacity et al. 2016). Further, *trust* is defined as the confidence in the business partner's benevolence (Gainey et al. 2003; Lacity et al. 2016). When trust exists between a client and a provider, it has a positive impact on experienced service quality (Deng et al. 2013; Lacity et al. 2016), outsourcing success (Swar, Moon & Junyoung 2012; Lacity et al. 2016) and innovation effects (Whitley & Willcocks 2011; Lacity et al. 2016). *Client-provider interface design*, meaning a commonly agreed plan about where, when and how employees of a client and a provider work, interact and communicate (Sen & Shiel 2006; Lacity et al. 2016), is also found to have a positive influence on sourcing outcomes. Also, *commitment* as the degree to which a client and a provider pledge to continue the sourcing relationship (Levina & Su 2008; Lacity et al. 2016) is found to have a positive impact on outsourcing success. *Cooperation* refers to a client and provider firms' employees' willingness to work with each other (Wüllenweber et al. 2008; Lacity et al. 2016) and to develop effective relationships (Palvia, Palvia, Xia & King 2011). Unlike the other determinants in the category of relational governance, cooperation is found to have positive impacts specifically on a providers' innovativeness and market performance (Lacity et al. 2016) as well as a providers' optimal performance (Palvia et al. 2011; Lacity et al. 2016). Being the last determinant in the category of relational governance, *client-provider alignment* illustrates the degree to which a client and a provider share the same incentives, motives, interests and/or goals (Sen et al. 2006) naturally or by the support of control mechanisms. It is found to have a positive impact on outcomes considering all kinds of sourcing (e.g. outsourcing) (Lacity et al. 2016).

As a contrast to the nature of the determinants in the previously described category, the category of contractual governance includes forms of control that exist formally. These may exist between a client and a provider in a written form or they may be something that has been agreed on by other means. *Contract detail* refers to the degree of detailed clauses in an outsourcing contract (Handley & Benton 2009; Lacity et al. 2016), and these agreements are found to positively affect to outsourcing success (Qin et al. 2012; Lacity et al. 2016) taking such forms as a quality and cost performance in projects (Srivastava & Teo 2012; Lacity et al. 2016). *Key performance indicators* (KPIs) are measures used for monitoring performance (De Toni, Fornasier, Montagner & Nonino 2007; Mahmoodzadeh et al. 2009; Lacity et al. 2016) and their existence is found to have a positive impact on outsourcing performance.

Under the category of provider firm capabilities, there are two determinants, which have found to have a positive impact on sourcing outcomes. First, *human resource management* illustrates a provider's ability to identify, acquire, develop, retain and deploy human resources in order to achieve both parties', a provider firm and a client firm's, organizational objectives (Kuruvilla & Ranganathan 2010; Lacity et al. 2016). This provider firm capability is found to enhance project performance (Verner & Abdullah 2012; Lacity et al. 2016), client firm performance (Narayanan & Narasimhan 2014; Lacity et al. 2016), and provider's business performance (Agrawal, Goswami & Chatterjee 2012; Lacity et al. 2016). Second, a provider's *technical and methodological capability* refers to the firm's level of maturity in terms of technology and process related standards and best practices (Bardhan, Mithas & Lin 2007; Lacity et al. 2016). It is found to enhance outsourcing in terms of outsourced project performance (Verner et al. 2012; Lacity et al. 2016), provider firm performance (Gopal & Agarwal 2010; Lacity et al. 2016), client firm performance (Bachlechner, Thalmann & Maier 2014; Lacity et al. 2016), success in outsourcing in general (Vitasek & Manrodt 2012; Lacity et al. 2016), and service quality.

Similarly to the previous category, under the category of client firm capabilities, there are determinants that illustrate a client firm's internal capabilities that have a positive impact on sourcing outcomes. A client's *technical and methodological capability*, as determined in the previous section in terms of a provider firm's capabilities, is found to enhance performance improvement of a client firm (Teo & Bhattacherjee 2014; Lacity et al. 2016), project performance (Devos, Van Landeghem & Deschoolmeester 2012; Lacity et al. 2016) and outsourcing success (Vitasek et al. 2012; Lacity et al. 2016) in general. A client firm's *readiness to outsource* is defined as the extent to which the client is prepared to engage a provider by having realistic expectations and a clear understanding of internal costs and services in comparison to outsourced costs and services (McIvor, Humphreys, MacKittrick & Wall 2009; Lacity et al. 2016). Previous research shows, that the better understanding a client has about providing the service themselves, the better the sourcing outcomes they experience (Lacity et al. 2016). More specifically, a client firm's outsourcing readiness is found to have a positive impact on project performance (Verner et al. 2012; Lacity et al. 2016), client's success with outsourcing (Hodosi & Rusu 2013; Lacity et al. 2016) and a

provider's success (Palvia et al. 2011; Lacity et al. 2016). Being the last finding in this category, a client's *absorptive capacity* is defined as a client's ability to scan, acquire, adopt and utilize valuable knowledge (Grimpe & Kaiser 2010; Reitzig & Wagner 2010; Lacity et al. 2016). This determinant is found to improve outsourcing outcomes in terms of a client's business performance (Bustinza, Molina & Gutierrez-Gutierrez 2010; Lacity et al. 2016) and business service improvements (Ippolito & Zoccoli 2010; Lacity et al. 2016). In addition, Bustinza et al. (2010) have argued that a client cannot be a passive recipient of the service when outsourcing, but it must take in the knowledge a provider generates while operating in order to achieve maximum results.

The last category of sourcing outcome determinants according to previous research in IT and BP sourcing is transaction attributes. Transaction attributes refer to such general determinants of business services that are more likely to influence sourcing outcomes than others. Two determinants, measurement difficulty, and risk were already explained at the beginning of the chapter due to their nature to have a negative influence on sourcing outcomes. However, the last determinant in this category, transaction type, is found to have a positive influence on sourcing outcomes. *Transaction type* is defined as the type of work that is being sourced (Gopal et al. 2010; Lacity et al. 2016). In terms of the studies in IT and BP sourcing, it usually considers work that consists of the development, maintenance and/or reengineering such as IT and PB services, software development and research and development (R&D) (Gopal et al. 2010; Lacity et al. 2016). Depending on the transaction type it is found to have an impact on outsourcing success and provider satisfaction (Handley 2012; Lacity et al. 2016). (Lacity et al. 2016)

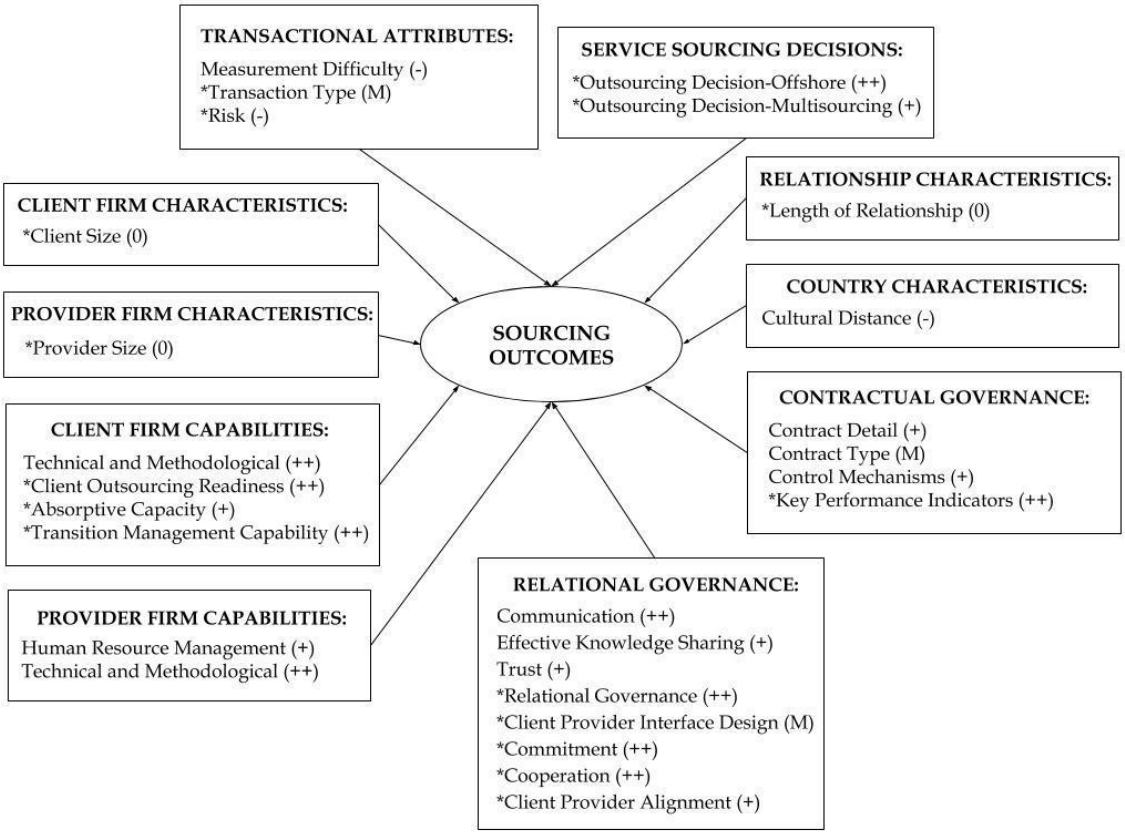

FIGURE 4 Determinants of sourcing outcomes (Lacity, Khan & Yan 2016). * illustrates variables that are found to have a negative influence on outsourcing outcomes.

Next, risks related to outsourcing a function are shortly discussed in greater detail in order to get a considerable understanding of determinants possibly affecting outsourcing outcomes.

2.3 Risks in outsourcing

As discussed earlier, risk in the context of this research is defined as the extent to which a transaction exposes either a client or a provider to a chance of loss or damage (Wülleweber et al. 2008; Mathew et al. 2011; Lacity et al. 2016). When outsourcing, a client decides to give away control over the task or function that is being outsourced and becomes dependent on a provider external to the company. Prior research in outsourcing has identified several risks related to outsourcing, and those are next discussed.

Over the years, researchers have indicated cost being the primary motivator for outsourcing (Liu & Yuliani 2016; Lacity & Willcocks 2012). However, a risk of hidden costs is found to be real especially in IT outsourcing, and many clients have faced costly outsourcing failures after failing to appraise

the costs related to the entire outsourcing process (Barthélemy 2001; Quélin et al. 2003).

Further, when fully outsourcing a function, a client may face a risk of losing its own competence over the years (Quélin & Duhamel 2003, Quinn & Hilmer 1994). In the worst-case scenario, this may lead to a situation of the provider establishing its own business around the new competencies it has learned from the client when providing the service, and so the provider becomes a competitor to the client (Quinn et al. 1994). In order to avoid such eminent risk, companies seldom outsource strategic functions that constitute sources of a company's core competencies and/or competitive advantages (Quélin et al. 2003).

In addition, when assigning responsibility to a provider, a client's ability to retain control over the assigned area decreases and it may happen that the outcomes do not meet the expectations of the client (Sanders et al. 2007). The provider may, for example, fail in delivering the expected service in a timely manner (Quélin et al. 2003), which may then set the client in front of challenges it is no longer able to overcome by itself. The situation is especially critical when a client has a highly customized arrangement with the supplier, which then may also have strategic consequences in the client's future direction since the client is highly tied to that of the provider (Sanders et al. 2007).

When considering sales outsourcing, risks more often relate to such aspects as unwanted changes in customer service and customer satisfaction or losing valuable knowledge about customers and competitors (Rapp 2009). As observed earlier from a positive point of view, according to Rapp (2009), customers often view salespersons as the company they represent, and so the responsibility of customer service and satisfaction falls on the shoulders of those working for sales. In addition, as Rapp (2009) had it stated, a company's sales force often is the best internal source for gaining insight in what is happening in the market with customers and competitors. In order to tackle such risks, it is important that a client and a provider agree on mutual courses of action.

At last, Kolawa (2004) has studied outsourcing in the software industry and named three outsourcing pitfalls common in the industry when outsourcing: outsourcer did not work on your code, outsourcer does not understand what you want, and outsourcer does not write code that is up to your standards. Even though these risks consider outsourcing coding to a source external to a company, similar risks may exist when outsourcing sales and marketing related tasks, such as prospecting. The first pitfall refers to a situation, that a client does not know how a provider prioritizes projects it gets, which may further lead to a situation that the client does not receive the service on time. The second pitfall refers to a situation of a provider assuring that it understands the requirements a client has for a service, but in reality, the provider does not, and it delivers something partly or totally useless for the client. The last pitfall refers to a situation in which a provider underachieves the standards a client has for the service. All the pitfalls may as well exist when outsourcing a sales related task, such as prospecting. However, no research concerning a task outsourcing point

of view yet exists and that is why this research now focuses on gaining insight on possible risks as well.

The prior literature discussed above forms the theoretical background for this study. Even though the prior literature only considers outsourcing outcome determinants in the context of an outsourced function and not an outsourced task, it provides enough information for conducting this research by guiding in which points of view need to be investigated in order to achieve a comprehensive understanding of the phenomenon. Such points of view that need to be investigated in the context of sales task outsourcing (not including offshoring or multisourcing) are: client firm capabilities, provider firm capabilities, relational governance, transactional attributes, and contractual governance. Each of the areas mentioned may include factors that affect outsourcing outcomes when a sales task such as prospecting is being outsourced. Next, the research framework of the study is presented in greater detail.

2.4 Research framework

The research model combines the existing theory presented in the literature review. The findings from current sales literature are added to the framework of Lacity et al. (2016). The combined model offers a reliable structure for exploring outsourcing outcome determinants by guiding which areas to cover when collecting data: the role of a client firm, the role of a provider firm, the role of contract, the role of relational aspects, and the role of other attributes, i.e. transactional attributes, if such exist when a sales task is being outsourced.

As mentioned before in the literature review, eight determinants existing in the original framework of Lacity et al. (2016) are left outside of consideration in this research. The determinants are either found not to have an impact on outsourcing outcomes or they exceed the scope of this study. In greater detail, this research only concentrates on outsourcing by leaving out of consideration other means of sourcing such as offshoring and multisourcing, thus also the determinants called transaction type and contract type. In addition, this research only concentrates on national outsourcing by leaving out of consideration the category of country characteristics.

In the research model presented below, a star (*) illustrates a determinant that is found to have a negative impact on sourcing outcomes. In addition, four determinants next to a bullet point illustrate the findings that were derived by reviewing the current sales outsourcing literature.

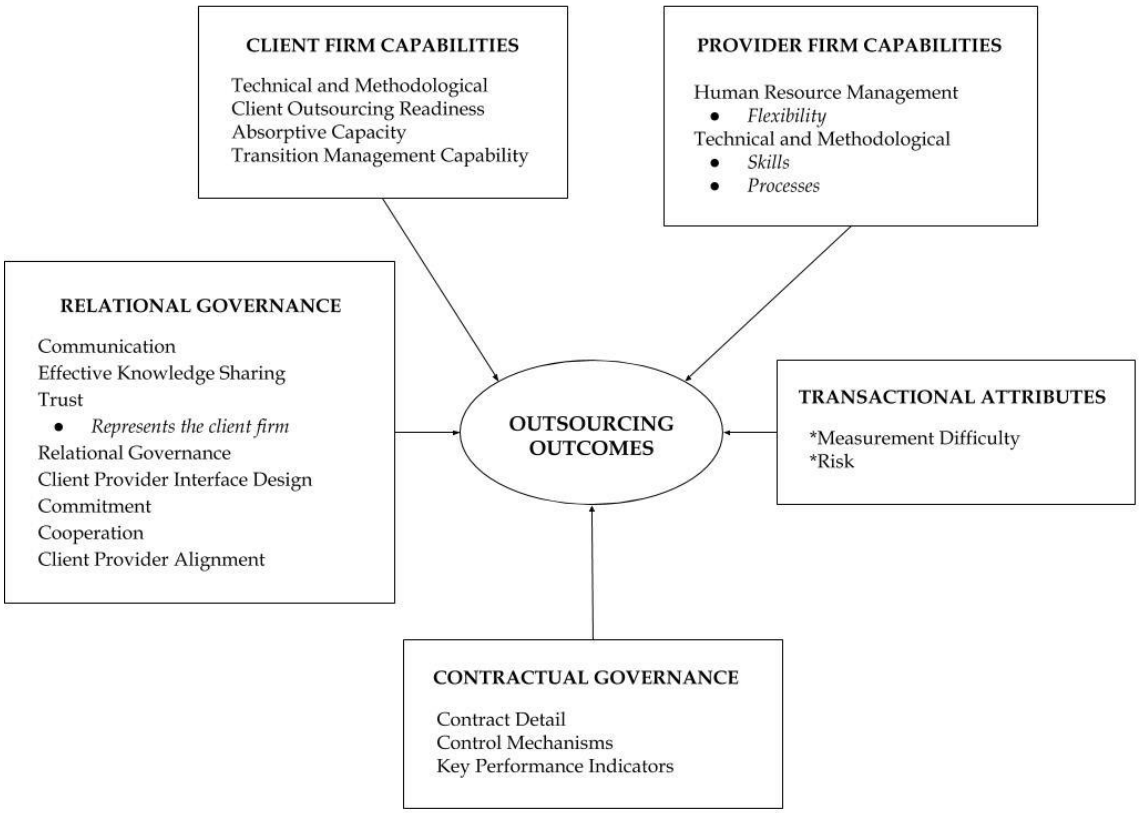

FIGURE 5 Research framework

3 METHODOLOGY

This chapter discusses the research methodology and the methodological choices of this research. The methodological process of the research is presented in Figure 7. Methodology is determined as a general approach to study a research problem (Metsämuuronen 2011, 215). A research objective determines what kind of data is necessary for the research and how it should be collected (Hirsjärvi & Hurme 2008, 15). A method itself concerns a technique by which the needed data is collected and how. Further said, the method or methods are suitable for a research when they are able to connect theory, hypotheses and methodology (Metsämuuronen 2011, 215). Next, the research methodology and the methodological choices of the research are discussed in greater detail.

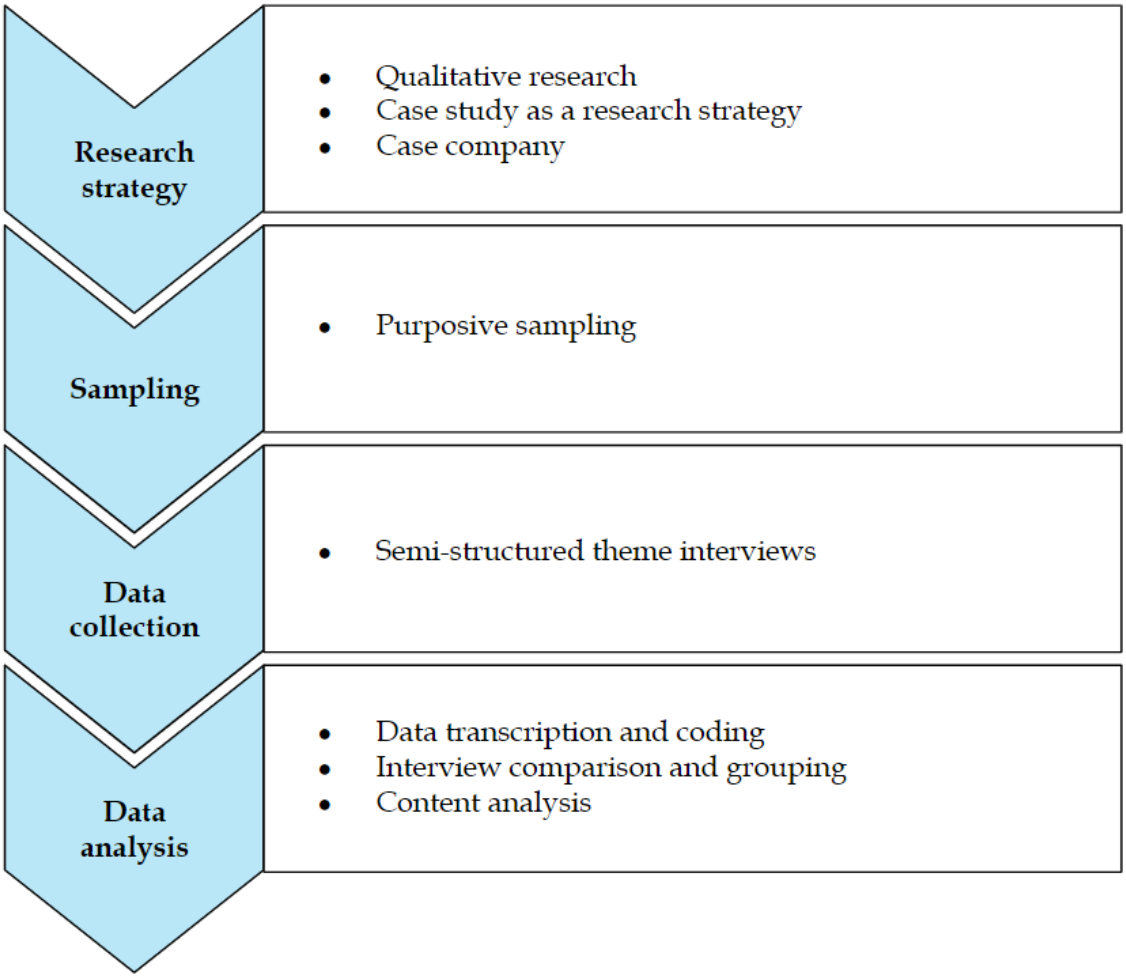

FIGURE 6 Methodological process of the research

3.1 Qualitative research

The main difference between qualitative and quantitative research methodologies is that quantitative research explores causal connections between variables and aims for statistical generalizations of phenomena by making use of previous literature, whereas qualitative research aims for revealing uncharted phenomena by describing them verbally. Thus, qualitative research approach is suitable when studying meanings people give for experiences (Hirsjärvi & Hurme 2008, 220), and qualitative data is required when aiming to understand in-depth motivations for people's behavior and feelings (Adams, Raeside & Khan 2014, 97). Additionally, it aims for describing reality as experienced by the respondents (Adams et al. 2014, 6). In qualitative research, a researcher has an active role in the total research process. In order to maintain objectivity, a researcher must be able to interpret the social world from the perspective of the informants and trust their ability to reflect the social world (Bryman & Bell 2007, 416). Moreover, qualitative research aims for identifying patterns in a data set in order to reach conclusions and develop hypotheses for future research (Hair, Money, Samouel & Page 2016, 295-296).

In any type of research, there are also two common methods of reasoning: deduction and induction. In deductive reasoning, theory forms the basis for a research and the research process then moves systematically from commonly known towards more specific. Due to its relatively strict nature, deductive reasoning is usually more suitable for quantitative research approach. In inductive reasoning in turn, empirical data forms the basis for a research and the process then moves from specific towards more common. Inductive reasoning is often more suitable for qualitative research since it enables building theory from previously unknown. However, absolute induction or deduction is not required, but abduction combines these two approaches. In abductive reasoning, a researcher already has some ideas about the theory before starting the data collection process, and then aims to verify those ideas through collecting and analyzing empirical data (Hirsjärvi & Hurme 2008, 136).

Further, research objectives can be divided into four categories: explorative, explanatory, descriptive and predictive. This study is explorative in nature because it explores a phenomenon a relatively little known about. (Hirsjärvi, Remes & Sajavaara 2009, 138-139.) Because of the explorative nature of the research problem, qualitative approach was selected for this study. Moreover, abductive reasoning is applied due to the existing research in sourcing outcomes form some theoretical background for the research and provide support for the empirical data gathering.

3.2 Case study as a research strategy

Case study research is defined as an empirical research that studies an active phenomenon or person in a specific environment by utilizing various strategies for gathering information (Yin 1983, 23). Moreover, the aim of a case study research is to understand a certain phenomenon more profoundly and to produce holistic and detailed knowledge of a phenomenon, rather than generalize it (Metsämuuronen 2011, 223; Eriksson & Kovalainen 2008, 120). It allows a researcher to retain a holistic and real-world perspective by focusing on a case, such as an organizational and managerial process (Yin 2014, 4). Case study as a research strategy was selected for this research due to its suitability concerning the nature and aim of this research. It allows to explore outsourced prospecting in-depth, create knowledge about aspects that impact on outsourcing outcomes when outsourcing a task instead of an entire function and enlighten the phenomenon through the "which" and "how" questions related to it.

The process of a case study research begins with a thorough literature review and a careful posing of research questions and objectives (Yin 2014, 3). Prior research in outsourcing outcomes concerning a situation when an entire business function is being outsourced is vast, and it offered a valid theoretical base for this research. It also assisted in creating the research framework and the research questions suitable for the objective of this research. Further, a case study research can either be a single case study or a multiple case study depending on the objective of a research and the resources assigned to the research (Yin 2014, 56-57). This research focuses on a single case and the unit of analysis is prospecting as an outsourced task. Taking the theory base and the exploratory nature of this research into account, this single case study is critical in nature. Prior research in outsourcing outcomes has specified a clear set of circumstances, which are believed to be true in the context of outsourcing a function, and this research explores whether those aspects apply in a task outsourcing as well or whether some alternative set might be more relevant concerning a task outsourcing (Yin 2014, 51). The case company was selected through a purposive sampling in order to be able to select the most suitable company and informants with proper experience concerning the research objective (Metsämuuronen 2011, 61; Hirsjärvi et al. 2008, 47).

The case company operates in outsourcing and management consulting business. It offers outsourced prospecting for B2B-companies that have an active sales organization. They conduct prospecting via automated email campaigns in their client's name. The outsourcing includes that the case company, i.e. the provider, also manages all the answers derived via the email campaigns they run for their clients. They only forward leads and answers that require the client's knowledge to the client's sales, and take care of other answers by themselves. By outsourcing prospecting to them, the client can focus on making sales and

serving existing customers without losing time for prospecting which an outsourced partner can conduct for them.

Next, the process for collecting empirical data including sampling are discussed in greater detail.

3.3 Data collection and sampling

Yin (2014, 103-118) presents six approaches for acquiring evidence for case studies: documentation, archival records, interviews, direct observation, participant-observation and physical artifacts. Among the methods, interviewing is seen as one of the most important sources of case study evidence, because it enables gathering in-depth information of a phenomenon through interviewees' descriptions of their experiences and feelings (Yin 2014, 110-113). In addition, according to Hirsjärvi et al. (2009, 205) interviewing is the most commonly used research method in qualitative research. Especially in business and management research, face-to-face and telephone interviews are frequently used (Adams et al. 2014, 97). When conducting interviews, researcher is able to control the amount of collected data. Being in such a close interaction with an interviewee also makes it possible for the researcher to motivate the interviewee to open up through encouraging and flexibly changing the order of the questions if needed. In addition, the researches is also able to present additional questions if the situation requires that, both during and after the interview. However, popularity and flexibility together do not form a suitable justification for selecting a research method. The method or methods need to be reasonable for solving the research problem (Hirsjärvi et al. 2009, 205). The aim of this study is to gain insight of a relatively new phenomenon in terms of which people who have experienced it may have differentiating experiences. Thus, interviewing was selected as a research method for this study because it enables both, the informants to express themselves flexibly and openly, and the interviewer to adjust to upcoming, possibly new, topics and to come up with specifying and deepening questions if needed (Hirsjärvi et al. 2009, 205).

Further, research interviews can be divided into three types: structured interviews, semi-structured interviews and in-depth interviews (Hirsjärvi et al. 2009; Adams et al. 2014). These research interview types differ from each other in their predetermined structure and needed level of participation of an interviewer. A researcher must understand what kind of empirical data serves the needs in fulfilling the research objective. Semi-structured interviews are more flexible than structured interviews, which consist of the same predetermined structure for every interviewee, but more structured than in-depth interviews, which get a unique form during every interview. When conducting semi-structured interviews, which are also known as theme interviews, the interviews focus on predetermined themes that the researcher has noticed from prior theory (Hirsjärvi et al. 2008, 47). Those themes are the same in every interview, but the researcher may change the structure and the order of the questions depending

on each interview (Hirsjärvi et al. 2008, 48). Thus, semi-structured theme interviews can be personalized, but they have a predetermined set of themes that are meaningful to cover when aiming to solve the research problem. Further, theme interviews are suitable when a purpose of the research is to gain insight on personal aspects such as how people value things, give meanings to things or reason things (Metsämuuronen 2011, 247). However, a theme interview also has its drawbacks. It is impossible to achieve a pure objectivity in data collection when a researcher, a subject, shares the interviewing situation with the informant and controls every interview in a relatively flexibly manner. Thus, it is seemingly important that an interviewer is neutral by looks and behavior, is knowledgeable about the research area, socially adjustable (Hirsjärvi et al. 2008, 68-69) and is able to experience an interview event through the eyes of an informant (Bryman et al. 2007, 416). It is also possible that an informant ends up giving answers that do not truly reflect his or her reality, but seems more socially acceptable (Hirsjärvi et al. 2008, 35), which further affects the reliability of the research. In addition, distractions such as technological challenges when recording an interview may appear during an interview and it may affect an interview event or the result. However, after considering benefits and drawbacks related to theme interview, it was seen as a reasonable data collection method for this study when taking into account the nature of the research objective and the needs it sets for the data collection.

Considering sampling, when collecting empirical data via theme interviews, it is essential that people attending to the interviews have experienced the event under investigation (Hirsjärvi et al. 2008, 47) so that they are able to enrich the current understanding of the phenomenon. In general, sampling can be done in two ways: purposively and randomly, from which random sampling enhances reliability of a research being not affected by the input of a subject. However, purposive sampling is often necessary in qualitative research, when reaching people with specific knowledge is essential in solving the research problem. (Metsämuuronen 2011, 61) As when considering theme interviews as a data collection method, purposive sampling as a sampling method also has drawbacks. Sample achieved via purposive sampling may not fully represent the total target group, so it may be biased (Hirsjärvi et al. 2008, 60). However, the aim of a qualitative research is not to achieve statistical generalizations but to gain insight into phenomena new to the current research or reveal new theoretical points of view (Hirsjärvi et al. 2008, 5). Thus, interviewees of this research were selected purposively. Since the study seeks to understand which aspects affect outsourcing outcomes when outsourcing prospecting, clients who had experience of the outsourcing of prospecting for a longer time-period than 3 months were selected. Three months is a so called pilot period in the field, during which a client has gained enough experience to decide whether to continue with the provider, backsource or change the outsourcing by other means, and so has enough experienced to provide information on the phenomenon under investigation.

At the time when the interviews were conducted, the case company had six clients that had exceeded the pilot period. All six clients were invited to take

a part to the research from which five accepted the invitation. One client needed to decline the invitation because they did not have time for an interview due to the on-going season being the busiest in their field of business. In order to get a comprehensive view of the phenomenon, it was reasonable to interview all the stakeholders who were in touch with the outsourcing: the decision makers (CEOs, COO, CSO), the operative workers (SDRs, BD, CSO), and the experts (CEO, COO). The decision makers are from the client side and they are the ones who made the outsourcing decision and are in charge of it. The operative workers are also from the client side and they are the ones who are daily in touch with the provider. Only three operational workers were interviewed because the CSO of the Company 4 is also the operational worker when it comes to this outsourcing. The operational worker from the Company 1 was not reached and so not interviewed. The CEO of the case company (Expert 2) is also the company's sales director who is most often in touch with the decision makers from the client side. The COO of the case company (Expert 1) is the one who directs the production and is in touch with both contact persons from the client side. Seven out of ten interviews were conducted on the phone due to a long distance in between the interviewees and the interviewer, and three of them face-to-face. All interviews were recorded with a tape recorder. The interviewees did not see the interview structure beforehand in order to enable relaxed interviews which are build by a naturally flowing discussion facilitated by the interviewer.

	Industry	**Employees**	**Informant**	**Experience in the role**	**Interview duration**
Company 1	Event- and service production	>10	CEO	1 year	43 min
Company 2	Software development and production	<10	CEO	1 year	12 min
Company 2	Software development and production	<10	Sales Development Representative (SDR)	7 months	14 min
Company 3	Accommodation services	>200	COO	1,5 years	31 min
Company 3	Accommodation services	>200	Sales Development Representative (SDR)	1 year	19 min
Company 4	Advertising agencies	<50	Co-founder, Sales Director (CSO)	16 years	28 min
Company 5	IT-consulting	<10	Co-founder, CEO (CEO)	12 years	17 min
Company 5	IT-consulting	<10	Business Developer (BD)	1 year	27 min

Expert 1	Management consulting	>10	CEO	1,5 years	48 min
Expert 1	Management consulting	>10	COO	1,5 years	22 min

TABLE 1 Summary of the interviews

3.4 Data analysis

Qualitative case study aims for revealing a phenomenon, enhancing understanding of the phenomenon, and producing new knowledge in terms of it into a verbal form. A qualitative data analysis aims for clarifying the collected data and producing new knowledge of the phenomenon under investigation. In more detail, the focus is on densifying the mass of empirical data in order to derive more information rather than cutting some content and leaving it outside the analysis. (Eskola & Suoranta 1998, 137) Plenty of qualitative data analyzing methods exist. However, one of the most cited qualitative data analyzing methods is a content analysis, presented by Miles & Huberman (1994). They suggest three key phases for conducting a successful content analysis: data reduction, data display, and conclusion drawing. The model forms the basis for the data analyzing process of this research. In addition, Eskola & Suoranta (1998, 174-185) suggest to begin with transcribing the data and organizing it under the themes used in the interviews, which enables the researcher to get a more clear picture of the mass of data. Further, they suggest for utilizing as many methods as useful for getting as much rich information out of the data as possible, varying from comparing data to quantifying incidences (Eskola et al. 1998, 159-207). In addition, Yin (2014, 135-136) states that even though a researcher in a best case scenario is aware of possible analyzing choices already before collecting the data in order to be sure that the data will be in an analyzable form, it can still be fruitful to play with the data. With playing Yin (2014, 135-136) refers to searching for promising patterns, insights and concepts via manipulating the data in various ways such as juxtaposing the data from different interviews, making a matrix of categories and calculating the frequency of different events. It is said that a researcher learns the best methods for analyzing qualitative data by doing, trying different methods and getting familiar with the data, and only via such process it is possible to identify the deepest and most rich information.

The data analysis of this research started by listening to the recorded interviews and transcribing them carefully and in verbatim. After transcribing the data, all the data was organized under the themes that were derived from the theory and covered in the interviews (see Appendices). Next, coding was used for carefully analyzing each text part, identifying deeper themes, and organizing the data into more precise thematic matrixes. The thematic matrixes were smaller categories under the main themes, which enabled to identify the relevant and

important information. Finally, these findings were analyzed, and since they matched under the main themes, they were gathered together under the main themes in order to present the results in one figure (Figure 6). Next chapter discusses about the findings of the research.

4 RESULTS

The results of the study are presented in this chapter. The structure of this chapter follows the categories presented in the research framework. First, findings about such client firm capabilities that seem to have an impact on outsourcing outcomes, when outsourcing prospecting, are presented. That is followed by findings according to a provider, under the category of provider firm capabilities. Third, findings concerning relational governance, i.e. determinants that are unwritten, non-contractual and worked-based in their nature, and which appear in the interactions of the buyers and the provider, are illustrated. Fourth, findings of such general attributes of prospecting, that seem to influence on outsourcing outcomes, are presented under the category of transaction attributes. Fifth, findings about such contractual aspects, that are important when outsourcing prospecting, are illustrated under the category of contractual governance. At the end of each category, the findings related to that category are presented in a category specific summary (Figure 7…Figure 11).

Because the interviews were conducted in Finnish, the quotations presented in this chapter are translated into English in a way that the meaning of each quotation remains original. Each quotation is followed by a code that illustrates the interviewee, in order to maintain the privacy of each person interviewed. The codes are shown in Table 1.

4.1 Client firm capabilities

4.1.1 Technical and methodological

All the informants from the customer side had conducted prospecting in-house before outsourcing it. In all cases prospecting was conducted by the sales persons and only two out of five companies had sometimes outsourced it to a booking agency. Phone used to be the main tool for prospecting among the interviewed companies but also email, social media and events were utilized. However, none of them had run prospecting by utilizing automations. Prior experience in the task was indeed seen important for the outsourcing success because it helped to understand what was coming and how to prepare for it.

> "We wanted to try it *(automated emails)* a little bit by ourselves first so that we could understand what kinds of content work for our aims and what kinds of target groups we have. Via that we kind of summed up what we were about to do, how, and what our style is in it." **Company 5 BD**

In addition to prior experience in the task, it was also seen important that all the sales data that is needed for prospecting, i.e. current customers, desired prospects

and prospects under nurturing, was in a good quality in order to avoid contacting undesired companies and to enhance the process fluency.

> "Prospecting has been of a good quality and it hits well those targets that we desire, but let's say it in this way that when we have faced problematic situations, it has rather been because of our CRM and Salesforce data has not been up to date. But it's getting better and better." **Company 3 SDR**

> "Of course the data and else need to be in a form that is needed, so that we can give it to you when you need it, and it can't be so that everything slows down because we then need to manually check the lists or so." **Company 1 CEO**

In order to get desired results from prospecting and value for the money, having a good understanding of ones customers and customers' buying habits was seen essential among both informant sides, the client and the provider.

> "It's good if they (clients) have a clear understanding of how to approach a desired customer, what angle works best. That is a big benefit." **Expert 2**

> "So that we know what we want, what our customer segments are, and how you can treat them and find them." **Company 2 SDR**

> "Maybe some other firm could shoot blindly and then notice that they don't get any results, or they would sell a wrong thing to wrong customers or so. Then they could end up in a situation that until the prospecting gets optimized, they have lost enough money so that they should already really get money back." **Company 5 BD**

One more thing that clients can bring to table when outsourcing prospecting and aiming for good return on investment still came up during the interviews and it is knowing one's customers' value. The bigger the value of a targeted prospect is for the client, the bigger return on investment a client most probably gets from outsourced prospecting.

> "And like one hard fact is that the bigger value a client's customers have, the more valuable the client sees our service. It is because we do kind of mass production in terms of producing leads and our results vary little depending on the value of a desired customer of our client, so it is then much better to deliver the amount of as valuable leads as possible than the same amount of less valuable ones." **Expert 1**

> "We managed to create a process that works, a systematic process. That then we started to concentrate more on big customers and those that bring us most turnover and the best marginal profit." **Company 3 COO**

4.1.2 Client outsourcing readiness

Considerable understanding about providing the task themselves was an aspect that also came up several times during the interviews. It was considered important that a company who outsources prospecting, knows what it would take if running it in-house in a similar way. Considerable understanding was seen to enable a client to better notice the value in outsourced prospecting and in general ease the launching when a client knows better what it takes to achieve as good results as possible from the beginning on.

> "We were conscious of our own situation, that if we call and think about the list, it is then pretty slow, and we had done that already for a while. And also like if we talk to everyone who we reach, but they have not been prospected before the calls, and we then notice that they don't have any interest, we lose time and we are probably late from contacting some other decision maker who would be interested. So we understood what it takes in terms of time and skills, and how they (the case company) would do it." **Company 1 CEO**

> "Well we first thought that of course we could have outsourced it without us then doing anything for it anymore. But then we decided that we want to try it a little bit by ourselves first so that we understand what it is about and what it takes. I think it's good that you know what you buy and understand the process to some point at least. Otherwise it could be that you don't really get what's going on then when it's outsourced." **Company 5 BD**

> "It's good if they (clients) have a proper understanding of how we produce leads, and like what kind of value this generates to their sales." **Expert 1**

One of the companies had outsourced prospecting because of a member of their board had recommended the outsourcing partner to them. They did not have deeper understanding of what it takes when running automated prospecting, but they wanted to try it out because of the recommendation. The provider's experience and best practices then compensated the situation and enabled getting some results and value for the money.

> "We have a somewhat challenging situation, because we haven't used this before and we don't have any prior experience, so it has brought challenges for the provider and for us. We now need to think who we should contact and what kind of content we should use for our customers in these emails. Anyhow the outcomes have still been quite okay in my opinion." **Company 2 SDR**

4.1.3 Communication

A client's willingness to share information also arose in the discussions when concentrating on such aspects that the client firm can provide in order to enhance the success of outsourced prospecting. Prospecting was considered as a very sensitive part of a sales process because it takes place in the customer interface. Sharing all possibly important information concerning a client's customers and a

client's sales in general, as well as all possible feedback, was seen valuable in order to the provider to be able to solve a client's problem.

> "In my opinion, the sales organization that outsources prospecting cannot have any secrets regarding their sales. If you forget to tell something important, it can all end up in a very messed up situation. In my opinion, there are no trade secrets in a situation like this. If you buy someone to conduct one of the most important part of your sales process, then tell it all to that provider. Tell even too much, so that they can solve your problem." **Company 4 CSO**

> "If they (clients) can provide us feedback like constantly and fluently, it eases our cooperation." **Expert 1**

In addition to sharing valuable sales related information, when asking the provider informants about what kind of a client is a good one in reaching success in outsourcing, it was also seen valuable that a client is able to name their needs and opinions in general and provide such information to the provider as well.

> "Hmm I would also say that if our client has a team that has abilities and know-how to communicate their needs and opinions. It also eases our cooperation then." **Expert 1**

One informant emphasized in-house communication as well. In their situation, they were not willingness to let the provider into their CRM, which some clients do, when it is valuable for the provider to be able to check that they do not contact companies that are already under control by the client's sales personnel. In such situation, it seems important that the client has an effective in-house communication in order to share which prospects are being contacted by the provider and which are free for the in-house sales team to contact. Also an ability to tolerate some risk was considered good in this kind of a setting.

> "We need to openly share information with all our sales persons about which prospects are in this project, so that they remember to check and so, and that the information spreads in-house and everyone has it. Because we can not let the provider into our CRM. But yeah, we just need to take some risk and facilitate open information sharing." **Company 1 CEO**

4.1.4 Human resource management

In addition to all the previous findings mentioned above, it seems to matter whether a client has an organized sales team, and a suitable person in charge of supporting the provider. Both provider and client informants agreed that it is important that a client has a proper sales team that actively runs sales activities, and that they have a proper in-house process for managing leads. Only then the client can get results from outsourced prospecting and be delighted with it.

> "A good client is one that has a sales team that has dedicated themselves full-time for sales. Then they are able to respond to the leads we produce for them in

> a way that they get the most out of them, because only then they can realize results. This of course also mediates our cooperation in terms of the future." **Expert 1**

> "Well our dream client is one that has an organized sales organization with clear roles and full-time sales personnel who does active acquisition of new customers. Then they most surely have clear processes, and it is easy to add this thing (outsourced prospecting) to that puzzle." **Expert 2**

> "It's better to think how this kind of outsourcing works as a part of the company's entire sales function. So that it's not separate, clear roles exist, as well as a process for continuous developing. Those are the elements. If it's not thoroughly thought, that what you do when there comes a lead, then it doesn't really make any sense." **Company 5 CEO**

Having time for supporting the provider was also seen valuable for the efficiency and development of the outsourcing. Company 1 started with the provider firm when their sales was still lacking a systematic process. Despite the situation, it was seen important that it is not only in a way that the provider is there for the client, but the client is also there for the provider in order to enhance the outsourcing success.

> "We do need to have enough time resources for supporting it, and like we need to manage to answer their questions and react quickly. This includes educating the provider to better understand our sales and customers." **Company 1 CEO**

> "Well maybe I had a bit challenging situation, that I had so much other things going on as well that I didn't find much time to be close in it and actively develop it together with the provider. I needed to trust in the provider and in a couple of colleagues that everything will work anyways." **Company 3 COO**

One more aspect came up during the interviews in terms of such client firm capabilities that impact on outsourcing outcomes. Even though ideas and information are more than welcome from all stakeholders in the client firm, the informants agreed that it is good to have one responsible contact person in their side as well. In half of the cases, the decision maker, who had decided about the outsourcing, was the contact person in the beginning. However, sharing information was then slow and it was soon realized that it is better to have such a person as a responsible contact person, who has enough time to develop the cooperation.

> "It's good to name a contact person, who can provide needed answers to the provider when they need some. We then switched, because I was first involved intensively, but it was slow and it's not good. It was then smart to direct him (a sales person) to take care of it, to think how it works for us and how to develop it together with the partner (the provider). That was a very important switch." **Company 1 CEO**

> "But let's say it in this way that it's good that it's handled by one person who then delivers the leads to the sales persons. Because you cannot always trust the sales persons 100%, and it's not because they wouldn't do a great job in selling, but they are often so busy that they otherwise wouldn't always take care of the leads." **Company 3 SDR**

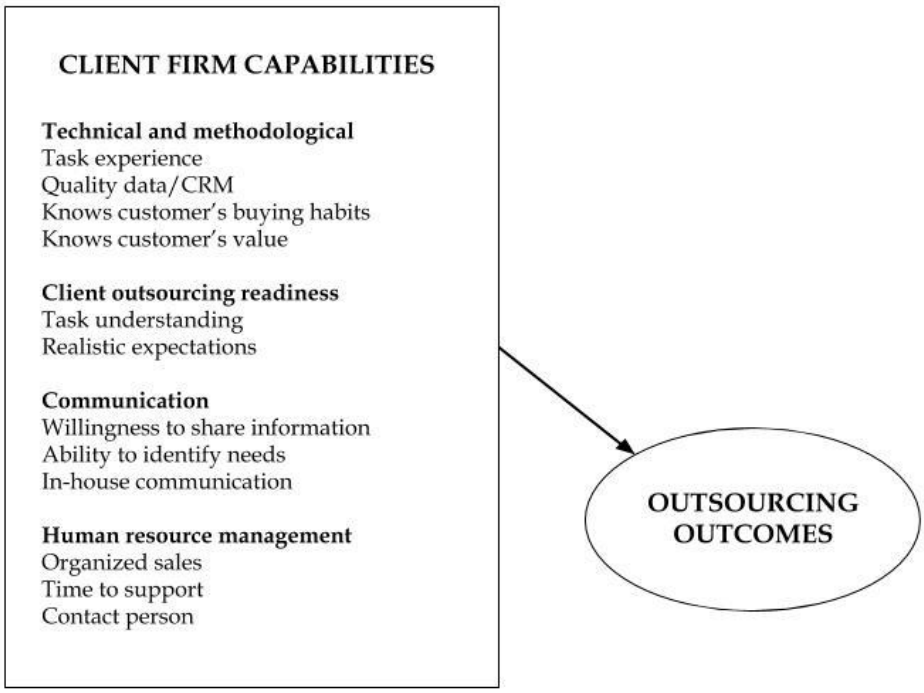

FIGURE 7 Summary of the client firm capabilities related factors that seem to affect the outcome of outsourced prospecting

4.2 Provider firm capabilities

4.2.1 Technical and methodological understanding

Provider's trustworthy processes arose as an important aspect for successful outsourcing among all five clients that were interviewed. Provider's technical and methodological experience, and ability to demonstrate that in a form of working processes seem to enhance the easiness of outsourcing from the beginning on from a client's point of view.

> "Let's say it this way, that it was easy for us (already in the beginning), because they had built working processes, even though they didn't have much experience in terms of how many clients they had had, but the structure was good and

> thought through. It was then easy to start developing from there." **Company 3 COO**

> "Another thing that brings reliability is processes, and that you are able to show what you do for others. Of course I know that the provider firm was young, but they had some experience and a though, why it could work. Like they could reason, why their method was so smart." **Company 1 CEO**

One informant mentioned that also other processes than prospecting itself matter when thinking about such provider's capabilities that have an impact on outsourcing outcomes. The client has gotten good results through the outsourcing, but they have much experience in account management themselves and they understand the value of an overall customer experience what comes to processes as well.

> "Well I don't know, I accept the fact that they (provider) have done this only a short time and eagerness compensates many other things. But it's not once or twice that I have needed to remind that you promised to deliver this and that, so I mean such account management processes and so on, they also must be in a good shape. But I think it's only because models for such haven't formed yet." **Company 4 CSO**

Also a provider's analytical know-how was seen as an important aspect for successful outsourcing. Value of reporting is handled more properly in the section 4.3. in which the findings in terms of relational aspects are presented. However, a provider's abilities and know-how concerning analytics in general were considered important for outsourcing success among both, clients and the provider. It also seems to be an aspect that affects to the overall customer experience.

> "When considering some automated method or technology, even though it would be about automated emails which basically still is from a human being to another human being, there are always automations and technology behind running it. Then, in my opinion, a very convincing reporting is an essential part of it as well. That would convince me even more." **Company 4 CSO**

> "The results and reporting are very valuable. If I think about our current reporting style, which is basically a weekly report, it doesn't bring any added value to a customer. We have to start better utilizing all the data that we have, because we are able to create much more informative client specific reports which can teach them more about their target customers." **Expert 2**

4.2.2 Customer understanding

Even though prospecting via automated email campaigns rely on certain verified regularities, understanding a client's sales seems important. A provider must be able to internalize such aspects as how a client's sales work, how they stand out from their competitors, and what kind of a customer is a desired one for a client

and how to treat them when managing the emails. A provider's ability to combine this knowledge to the verified regularities of an automated email prospecting seem to affect to the outsourced outcomes.

> "Well I would say that a provider has to have some kind of an understanding of what kind of a customer might buy from us and why. And also what are the things that we offer. So that it's not only about contacting a certain list of firms, but that there's certain understanding behind it, like how to contact and why they would buy." **Company 1 CEO**

> "It's more about business understanding than industry related understanding. And like when thinking about sales, and especially this kind of a supportive task, the most essential thing is to understand the client's business and sales. Like how does it work, what things are meaningful for them and how do they stand out, also if some bottlenecks exist in their sales. Then we know where the most fruitful parts are and we can also estimate the pace in terms of our production, how much to produce and when." **Expert 2**

Earlier it was discussed that a client needs to have a certain understanding of its own abilities as well as the outsourcing. In addition to that, it also seems important that a provider is conscious of those aspects in order to be able to exceed the client's abilities and create value to the client. Whether it is about exceeding the client's abilities in terms of effectiveness or even data management. When a provider has a considerable understanding of a client's abilities, it is able to exceed the abilities and create value to the client.

> "We already have 50 000 accounts in our CRM, so it is not about the amount of contacts, but the partner needs to create added value to our chain in some other way. In our case it is about them having the process, so they validate the contacts for us and only pass us the most interested ones." **Company 1 CEO**

> "Especially the data which is there behind everything. Or like their ability to process data. Because I wouldn't have had anyone from us who I could have named for that." **Company 5 CEO**

Also a provider's willingness to educate a client seems to matter. Four out of five client informants expressed that a provider's ability and willingness to consult the client matters when outsourcing prospecting. When outsourcing, it seems important that a client learns something from it as they would learn if running it in-house. One informant stated that it has been very good that the provider has been close and has tried its best to provide more than what stands in their contract. This client's sales organization was the biggest one among all the clients when the interviews were conducted, so via active consultancy in terms of how to re-organize their sales process, the provider seemed to confirm that the client stays with them. There are no doubts that such additional educating and consulting reserves a provider's resources from other tasks, which both of the experts also stated. Even though it creates additional value, a provider has to be

aware of its resources so that the time off from something else does not turn against the outsourcing success of other clients.

> "The questions is always about whether we would get better results or worse results if running it in-house, and if we would learn more from it then than when it's outsourced. Because one knows that if you hire someone for yourself, that person wants to succeed and develop, so that is against which the provider competes." **Company 1 CEO**

> "In practice, that the provider has a pretty consulting way to do it and is super close to us all the time, that is of course very good. They aim to provide us a little more all the time than what stands in the contract." **Company 3 COO**

> "If a client asks us all the time something regarding their own sales process and how to develop in as a whole, then that client can easily end up keeping us very busy, so it is not good for us if we have a lot of such clients. But at the moment we still have a chance and resources to help our clients also a bit more than what this (outsourcing) basically includes, and it enables us to build great customer relationships." **Expert 1**

A provider's flexibility in terms of a client specific outsourcing arrangement seems to matter as well. Informants from three client companies told that they had changed the outsourcing arrangement during outsourcing, and one of the informant expressed that their arrangement probably differs from other clients' arrangements. It probably has an impact on outsourcing outcomes that a client is able to fix the arrangement in a way that it best suit its current needs. Hypothetically, a client might end the outsourcing relationship, if a provider would not be ready to fix the outsourcing to fit the customers changed needs.

> "After all we agreed on such a change that we didn't want to contact such a wide target group anymore because we understood that it's good for us to focus on a more specific group of prospects. Against what other clients probably have, in our case the provider should not constantly be loud towards the prospects, but to focus on high quality and low quantity." **Company 2 CEO**

> "It has gone pretty well even though we have slowed it down a bit, cut the amount of firms that are contacted to a half of what it used to be. But on the other hand, now it's even more precise so we probably still get the same results even though the quantity is smaller now." **Company 3 COO**

4.2.3 Communication

Communication from a provider's side was another aspect that came up in the interviews. A provider's ability to clearly communicate what the outsourcing includes and also what kinds of arrangements it requires from the client side seems to matter considering how fluently the outsourcing proceeds. The experts had experienced situations in which they had realized that they haven't defined

the outsourcing clearly enough, which had led to a situation in which a client felt that they had not gotten what was agreed in the beginning. Such misunderstandings were experienced frustrating and confusing from both sides.

> "Probably the most negative things have happened because of bad communication, that we haven't for example succeeded to define what this service of ours that we sell includes and what is considered as a lead. And then it can happen that a customer considers a lead to be something else, like not a right decider person who to talk to but a meeting." **Expert 1**

One client had experienced a confusing situation in the beginning of the outsourcing when they had not known how much it takes in their side to manage the incoming leads. First, the leads had been passed to every sales person who was involved in the outsourcing. However, the sales person did not have enough time to record every lead to the client's CRM and it could have resulted in a big challenge later on. The client then realized that it is better to have a responsible person who manages all the incoming leads before passes them to sales persons. As a part of defining what the outsourcing includes, it seems them important that a provider also understands to clearly state how the client can prepare for the outsourcing so that such situations can be avoided and the outsourcing proceeds more fluently.

> "The provider should maybe state already then when discussing about the outsourcing in the first place, that it also requires some resourcing from the client. I then noticed that it really requires a team from our side to take care of it, that it doesn't work if all the sales persons are involved. But we woke up to that later then." **Company 3 SDR**

As it was discussed in terms of client firm capabilities, the valuable role of in-house communication also came up in terms of the provider firm. effective in-house communication improves a provider's ability to avoid mistakes that may take place if all stakeholders do not share the same information. Such mistakes can affect to the quality of the outsourcing and so indirectly impact on a client's experience of trust in the provider.

> "Hmm maybe earlier, when considering the time of our very first clients, there were some problems when it came to systematic operating. It happened that we had agreed on some ways of operating, but then our account manager didn't communicate it to our employees, so they couldn't know how to do it all in the right way. So it is important that the person who knows something more, will tell it to every stakeholder." **Expert 1**

4.2.4 Proactivity

A provider's ability to operate proactively got appreciation from all the client firms. It had become visible in different forms varying from keeping a customer actively on track if some content did not seem to work for its prospects or when

some other development activities had started such as A/B-testing of email contents. Noticing a provider's proactivity seemed to strengthen a client's trust in a provider's way to develop the task continuously. It also seemed to strengthen a client's good feeling of the results derived through the outsourcing.

> "It seems that it's developed and that they want to do it better and better all the time. They really make us feel that we are on the ball, like they send us many messages about how they need more list (of desired target firms), or that this content doesn't work, so it could be better for us to change it in this and that way." **Company 1 CEO**

> "I have been very satisfied with how they have developed the email contents and launched A/B-testing in order to get the developing to a next level even, and all of that has been done proactively. In my opinion, all that has caused it that our thing (outsourcing) has gotten better." **Company 5 BD**

Though even more proactive developing, innovating and educating would be welcome. One informant expressed subtly that they would appreciate getting more precise information of how the development process has proceeded after agreeing on some changes, and they would also be happily surprised if a provider would be willing to come to their office and learn by experiencing their culture there. Another informant stated that a provider could actively track what kind of phenomena are popular in their industry and take a grip of such information and use it when developing the email contents. The provider firm is still a young and small outsourcing provider, so these kind of ways of operating would not be possible for them with their current resources. Also it might be possible that actively directing resources on such bigger scale proactive actions that would expand the service outside the needed daily operations would not enhance the ROI from a provider's point of view.

> "Maybe more teachings in terms of what kind of changes have been done to the contents and how is it seen in practice. Also like when something was changed but it turned out in worse than what it used to be, then we would get a chance to learn from it also." **Company 1 CEO**

> "Maybe there could be some more creativity, like more creative email content or some other creative idea. It wouldn't harm us if the provider would notice such a timely phenomenon in our industry that interest our customers, and would create email content around that somehow or so." **Company 2 CEO**

As a last finding according to the provider firm capabilities, it seems essential for the outsourcing success that a provider has a considerable understanding on what is going on in the clients' minds considering their feelings of the outsourcing. In order to sustain satisfied customer relationships, a provider must proactively contact its clients and map their current feelings and wishes of the outsourcing. The provider cannot rely on a client's activity in sharing such information due to them having much other things in mind as well than only the outsourced prospecting.

> "We have noticed that those cases are the best when we have mastered communicating towards our clients. We have then gotten most feedback and those clients have also continued with us. A couple of cases have went so that we have just let them roll and we have believed that they are going well, but then the client has messaged us that everything is not good." **Expert 2**

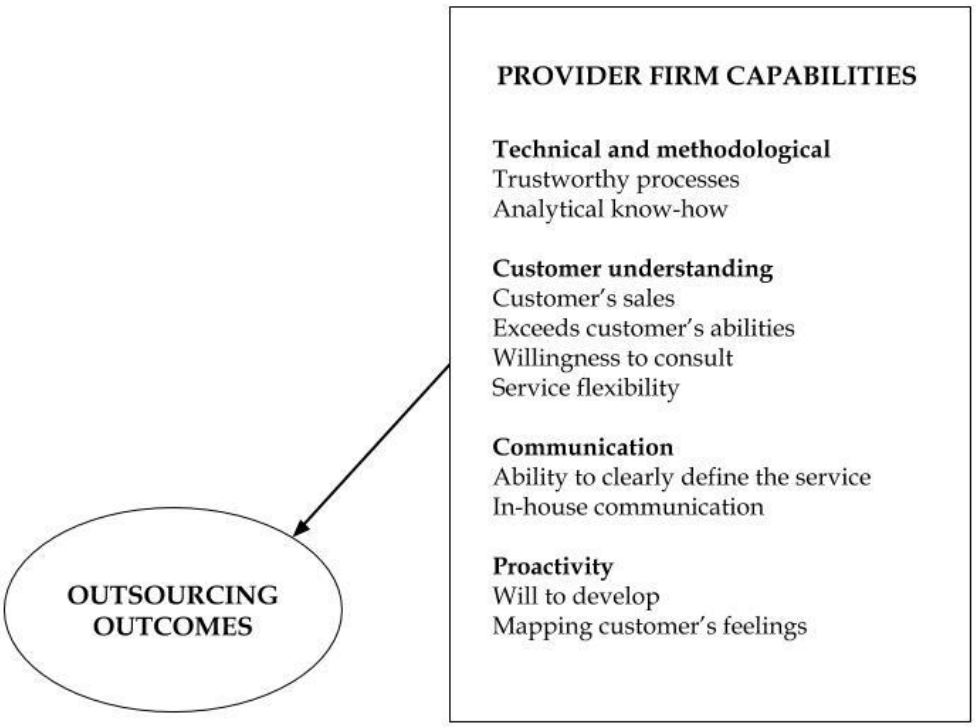

FIGURE 8 Summary of the provider firm capabilities related factors that seem to affect the outcome of outsourced prospecting

4.3 Relational governance

4.3.1 Communication

When it comes to such relational aspects that seem to matter in terms of how the outsourcing of prospecting succeeds, interorganizational communication came up multiple times during the interviews. Such communication, that matters when considering aspects that impact on outsourced prospecting, takes many forms as discussed earlier in terms of the client- and provider specific capabilities. In addition to the forms described earlier, effective knowledge sharing that equally applies both ways seems to be an essential factor affecting to outsourcing outcomes. Effective in this context means all-encompassing in a way that all knowledge that someone might need in order to better operate in and feel about the outsourcing, should be shared. A client relies on the

information a provider shares with them, and the other way around. Effective knowledge sharing seems to lead for strengthening trust, enhancing effectiveness and assist in tackling challenges that might possibly appear without proper communication.

> "I thought what kind of a risk it could be for our corporate image because someone else communicates to our possible future customers, but then from the beginning on, I was given an entry to check all the emails they send in our sales persons names and I replayed that they didn't look bad." **Company 3 COO**

> "We have gotten enough information of the email campaigns, how many prospects have been contacted and how many of them have opened the messages, but in the beginning I also got information of those prospects who haven't reacted to the campaigns. So I would appreciate if they would still share me that information as well, because then I could check whether there are some very potential ones that we should quickly contact again by ourselves." **Company 2 SDR**

> "During our existence, I haven't encountered such problem or challenge that couldn't have been solved or prevented by better communication. It requires systematic operations, that all essential persons know about all essential things. They (clients) basically only rely on what we told them, and if we work for something for many hours but we don't report it to them, they don't know anything about it." **Expert 2**

In addition to effective knowledge sharing, active dialogue on development seems to be valuable in outsourced prospecting. The clients seem to appreciate when they are engaged into a dialogue for evaluating the current state of the outsourcing as well as for innovating better ways to operate. The company 5 stands out from the other clients when it comes to creating the email contents because they prefer to do it by themselves. However, they also value an active interorganizational interplay which aims for developing the quality of the content so that it works better and better for their prospects.

> "Well an active interplay and constant evaluating of results really matters. So that we do those things together, we are honest in terms of the results and think what we should do next." **Company 2 CEO**

> "We have been treated well considering how we have gotten feedback of the content and also advices to try this and that because they know that it works better like that. So that has been good that we have been guided, and it has been very interactive." **Company 5 BD**

Agreeing on regular meetings also matter even though the parties can communicate freely and whenever needed. All clients are different and ask for different kinds of routines when outsourcing prospecting, some feel good about calling when needed whereas some value regular meetings from the beginning on.

> "Customer communication must of course take a form that suits for both parties. We have had successful styles with many different kinds of clients, like some want to have weekly status checks and some want to agree on a quarterly meeting. From our point of view certain regularity pays off whether it is a meeting or just sending a report, because then a customer stays updated of the situation and knows what they pay for." **Expert 1**

> "I'm in touch with the account manager on a weekly basis and in addition to that us both report report things to each other, it is very important." **Company 3 SDR**

> "A regular meeting should be set from the beginning on, the rhythm, and the means of communication. An outsourcing cooperation shouldn't make an exception from a normal cooperation, it works the best when one thinks that you are parts of the same team." **Company 1 CEO**

4.3.2 Trust

Trust as a factor that matters in terms of outsourcing outcomes came up in multiple ways in the interviews. The importance of trust appeared in three different ways when outsourcing prospecting, trust in data security, trust in representing the client and trust in the processes. Succeeding in outsourced prospecting often requires sharing CRM data for the sake of segmentation if planning the target groups in cooperation with the client. It also requires open and honest discussions of the results, which often includes dealing with a client's CRM and sales data. Such discussions are only possible when considerable trust exists between a client and a provider.

> "Trust has to be considerably high sometimes so that we can openly talk about for example how much sales our email campaigns have produced for the client, or so that we can handle their CRM-data for the use of segmentation. And those are very sensitive topics to share with an outsider. But when we can do those things, our results are probably better and the customer relationship is supposedly better as well." **Expert 1**

Another way how trust exists is that a client feels secure of someone else outside the client firm to represent the firm. However, this aspect shared opinions and one informant felt that when they trust in the provider in a way that the provider is the one who has come up with the whole business idea, then they know enough about such corporate communication as well. In contrast, majority of the informants who came up with the topic expressed some anxiety for the corporate image of theirs. It might be that the more there is trust in between the parties, the less the client worries about such an aspect and trusts in the provider's ability to communicate in a correct and neutral way.

> "And yeah when it comes to the corporate image of our firm, I just trust in it, that when someone has established a business like this, they know what they are doing and all the basic stuff." **Company 2 CSO**

> "We have very specific brand directions or however to name it, but like how we communicate to our customers, what kind of language we use and so on. So then when outsourcing prospecting which includes communicating with our possible future customers, I just needed to trust in the partner, that they do know how to do it." **Company 1 CEO**

Transparency seems to also be a factor that creates the feeling of trust and so affects indirectly on the outsourcing outcomes. Especially a provider can enhance transparency of the outsourcing via sharing as much information as possible and acting honestly and directly also when facing possible challenges and problems. As in terms of many other findings discussed earlier, to be able to be transparent from a point of view of each client, a provider must understand each client's situation and their needs.

> "Well I had a kind of challenging situation in the beginning because I had so many responsibilities simultaneously, that I needed to trust in the provider and in a couple of guys in our side. So if I could choose, I would develop the reporting part of the outsourcing much more, I mean from the provider's side, like I would put more deep information about it, maybe even in the level of daily basis." **Company 3 COO**

> "Some challenges always appear when doing things, but it's a very important thing that those are honestly shared in both ways. And the same thing matters for ideas of development, when those come to one's mind, share them and discuss them through right away when possible." **Expert 2**

Last trust related factor that seems to affect to outsourcing outcomes is trustworthy processes. Being able to trust in provider's processes seems to give a certain rock solid base for the outsourcing. This aspect indeed came up during the interviews in terms of the beginning of outsourcing.

> "Another thing that strengthens the feeling of trust are the processes and that one can show what is done for others. The provider firm is young but they have experience and clear ideas how these things work." **Company 1 CEO**

4.3.3 Cooperation

Cooperation during outsourcing seems an aspect that partly enhances the probability of a client to continue with the provider after passing the pilot period. Building up operations models in a cooperation may predict stronger relationship between a client and a provider which may further lead for continuing the outsourcing even though other aspects such as results would not have met the expectations of a client.

> "We had the pilot (period) and we decided to continue. We would have wanted more results during that time but our choices in terms of the target groups and so on were probably not the best possible ones. So we understood what the reasons were behind the worse results, but we had a operations model that we had been building together with the provider, so we felt that we want to proceed with it." **Company 5 CEO**

4.3.4 Commitment

The role of commitment in terms of outsourcing outcomes was also illustrated in the interviews of three informants. Building close relationships and embracing them by making time for discussing about topics that do not directly concern the outsourcing itself were seen as valuable aspects when aiming towards commitment in an outsourcing relationship that concerns outsourced prospecting.

> "That we stand out more than when it's time to send a weekly report or a bill once in a month, it is very important, and especially when it comes to long-term customer relationships, it is important to manage to build personal relationships with all essential stakeholders." **Expert 2**

> "If we consider our team meetings, it's not that we only check the results there. We use much more time for discussing about qualitative stuff such as future related topics. In contrast to that, when it comes to an outsourcing provider, such meetings are most often about the results only, and it's much less about sharing knowledge about topics such as the current state of B2B-sales in general. Then it doesn't lead for commitment and in the end of a project we think what's next then." **Company 1 CEO**

4.3.5 Client provider alignment

As a last factor that exists due to the relationship between a client and a provider is a client provider alignment. In more specific, having a shared aim or goal, having which seems to impact on the outsourcing outcomes. Sharing a common clear idea of what the outsourced prospecting is about provides good possibilities for working towards the same goal and experiencing things on the way in a similar way. That seems to enhance a provider's ability to manage the client's experience of the outsourcing and more easily stay updated of a client's needs and on the other hand, feelings.

> "It's very important that we play in the same side, in the same team, that we play to the same goal, and both understand that if we hit that goal, it means that we scored a goal. So that both know that now we succeeded. Checking that is very essential in the very beginning already." **Expert 2**

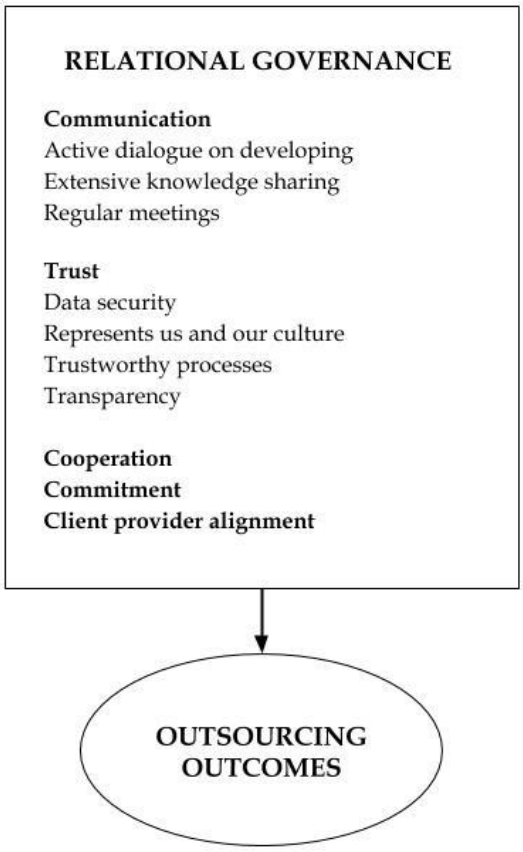

FIGURE 9 Summary of the relational governance related factors that seem to affect the outcome of outsourced prospecting

4.4 Transactional attributes

4.4.1 Measurement difficulty

In addition to the fact that properly conducted prospecting produces warm leads in a short time span, it also works as a marketing tool, and more results may appear after a longer while due to the awareness it has created. Such measurement difficulty in terms of the results derived from outsourced prospecting arose among the informants as well as an aspect that impacts on outsourcing outcomes from a client's point of view.

> "So far we don't have enough data that we could accurately calculate our profit from this. So maybe in this month, we will go through all the results we have gotten and evaluate if some is still coming from what now has been conducted. So we will continue and then we always know more when we get more data." **Company 5 BD**

> "It's important that the provider can demonstrate those cause and effects pretty quickly after outsourced prospecting has launched, that they can show results,

> because it doesn't work if a client just pays for it a month after a month. The fact is that firms live from the results and if you put money into something, you must get payback form there." **Company 3 COO**

Another challenge in evaluating the profit from an outsourced prospecting may occur if prospecting is not only conducted for acquiring new customers but also for re-activating old ones. One informant company had experienced both and they had used time for thinking whether some leads occurred because of the outsourcing, only after a longer while due to the awareness, or would those prospects have contacted them anyways.

> "We had a kind of challenge, which boys (the provider) know as well, that it is difficult to say which customers would have appeared anyways. And this concerns indeed those prospects that have been our customers earlier. It is difficult to know, if they would have contacted us anyways even though they wouldn't have been contacted now by the provider. But on the other hand I know that when it comes to our marketing, there's no other way than that we would have contacted them by ourselves. But yeah, we didn't do that by ourselves." **Company 3 COO**

4.4.2 Risk

Outsourcing to a reliable and professional provider can be a relieving and empowering experience for a client. However, according to two of the informants there also lies a risk of losing grip from the task. The informants considered a blind trusting in the process and the provider as a possible risk for the client's sales when outsourcing prospecting.

> "One risk is, that you trust that you get the results that you think you should get. It could easily happen that you just let it be, and then later on you're not happy with the results, that it should have gone much better. I mean, I think such blind trusting is even the biggest risk. That one thinks that everything will go as wished. That one doesn't stay connected, put any effort for building it together (with the provider), and actively follow how it goes." **Company 1 CEO**

> "Though such a risk is real, that one would just let it roll and didn't keep a track on it and investigate how it goes. Because in my opinion this is a thing in terms of which a continuous developing should take place. Even though the provider would actively do it, but if we would for example start just hanging out, we wouldn't get as much benefit from it because we wouldn't direct it for the right target groups and to the things we want to sell for each group." **Company 2 SDR**

Also a risk of harming a client's corporate image came up in five out of ten interviews. Depending on a client's data/CRM quality and a process for checking the prospects from duplicates, so that current customers or prospects that the client is already nurturing won't be contacted by the provider, it may happen that some incorrect contacting takes place. It wasn't seen as a

remarkable risk for a client's business but it was seen unfortunate because such incorrect contacting is marketing at the same time.

> "Our Salesforce (CRM) is much better up-to-date now than what it used to be. But of course this sort of little blunders happen. That when a firm is saved on our Salesforce in a different way than how the provider identifies every firm by using their company IDs, it just happens then that sometimes an existing customer ends up in the automation that the provider manages. But it is not the end of the world, and so far nothing irreversible has happened because of such blunder." **Company 2 SDR**

One customer had experienced incorrect contacting in a way that the provider had contacted prospects from a wrong target group by sending emails including content that was planned for another target group of the client. This kind of a case was seen unfortunate because it is totally pointless and rather cause difficulties than any benefits for when contacting those prospects again in the future. Both a customer's ability to educate the provider of their desired customer profiles, and the quality of a provider's processes can enhance that such a risk exists.

> "It's not good that wrong emails are sent to wrong target companies, because they could be potential customers for us as well. Like they get an email with a content that is designed for another target group of ours. Then we need to start contacting them next time from the very beginning on." **Company 2 SDR**

> "These mistakes of incorrect contacting have luckily gotten rare today in contrast to the situation when we started providing the service. It is of course always risky if we contact our clients' prospects or even current customers in a wrong manner, because customers are their most important stakeholders, so it definitely is a sensitive spot for our clients." **Expert 2**

Third and last risk that was identified in terms of an outsourced prospecting when operating inside of the European Union was a risk for breaking a prospect's privacy when it comes to the general data protection regulation (GDPR), a law that was set in the EU on the 25th of May in 2018. It was seen in a way that a client must trust in the provider that it follows the law and doesn't risk the client's business by breaking the law.

> "The provider must solve all privacy policy related things and such, like GDPR and so on." **Company 5 CEO**

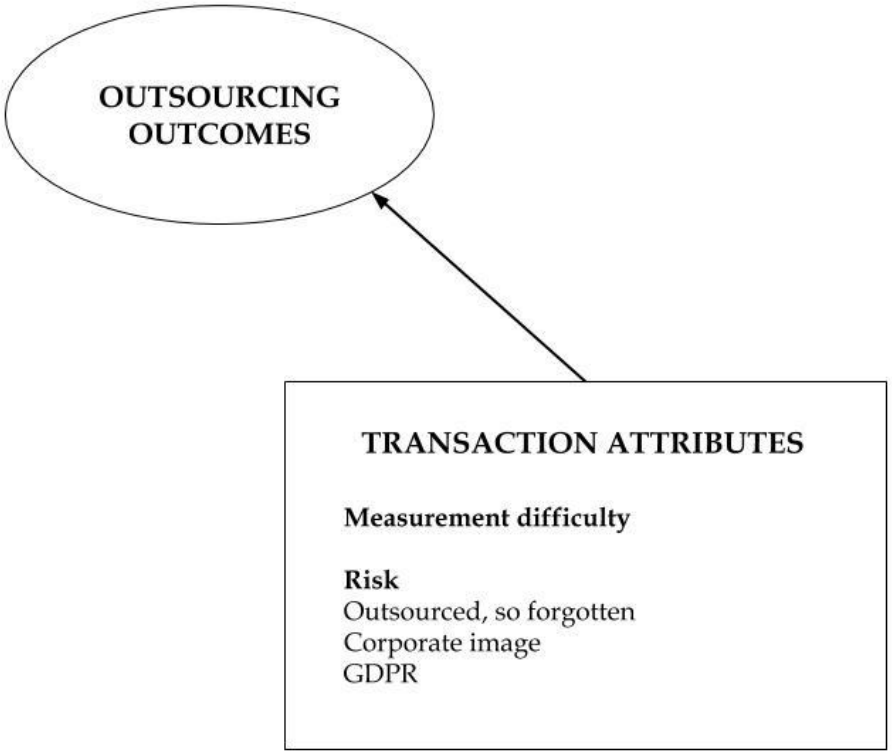

FIGURE 10 Summary of the transaction attributes related factors that seem to affect the outcome of outsourced prospecting

4.5 Contractual governance

4.5.1 Contract detail

The size of an outsourcing does not seem to change the point of view that stakeholders have when considering a contract and it's existence. Similarly to when an entire function is being outsourced, a contract was seen as an important aspect also when outsourcing prospecting. It is seen as a valuable agreement which sets unambiguous frames for the outsourcing and generates trust and security for both parties. Agreeing about contractual details does not mean that the ways of operating could not be developed and changed on the run if both parties have a will for that, but one can turn back to it if feeling unsure whether all the agreements are followed properly.

> "A contract provides a foundation for what has been agreed on. It does matter because it provides trust in it that the operating goes in the right way. So that you don't get a feeling that you have agreed on something but no-one knows about what. When having a contract, both parties know the expectations."
> **Company 1 CEO**

> "It's good to have a written agreement of everything. In principle a written contract is always only such 'just in case' -thing. Like primarily in a good cooperation there should always be flexibility from both sides, that there's black and white on a paper only for the sake of such situation of a conflict in which one might need to check what has agreed on. It's also good to set clear prices for additional work and agree on those at the same time when writing a contract. Then it's fair and transparent for both parties." **Expert 2**

A price of the outsourcing also arose as a factor that has an impact on how the customer experiences the outsourcing. A role of the price was seen in a way that it has to be transparent, reasonable and the cost structure needs to be easy to understand.

> "Even though everything else would be alright, but the pricing is difficult to understand or it feels unreasonable." **Company 1 CEO**

4.5.2 Key performance indicators

Parts of reliable analytics are clear key performance indicators (KPIs), which illustrate the current state of the outsourced task and how it has developed. It seems essential for the sake of the outsourcing continuity that such KPIs exist which illustrate the state of the outsourcing clearly and univocally. The KPIs are something the decision maker can lean on when there comes a need to validate the outsourcing to others in the company.

> "It pays off to think from the point of view of the client, that what they may need. Because I mean, the decision maker needs to continuously justify the outsourcing to others in the client firm, like why outsourcing and why did we take this expense." Company 3 COO

> "Well we didn't get massive results during the pilot (period of time), but we got enough to state that its ROI (return on investment) was good enough for continuing." Company 3 COO

The existence of such KPIs that illustrate the state of daily performance are also considered important. In terms of prospecting via email the KPIs can for example be numbers such as open rates, reply rates and lead rates. Getting information in the form of clear KPIs seems to be a part of the experienced value of outsourcing.

> "We have also been informed if some of our numbers (open rate, reply rate etc.) have gotten below the average and what actions have been done for reacting to it in order to get the numbers up again. That has been very valuable." Company 5 BD

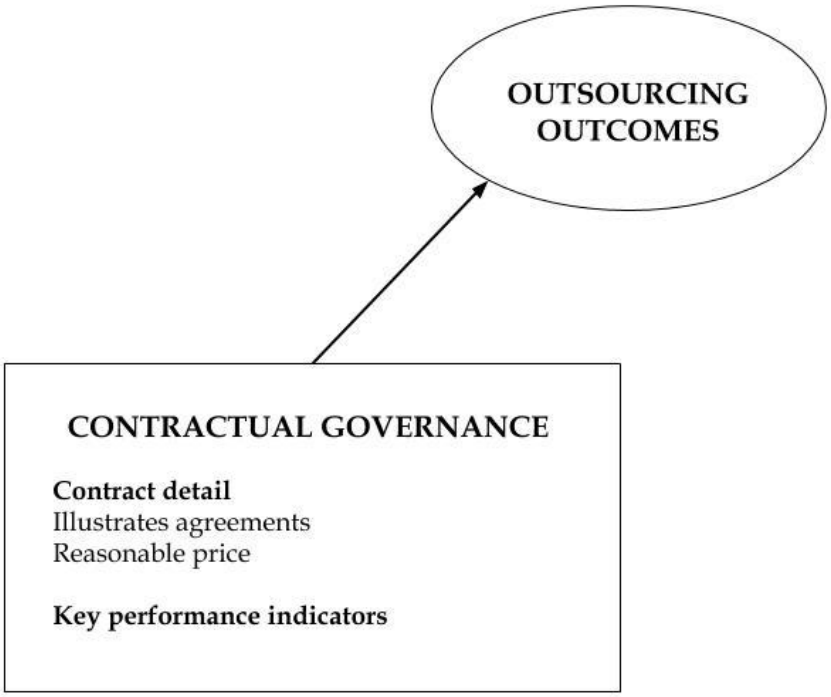

FIGURE 11 Summary of the contractual governance related factors that seem to affect the outcome of outsourced prospecting

5 DISCUSSION

The objective of this study was to find out what factors seem to determine outsourcing outcomes when outsourcing concerns a sales task instead of an entire sales function. By identifying such factors, the study also aimed to expand the current understanding in sales task outsourcing due to it being a highly timely topic in the B2B-markets. The main findings of the study emphasize the importance of communication, client understanding, and trust when aiming for successful prospecting outsourcing. An active and open communication does not only enhance outsourcing success, but it also reduces the probability of facing risks during the outsourcing. Also, the better a provider understands its client, the better results both of the parties seem to achieve via the outsourcing. At last, trust seems to enhance the parties' willingness to communicate openly and honestly, which further enhances the possibility of achieving success in the outsourcing.

5.1 Theoretical contributions

The first contribution of the research is that it introduces a new research framework that considers outsourcing outcome determinants in the context of sales task outsourcing (Figure 12). The framework expands the current knowledge in outsourcing outcome determinants by bringing new knowledge in terms of sales task outsourcing instead of outsourcing an entire function (Rapp 2009; Lacity et al. 2016). The second contribution of the research is that it expands the current knowledge in sales task outsourcing by contributing to the discussion that Rogers & Rodrigo (2015) started by investigating the evaluation and decision-making process in sales task outsourcing. Next, the findings on the five core elements: a client firm capabilities, provider firm capabilities, relational governance, contractual governance, and transaction attributes, are discussed. At the end of this chapter, all the findings are presented together in the new research framework (Figure 12).

All five elements have a meaningful role in determining task outsourcing outcomes as well. In terms of a client-side, the findings imply that the more experienced a client is in terms of the task that is being outsourced, the better outsourcing outcomes (Lacity et al. 2016) await the customer from the beginning on. A fluent start and operating also reserve fewer resources of a provider-side for guiding a client and enables a provider to concentrate on developing the service towards better outcomes from the beginning on. Also, the more clear understanding a client has of the outsourcing (Lacity et al. 2016), the better the outsourcing success is from the beginning on due to lack of misunderstandings. In addition to prior research in outsourcing outcome determinants, this research revealed two new determinants that seem to affect

prospecting outsourcing outcomes: a client's readiness in communication and a client's abilities in human resource management. The more willing and skillful a client is in terms of in-house communication as well as communication towards a provider, the better are the outsourcing outcomes they derive from a prospecting outsourcing. When a client communicates openly and comprehensively, misunderstandings and even risks are better avoided and more efficient developing is better enabled. In terms of human resource management, a client's experience in resourcing time and managing people enhances positive outsourcing outcomes via more fluent operating.

When it comes to a provider-side, also the findings of this research imply that the more experienced a provider is in analytical thinking and in building functioning processes (Lacity et al. 2016), the better outsourcing success is reached. Departing from the findings according to prior research and thus illustrating as being sales task outsourcing specific determinants, a provider's capabilities in communication, customer understanding, and proactivity were found to impact on outsourcing outcomes. In terms of communication, the more skillful a provider is in defining the outsourcing and reporting comprehensively, as well as managing in-house communication, the better are the outsourcing outcomes in terms of service fluency and the overall customer experience due to avoiding misunderstandings and mistakes. Also a provider's ability to understand a client's business and current needs of a client (Rapp 200; Park et al. 2011) impacts on outsourcing outcomes via more effective operating and strengthening the customer experience when being able to face every client personally. As a last determinant in terms of a client firm capabilities, the more a provider manages to operate proactively, the better are the outsourcing outcomes due a more fluent customer experience and less misunderstandings in terms of how a client feels about the outsourcing.

In terms of determinants belonging to the category of relational governance (Lacity et al. 2016), the findings of this research are parallel to the prior literature (Lacity et al. 2016; Rapp 2009). Thus, worked-based communication, trust, cooperation, commitment, and client-provider alignments similarly positively affect to outsourcing outcomes when outsourcing considers a sales task than an entire business function such as IT or other business processes (Lacity et al. 2016). However, findings on the means of communication and the means of how trust evolves are new when comparing to prior research. When outsourcing a sales task, an active dialogue focusing on developing and knowledge sharing enhances positive outsourcing outcomes. In terms of the trust, phenomena such as a client experiencing transparent operating, functioning processes, data security and that a provider is willing and able to represent a client in a personal way, generate trust when outsourcing concerns a sales task.

Considering determinants that belong to the area of contractual governance (Lacity et al. 2016), the findings are parallel to the prior literature in terms of contract detail and key performance indicators (Lacity et al. 2016). In greater detail concerning the determinant of contract detail, a contract was found to have a role in illustrating common agreements in terms of what the

outsourcing includes and what a client can expect from it. In addition, it was found that when outsourcing has a reasonable price from the perspective of both stakeholders, the more positive is the outsourcing outcomes.

At last, the findings on determinants that represent the category of transaction attributes were parallel to the prior literature in terms of measurement difficulty and risk (Lacity et al. 2016). Both of them were found to have a negative impact on outsourcing outcomes due to either leaving a client unclear about the realistic results derived from the outsourcing or causing a reputational risk or one related to the outsourcing effectiveness from a client's point of view. In greater detail, risks of treating the outsourcing passively and thus losing its realistic effectiveness, harming a client's corporate image, and breaking the GDPR in the name of a client were identified in terms of a sales task outsourcing.

To conclude the theoretical contributions of this research, the research has contributed to the existing literature by exploring outsourcing outcome determinants in a new area of outsourcing, a task outsourcing. In addition, the research has expanded the current knowledge in a sales task outsourcing by continuing to explore the outsourcing process from the point where Rogers & Rodrigo (2015) left it.

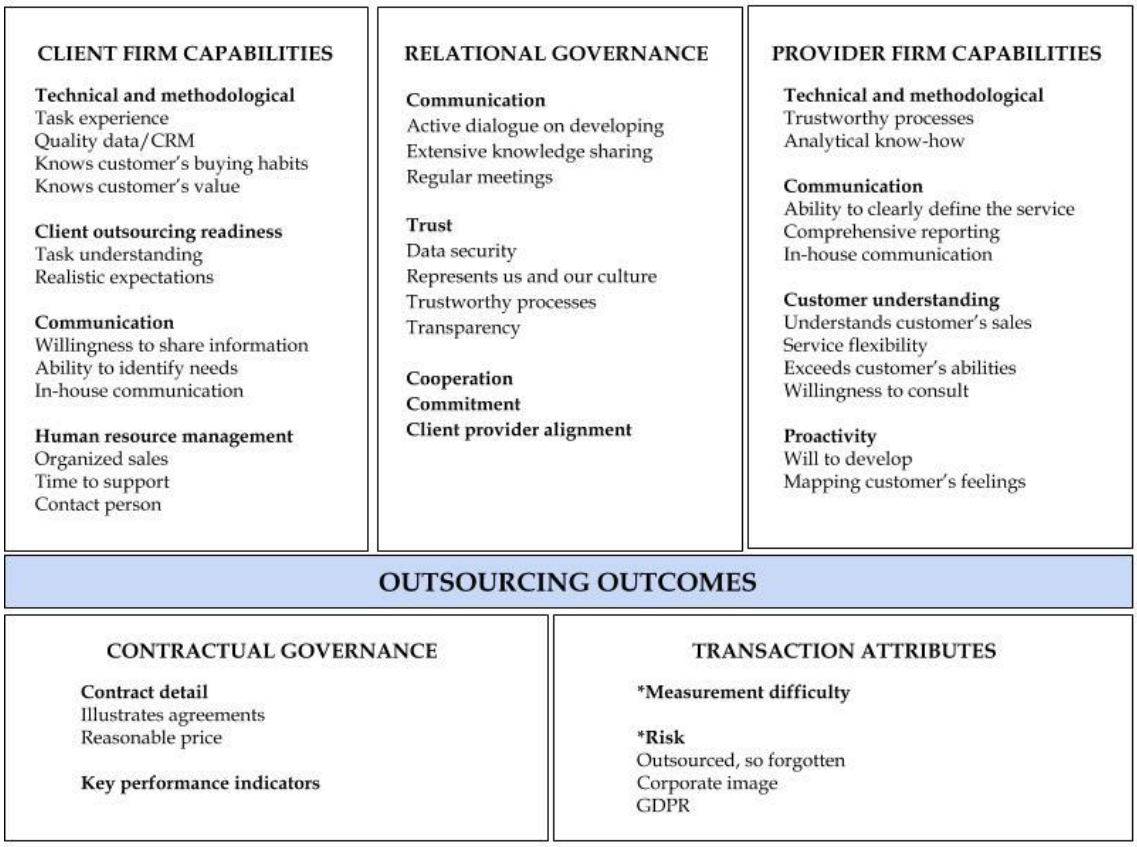

FIGURE 12 Research framework that presents such outsourcing outcome determinants that seem to exist when outsourcing considers a sales task such as prospecting.

5.2 Managerial implications

From a managerial point of view, this study offers useful knowledge for firms planning to outsource a sales task or firms already operating in the field. Key managerial implications concern communication, exceeding a client's own abilities and trust.

From the beginning on when a client is entering the outsourcing, the most meaningful thing is to openly and clearly discuss what the outsourcing includes and what it requires from a client. Only then the parties may share a mutual understanding of the arrangement as well as a mutual goal towards which they both are operating since the beginning. In order to maintain the common understanding, it is essential to actively and openly communicate expectations, opinions, frustrations, wishes and everything that the other party might need or otherwise value. Also in terms of communication, when operating right in the client's customer interface as often when it comes to sales, it is essential that a provider has working processes for offering all information related to a client's prospects and customers to the use of a client in order to not prevent a client from learning about its stakeholders and better servicing them when prospects turn into customers. The same applies to a client's responsibility in sharing all information that could possibly enhance a provider's operating in the client's name with a provider. Also from the beginning on, it is valuable to agree on regular meetings in order to secure the needed amount of contacting for sharing information and feelings about the outsourcing.

Every client is different when it comes to abilities and understanding related to the sales task. Thus, it is valuable that a provider actively puts the effort in getting to know a client in order to best service it and create value by exceeding the client's abilities. In some client cases, this may require something more than the daily operating, and actions such as educating, consulting, or working towards a more strategic relationship with a client via building a relationship in which ideas and knowledge around the sales task itself are shared, will pay off in terms of customer experience. Such actions do not always require more resources than knowing for which to concentrate on those regular meetings. Thus, knowing each client and utilizing that knowledge in serving the client, enhances positive outsourcing outcomes as well as customer retention.

In addition to those implications, a provider can still impact on positive outsourcing outcomes via actively developing and executing better ways to operate in the form of processes such as task-related processes, reporting processes, and account management processes. All these generate trust from the perspective of a client. Also being able to be as transparent as possible in its actions, proactively develop a client related factors (i.e. email content and A/B-testing), illustrate an ability to represent a client, and proactively

communicating about these actions, generate trust and thus impact on gaining positive outsourcing outcomes.

To conclude, everything begins from knowing a client's sales, abilities and will in order to ensure being able to create enough value for the client. Second, it is important to work for generating a mutual understanding and expectations of the outsourcing. Third, it is valuable for the future that a provider facilitates active, open and honest communication for example by the support of general meetings in order to keep on track on a client's feelings of the outsourcing and avoid possible risks and misunderstandings. Fourth, it pays off for a provider to act proactively in terms of developing its operations and openly communicating about the development. Fifth and at last, what a client can actively do is to support a provider whenever there comes a need, facilitate open communication in-house, and actively share ideas, wishes and all other possibly valuable knowledge with a provider.

5.3 Evaluation of the study

According to Adams et al. (Adams, Khan & Raeside 2014), reliability and validity are criteria that should be used when conducting qualitative research for ensuring the quality of data, research design methods and the overall accuracy of the results. Reliability signifies the degree to which an instrument measures the same way each time when it is used under the same conditions and with the same subjects. One essential aspect of reliability comes to the definitions of variables that are under examination. A researcher must ensure that all the subjects involved in the research share the same definitions of the covered variables. Only then reliability of the empirical data gathering can be ensured. (Adams et al. 2014) The transparency of this research was enhanced by carefully following the protocol of a case study and clearly describing all the research phases. The empirical data was collected via semi-structured interviews concerning which the themes and questions were carefully designed with the support of prior research. The research framework and the structure of the interviews are both well presented in this paper. Also the objectivity of an interviewer was taken into consideration in order not to direct the storytelling of the informants. However, because of the nature of semi-structured interviews, the researcher asked additional questions during the interviews based on the answers of the informants. Additional questions were asked in order to get as rich data as possible, which further ensured that no additional contacting and interviews needed to be organized. Hence if repeated, the content of the interviews may not be entirely similar to the interviews according to this research, which may lead to collecting data that differs from the empirical data that was gathered for this research. It has to be acknowledged that the nature of qualitative research is somewhat subjective because of the researcher's participation in data collection and in analyzing the collected data.

Validity signifies the strength of the conclusions and the degree to which one has measured what was supposed to. Internal validity asks if there is a relationship between the process and the outcomes, whereas external validity refers to a researcher's ability to generalize the results. (Adams et al. 2014) To strengthen the internal validity of the research, the research framework was justified by prior research. In addition, when analyzing the empirical data, certified analyzing methods were followed. In order to strengthen the external validity, a proper case company was selected for this single case study. However, because the research was based on a single case that has an individual appearance in terms of such factors as company culture and organizational structure, the results are not generalizable beyond the context. Nevertheless, in addition to offering guidance to companies operating in or planning a sales task outsourcing, the results also provide more knowledge to future research in terms of a task outsourcing.

5.4 Suggestions for future research

Even though this study offers valuable insight into prospecting outsourcing, more research in the area and in other kinds of sales task outsourcing is needed. Due to the nature of this qualitative single case study, the results cannot be generalized. Thus, more research in a wider scope is required to achieve a considerable understanding of the phenomenon. Also, this study left outside of consideration the decision-making process and its possible influence on the outsourcing outcome determinants. More research in considering the two phases together is needed in order to better understand the prospecting outsourcing process. In addition, this study only concentrated on studying the phenomenon from the perspectives of the experts and clients who were satisfied with the provider and had continued or were most probably about to continue the outsourcing with the same provider. However, clients who had backsourced after the pilot period and operative workers from a provider-side were not interviewed for this study. Hence, more research is needed also from this point of view in order to better understand all the determinants of outsourcing outcomes. Finally, in order to understand the entire task outsourcing process, the last phase of an outsourcing process, re-evaluation, must also be investigated.

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APPENDICES

APPENDIX 1 Interview questions – Decision maker

All interviews were conducted in Finnish, and therefore the questions presented here are translated into English.

Introductive questions
Industry, position, experience in the position

Theme 1 Prior experience
1) Would you describe your prior experience in outsourcing?
2) How was prospecting conducted until it was outsourced?
3) What made you choose outsourcing instead of maintaining prospecting in-house?
4) Why did you decide to continue outsourcing when the pilot period was over?

Theme 2 Outsourcing outcome determinants
5) How do you feel about the outsourcing at the moment?
6) Are there some aspects that have made you concerned?
7) How did you overcome those concerns?
8) What kinds of aspects you consider important in order to the outsourced prospecting to be successful?

- *What is the role of you as a client?*
- *What is the role of inter-organizational interactions?*
- *What is the role of a contract?*

9) What kind of challenges or problems have you faced during the outsourcing?
10) How did you overcome those challenges/problems?
11) Have you faced and/or identified some risks in outsourced prospecting?
12) How can such risks be handled?

Theme 3 Outsourcing future
13) Are there some things in the current situation you wish to be changed or actively developed?

APPENDIX 2 Interview questions – Operative worker

Introductive questions
Industry, position, experience in the position

Theme 1 Prior experience
1) Would you describe your prior experience in outsourcing?
2) How was prospecting conducted until it was outsourced?

Theme 2 Outsourcing outcome determinants
3) How do you feel about the outsourcing at the moment?
4) Are there some aspects that have made you concerned?
5) How did you overcome those concerns?
6) What kinds of aspects you consider important in order to the outsourced prospecting to be successful?

- *What is the role of you as a client?*
- *What is the role of inter-organizational interactions?*
- *What is the role of a contract?*

7) What kind of challenges or problems have you faced during the outsourcing?
8) How did you overcome those challenges/problems?
9) Have you faced and/or identified some risks in outsourced prospecting?
10) How can such risks be handled?

Theme 3 Outsourcing future
11) Are there some things in the current situation you wish to be changed or actively developed?

APPENDIX 3 Interview questions – Expert

Introductive questions
Position, experience in the role

Theme 1 Prior experience
1) Would you describe your experience in the outsourcing business?

Theme 2 Outsourcing outcome determinants
2) Would you describe a dream client in outsourced prospecting?
- *Considering an active client who prefers to be close to you (a strategic relationship) or a more passive client who prefers a certain distance (a transactive relationship), which one is better and why?*

3) What kinds of aspects you consider important in order to the outsourced prospecting to be successful?
- *What is the role of a client?*
- *What is the role of inter-organizational interactions?*
- *What is the role of a contract?*
- *Knowing a client's business in greater detail (e.g. industry specific factors)?*

4) What kind of challenges or problems have you faced?
5) How did you overcome those challenges/problems?
6) Have you faced and/or identified some risks in outsourced prospecting?
7) How can such risks be handled?

Theme 3 Outsourcing future
8) Are there some things in the current situation you wish to be changed or actively developed?