

## Creating Effective Customer Solutions – a Global Perspective

Alina Neamtu (Idorasi)<sup>1</sup>

Stelian Stancu<sup>2</sup>

Gheorghe Hurduzeu<sup>3</sup>

### *Abstract*

*Globalization is changing the rules of how to achieve long-term success by companies in their pursuit to meet growing customer requirements spanning various industries from manufacturing and retail to public sector. Traditional focus on simple stand-alone products or services aiming for low cost or product performance is over-ruled by the increasing demand for designing and offering customer solutions. They are defined in the extant literature as a combination of goods and services designed to satisfy the business needs of a customer. To consider the shift towards developing, selling and implementing effective customer solutions, the firms must transform many aspects of their business. The challenges they are facing are discussed in this paper by conducting an empirical research study within the Romanian IT industry and concluding that the contextual dimension must be considered in order to capture the complexity of integrated solutions agenda for both scholars and practitioners.*

*Keywords: customer solutions, value co-creation*

*JEL Classification: O31, M30*

### **Introduction**

Recent literature on business strategy argues that firms should concentrate less on making stand-alone physical products or services and more on delivering customer-focused solutions (Wise & Baumgartner 1999; Galbraith, 2002; Tuli et al, 2007). These authors argue that competitive advantage is not simply about providing goods or services, but how services are combined with products to provide integrated solutions that address a customer's business or operational needs.

Customer solutions that are defined in the extant literature as integrated combination of goods and services designed to meet a customer's specific business needs (Miller et al, 2002) are beyond the scope of any single papers a complete subject for discussion. The field of inquiry in this paper is thus narrowed to the discussion of customer solutions from a value creation process perspective.

---

<sup>1</sup> PhD. Student, Bucharest University of Economic Studies, [alina\\_neamtu@hotmail.com](mailto:alina_neamtu@hotmail.com)

<sup>2</sup> PhD. Professor, Bucharest University of Economic Studies, [stelian\\_stancu@yahoo.com](mailto:stelian_stancu@yahoo.com)

<sup>3</sup> PhD. Professor, Bucharest University of Economic Studies, [gheorghe.hurduzeu@rei.ase.ro](mailto:gheorghe.hurduzeu@rei.ase.ro)

The reason is that, as several authors argue, providing solutions that address a customer's needs means that firms must understand how value is created "through the eyes of the customer" (Wise & Baumgartner, 1999, p. 135). The firms evaluating the option to switch towards customer solutions have to consider a comprehensive change in many areas of their business from strategies and positions in the value stream to their organizational capabilities, structures, cultures and even people mind-sets (Davies et al, 2003; Brady et al, 2005a). Not few are the questions a firm might have in finding the most effective way to grasp these market opportunities and many are the challenges this firm would face when making the decision to follow the road towards providing customer solutions. Therefore, the general focus research question of this paper is "*what are the major challenges firms are facing in creating effective integrated solutions?*"

The paper takes a managerial perspective for the discussion of the customer solutions. The reason is the one Harreld et al (2007) suggest. They argue that managers need to be able to accomplish two tasks: "first, they must be able to accurately sense changes in their competitive environment, including potential shifts in technology, competition, customers, and regulation" (p. 24) and "second, they must be able to act on these opportunities and threats; to be able to seize them by reconfiguring both tangible and intangible assets to meet new challenges" (p. 25).

As there is no single best way to become an integrated solutions provider (Davies et al, 2006) and the approaches varies from industry to industry, this paper narrows further the discussion to one single industry, specifically Romanian Information Technology (IT) sector. The main reason is that the Information Technology (IT) sector is one of the first sectors that started the transition towards customer solutions (Cerasale & Stone, 2004). The provision of customer solutions in the IT sector is a better option for a firm in terms of added value creation when compared to simple hardware or software products (Ceci & Prencipe, 2008). Much more, as these authors argue, the development of the related internal capabilities towards offering customer solutions provides the firm higher advantages against competition.

The rest of the paper is organized as follows. A review of the extant literature on the main concepts of the paper is covered in *Section 1*. An empirical study of the customer solution in the particular context of the Romanian IT industry is presented in *Section 2* starting the research objectives, the research design and the demographic data analysis. The findings from literature review and research results are discussed together afterwards. At the end of this section, the conclusions from these findings are provided and based on them a set of recommendations are proposed. The research limitations and the opportunities for future research are

covered in *Section 3*. The overall conclusion is provided in the last section of the paper (*Section 0*).

## 1. Background

### 1.1. The Concept of Customer Solutions

Several definitions could be found in the academic and practitioner literature related to the solution concept that requires some discussions in terms of commonalities and discrepancies among these definitions.

Extant literature views the solution as a customized and integrated combination of goods and services for meeting a customer's business needs (Davies et al, 2006; Sawhney, 2006). Regardless the terminology used, three aspects are common across. First, a solution is a combination of goods and services. Second, solutions have both an integrative and a customization aspect. Third, the definitions point out the importance of addressing customers' needs in their definitions.

Beyond these commonalities, a number of differences could be observed. The first is the term of combination in the solution's definition. For instance, Hax & Wilde (2001) refer to a wider offering of products and services that satisfies most if not all the customer's needs. Second, several authors don't use the term solution itself. Stremersch et al (2001) refers to the full service as a "comprehensive bundle of products and/or services, that fully satisfies the needs and wants of a customer related to a specific event or problem" (p. 1). Third, some definitions are more specific, including details about the constitutive elements. According to Sawhney et al (2006), "a solution is a customized, integrated combination of products, services and information that solves a customer's problem" (2006, p. 78). "The companies following a solution strategy bundle their products together and add software and services" (Galbraith, 2002a, p. 194). Sheperd & Ahmed (2000) refers to integrated products (hardware and software) and services. Other particularities in the definition refer to the targeted customer set or the nature of customer's needs. Miller et al (2002) view solutions as "integrated combinations of products and/or services that are unusually tailored to create outcomes desired by specific clients or types of clients. Or the solution means bringing together products and services in order to address particular business or operational requirements of a customer (Brady et al, 2005a). The outcome of the solutions is included some definitions. For example, Johansson et al (2003) argue that "a solution is a combination of products and services that creates value beyond the sum of its parts..., it is the level of customization and integration that sets solutions above products or services or bundles of products and services." (p. 118).

Scholars and practitioners offer various definitions and interpretations of the solution concept. These definitions are often context related (Storbacka & Pennanen, 2014) meaning that they can vary according to, for example, the size and scope of the offering, the type of elements integrated into the solution and the type of industry that a firm operates in.

For consistency, the term used in this paper is integrated solution (IS).

## 1.2. Customer Value in the Context of Customer Solutions

As outlined in the section 2.1, the integrated solution (IS) definition highlights two key dimensions, the degree of integration and the degree of customization. Sawhney (2006) states that the value of integration and the value of customization represent the difference between the ‘whole’ (the value of the solution) and the ‘sum of the parts’ (the value of component products and services), as presented in *Figure 1*. According to Davies (2004) integrated solution providers earn high profits when the value of the integrated package exceeds the value of individual components.

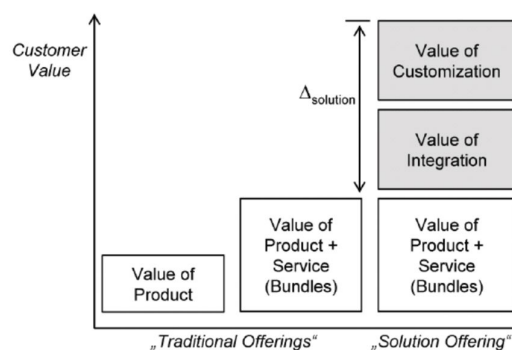


Figure 1. Value Added of Solutions (Burianek, 2011)

The incremental customer value created by the integration dimension of a solution has two sources: marketing integration and technical integration (Krishnamurthy et al, 2003). Marketing integration refers to advantages for the client generated through a certain one face to the customer-effect. Technical integration implies physical interoperability of the products and services that constitute the solution (Krishnamurthy et al, 2003). The product components are engineered to better work together and the services are built upon integrated service platforms (Sawhney, 2006). This differentiates solutions from pure product-service bundles and characterizes true integration (Davies, 2004). The second key dimension in

designing solutions results from the fact that the integrated bundles must be customized to the specific business environment of the clients (e.g. installed products, existing interfaces etc.). Johansson et al, 2003 argue that complete customization of all solution components is not reasonable in an economic sense. Therefore, trying to achieve an appropriate level of economies of scale integrated solution (IS) providers must build platforms or construction kits for product and service components that span across many customer problems. The actual degree of customization results from the customer's specific problem and the value the customer places on tailored products and services (Sawhney, 2006).

### 1.3. Customer Solutions – a Value Creation Process Perspective

As highlighted in previous sections 2.1 and 2.2 point out two main characteristics differentiate integrated solutions them from pure products, pure service offerings or pure (traditional) product-service bundles, that is the completeness of the offering and the nature of customer-provider relationship (Penttinen & Palmer, 2007). Based on that, the move towards integrated solutions is not only about offering additional services, but also about shifting from a product-centric to a customer-centric organization to provide integrated combinations of products and services focusing on a customer's business need (Galbraith, 2002; Hax & Wilde, 1999; Tuli et al, 2007; Wise & Baumgartner, 1999). In contrast with the product-centric mind-set based on what a firm is successful in the market it operates by enhancing the features of existing products or by (Sawhney, 2006), in the solution-centric mind-set, the provider's focus lies not on the product itself but actually on the customer and his requirements and these are the basis of defining all the value creation activities (Galbraith, 2002; Sawhney, 2006).

“A process perspective on a business is the customer's perspective [...] A process perspective requires that we start with customers and what they want from us and work backward from there” (Hammer, 1996, p. 12). In line with this view, Tuli et al (2007) argue that across different definitions of integrated solutions, there is little evidence in the extant literature to suggest that these definitions reflect provider's or customer's perspective or both. As such, Tuli et al (2007) argue that, given that the purpose of an integrated solution is to satisfy a customer's business needs, it is useful to view integrated solutions from customer's perspective and to focus on the customer's value creation processes, defined as a series of activities performed by the customer to achieve a particular goal (Payne et al, 2008).

Most researchers proposed sequential processes to describe the development and implementation of an integrated solution. According to Sawhney (2006), the solution development process begins with the analysis of a customer problem by defining customer outcomes and mapping customer activities and ends with the

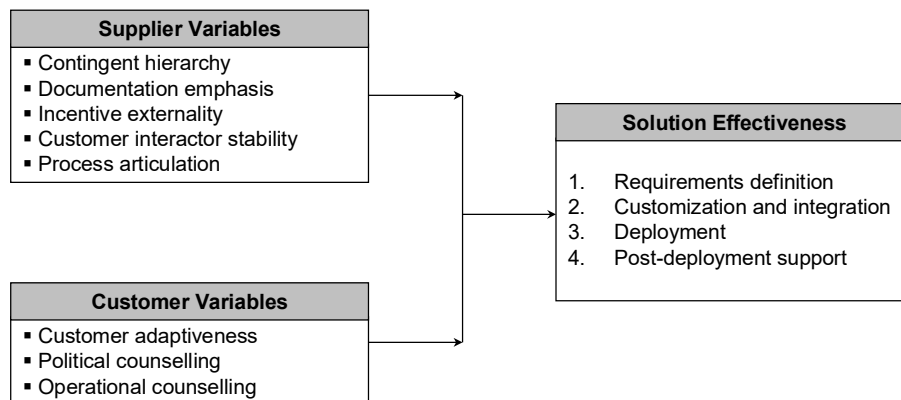
identification of products and services needed to solve the entire problem, before moving on the integration (implementation) stage. Similarly, Davies et al (2007) argue that an integrated solutions supplier should (a) provide an in-depth analysis of a customer's business; (b) identify and diagnose problems in a customer's organization; (c) offer solutions based on its experience of working with a number of customers facing similar situations; and (d) coordinate the integration of components into a solution. In more recent developments, Storbacka (2011) proposes a four-stage process to create integrated solutions: develop solutions, create demand, sell solutions and deliver.

Based on an empirical research, Tuli et al (2007) demonstrated that an integrated solution involves "a set of customer-supplier relational processes comprising (1) customer requirements definition, (2) customization and integration of goods and/or services and (3) their deployment, and (4) post-deployment customer support and all of which are aimed at meeting customers' business needs" (p. 5). These authors observed that the difference resides in two relational processes that many suppliers underemphasize but considered crucial by the customers: requirements definition and post-deployment support. They are in agreement with Brady et al, (2005b) who propose a four-stage process for developing and deploying an integrated solution throughout its lifecycle that include: strategic engagement phase (pre-bid activities); value proposition phase (bid or offer activities); systems integration phase (project execution activities); and operational service phase (post-project activities). Based on the work of Tuli et al (2007), Burianek et al (2011) derived a four-step iterative process of value creation comprising (a) analysis/consulting, (b) design/configuration, (c) implementation /delivery, and (d) support/operation.

#### **1.4. Major Challenges for Offering Customer Solutions**

Even though a number of driving forces provide opportunities for firms to shift towards integrated solutions as highlighted in section 2.4, it is not always an easy task to design, develop and sell these new offerings, especially for firms that have traditionally focused on selling products, spare parts and support services (Bowen et al, 1989; Brown, 2000). By adopting a customer's perception of solutions as relational processes, integrated solution providers must transform most aspects of their business such as their organizational structure and culture as well as operations and interdepartmental collaboration (Davies et al, 2007; Tuli et al, 2007). Therefore, the major challenge to firms considering the move for offering integrated solutions is to create organizations that can package and deliver effective and efficient solutions to meet growing customer demand (Davies et al, 2003).

According to Tuli et al (2007), solution effectiveness refers to the extent to which a solution meets customer's needs. Because a solution comprises four relational processes, solution effectiveness is a function of the extent to which (1) a customer's requirements are well defined, (2) goods and/or services are customized and integrated to address customer needs, (3) goods and/or services are deployed to address customer needs, and (4) post-deployment support is provided as the customer needs it. These authors demonstrated that a solution's effectiveness is a function of factors influencing the effectiveness of the four solution processes and that the solution effectiveness depends on the supplier's and customer's behaviour, as both provider and customer are value co-producers. Figure 2 outlines the variables emerged from the field research these authors conducted as predictors for solution effectiveness.



**Figure 2. Supplier and customer variables affecting solution effectiveness (Tuli et al, 2007)**

Tuli et al (2007) argue that an integrated solution provider must perform all four processes well to deliver a solution that a customer will consider effective. Indeed, Grönroos (1984) points out that in many cases, customers' perceptions of service delivery processes may be more important determinants of their assessment of service quality than the outcomes derived from the service delivery. Therefore, identifying the success critical activities within each process-step is crucial (Burianek et al, 2011). The critical success factors these authors identified by conducting an empirical research on the topic are summarized in Figure 3.

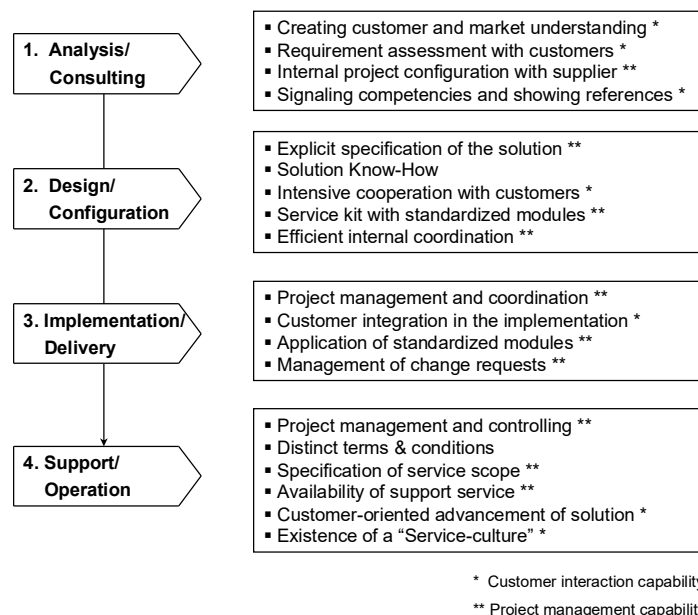


Figure 3. Critical success factors for creating effective solutions (Burianek et al, 2011)

## 2. Customer Solutions in the It Industry

### 2.1. Research Objectives

The general focus research question (“*what are the major challenges firms are facing in creating effective integrated solutions?*”) was introduced in section 1. The research question was used as a base to define the research objectives (Saunders et al, 2009) namely to determine the success factors for creating effective integrated solutions.

Following the literature review as well as based on the findings of other similar research projects such as Tuli et al (2007) in the United States of America and Burianek et al (2011) in Germany, in order for firms to address the major challenges firms are facing in creating effective integrated solutions, it was proposed that providers should focus on the critical success factors of value creation relational process of integrated solutions.

Green et al (2004) suggest that too often it is assumed that practices from one sector can be simply transferred to others and that the managerial practices are universally applicable irrespective of context. Therefore, the main research

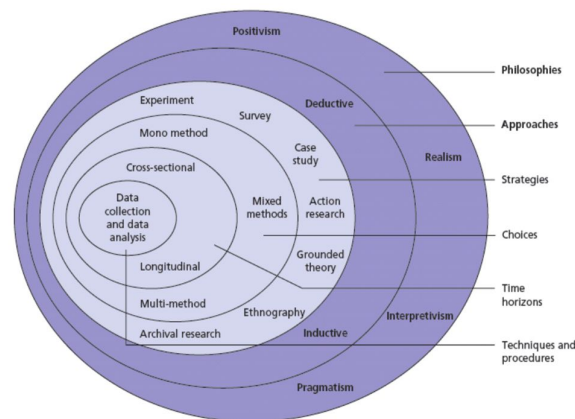


objective is to determine the success factors Romanian IT integrated solutions providers should focus for creating effective integrated solutions. For this purpose, a descriptive research study was conducted to examine the validity of the findings outlined in the previous paragraph by collecting and analysing the data from the IT integrated solutions providers operating in Romania.

Starting with the empirical investigation of current practices in designing, developing and implementing IT integrated solutions in Romania, the research study aims to provide Romanian IS suppliers few recommendations for creating effective integrated solutions.

## 2.2. Research Design

The “Onion” layers related approach was used to conduct the empirical study (Saunders et al, 2009), as visualized in Figure 4.



**Figure 4. The research “onion” (Saunders et al, 2009, p. 108)**

A realism philosophy was used to conduct the research study, as the research had a context related focus and the approach selected for research was mainly deductive, as existing theory was used to conduct the empirical research (Saunders et al, 2009). Some inductive elements were included to gain some insights from respondents about the current IS practices in Romanian IT sector.

Considering the deductive approach for the research study, a survey strategy has been adopted, being a popular and common strategy in business and management research (Saunders et al, 2009). As outlined previously, the purpose of the research study is a descriptive one with some exploratory elements and therefore the survey strategy was a good choice, considering that “it is most frequently used to answer

who, what, where, how much and how many questions” (Saunders et al, 2009, p. 144). According to these authors, by choosing a survey strategy, a strong focus was considered to ensure that the sample is representative, to design and pilot the data collection instrument and to ensure a good response rate.

As the objectives of this research study are qualitative in nature, primary qualitative data were collected and “quantitized” afterwards, “converting it into to numerical codes so that it can be analysed statistically” (Saunders et al, 2009, p. 153). Considering the defined research objectives, a cross-sectional perspective was used, as this type of studies according to Saunders et al (2009) are “seeking to describe the incidence of a phenomenon” which is the case of this research study. This type of studies often employs the survey strategy (Easterby-Smith et al, 2008; Robson, 2002).

As the research project takes the perspective of integrated solution providers and because there was no extant IS providers database – due to the novelty of customer solution concept – a procedure was developed to estimate this population and to extract a sampling frame from that population. Considering that, in fact, integrated solutions are services led (Cerasale & Stone, 2004) the population was set as the Romanian IT services companies. Due to the small size of Romanian IT services market, a purposive sampling was selected using author’s judgement to select cases that will best enable to answer the defined research question and meet the research objectives (Neuman, 2005).

As outlined in section 2.1, an integrated solution is a combination of goods and services designed to satisfy a customer’s needs and such they are included in the offering of small Romanian IT services providers only on exceptional basis. Ceci & Masini (2011) observed that IS provision is significantly more common among large firms. These authors argue that there are at least two good reasons for this phenomenon. First, the resources and capabilities to offer integrated solutions may not be widely available to small firms. Second, small firms may even deliberately decide to concentrate all their efforts on one specific offering because they believe specialization can confer a distinctive advantage over larger firms (Ceci & Masini, 2011). Furthermore, the Romanian IT market is consolidated around few players (Top 10) that controlling in total more than 50% of the market in terms of market share according to the last available report at the preparation date of the dissertation published by Pierre Audain Consultants (2013). Based on these considerations, the sample was set as Top 10 leading IT services providers.

The selection of the participants was made based on several criteria to facilitate a useful output for data analysis. First, as outlined in section 1, the research focus was on customer solutions from a managerial perspective and therefore people on

higher management positions (general and senior management) were selected for the sample. Second, the target participants at director level were carefully chosen to ensure appropriate experience, background and familiarity to participate to the research study in a thoughtful manner proven through their direct and personal involvement in selling, developing, deploying and/or supporting integrated IT solutions. Third, considering the research objectives defined in chapter **Eroare! Fără sursă de referință.**, the sample was defined to include the Managing Director, the Customer Sales Director and the Delivery Director for each company, as being the most important stakeholders in terms of both interest and power when considering integrated solutions agenda. As a result, a total number of 30 participants were set for the research study, specifically three directors for each of the targeted Top 10 companies. To recruit participants, the author's business contacts have been used either directly or indirectly to gain approval for participating to the survey.

For the primary data collection, a structured questionnaire was selected as the research instrument, defined as a general term to include all techniques of data collection in which each person is asked to respond to the same set of questions in a predetermined order (deVaus, 2002). Because each person (respondent) is asked to respond to the same set of questions, it provides an efficient way of collecting responses prior to quantitative analysis (Saunders et al, 2009).

The questionnaire layout and the related questions were designed prior to the distribution to the sample (Saunders et al, 2009). The questions included in the questionnaire were developed by the author of this paper based on the findings from the literature review. As proposed by these authors, a data requirement table was prepared for each of two research objectives containing (a) the specific investigating questions, (b) the variables to answer each investigative question, (c) the detail required from data for each variable, and (d) the measurement questions included in the questionnaire for each variable. Attribute variable were used to check that the demographic data collected are representative and opinion and behaviour variables to collect data about the current practices on integrated IT solution in Romania.

The questionnaire was structured in a logical order to respond to defined investigative questions for meeting the research objectives, but also to provide a framework for later analysis. Considering the high number of investigative questions, the length of the questionnaire was set to eight A4 pages, the maximum recommended for a self-administered one (Saunders et al, 2009).

The participants were invited first in the questionnaire to respond to five demographic questions to enable data analysis. As the study participants declined

to provide identity information because of the sensitive nature of the subject, these questions were formulated in such a way to avoid any risks of identification. The respondents were asked to answer to several questions organized in a sequential order and structured in four sections following the four-stage relational integrated solution process introduced in section 2: analysis/consulting, design/configuration, implementation/delivery and support/operation. Six questions were added at the end of the questionnaire to gain deeper insights from respondents about integrated IT solutions projects in Romania.

Considering the quite high number of investigative questions resulted from the literature review in order to meet the research objectives (Cooper & Schindler, 2008), closed questions were included in the questionnaire to facilitate ease to respond for participants. At the end of the questionnaire, two open questions were added to gain deeper insights about the current practices on integrated solutions. The questions were carefully worded to facilitate easy understanding and clear responses to be provided.

For choosing the type of questions included in the main body of the questionnaire (Sections B-E), the perspectives of both the researcher and the respondent were considered. First, rating questions based on a five-point Likert-style rating scale were chosen to allow the researcher to keep the control and to facilitate the data analysis, as the survey results needed to be capable of statistical analysis. The simplicity of both questions coding and data segregation was another important decision factor for the researcher, as the responses were collected in the form of numerical values from 1 (strongly disagree) to 5 (strongly agree). Second, providing the answers as numbers was intended to be for the respondents a simple and less time-consuming activity. This was a concern of the author, as the targeted participants were people on higher management role usually with a very tight agenda. Much more, the possible responses to rating questions were presented in a straight line as this is how respondents are most likely to process the data (Dillman, 2007).

For their distribution questionnaires were handed over to the study participants in sealed envelopes and collected after completion from the respondents in the provided return envelopes. This survey data collection technique was used against others such as postal, telephone, e-mail or web-based to ensure confidentiality, enhance respondent participation and reach the targeted persons (named directors) as respondents (Saunders et al, 2009).

A self-administered type of questionnaire was chosen considering the high profile of selected participants, specifically people on higher management positions usually familiar with such research instrument.

Due to the small sample size, the data collection period was set to two weeks. After the first week, more than half of the completed questionnaires were collected. At the beginning of the second week, from multiple follow-up methods to achieve the highest response rate (Dillman, 2007) a follow-up mail was considered the most appropriate method, based on the high profile of the targeted respondents.

As paper-based questionnaire was used for data collection, transfer of the data from the completed questionnaires was done manually using Microsoft Excel.

As data analysis was planned to be performed by computer, data coding was an important task for the research study. A coding scheme was established prior to data collection and incorporated it into the questionnaire (Saunders et al, 2009) by assigning a number to each response for a particular question.

A preliminary activity was performed before data analysis in order to check the correctness of collected data. The completed questionnaire didn't include any missing or intelligible data and incorrect data values. Therefore, elimination of incomplete questionnaires was not the case. The participants provided short responses to the open questions even there were included as optional in the questionnaire.

### **2.3. Research Results and Discussion of Findings**

Considering the research objectives outlined in section 3.1, the data collected through paper-based questionnaires were analysed using descriptive statistics as numerical analysis process (Saunders et al, 2009). The data analysis was performed using Microsoft Excel program and included frequency, central tendency and dispersion analysis for data interpretation and preparation of research results.

Considering the number of questionnaires returned fully completed without any error, the response rate was 77%. The high profile of sample participants, the high importance and relevance of the research purpose for respondents, as well as author's high personal touch with participants had a strong contribution to this high response rate. Ensured confidentiality and anonymity for the participation of the survey considering the sensitive nature of the topic for the selected respondents was another strong contributor to this response rate.

The respondents had a significant amount of integrated solution related experience, large majority of them reporting more than eleven years. None had five years or less work experience, and this was expected considering respondents' higher management. This result ensured considerable meaningful data to be used for further data analysis.

The collected data analysis was performed in sequential order organized for each value creation process stage and for each investigative issue associated to these process related factors. Likert scale truncation technique (Pallant, 2006) was used in order to assess positive (*agree* and *strongly agree*), neither and negative (*disagree* and *strongly disagree*) results for the investigative issues.

### **Analysis/Consulting Related Factors**

The empirical research shows that Romanian IS providers started to adopt a customer-centric thinking acknowledging that gaining a detailed understanding of the activities a customer performs to achieve a particular goal is crucial in the IS business in line with the extant literature (Wise and Baumgartner 1999; Foote et al 2001; Galbraith, 2002). They started to develop a closer “bonding relationship” with the customer (Hax & Wilde, 1993, p. 13), allowing them to identify customer’s current needs as well as anticipate future needs from the early stage of IS engagement (Davies, 2004). There is room for improvement in this area, as only half of the respondents confirmed that both IS provider and customer are involved in the requirements’ discovery process. The results show that assigned team for IS provider organization are involved in specific activities to get to know the right people in the customer organization (Burianek et al, 2011). Involving multiple stakeholders for identifying and confirming the current and future customer’s needs should be improved being an important aspect on long run (Biggemann et al, 2013), as the results were somehow modest in this area. The empirical research shows good results about the impact of defining from an early stage of clear responsibilities throughout the whole IS lifecycle (Tuli et al, 2007). In line with the extant literature, making customer aware about IS provider’s references and competences has a strong impact on the subsequent phases (Burianek et al, 2011).

### **Design/Configuration Related Factors**

When designing integrated IT solutions, the respondents provided average results related to demonstrating customer value proposition. As per responses provided in the questionnaires, mainly people involved in IS design and less the ones assigned for the implementation stage performs such activities. As Anderson et al (2006) suggests, IS providers should work with their customers to define how cost savings or incremental profits will be tracked and then, after a suitable period of time, work with the customer managers to document the results. The reason is that “customers are not paying just for an integrated package of products and services. They are buying guaranteed solutions for trouble-free operations” Davies et al (2006, p. 4). The comments some respondents included in the questionnaire

revealed an explanation for these results in Romania. Even if these value propositions are very effective, they are not that easy to develop them. This is in line with Anderson's et al (2006) view that IS providers must conduct a customer value research to gain the insights to construct them and this requires time, effort, persistence and even some creativity. The research reported good results about solution know-how skills and the importance of customer interaction during IS design (Burianek et al, 2011), but conflicting interests of different functions for an efficient internal coordination (Tuli et al, 2007) needs to be addressed.

### **Implementation/Delivery Related Factors**

The respondents provided good results in regards to the fact that IS development demands intense interactions between provider and customer, including reciprocal adaptation, mutual relationship investments and risk taking, which is in line with the extant research into the relational characteristics of solutions (Tuli et al, 2007; Cova & Sale, 2008b). As research results shows, learning from most challenging or unsuccessful integrated IT solutions projects from the past, Romanian IS providers started to view customer's openness and willingness to be involved during the development and implementation stages a major determinant of their role in customer's value creation process. Based on the research responses, the current practices in Romania show still that there are some lacks in this regard for several reasons. The comments from the survey revealed that not always and not all customers are ready, able or even willing to co-operate with the providers on the value-creation level. This is in line with Hakanen & Jaakkola (2012) who provide a reason for that: value co-creation engagement may demand several changes in the customer's strategy, operations and mindset that are not always well received.

Biggemman et al (2013) argue that some degree of flexibility is necessary, both for providers and customers when implementing integrated IT solutions. In addition, the customer should be open to make adjustments for modifying its routines and processes to get the most value of the solution (Burianek et al, 2011). In both areas, the research results were only modest.

The empirical research provided good results about the importance of the quality of delivery and implementation throughout the whole IS lifecycle (Tuli et al, 2007). The current practices in Romania have still shortages related to the use of detailed project management related documentation, such as solution purpose, people roles and responsibilities, work performed and outcomes or user manuals (Burianek et al, 2011). Few comments were included about the issues Romanian IS providers had to face due to missing such project documents or partially completed.



Related to degree of applying standardized modules when for an IS implementation (Burianek et al, 2011), a bit more than half of the respondents validated it as being a current practice in Romania, that is, IS providers started to acknowledge that the developing and even successfully implementing integrated solutions does not guarantee customers' loyalty (Biggemann et al, 2013). Instead, according to these authors, customers seek an integrated solution that might be standardized, to lower their proportion of the development costs and avoid being locked into a relationship with a single supplier. Much more, Romanian IS providers started to recognize the importance of standardization on long run which is in line with Davies & Brady's (2000) view that succeeding solutions should be possible to deliver at significantly lower costs than the first solutions.

### **Support/Operation Related Factors**

The research shows good results regarding the shift to a customer-centric approach not only when designing and implementing an integrated IT solution, but also during post-implementation, as Romanian IS providers realized the need for the service personnel to think in life-cycle processes instead of solving service incidents. This is in line with Davies (2004) who argues that under the traditional product-centric approach to value creation beyond basic technical support and short-term warranties, after the product was 'handed over the wall' to the customer, the provider largely forgot about it and the customer took over responsibility for operating and maintaining it. Furthermore, based on the history of already implemented integrated IT solutions, Romanian IS providers understood how critical it is to provide customer a clear understanding on the scope of services during post-implementation. This is in alignment with Ballantyne & Varey (2006) who argue for a dialogue orientation during the support stage so that value is co-created via dialogue and learning. The data collected through the questionnaires provided above average support for this need of communication aiming to influence customer and supplier practices in a way that helps customers to utilize resources better – both their own resources and those of IS provider.

The research results validated the importance of providing new deployments in response to customer's evolving requirements, as Nordin & Kowalkovski (2010) noted that when the customer presents the initial problem, the complexity of the solution might be unknown. The definition of the problem could change over time due to changes in the business environment and the resources' development over the course of the parties' interactions (Biggemann et al, 2013). This explains and the results of this research study demonstrate the importance for IS provider of staying engaged in an on-going relationship with the customer compared to a "one-off" project approach (Tuli et al, 2007).



#### 2.4. Conclusions From Findings

Integrating the results from the empirical research study with the findings from the extant literature review, few managerial conclusions could be drawn. The integrated solutions are the outcomes of value creation processes between customer and provider (Brady et al, 2005b; Davies et al, 2007; Tuli et al, 2007; Storbacka, 2011). According to these authors, these processes consist in definition of customer requirements, integration and customization of the integrated solution elements, the deployment of these elements into the customer's process, and the various forms of customer support after delivery of the integrated solution. The empirical evidence in the Romanian IT sector provided a good support for that relational and value creation nature of the integrated solutions. This change from being product-oriented to becoming customer process-oriented involves a shift in the value proposition from offering physical products, spare parts and support services to the delivery of performance, optimization and productivity (Oliva and Kallenberg, 2003; Ng et al, 2009).

In line with prior studies (Tuli et al, 2007; Burianek et al, 2011), this research project strengthens the fact that a relational nature of customer-provider relationship is a necessary prerequisite of creating effective integrated solutions, considering that a solution is developed, delivered and supported in the post-implementation stage through a long-term process with the customer, not just to the customer (Johansson et al; 2003; Tuli et al 2007; Ballantyne & Varey, 2006). According to these authors, the provider and the customer have both a significant role in this process of value creation. Customers contribute by providing input to all phases of the process and by integrating the components of the provider's solution into their own processes. Thus, organization of value creation becomes a critical capability of the firm (Normann, 2001; Ng et al, 2009) and this research project provided an empirical support in this regard.

An integrated solution provider should be "client supporting" as opposed to "product supporting" and the focus should be on "how the firm can support the customers' business process" (Storbacka & Pennanen, 2014, p. 6). This undertaking is not easy and the empirical evidence of this research in the Romanian IT sector reveals that IS providers started this journey, but there is room for improvement.

Prior research projects and as well as this research study suggest that those customers who participate and cooperate in the process of developing and implementing an integrated solution will optimize the solution's co-created value (Bettencourt, 1997). Similarly, the providers who fully cooperate and participate will enhance solution's value as well. This has a positive impact on the integrated

solution's likelihood of leading to a sustainable competitive advantage for the firm (White & Ponder, 2008).

This research project provided empirical evidence that the Romanian IT sector shares in a considerable extent the characteristics of other capital goods sectors from developed countries where the provision of integrated solution has emerged. As highlighted in chapter **Eroare! Fără sursă de referință.**, IT sector was one of the first industries where integrated solutions emerged. The literature review suggests that after years of implementation, procedures and routines are now becoming standardized, and therefore it is possible to identify common paths in the critical activities and capabilities managed by integrated solution providers (Ceci & Prencipe, 2008). Considering the short history of both Romanian market economy and firms operating in this marketplace in IS business, few areas of improvements are proposed to the Romanian companies for them to become successful IS providers.

## 2.5. Recommendations

Based on the conclusions drawn upon the literature review as well as the research results, this paper provides a set of practical recommendations at managerial level for the Romanian IT providers to follow as a response to address the main area of improvement. This was suggested through the empirical study, namely the managing conflicting interests of multiple stakeholders within the provider organization.

One general recommendation across all Romanian IT suppliers is provided as an organizational design related proposition based on the works of Sawhney (2006) as well as Galbraith (2002): adopt a “front-back” hybrid organization to develop and deploy solutions. This design consists of “front-end” solution units and “back-end” product units, the first responsible for intensively interacting with the customers as well as developing and delivering integrated solutions and the second responsible for the support to be provided to the front-end units by developing product and service components for the solutions and to ensure repeatability of solutions by productizing them (Davies, 2004). Additionally, a center of command at top management level has to be implemented to provide the coordination and the negotiation between the front-end and the back-end units and to define a clear solution-focused strategy to ensure that the strategic direction is followed by both units. The implementation plan for this recommendation should be a specific one for each of the IS providers, as they largely differ in terms of current practice of internal IS value creation process, size of company and also type of company (Romanian company or local subsidiary of an international company). The plan should include activities to be performed, key roles definition, important

milestones and contingency plan to mitigate the associated risks during implementation.

### **3. Future Research Directions**

As any empirical work, this empirical study is subject to certain limitations, based on what several opportunities for future research on the topic of integrated solutions are provided.

A first limitation refers to the unit of analysis. This research project took the perspective of IT solutions providers. Some other limitations arise from the research design. First, as the research study is cross sectional it offers a static view of the IS phenomenon with limited information about the impact of time perspective. Second, the survey strategy provided limitations as well the collected data that are limited to the number of questions included in the questionnaire. Third, as outlined in the paper, the integrated solutions are a complex phenomenon and thus the research narrowed the empirical study to one industry raising limitation issues considering the generalization of the results. It can be argued though that the contextual analysis could enhance learning about integrated solutions at more general level. Forth, the selected research method was also a source of limitations. The chosen quantitative method could result in getting insights about only tangible and visible aspects of IS phenomenon. Two open questions were though added at the end of the questionnaire to gain deeper insights about the current practices of integrated solutions in Romania.

These research limitations and the respondents' comments collected through the open questions included in the questionnaire were the sources for future research on integrated solution agenda.

The research took the perspective of IS provider. As recent conceptualizations of integrated solutions recognize the need to consider the broader business network and other parties that potentially influence or are influenced by integrated solution (Spencer & Cova, 2012; Gebauer et al, 2013), a future research avenue could take a network perspective on IS agenda to empirically investigate the extent to which network companies could have more potential for becoming value co-creators than when acting alone. In addition, the questionnaire offered the respondents the opportunity to highlight the main issues they are facing in the current practices of integrated solutions business. The comments of respondents provided an interesting avenue for future research. Romanian IT sector is a small market with few players having a short history in IS business and as a result having limited generic/specialized capabilities. Thus, the competitors get together quite often in a form of contractual partnership to respond to complex integrated IT solutions. In

this case, the competitors become actors in the value-creation process. According to Bengtsson & Kock (2000), cooptation is the simultaneous appearing of competitive and cooperative relations between competitors. This practical situation suggests as potential future research the cooptation phenomenon in the context of integrated solutions.

### Conclusion

In times when customers are not being consumers anymore, but co-creators of value (Gummesson, 1998; Vargo & Lusch, 2004), the major challenge to firms wanting to shift towards integrated solutions is to create organizations that can package and deliver effective solutions to meet growing customer demand (Brady et al, 2005a). As a way for the solution providers to address this major challenge they are facing, the literature review highlighted a focus on the value creation process. Penrose (1959) emphasizes that value creation does not come from the possession of the resources but from their use, and how much value is created would depend on how these resources are deployed, i.e. how they are combined within the firm. In this customer value co-creation process, the customer-provider relationship has shifted from the firm creating value for the customer to the firm creating value with the customer (Slater, 1997). As a result, providing integrated solutions requires a four-step relational value creation process between provider and customer (Tuli et al, 2007, Burianek et al, 2011). According to these authors, a solution provider must perform all four processes well to deliver a solution that a customer will consider effective and therefore critical routines and activities should be identified within each step.

The review of the extant literature outlines that the IS complexity experienced within specific industries and contexts seems to be easily overlooked in empirical studies that focus on a variety of different industries. Market opportunities, structure of competition and main drivers could differ considerably between industries, countries and contexts. This is in line with the contingency theory, where “the effectiveness of an organization is dependent on the congruence between its structure and its context, including the characteristics of the internal organization and the characteristics of the organization’s external environment” (Lakemond, 2001, p. 5). Therefore, this paper proposes that the contextual dimension must be considered in order to capture the complexity of integrated solutions phenomenon.

## References

- Ambrosini, V. and Bowman, C. (2009). What are dynamic capabilities and are they a useful construct in strategic management? *International Journal of Management Reviews*. **11** (1), 29-49.
- Amit, R., & Zott, C. (2012). Creating value through business model innovation. *MIT Sloan Management Review*. **53**(3), 41-49.
- Anderson, J. C. and Narus, J.A. (1998). Business marketing: understand what customers value. *Harvard Business Review*. November-December, 53-65.
- Anderson, J.C., Narus, J.A. and van Rossum, W. (2006). Customer value propositions in business markets. *Harvard Business Review*. March, 91-99.
- Baines, T.S., Lightfoot, H.W., Benedettini, O. and Kay, J.M. (2009). The servitization of manufacturing: A review of literature and reflection on future challenges. *Journal of Manufacturing Technology Management*. **20** (5), 547-567.
- Ballantyne, D. and Varey, R. J. (2006). Creating value-in-use through marketing interaction: The exchange logic of relating, communicating and knowing. *Marketing Theory*. **6** (3), 335-348.
- Ballantyne, D. and Aitken, R. (2007). Branding in B2B markets: Insights from the service-dominant logic of marketing. *Journal of Business & Industrial Marketing*. **22** (6), 363-37.
- Ballantyne, D. and Varey, R. (2008). The service-dominant logic and the future of marketing. *Journal of the Academy of Marketing Science*. **36**, 11-14.
- Ballantyne, D., Frow, P., Varey, R. J. and Payne, A. (2011). Value propositions as communication practice: Taking a wider view. *Industrial Marketing Management*. **40** (2), 202-210.
- Barney, J.B. (1986c). Types of competition and the theory of strategy: Toward an integrative framework. *Academy of Management Review*. **11**, 791-800.
- Barney, J. B. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*. **17** (1), 99-120.
- Barney, J. B. (1997). *Gaining and Sustaining Competitive Advantage*. Addison-Wesley: Reading, MA.
- Barney, J. B. and Wright, P.M. (1998). On becoming a strategic partner: the role of human resources in gaining competitive advantage. *Human Resource Management*. **37**, 31-46.

- Barney, J. B. (2001a). Is the resource-based 'view' a useful perspective for strategic management research? Yes. *Academy of Management Review*. **26**, 41-56.
- Barney, J.B. (2001b). Resource-based theories of competitive advantage: a ten year retrospective on the resource-based view. *Journal of Management*. **27**, 643-650.
- Bell, J. (2005). *Doing Your Research Project* (4<sup>th</sup> edn). Buckingham: Open University Press.
- Bell, E. and Bryman, A. (2007). The ethics of management research: an exploratory content analysis. *British Journal of Management*. **18**, (1), 63-77.
- Bengtsson, M. and Kock, S. (2000). Competition in Business Networks – Cooperate and Compete Simultaneously. *Industrial Marketing Management*. **29**.
- Bennett, J., Sharma, D., and Tipping, A. (2001). *Customer solutions: Building a strategically aligned business model*. URL:  
<http://www.boozallen.com/media/file/76878.pdf> [February 25, 2014]
- Biggemann, S., Kowalkowski, C., Maley, J. and Brege, S. (2013). Development and implementation of customer solutions: A study of process dynamics and market shaping. *Industrial Marketing Management*. **42** (7), 1083-1092.
- Bharadwaj, S. G., Varadarajan, P.R. and Fahy, J. (1993). Sustainable Competitive Advantage in Service Industries: A Conceptual Model and Research Propositions. *Journal of Marketing*. **57** (October), 83-99.
- Bowen, D. E., Siehl, C. and Schneider, B. (1989). A framework for analyzing customer orientations in manufacturing. *Academy of Management Review*. **14** (1), 75-95.
- Brady, T., Davies, A. and Gann, D., M. (2005a). Creating Value by Delivering Integrated Solutions. *International Journal of Project Management*. **23** (5), 360-365.
- Brady, T., Davies, A. and Gann, D., M. (2005b). Can integrated solutions business models work in constructions? *Building Research & Information*. **33** (6), 571-579.
- Brown, S. (2000). The move towards the solutions providers: goods-dominated companies find their core competencies include service offering. *Marketing Management*. **9** (1), 10-11.

- Burianek, F., Bonnemeier, T., Reichwald, R. (2011). Creating Effective Customer Solutions: A Process-Oriented Perspective. *International Journal of Service Science, Management, Engineering, and Technology*. **2** (1), 15-29.
- Butz, H.E., Jr. and Goodstein, L.D. (1996). Measuring Customer Value: Gaining the Strategic Advantage. *Organizational Dynamics*. **24** (Winter), 63-77.
- Cannon, J. P. and Perreault, W. D. (1999). Buyer– seller relationships in business markets. *Journal of Marketing Research*. **36** (4), 439-460.
- Ceci, F. and Prencipe, A. (2008). Configuring capabilities for integrated solutions: evidence from the IT sector. *Industry and Innovation*. **15** (3), 277-296.
- Ceci, F. and Massini, A. (2011). Balancing specialized and generic capabilities in the provision of integrated solutions. *Industrial and Corporate Change*. **20** (1), 91-131.
- Ceci, F. and Massini, A. (2013). Specialized Capabilities in Integrated Solutions: The Role of Fit. *International Journal of Business and Systems Research*. **7** (2).
- Cerasale, M. and Stone, M. (2004). *Business Solutions on Demand*. London: Kogan Pages.
- Clough, P. and Nutbrown, C. (2002). *A Student's Guide to Methodology*. London: Sage.
- Cooper, D.R. and Schindler, P.S. (2008). *Business Research Methods* (10th edn). Boston, MA and Burr Ridge, IL: McGraw-Hill.
- Cova, B. and Salle, R. (2008a). Marketing solutions in accordance with the S-D logic: Co-creating value with customer network actors. *Industrial Marketing Management*. **37**(3), 270-277.
- Cova, B. and Salle, R. (2008b). Creating superior value through network offerings. In Woodside, A. G., Golfetto, F. and Gibbert, M. (ed.). *Creating and managing superior customer value (Advances in Business Marketing and Purchasing)*, **14**, 317-342.
- Coyne, K.P. (1986). Sustainable Competitive Advantage: What It Is, What It Isn't. *Business Horizons*. **29** (January-February), 54-61.
- Cronbach, L. J. (1951). Coefficient alpha and the internal structure of tests. *Psychometrika*. **16** (3), 297-334.
- Davies, A. and Brady, T. (2000). Organizational capabilities and learning in complex product system: towards repeatable solutions. *Research Policy*. **29**, 931-953.



- Davies, A. (2001). *Integrated Solutions*. The Knowledge Bridge.
- Davies, A., Tang, P., Brady, T., Hobday, M., Rush, H. and Gann, D. (2001). *Integrated Solutions: The New Economy between Manufacturing and Services*. Brighton: SPRU-CENTRIM.
- Davies, A., Brady, T. and Tang, P. (2003). *Delivering Integrated Solutions*. Brighton: SPRU/CENTRIM.
- Davies, A. (2004). Moving Base into high-value Integrated Solutions: a Value Stream Approach. *Industrial and Corporate Change*. **13** (5), 727-756.
- Davies, A. and Hobday, M. (2005). *The Business of Projects*. England: Cambridge University Press.
- Davies, A., Brady, T. and Hobday, M. (2006). Charting a Path Toward Integrated Solutions. *MIT Sloan Management Review*. **47** (3), 39-48.
- Davies, A., Brady, T. and Hobday, M. (2007). Organizing for solutions: system seller vs. system integrator. *Industrial Marketing Management*. **36**, 183-193.
- Day, G.S. (1984). *Strategic Market Planning: The Pursuit of Competitive Advantage*. St. Paul MN: West Publishing Company.
- Day, G.S. (1994). The capabilities of market driven organizations. *Journal of Marketing*. **58**, 37-52.
- Day, G. S. (2004). Achieving Advantage with a New Dominant Logic. *Journal of Marketing*. **68**, 18-19.
- Day, G. S. and Wensley R. (1988). Assessing Advantage: A Framework for Diagnosing Competitive Superiority. *Journal of Marketing*. **52** (April), 1-20.
- deVaus, D.A. (2002). *Surveys in Social Research* (5<sup>th</sup> edn.). London: Routledge.
- Dierickx, I. and Cool, K. (1989). Asset Stock Accumulation and Sustainability of Competitive Advantage. *Management Science*. **35** (December), 1504-1511.
- Dillman, D.A. (2007). *Mail and Internet Surveys: The Tailored Design Method* (2nd edn 2007 update). Hoboken, NJ: Wiley.
- Doyle, P. (2002). Marketing in the new millennium. *European Journal of Marketing*. **29** (13), 171-184
- Drucker, P. (1974). *Management tasks, responsibilities, practices*. New York: Harper & Row.
- Duncan, W. J., Ginter, P.M. and Swayne, L.E. (1998). Competitive advantage and internal organizational assessment. *Academy of Management Executive*. **12**(3), 6-16.



- Easterby-Smith, M., Thorpe, R., Jackson, P. and Lowe, A. (2008). *Management Research* (3rd edn). London: Sage.
- Eisenhardt, K.M. and Martin, J.A. (2000). Dynamic capabilities: what are they? *Strategic Management Journal*. **21** (10-11), 1105-1121.
- Foote, N.W., Galbraith, J., Hope, Q. and Miller, D. (2001). Making solutions the answer. *The McKinsey Quarterly*. **3**, 84-93.
- Galbraith, J. R. (2002a). Organizing to deliver solutions. *Organizational Dynamics*. **31** (2), 194-207.
- Galbraith, J. R. (2002b). *Designing Organizations: an Executive Guide to Strategy, Structure and Process*. San Francisco: Jossey-Bass.
- Galbraith, J. R. (2005). *Designing the Customer-centric Organization: a Guide to Strategy, Structure and Process*. San Francisco: Jossey-Bass.
- Gebauer, H., Paiola, M. and Saccani, N. (2013). Characterizing service networks for moving from products to solutions. *Industrial Marketing Management*. **42**(1), 31-46.
- George, D. and Mallery, P. (2003). *SPSS for Windows step by step: A simple guide and reference. 11.0 update* (4<sup>th</sup> ed.). Boston: Allyn & Bacon.
- Ghemawat, P. (1986). Sustainable Advantage. *Harvard Business Review*. **64** (September-October), 53-58.
- Godfrey, P. and Hill, C. (1995). The problem of unobservables in strategic management research. *Strategic Management Journal*. **16**, 519-533.
- Green, S., Newcombe, R., Frenie, S. and Weller, S. (2004). *Learning Across Business Sectors: Knowledge Sharing between Aerospace and Construction*. University of Reading: UK.
- Grönroos, C. (2008). Service logic revisited: who creates value? And who co-creates?. *European Business Review*. **20** (4), 298-314.
- Gummerson, E. (1998). Productivity, Quality and Relationship Marketing in Service Operations. *International Journal of Contemporary Hospitality Management*. **10** (1), 4-15.
- Hahn, A. and Morner, M. (2011). Product service bundles: No simple solution. *Journal of Business Strategy*. **32** (6), 14-23.
- Hair, J., Babin, B., Money, A. and Samouel, P. (2003). *Essentials of Business Research Methods*. Hoboken: John Wiley and Sons.

- Hakanen, T. and Jaakkola, E. (2012). Co-creating customer-focused solutions within business networks: a service perspective. *Journal of Service Management*. **23** (4), 593-611.
- Hall, R. (1993). A Framework Linking Intangible Resources and Capabilities to Sustainable Competitive Advantage. *Strategic Management Journal*. **14** (November), 607-618.
- Hamel, G. and Prahalad, C. K. (1989). *Strategic Intent*. Harvard Business Review. **67** (May-June), 63-76.
- Hammer, M. (1996). *Beyond Reengineering*. New York: Harper-Business.
- Harreld, J.B., O'Reilly, C. A. III and Tushman, M. L. (2007). Dynamic capabilities at IBM: driving strategy into action. *California Management Review*. **49**, 21-43.
- Hax, A.C. and Wilde, D.L. (1999). The delta model: adaptive management for a changing world. *Sloan Management Review*. **19** (4), 11-28.
- Hofer, C. and Schendel, D. (1978). *Strategy formulation: Analytical concepts*. St. Paul, MN:West.
- Hoffman, N.P. (2000). An Examination of the 'Sustainable Competitive Advantage' Concept: Past, Present and Future. *Academy of Marketing Science Review*. **2000** (4).
- Hünerberg, R. and Hüttmann, A. (2003). Performance as a basis for price-setting in the capital goods industry: concepts and empirical evidence. *European Management Journal*. **21** (6), 717-730.
- Hunt, S.D. (2000). *A General Theory of Competition: Resources, Competences, Productivity, Economic Growth*. Thousand Oaks CA: Sage Publications.
- Jacob, F. and Ulage, W. (2008). The Transition from Product to Service in Business Markets: An Agenda for Academic Inquiry. *Industrial Marketing Management*. **37** (3), 247-253.
- Johansson, J.E., Krishnamurthy, C. and Schlissberg, H.E. (2003). Solving the solution problem. *The McKinsey Quarterly*. **40** (3), 116-125.
- Krishnamurthy, C., Johansson, J. E. and Schlissberg, H. (2003). Solutions selling – Is the pain worth the gain?. *Marketing & Sales Practice*. McKinsey & Company.
- Lakemond, N. (2001). *Managing Across Organisations: Intra- and Interorganisational Aspects of Supplier Involvement in Product Development Projects*, PhD Thesis. Linköping Universit: Sweden.

- Lindgreen, A. and Wynstra, F. (2005). Value in business markets: What do we know? Where are we going? *Industrial Marketing Management*. **34**, 732-748.
- Lippmann, S. and Rumelt, R. (1982). Uncertain imitability: An analysis of interfirm differences in efficiency under competition. *Bell Journal of Economics*. **13**: 418-438.
- Lockett, A., Thompson, S. and Morgenstern, U. (2009). Reflections on the development of the RBV. *International Journal of Management Reviews*.
- Lovelock, C. and Gummesson, E. (2004). Whither Services Marketing? In Search of a New Paradigm and Fresh Perspectives. *Journal of Service Research*. **7** (1), 20.
- Lusch, R.F. and Vargo, S.L. (2006a). *The service-dominant logic of marketing: Dialog, debate and directions*. New York: ME Shape, Armonk.
- Lusch, R.F. and Vargo, S.L. (2006b). Service-dominant logic: reactions, reflections and refinements. *Marketing Theory*. **6** (3), 281-288.
- Lusch, R.F., Vargo, S.L. and O'Brian, M. (2007). Competing through service: Insights from service-dominant logic. *Journal of Retailing*. **83** (1), 5-18.
- Makadok, R. (2001). Toward a synthesis of the resource-based and dynamic-capability views of rent creation. *Strategic Management Journal*. **22**, 387-401.
- Mathe, H. and Shapiro, R.D. (1993). *Integrating Service Strategy in the Manufacturing Company*. London: Chapman & Hall.
- Matthyssens, P. and Vandenbempt, K. (1998). Creating competitive advantage in industrial services. *The Journal of Business and Industrial Marketing*. **13** (4/5), 339-355.
- Matthyssens, P. and Vandenbempt, K. (2008). Moving from basic offerings to value-added solutions: Strategies, barriers and alignment. *Industrial Marketing Management*. **37** (3), 316-328.
- Maylor, H. and Blackmon, K. (2005). *Researching Business and Management*. Basingstoke: Palgrave Macmillan.
- McCracken, G. (1988). *The long interview*. Newbury Park: Sage Publications.
- Miles, L. D. (1961). *Techniques of Value Analysis and Engineering*. New York: McGraw-Hill.
- Miller, D., Hope, Q., Eisenstat, R., Foote, N. and Galbraith, J. (2002). The problem of solutions: balancing clients and capabilities. *Business Horizons*. **45** (2), 3-12.

- Mitchell, V. (1996). Assessing the reliability and validity of questionnaires: an empirical example. *Journal of Applied Management Studies*. **5** (2), 199-207.
- Mont, O. (2004). *Product-Service Systems: Panacea or Myth?*, Ph.D. Thesis. Lund University: Sweden.
- Neuman, W. L. (2005). *Social Research Methods* (6th edn). London: Pearson.
- Newbert, S. (2007). Empirical research on the resource-based view of the firm: an assessment and suggestions for the future research. *Strategic Management Journal*. **28**, 121-146.
- Nordin, F. and Kowalkowski, C. (2010). Solutions offerings: A critical review and reconceptualization. *Journal of Service Management*. **21** (4), 441-459.
- Normann, R. (2000). *Service Management: Strategy and Leadership in Service Business*, 3<sup>rd</sup> edn. Chichester NY: Wiley & Sons.
- Normann, R. (2001). *Reframing Business: When the Map Changes the Landscape*. Chichester NY: Wiley & Sons.
- Ng, I.C.L., Maull, R. and Yip, N. (2009). Outcome-based contracts as a driver for systems thinking and service-dominant logic in service science: Evidence from the defence industry. *European Management Journal*. **27** (6), 377-387.
- Ng, I.C.L, Williams, J. and Neely, A. (2009). *Service Transformation and the New Landscape of Outcome-based Contracting: An Executive Briefing*. Advanced Institute of Management (AIM) Research Executive Briefing Series October 2009. London: AIM.
- Oliva, R. and Kallenberg, R. (2003). Managing the transition from products to services. *International Journal of Service Industry Management*. **14** (2), 160-172.
- Oliver, C. (1997). Sustainable Competitive Advantage: Combining Institutional and Resource-Based Views. *Strategic Management Journal*. **18** (October), 697-713.
- Pallant, J. (2006). *SPSS Survival Manual*, 2<sup>nd</sup> Edition. Open University Press.
- Payne, A.F., Starbacka, K. and Frow, P. (2008). Managing the Co-Creation of Value. *Journal of the Academy of Marketing Science*. **36** (1), 83-96.
- Penrose, E. T. (1959). *The Theory of Growth of the Firm*. New York: Wiley.
- Penttinen, E. and Palmer, J. (2007). Improving firm positioning through enhanced offerings and buyer–seller relationships. *Industrial Marketing Management*. **36** (5), 552-564.

- Peteraf, M.A. (1993). The Cornerstones of Competitive Advantage: A Resource-Based View. *Strategic Management Journal*. **14**, 179-191.
- Philips, F., Ochs, L. and Schrock, M. (1999). The Product is dead – long live the product-service!. *Research Technology Management*. **42** (4), 51-56.
- Pierre Audain Consultants. (2013). Situation and trends in Romania's IT services market.
- Porter, M.E. (1985). *Competitive Advantage: Creating and Sustaining Superior Performance*. New York: The Free Press.
- Prahalad, C. K. and Hamel, G. (1990). The Core Competence of the Corporation. *Harvard Business Review*. **68** (May-June), 79-91.
- Prahalad, C. K. (2004). “The Cocreation of Value,” in “Invited Commentaries on ‘Evolving to a New Dominant Logic for Marketing’”, *Journal of Marketing*. **68** (January), 23.
- Priem, R. L. and Butler, J. E. (2001) Is the resource-based “view” a useful perspective for strategic management research? *Academy of Management Review*. **26** (1), 22-40.
- Reed, R. and DeFillippi, R. (1990). Causal ambiguity, barrier to imitation, and sustainable competitive advantage. *Academy of Management Review*. **15**, 88-102.
- Remeny, D., Williams, B., Money, A. and Swartz, E. (1998). *Doing Research in Business And Management: An Introduction to process and Method*. London: Sage.
- Robson, C. (2002). *Real World Research* (2<sup>nd</sup> edn). Oxford: Blackwell.
- Rouse, M. and Daellenbach, U. (1999). Rethinking research methods for the resource-based perspective: isolating sources of sustainable competitive advantage. *Strategic Management Journal*. **20**, 487-494.
- Saunders, M., Lewis, P. and Thornhill, A. (2009). *Research Methods for Business Students* (5th edn). Harlow: FT Prentice Hall.
- Sawhney, M. (2006). Going beyond the product: Defining, designing, and delivering customer solutions. In Lusch, R. F. and Vargo, S. L. (ed.). *The service dominant logic of marketing: Dialog, debate, and directions*. Armonk, New York: M.E. Sharpe.
- Sawhney, M., Wolcott, R. C. and Arroniz, I. (2006). The 12 different ways for companies to innovate. *MIT Sloan Management Review*. **47** (3), 75-81.

- Sekaran, U. (2003). *Research Methods for Business – A Skill Building Approach* (4th edn). New York: John Wiley & Sons.
- Selznick, P. (1957). *Leadership in administration: A sociological interpretation*. Berkeley: University of California Press.
- Sharma, A. (2008). The Impact of the Product to Service Shift in Industrial Markets and the Evolution of the Sales Organization. *Industrial Marketing Management*. **37** (3): 260-269.
- Shepherd, C. and Ahmed, P. K. (2000). From product innovation to solution innovation: A new paradigm for competitive advantage. *European Journal of Innovation Management*. **3** (2), 100-106.
- Sheth, J. N. and Parvatiyar, A. (1995). The Evolution of Relationship Marketing. *International Business Review*. **4** (4), 397-418.
- Slater, S.F. (1997). Developing a Customer-Value Based Theory of the Firm. *Journal of the Academy of Marketing Science*. **25** (2), 162-167.
- Slywotzky, A. J. (1996). *Value Migration: How to Think Several Moves Ahead of the Competition*. Boston: Harvard Business School Press.
- Slywotzky, A. J. and Morrison, D. J. (1997). *The Profit Zone: How Strategic Business Design Will Lead You to Tomorrow's Profits*. New York: Times Business.
- Spencer, R. and Cova, B. (2012). Market solutions: Breaking free from dyad-centric logic and broadening the scope of S-D L. *Journal of Marketing Management*. **28** (13-14), 1571-1587.
- Spiller, T. and Zelner, B. (1997). Product Complementarities, Capabilities and Governance: A Dynamic Transaction Cost Perspective. *Industrial and Corporate Change*. **6** (3), 561-594.
- Storbacka, K. (2011). A solution business model: Capabilities and management practices for integrated solutions. *Industrial Marketing Management*. **40** (5), 699-711.
- Storbacka, K. and Nenonen, S. (2011). Scripting markets: From value propositions to market propositions. *Industrial Marketing Management*. **40** (2), 255-266.
- Storbacka, K. and Pennanen, R. (2014). *Solution Business: Building a Platform for Organic Growth (Management for Professionals)*, 2014 ed. Switzerland: Springer International Publishing.

- Stremersch, S., Wuyts, S. and Frambach, R.T. (2001). The purchasing of full-service contracts: An exploratory study within the industrial maintenance market. *Industrial Marketing Management*. **30** (1), 1-12.
- Tranfield, D., Denyer, D. and Smart, P. (2003). Towards a methodology for developing evidence-informed management knowledge by means of systematic review. *British Journal of Management*. **14** (3), 207-22.
- Teece, D.J., Pisano, G. and Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*. **10**, 509-533.
- Treacy, M. and Wiersema, F. (1993). Customer intimacy and other value disciplines. *Harvard Business Review*. January-February, 84-93.
- Tukker, A. (2004). Eight types of product-service system: Eight ways to sustainability? Experiences from SusProNet. *Business Strategy and the Environment*. **13** (4), 246-260.
- Tuli, K., Kohli, A. and Bharadwaj, S. (2007). Rethinking customer solutions: From product bundles to relational processes. *Journal of Marketing*. **71** (3), 1-17.
- Uлага, W. and Reinwartz, W.J. (2011). Hybrid offerings: How manufacturing firms combine goods and services successfully. *Journal of Marketing*. **75** (6), 5-23.
- Vandermerwe, S. and Rada, J. (1988). Servitization of business. *European Management Journal*. **6** (4), 314-324.
- Vandermerwe, S. (2000). How increasing value to customers improves business results. *MIT Sloan Management Review*. **42** (1), 27-37.
- Vargo, S. L. and Lusch, R. F. (2004a). Evolving to a New Dominant Logic of Marketing. *Journal of Marketing*. **68** (January), 1-17.
- Vargo, S.L. and Lusch, R.F. (2004b). The four service marketing myths: remnants of a good-based, manufacturing model. *Journal of Service Research*. **6** (4), 324-335.
- Vargo, S. L. and Lusch, R. F. (2006). *The service-dominant logic of marketing: Dialog, debate and directions*. Armonk NY: M. E. Sharpe.
- Vargo, S. L. and Lusch, R. F. (2008a). Service-dominant logic: continuing the evolution. *Journal of the Academy of Marketing Science*. **36** (1), 1-10.
- Vargo, S. L. and Lusch, R. F. (2008b). Why "service"? *Journal of the Academy of Marketing Science*. **36** (1), 25-38.



- Vargo, S. L. (2009). Toward a transcending conceptualization of relationship: A service-dominant logic perspective. *Journal of Business and Industrial Marketing*. **24** (5-6), 373-379.
- Vargo, S. L. and Lusch, R. F. (2009). *A service-dominant logic for marketing in VV. AA. (Eds): The Sage Handbook of Marketing Theory*. London: Sage.
- Vargo, S. L. and Lusch, R. F. (2011a). It's all B2B...and beyond: Toward a systems perspective of the market. *Industrial Marketing Management*. **40** (2), 181-187.
- Wernerfelt, B. (1984). A Resource-Based View of the Firm. *Strategic Management Journal*. **5**, 171-180.
- White, A. and Ponder, N. (2008). Using Service-Dominant Logic to achieve a Sustainable Competitive Advantage. *Society for Marketing Advances Proceedings*. 240
- Windahl, C. and Lakemond, N. (2006). Developing integrated solutions: The importance of relationships within the network. *Industrial Marketing Management*. **35**(7), 806-818.
- Wise, R. and Baumgartner, P. (1999). Go downstream – the new profit imperative in manufacturing. *Harvard Business Review*. **77** (5), 133-141.
- Woodruff, R. B. (1997). Customer value: The next source for competitive advantage. *Journal of the Academy of Marketing Science*. **25** (2), 139-153.
- [www.wikipedia.org](http://www.wikipedia.org)
- Yin, R. K. (1994). *Case Study Research: Design and Methods*, Thousand Oaks: SAGE Publications Inc.
- Yin, R. K. (2003). *Case study research: Design and methods*. 3<sup>rd</sup> ed. Thousand Oaks: Sage.
- Zeithaml, V. A. (1988). Consumer Perceptions of Price, Quality and Value: A Means –End Model and Synthesis of Evidence. *Journal of Marketing*. **52** (3), 2-22.
- Zikmund, W.G. (2000). *Business Research Methods* (6th edition). Fort Worth TX: Dryden Press.