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How Vested Outsourcing can develop IT Procurement RFP processes and results

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ABSTRACT

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The focus of this master's thesis is to study procurement of complex services through the standardised documents used in Request for Proposals. The thesis aims to answer the question on how utilising a Vested outsourcing approach can support the processes and results of procuring information technology

The research analyses the question from both the customers and vendors point of view, aiming to provide an understanding of where can positive results be achieved by using the Vested methodology. Due to the growing significance of digitalisation and procurement of information technology, it is important to understand how new approaches to strategic partnerships can add value to today's processes.

It is essential to evaluate critically are standardised Request for Proposal processes up to the task and can the best results be gained by utilising them. The research uses literature from a variety of sources and a case study to produce a comprehensive overview of strategic partnerships and of the Request for Proposal processes that lead to contractual relationships.

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Tämän tutkielman aiheena on selvittää monitahoisten palveluiden hankintaa tarjouspyyntökilpailutuksen kautta. Tutkielma pyrkii vastaamaan kysymykseen, kuinka Vested ulkoistaminen voi kehittää tietotekniikan hankkimisen tarjouspyyntö prosesseja ja tuloksia.

Se analysoi kysymystä niin yrityksen kuin tarjoajan näkökulmasta, pyrkien ymmärtämään missä on etuja saatavilla Vested metodologiaa hyödyntämällä ja mihin se ei parhaiten sovellu. Monitahoisten tietotekniikka palveluiden hankinnan kasvaessa, on erityisen tärkeää ymmärtää miten uudenlaiset lähestymiset strategisiin kumppanuuksiin voivat tuoda lisäarvoa prosesseihin.

Olennaista on tutkia kriittisesti ovatko standardisoidut tarjouspyyntödokumentit tehtäviensä tasalla ja saadaanko niitä hyödyntämällä paras lopputulos. Tutkimus hyödyntää kirjallista materiaalia ja tutkimusta kohdeyritykseen tuottaakseen kattavan kuvan strategisista kumppanuuksista ja niiden välisistä sopimukseen johtavista tarjouspyyntö prosesseista.

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In Helsinki,
Aug 8th, 2020 Niklas Sinkkonen

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List of abbreviations

RFP Request for Proposal
RFI Request for Information
RFQ Request for Quotation
RFT Request for Technology
IT Information Technology
JIT Just-In-Time
TCE Transaction Cost Theory
NPS Net Promoter Score
CSAT Customer Satisfaction
VCM Value Chain Model
SLA Service Level Agreement
CRM Customer Relationship Management
SRM Supplier Relationship Management
IP Intellectual Property
IPR Intellectual Property Rights
CX Customer Experience
UX User Experience

1. Introduction

In this introductory chapter the intention is to depict the key aspects of the research and how the analysis has been conducted. Thus, providing a solid ground for the rest of the study to continue the evaluation of how vested outsourcing can develop IT procurement RFP processes and results. In the following text the research will also provide an overview of how the service economy and its standardised tools are prepared for today's complex world of interconnected organisations and solutions.

Exchange of goods and services is as old as humankind. There has always been a certain tension between the seller and buyer which in one way or another aim towards reaching a mutually acceptable agreement. During the thousands of years of recorded history there has been attempts to develop a coordinated approach to managing buying and selling. The current form between business to business transactions is a very standardised process that aims to collect the most information available in the market and to produce the best outcome to the organisation by crunching the offering into an analysable form. The Request for Proposal (RFP) or Request for Information (RFI) process is formulated into a document that puts the providers onto a level playing field, analysing their strengths and weaknesses against the given parameters and weights.

The RFP process has been developed to help the customer simplify the process of buying, by gathering necessary information into a comparable document containing information of potential suppliers. In its essence the varying offering and constantly developing drivers for efficient transactions have set limitations to what procurement teams can handle. With the RFP tool, the completion of thousands of transactions has been possible in a way like never before (Barlow, 2016). The standardisation has proven especially efficient in bidding competitions between vendors that have a very similar offering. However, with more technologically sophisticated products the customer's needs and goals have not always been able to be simplified into an RFP as easily as initially intended (Vitasek, 2019).

To be able to best take advantage of the RFP tool, the buyer needs to have a sophisticated understanding of what the organisation is seeking, what are the

product capabilities and differentiators on the market and how to best represent the needs in a document format. Procurement is often in between the business unit within the organisation and the seller which means that the evaluation of capabilities and understanding of what is being bought needs to be on a detailed level in both organisations for them to be able to negotiate the best terms and benefits. On a commoditised business it is often easy, where the comparison of e.g. laundry detergents is a straight forward feature and functionality evaluation with possibly only a low impact on the company's bottom line (Kolman, 2016). However, when moving towards buying services and intangible assets, like technology or Intellectual Property (IP), the process is often far from simple. The adoption of RFP has however become a status quo largely due to legislative needs as well where the reasoning between selection of a vendor needs to be able to be transparent when competing in an international market with established competition regulation to companies across regions. Hence RFP has proven its usefulness in providing a backbone for the negotiation between vendor and purchaser to continue from.

RFP as a tool has already been in use for decades and it has shown a lack of flexibility to adapt in the increasingly complex modern world. To answer to this discrepancy new methodologies like Vested Outsourcing have risen to compliment the standardised quantitative approach of an RFP with Qualitative capabilities (Vitasek, 2019). Vested Outsourcing in itself provides a framework to build towards a more collaborative approach with vendors where sharing of success and failures is common. This is necessary for incentivising vendors to work towards the common goal instead of competing or aligning closer to key rivals. (Vitasek, Manrodt, Ledyard, 2018). As a methodology it helps to leverage and bring the supply chain members closer to the buying organisation itself, but when implemented, it incurs costs in time and resources that could be utilised elsewhere.

The founder of Vested Outsourcing Kate Vitasek herself admits that the approach is often best in the modern complex product offering environment, compared to commodities that can be procured with valid benefits through standardised RFP and RFI tools (Vitasek, Nyden, 2012). Hence, the procuring organisations understanding of its vendors and assets is critical. That insight can then be leveraged by the attractiveness of their customer ship in relation to their vendor to find beneficial

solutions to their needs. Most often an attractive customership receive added attention by the suppliers that can translate to free business services as pre-sales activities.

1.1 Literature Review

Vested Outsourcing is in its core a hybrid business model where in an outsourcing setting both the service provider and the customer focus on shared values and goals to create an arrangement that is mutually beneficial for both parties. (Vitasek et al 2010). Thus, the analysis of Vested needs to include materials from also a strategic partnership point of view in order to fully understand what differentiates its capabilities from a procurement process with a strategic partner. That in combined with a thorough understanding of modern RFP's and how Vested approaches them, can then help to see what are the potential benefits and drawback of utilizing the Vested methodology. Based on Vitasek definition, traditional peer to peer sourcing is based on confrontative win-lose narratives, whereas Vested aims for a truly successful win-win relationship between both parties. Traditional sourcing today is already well-defined from multiple different angles and information can be drawn from sources like Pemer, Werr, & Bianchi, (2014): "Purchasing professional services: A transaction cost view of the antecedents and consequences of purchasing formalization. *Industrial Marketing Management"* that describes the transaction costs of procurement and evaluates purchasing as a race against the vendor to reach the best possible outcome. Vested identifies this as a Win-lose state of mind which then is aimed to be improved upon. A clear distinction between the methodologies needs thus to be clarified before evaluating which are the factors that can develop procurement.

The incorporation of a shared-value mindset that aims for more than contractual collaboration in Vested strives towards the end-goal of each other's overall business success through innovation, adaptability and risk mitigation. These terminologies are defined openly and need to be quantified in this research as well as provided with suitable methods of measurement. Thus, literature like Linda Tuck Chapman's article from 2019 "Assessing Cultural Fit during the RFP Process – "No-Divorce"

Outsourcing" can be utilised to find out about the translation of qualitative factor into a Vested RFP weighted measurement. When having the right Vested measurements and notions, a development proposal for the RFP can be formulated.

In its core the Request for Proposal is a document that requests offers from potential vendors through a bidding process (Blake, Bly 2013). An RFP is often utilised when technical expertise, specialised capacity or product development is needed in a complex offering that requires collaboration to jointly create what is needed. The literature needed to understand the key concept of RFP thus needs to reflect its nature today as well as include the Vested point of view. An example of such research is Taylor, J. B. 1986: The Objective of Request-for-Proposal provides the key elements on how to create an RFP so that it provides a level playing field for all vendors. When understanding the RFP's from a traditional and quantitative aspect, then Vested's framework can be applied into potentially complementing the key capabilities of the process.

As defined by Taylor J, in 1986, at its core an RFP provides requirements for the goods or services to be acquired by the customer. On a more strategic lens, it aims to reflect the long-term goals of an organisation and procure those capabilities that are needed into creating or developing needed features. The differentiator to RFI (Request for information) and RFQ (Request for Quotation) is that an RFP asks for a proposal of project which based on a decision can be reached. RFQ is more encompassing than RFI that might only ask for additional information before making decisions whereas RFP and RFQ ask potentially also for quotation, pricing of a goods or service (Humboldt, 2004)

A well-defined RFP allows for the following:

1. Advising the vendor that an organisation is preparing to procure.
2. Defines the procurable good or service into a quantifiable form.
3. Informs that the process will be in a competitive setting.
4. Provides wide delivery to potential vendors.
5. Allows neutrality in evaluating suppliers.

6. Ensures vendor commitment to responses.

The six points made by Guerrieri, J. 1984. “How to Develop Effective RFPs.” are definitions that lay the framework for the research to be conducted. When combined with the understanding of Information technology and Kate Vitasek’s Vested Outsourcing, 2010, an analysis can be done on what the concepts can contribute to each other. Literature supports the distinction of the current processes today and the potential gains in combination of the key elements. Factored together conclusions can be then drawn on whether Vested Outsourcing is a model that can benefit RFP procurement of complex Information Technology services.

1.2 Research problem and objective

This thesis will focus on analysing how to develop procurement RFP methodology in a Vested Outsourcing setting. It will investigate the current approaches taken by case Energy utilities company and discuss the vendor approach on complex IT solutions, aiming to bring a wholistic understanding on whether the current status quo of utilising an RFP could be improved upon in certain settings. This thesis hopes to shed light on how standardised processes should not be considered as the only way of purchasing when dealing with differentiated products or services. Having an insight on the constantly growing numbers of IT purchases by public and private organisations and taking note that we digitalise our daily lives even more in the future, developing purchases will become even more critical. Also, in order to keep up the pace of transformation, the success of IT projects need to be flawless and any prevalent risks mitigated (Hallikas et al. 2005). Hence understanding the different ways of procuring IT services is and will be a key aspect in any supply chain managers' work.

The primary research questions investigated are:

1. What is Vested Outsourcing and how can it impact procurement
2. How are RFP’s utilised today?
3. What does case Energy utilities company do in their procurement?
4. How can Vested contribute to RFP procurement of e.g. complex IT services.

Secondary questions are:

1. How can Vested improve procurement overall
2. How can Vested mitigate risks in complex IT procurement

Together with the primary and secondary research questions also related minor questions arise on whether Request for Proposal (RFP) documents focus more on quantitative methods whereas with differentiated product offering like in IT services, does Vested Sourcing bring value? And can Vested be applied successfully to RFP procurement to complement its ability to analyse qualitative aspects or what are the potential tangible benefits that could be seen by developing procurement towards a Vested approach? These questions correlated to the primary and secondary questions and thus were not chosen as the key aspects to be analysed, but were important enough to be warranted a mention in this research. Throughout the study also answers are intended to be provided for these aspects of the topic.

1.3 Research methodology

The goal of the thesis is to understand usage of RFP's in procurement and see if Vested can develop those processes. It analyses aspects of both the purchaser and of the seller, as in discussing the views of IT companies. In the case example the energy utilities company describes how they operate with their suppliers and how they see their position within the supplier base. As the topic is considerably sizeable, the target is to first and foremost investigate procurement with Vested and add that understanding onto a segmented RFP document in use by an untitled company operating in private industry (Ideson, 2017). Combining insights from both aspects will facilitate an understanding of the topic and aid in answering to the research objectives.

Review of the relevant literature within this thesis analyses essential topics like Request for proposals, technology procurement, Vested Outsourcing, supplier management, risk mitigation and established procurement practises.

A case research survey was conducted with energy utilities company's representative in order to gain insights on todays' supplier management, risk mitigation, level of trust and openness in collaboration, to see whether the organisation was already engaged in Vested practises. The respondent of the survey operated as a procurement specialist within the company engaged in daily activities with its suppliers. Combining insights from the analysed survey to the analysed RFP gives an ability to answer the research questions, sub-questions and to test the side questions. The research approach, generated based on numerical data, charts that were analysed and used to demonstrate the outliers in the collected answer parameters.

The surveys' in Appendix 1 and Appendix 2 analysed 4 topics:

1. External Resource Management
    a. Leveraging value across the supply chain
    b. Redefining the boundaries of business
    c. Developing relational competence
    d. Managing at the right level
    e. The responsive supply chain
    f. Driving down purchase costs
    g. Bringing about change
    h. Measurement and baselining
2. Demand-related problems or small number of orders
3. Problems related to cost control or pricing
4. Problems in meeting delivery criteria (delivery times or quality)

All of the four topics have supplementary questions that enhance the collection of information in order to ensure a wholistic overview to the company's processes. A template of Appendix 1. questionnaire provided by Hallikas, Virolainen, Karvonen, Pulkkinen and Tuominen in their 2004 "Risk Management in Supplier Networks" was used for the analysis. Additionally, also the template to Appendix 2. questionnaire had been received from 1998, Jon Hughes et al "Transform your supply chain" and used to evaluate the partner engagement done by the organisation today. Both

questionnaires were filled in by energy utilities company's procurement specialist and provided insights primarily through the external resources segment where the Vested Sourcing questions were prioritised in e.g. developing relational competence, managing at the right level, measurements and baselining and leveraging value across supply chain. These topics were playing a key role in understanding whether the organisation was already engaging in certain Vested factors without classifying it as such, and if so, could they be taken further by incorporating more Vested elements to their supplier partnering.

The analysing of results is demonstrated in several of the following chapters as naturally occurring and mapped out on single view tables to provide a precise overview. Combined with the understanding gained from breaking down the RFP received from an untitled private organisation's ongoing IT Service procurement, instils trust in the following finding of the research.

1.4 Structure, scope and limitations of the study

This thesis analyses corporate procurement through the lens of its established practise of utilising RFP's and how a relatively new approach Vested could contribute. It will not dive deeper into separate procurement options, nor focus on how Vested could be used in other use cases to affect procurement not related to complex sourcing like Information Technology. The thesis illustrates only the practise of RFP utilisation and how it can be lacking in certain aspects that could potentially be complemented by incorporating aspects from Vested Sourcing.

The structure follows the steps of introduction to the research in chapter one, theoretical background to strategic partnerships and transaction cost-theory as the foundation that Vested methodology is built upon in chapter two, deeper dive into each individual core theme in chapter three, analysis of the theme's interaction together in chapter four, development of procurement in a Vested manner in chapter five and conclusions of the study in chapter six. The purpose is to provide a logical framework from the ground up first from background theory, to key themes, their interaction and development / conclusions in the end. By creating a layered

approach starting from theoretical history and moving towards the future of the new proposed models a red line can be drawn to lead the reader to understand the foundation that the study is built on.

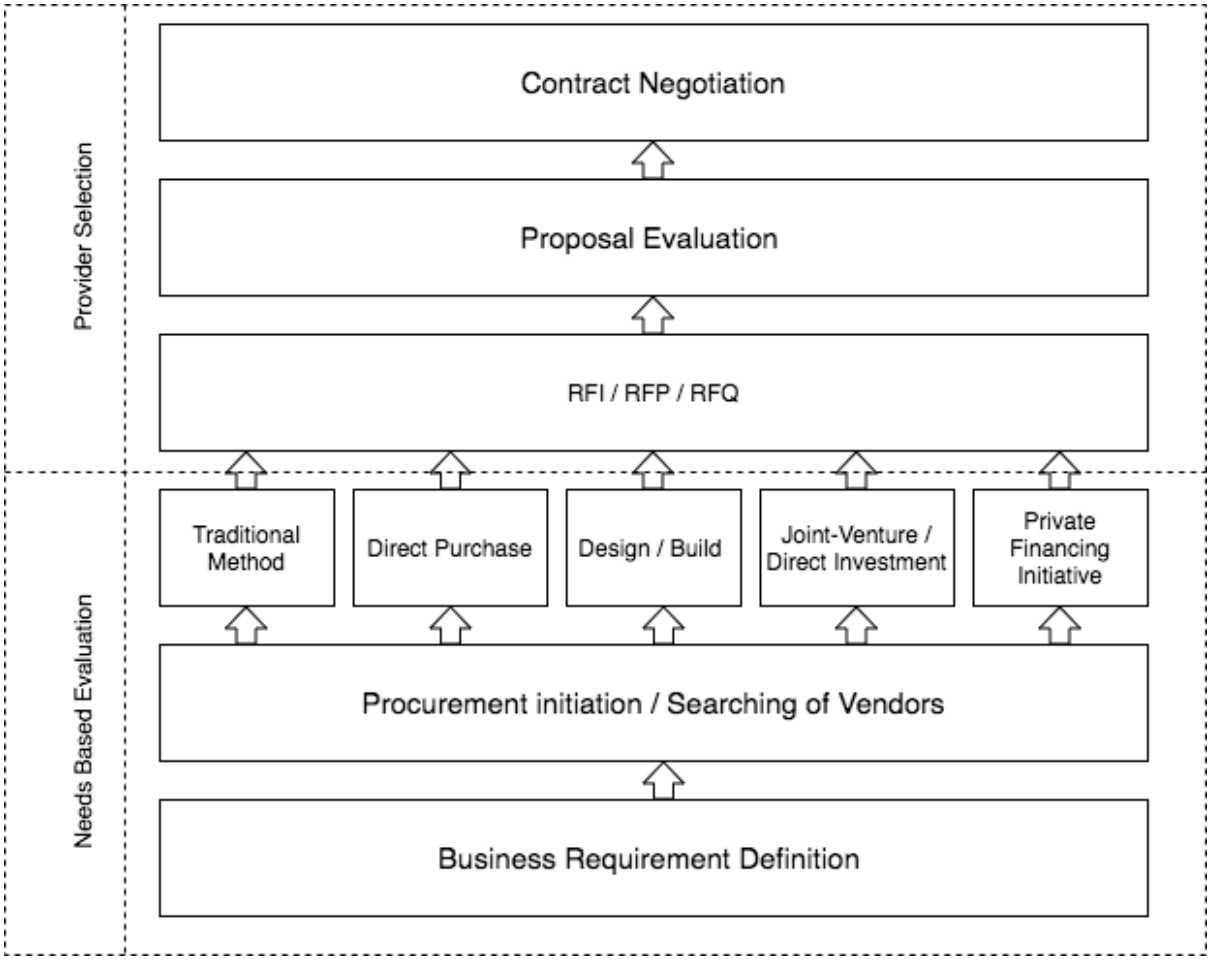


Table 1. Procurement Process (ITIL Procurement Process. Brannan, 2017)

As visualised in Table 1, the area of research will focus on the provider selection related specifically to RFP analysis of vendor capabilities. Primary focus will not be at needs based evaluation as those are more customer internal functions that initiate the procurement process. The main idea is to provide only a fair understanding of case energy utilities company's needs-based evaluation before analysing its impacts to RFP more thoroughly. The Surveys 1 and 2 are demonstrated as useful tools here to shed light behind the curtains. On Appendix 1 and 2 as an identificatory the name of the organisation was not used. Only the geographical location has been recorded of the survey responder.

Confidentiality related matters do not allow the revelation of the RFP company due to its recent evaluation process, but conclusions can be drawn from the content of the RFP that relate to IT procurement. The idea is to understand an IT RFP's strengths and weaknesses when procuring a complex service. Advantages are aimed to be drawn from answering the main research question for future procurement related RFP activities.

As there was only one case study on an energy utilities company, the findings cannot be expanded to all companies. However, the conclusions can apply to all companies utilising a similar approach to RFP's and should help to re-consider the strategy approaching procurement.

2. Theoretical Background

In this chapter the aim is to analyse the theories that work as the foundation of the Vested Methodology. The core strategies are Oliver E. Williamsons Transaction Cost Theory that investigates the set of rules that society is built upon and Strategic partnerships, from contractual co-operations to all the way to equity alliances.

The Hybrid Business Model of Vested has emerged as a methodology fairly recently initiating from 2010, based on the work of Kate Vitasek, Mike Ledyard and Karl Manrodt. However, the roots of Vested are far deeper in the basis of strategic partnerships. As a methodology Vested Outsourcing has due to its young age only a limited amount of literature compared to Strategic partnership models that are much older and richer in available materials. Hence, it is logical to include the foundation of Vested Outsourcing, strategic partnerships research, into the analysis of literature.

Strategic partnerships like Vested Outsourcing are rooted in the need to allow businesses with similar values to collaborate further in achieving their common goals. As a practise it contains the objective of securing supply chains, managing collaboration and providing mutually valuable pre-defined outcomes. When well implemented, it supports the utilisation of other methodologies like Just-In-Time (JIT) production that rely on a capable and sound supply chain in order to function. Stability also minimizes risks and provides the organisation a steady foundation to grow by developing their core competences (Wood, 2016). The key to the competitive advantage is releasing fixed resources and managerial time to be re-invested into new projects.

Strategic partnerships are traditionally very cost-heavy structures that formalise the collaboration into a certain segment in order to achieve larger market penetration, support in production or develop expertise. It is a signal to the market that certain companies are aiming for closer collaboration to drive mutual benefits. Historically it has often fallen short due to the other party's lack of commitment on the level originally intended (Grant, 2010). Hence, the new approaches like Vested Outsourcing, have developed that outline in more detail the key steps and strategies to achieve true mutual success. It is also noted in Kate Vitasek's approach that

achieving this state of Vested interests is a precarious target that needs to be constantly monitored and nurtured to keep the partnership alive.

As appropriately defined, Vested Outsourcing differs from strategic partnership by focusing on how a procuring organisation should seek for better aligned collaboration with selected suppliers that provide essential resources to e.g. mitigate risks in the value chain, secure innovation and improve service levels. When properly understood, Vested can be utilised as a methodology with chosen vendors to achieve better results in a more concise approach than with overall strategic partnerships that encompasses much more than Vested.

Transaction cost theory (TCE) provides a foundation to understand the relationship between the customer and supplier. The influences between each other on the made investments into means of production and how that leverage affects the relationship. The main notion of transaction cost theory dictates that the less barriers there are for transactions the better boost for economic growth it gives to the society. TCE can be viewed through its key elements search and information costs, bargaining and decision costs, policing and enforcement costs. In the case of procuring information technology the search cost is the cost of finding the potential technologies and determining the technology's suitability. The bargaining costs is the cost of reaching an agreement with the vendor. Whereas the policing and enforcements are the costs related to ensuring the technology functions as the supplier promised.

In relation to Vested, the transaction cost theory applies when evaluating the expenses of partnering with another organisation. What level of collaboration to utilise and how to share information. Vested methodology approaches it as a natural evolution of complex relationships which have a large impact on both organisations bottom line. Key suppliers and customer should partner in order to ensure the commitment to joint-targets and lower the costs defined in transaction cost theory to as low as possible. This will then boost the economic growth and innovation of both organisations. Oliver E. Williamson expanded the notion of transaction costs in his 1981 published "The economics of organization: the transaction cost approach" to also cover other transactions between partnering organisations like design of employee relations. Later expanded to cover also emotional relationships the

transaction cost theory is thus also considering the trust element of Vested on its behalf. Transaction Cost Theory's core determinants frequency, specificity, uncertainty, limited rationality and opportunistic behaviour are also strong influencers to when Vested is suitable to engaging in deeper partnering relationships.

2.1 Analysis of theory

Literature that focuses on both strategic partnerships and Vested Outsourcing will be analysed. The Strategic partnership lens will primarily provide insight on the relation of company strategical alignment needed in order to fulfil the Vested aspects. Thereafter, the focus will be more towards the Vested implementation and principles that guide the development of relationship in a RFP in a strategic procurement context (Jain, 2016).

Additional material will be reviewed to answer to the purpose of RFP in procurement and what makes the IT procurement as complex as it is claimed to be. This strives to answer the causality of why research is conducted to the topic and why it is relevant. In the RFP context legislative requirements are also viewed as they provide a mandatory framework that organisations have to conform into when conducting procurement even with strategic partners (Brown, Horrell, 1985).

2.2 Definition of Terminology and Metrics

At the evaluation of a partnership, it is critical to identify a concise terminology that supports an understanding of success. It needs to form the metrics that define development towards the chosen direction and help to exact corrective measures should there arise any problems. Quantitative measures of success are one thing, but as with Vested, a focus needs to be put into more qualitative aspects as well. These encompass the cultural development, distribution of power, level of communication and more softer aspects of integration between companies.

Vested Outsourcing helps to set up the parameters and define focus areas for closer collaboration, but the metrics are dependent on the industry and operations. For procurement they might however be on the quantitative sides such as on Net Promoter Score (NPS), number of errors in delivery, amounts of communication between organisations. On a qualitative side the questionnaire answers can be from employee's engagement satisfaction or customer satisfaction (CSAT) in the mutual collaboration.

In terminology, industry and economic theories are going to be utilised to demonstrate how Vested can support in their execution. Economic theories are going to include e.g. Agency-theory, resource-based view, economies of scale and on industry level production approaches like Just-in-Time (JIT) manufacturing and Lean methodology is going to be referenced. The notion with incorporating theory to the research is to illustrate how Vested interacts with already implemented operations within customer and partner organisations.

The research revolves around the three key concepts of Information technology that will be referred as IT, Vested Sourcing that will be Vested and RFP shortened from Request for Proposal. These key concepts will be evaluated against each other and the applicability to customer and supplier relationship. The supplier will be described as vendor, partner or third party depending on the context of the text. The primary function is to describe an external party to the customers functions that operates in the bidding process as a potential candidate for procuring the services from. The customer on the other hand will be described as an organisation, business or party initiating the tender depending on the context. The aim is to provide a wholistic overview of a supplier's transformation from a provider of bulk services to a trusted partner to the customer, hence impacting the terminology.

2.3 Governance of Vested Outsourcing

Vested is meant to be a highly collaborative approach that is based on high leadership involvement and well-defined method for sharing information. From an analytical aspect it brings forward a resources-based view by including external providers of resources to become essential parts of the businesses' value creation.

In order to succeed it also requires the businesses' management to be open for sharing a certain extent of internal information to external partners. That in its core on both Resource Based View and Vested means having a level of trust between organisations.

Vested partnership can also be managed through an Agency-theory lens that provides a back-bone for operating as the front for customer collaboration. Several importers of goods are already engaged in this, operating in a very open and Vested fashion with the producer of goods, whilst essentially being the local agents of those producers in destination countries. Sometimes with strategic products the Vested partnership might need to apply RFP procurement processes due to legislative requirements. From a governance side this often complicates the straightforward practises between very closely organised businesses. However, with well-defined structures and operation models on procurement, the impact on collaboration can be minimised.

3. Understanding the core themes

In this chapter the aim is to understand the key concepts related to the research, Vested Outsourcing, Information Technology and Request for Proposals. Through analysing the essential topics, it can then be drawn conclusions of how compatible are the different aspects of the themes with each other. The analyse will break down the theory, the different influencing rules, elements and mapped out factors driving the concept in relation to the industry and Vested.

As with any academic study in order to investigate a theme it is first important to understand and define the key topics that relate to the research. The core concepts within this study that act as the building blocks are Vested Outsourcing, Information Technology procurement and the Request for Proposals process. RFP's are almost an industry standard of procuring goods and services from vendors whereas Vested provides a less quantifiable strategic aspect to sourcing complex offering like Information Technology. In order to benefit from this study and draw logical conclusions, one must first understand the key themes and how they correlate to each other. There are several layers of applicability that are left out of this research in order to focus on the complex sourcing of Information Technology utilising the industry standard tool RFP and combining it with the Vested Methodology.

3.1. Vested Outsourcing

Vested outsourcing written by Kate Vitasek's defines a hybrid business model that emphasises the sharing of risks and returns with vendors making them more alike to partners than suppliers or competitors. The aim of the model is to direct efforts more towards key vendors that are chosen carefully based on the required services that impact the organisations production of high return goods the most. To achieve this a company can use ABC analysis, purchasing product portfolio analysis, supplier portfolio, transaction cost economics, resource-based view, resource dependence theory or game theory approaches to sort out the right supplier from the thousands of vendors.. The primary focus is to identify the most valuable vendor to the

organisation. The vendor can be more valuable if it has products that are hard to replace, essential to the organisation and contribute to a large share of company's bottom line. These "hard to replace" products shouldn't be tendered in the market amongst vendors with a price-oriented focus. Instead it should be viewed through a goal of close alignment and strategic long-term development based on Kate Vitasek's thoughts and notions. This applies especially to the technology sector, which contains lots of producers of unique products in manufacturing and offerings that are under Intellectual property rights (IPR) protection. In case the company's own standing with the vendor's customer portfolio analysis is amongst having a highly competitive positioning against other suppliers and attractiveness of the account, it means that both of the factors align in moving towards a closer collaboration. The Vested model emphasises that the partnership between these strategic vendors and customers requires of a lot of negotiation, development, invested time and sharing of risk. It does not make sense to invest organisational resources in developing a low yielding partnership with a vendor organisation that has landed in the customer's ABC analysis in the C-segment and owns no specific competitive advantage that the customer would like to secure.

3.1.1. Buyer and Seller Collaboration

When planning towards moving into a closer partnership, the customer organisation needs to understand its own capabilities and also its standing with the desired vendor base. The rule of thumb is that the more leverage the customer has due to size and value, the better the potential for strategic alignment with the vendor in collaborating e.g. with market-entry, development of goods and sharing of risk. The efforts can be built to be gradual in nature to phase in the risk on a step-by-step basis, but when reaching a certain stage, it has the potential of becoming a truly Vested model. A Vested-style partnership can extend outside of strategic products as well to cover more standard offering as described in Kate Vitasek's example with U.S Energy Department working with key suppliers that have the capability of doing toxic clean-up's in a secure and safe way, compared to more mundane providers that do the job but have not similar security certifications in place (Vitasek, Keith, 2012). The job itself is in no way strategic but due to high risk goods being worked

with the security aspect, it becomes more worthwhile effort for the customer to focus on. Hence the allocation of resources has been justified to build a Vested model where the Energy Department trains and supports the supplier employees and gains lower costs in procurement of services (Vitasek, Manrod, Kling, 2012).

3.1.2. Vested Strategy and Economic Theory

Vested Strategy is based on the movement from a transaction-based approach towards an Outcome based approach. The transaction cost economics pioneered by Oliver Williamson to describe the ongoing evaluation of when to bring production to in-house. The core of the economic theory is an analysis if manufacturing is cheaper and more efficient internally compared to sourcing the services from external partners that do not have a significant technological or added value to the process. Should the vendor process be easily replicable the customer organisation should consider, if economically viable, to make those capabilities internal instead of external. From transaction-based approach the following economic model is output based (Performance-based / Managed services) that focuses a lot like Vested to equitable partnerships, joint-ventures and shared services. It doesn't go as far as Vested on the Economic and collaborative model but has the same elements in place but with strict performance monitoring compared to Vested more qualitative long-term approach. Output based is more supplier output oriented than Vested that concentrates on business outcomes that are economics tied to boundary spanning.

Vested Outsourcing strategy emphasises the achieving of "Getting to We" model that has five distinct steps:

1. Get Ready for getting to We
2. Jointly agree on the shared vision for the relationship
3. Collaboratively negotiate the guiding principles for the relationship
4. Negotiate as We
5. Live as We

The logic behind achieving a truly collaborative we approach is the same as with Aristotle's saying "The whole is greater than the sum of its parts", making two aligned organisations combined production and innovation capabilities better than each on its own (Cohen, 2019). It also completes the strategy of companies focusing on their core competences as well as taking in inputs from the outside to complete their understanding of the market and supply factors. Hence Vested strategy is best to operate with vendors that are key for the success of the organisation and can bring true competitive advantage in some way. If its influence on the competitiveness of the organisation is low, the Vested approach should not be considered due to its time and resources intensiveness.

3.1.3. Ten Elements to a Vested partnership

Vested partnership is formed from the comparison of adversial relationships against collaborative relationships. In its core it is about understanding the customers and vendors positions on the market and following the development of their relationship. When deemed necessary, the leveraging model of adversial challenging can be turned into collaborative. This entails elements like transactional history and search for supplier for "life" partnership. Often the switching is the last option and quite costly due to the invested time and resources.

When the decision to change from adversial to collaborative business model is made, time needs to be put into people development, multiple interactions, mutual respect, building for the future and seeking for group gains that aim for a long-term fruitful relationship. This also means the reallocation of power from the top echelons to more direct one-to-one discussion chains between people horizontally aligned between organisations (Vitasek, Manrodt, Kelly, 2003). The current culture of the organisation needs to be considered also when applying these changes. All change does not happen easily and thus also when re-adjusting the key contact persons for certain procurement projects, the current people involved might feel left out, and oppose any changes on the basis of it not involving their knowledge. Vested partnership thus requires a lot of premeditated management that has a firm grasp on the structural plan of how to approach the alignment project with the partner and

what are they key priorities and people that must be kept in the information loop (Vitasek, Manrodt, 2012). In other words, this is part of the scope and project plan that should be made for a project as large as entering into a strategic partnership with another external organisation.

Vested in its core gives innovation and better methodology of performing certain activities than traditionally has been formulated within an adversial approach with the vendor. More than often movement of goods has only been a one-way stream based on the Value Chain Model (VCM). Whereas with Vested the flow of information an resources happens both ways across the VCM. A large part of how it succeeds in it is incentivisation. A operator, either vendor or customer, needs to also provide monetary gains in order to motivate the partner organisations workers to engage in sharing of information, common innovation or joint-risk management. (Vitasek, Stevens, Kawamoto, 2012). For example, if an employee receives 1000 US dollars on every improvement point found the, that might be critical to a defence industry customer or military contractor that aims to mitigate the risks in processing sensitive materials and data. These practises are meant to enhance the relationship and to build it to be truly a win – win case for both parties (Yan, Dooley, Choi, 2018). The leveraging of the opponent is not preferred even though the customer might have size and attractivity within the field, due to importance given on innovation, unlike in transaction cost theory and Game Theory. If leveraging is used, the innovation and incentivisation will be neglected for doing anything else than providing the core bare essentials of what the customer asks. This means benefits in cost for the customer but on the long-term perspective potential losses on efficiency and innovation gains. Hence a company planning to engage in Vested sourcing needs to also have a priority list outside of simple monetary gains and aim to incentivise the partner to innovate and provide long-term gains that will translate into the competitive advantages of both firms.

Vested Outsourcing requires by itself the investment on people that manage the relationships, long-term strategic plan for both organisations, an understanding of both customer's and vendor's strategic positioning to one another in the purchasing portfolio and supplier portfolio, and monetary resources allocated to seeing the long-term plans come to fruition. Kate Vitasek has offered in the refined Five Rules that

will transform outsourcing approach when reaching measurable outcomes with incentivised pricing models that reward on activity not Service Level Agreements (SLA's) (Vitasek, Moore, Keith, 2011).

The following aspects are mapped out in the Kate Vitasek's approach in order to reach a Vested Agreement that takes the relationship from a purely theoretical exercise of joint co-operation and good-will to the practical level.:

Rule 1: Outcome-Based vs. Transactional-Based Business Model
Element 1: Business Model
Element 2: Shared Vision Statement and Statement of Intent
Rule 2: Focus on the What, not the How
Element 3: Statement of objectives/workload allocation
Rule 3: Clearly Defined and Measurable Desired Outcomes
Element 4: Performance Metrics and Desired Outcomes
Element 5: Performance Management
Rule 4: Pricing model incentives are optimized for Cost/Service tradeoffs
Element 6 Pricing Model (Margin Matching / Incentives Framework
Rule 5: Insights vs. Oversight Governance Structure
Element 7: Relationship Management Framework
Element 8: Transformation Management
Element 9: Exit Management Plan
Element 10: Special Concerns and External Requirements

Table 2: 10 Elements of a Vested Agreement (Vitasek, 2020)

The key aspects to consider are especially the suitability of the partnering organisation to the culture of the customer. By ensuring the agreement is framed based on the ten elements and five Rules, it is also easier for both parties to manage that relationship, its special concerns and how to exit from it should it be needed. To a risk management perspective having mapped out the different scenarios already in the forming of partnership phase, it is easier to withdraw with acceptable losses from that relationship, should it be deemed necessary (Hallikas et al, 2001). Hence Vested has the ability to create a framework for the organisations to adopt and operate in with complete transparency, allowing also trust to grow based on common rules and regulations (Brady, 2012).

3.2. Information Technology and Vested

Vested Outsourcing outlines that its benefits are beyond any specific industry or field of work, and can provide advantages to all sectors. There are however more valuable fields that are defined by the scarcity of their products and more clear uniqueness of their offering (Rezaei, Lajimi, 2019). This translates to an estimation that the more unique the product is, the more risk there is for supply and the closer the alignment with the vendor should be considered if the impact to the organisations bottom line is considerable (Montgomery, Ogden, Boehmke, 2018)

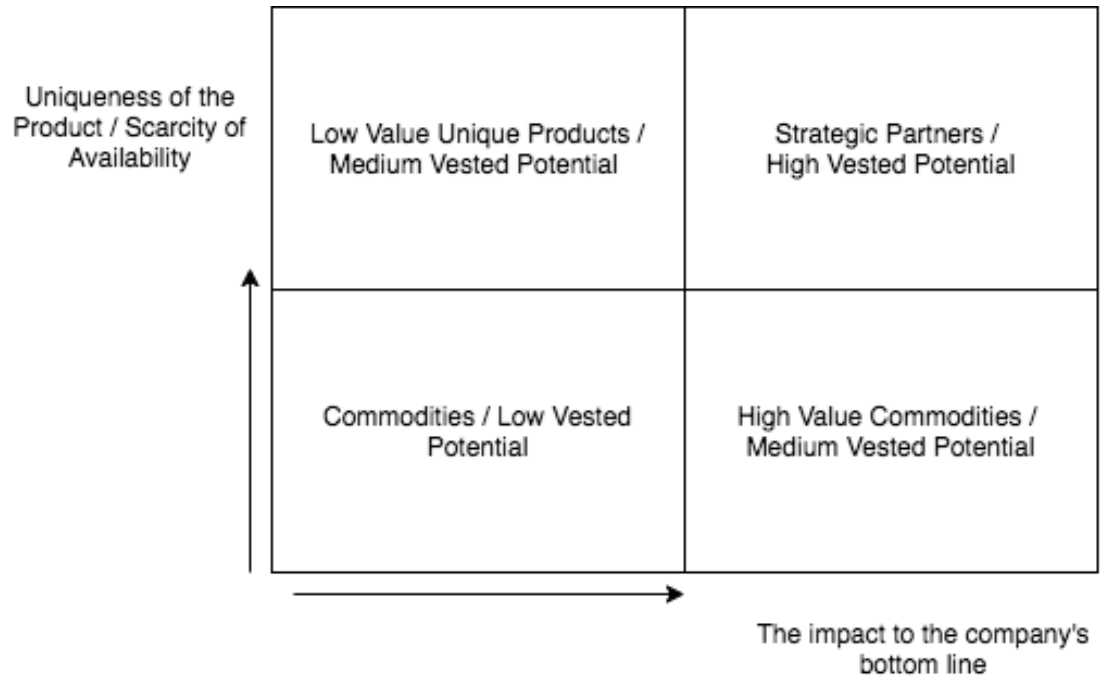


Table 3. (Purchasing Portfolio Matrix, Peter Kraljic, 1983)

The potential for Vested is key especially in the companies that have specific products with large impacts on bottom line as demonstrated in the table 3 above. The most common examples of this are knowledge industry capabilities like coders, lawyers and technology that are hard to copy or to replace once inserted into the organisation. Matters can often be classified under the intellectual property (IP) that are significant for a business.

When investigated through the lens of technology industry the right tools for employees or customers might differentiate from competitors. Hence the benefits a technology provider can supply is significant and often unique in its way of fixing the customer problem. Technology has often been described as a tool, and as any tool the worth of a hammer is only dependent on the skill of its implementing labourer (Probst, Buhl, 2012). Hence the people part of the famous equation becomes even more important when considering the benefits of utilising highly specified tools.

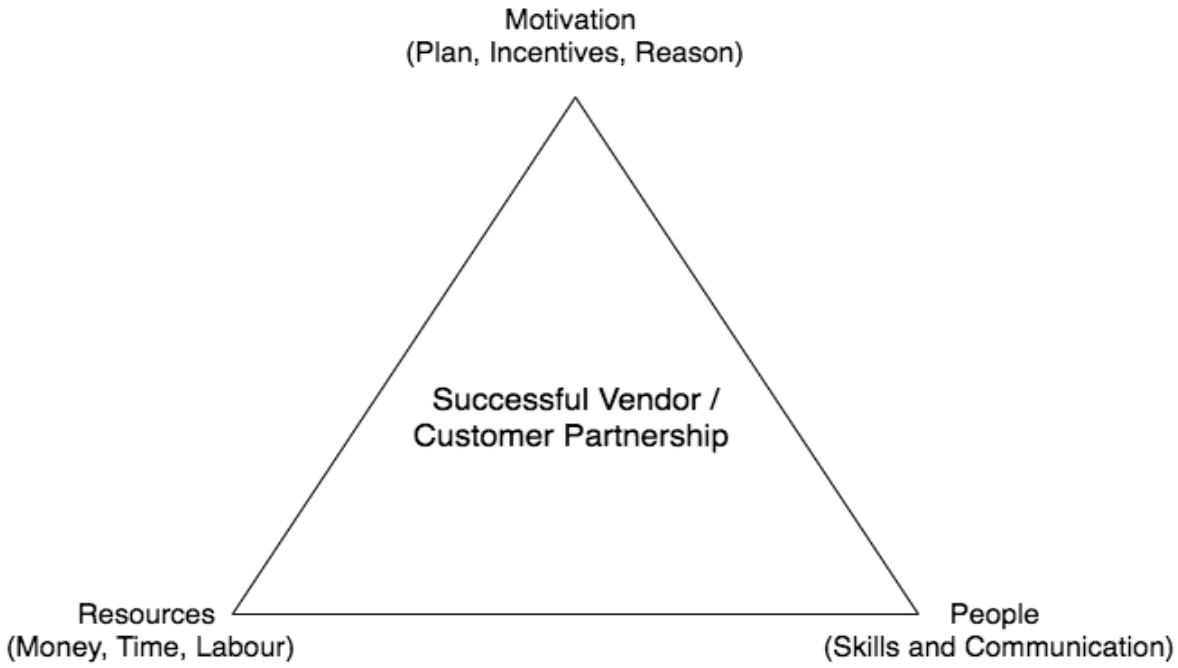


Table 4. Requirements for successful partnerships (Ambler, 2006)

With Vested the success comes from three factors: Motivation, People and Resources. All are needed to make the partnership into reality. With other more pressing priorities and a lack of will, matters won't progress. Nor do they progress without the right talent to implement the vendor alignment and without resources like time, the project team cannot invest efforts into the alignment sessions to succeed.

Vested is already applied by IT giants like Microsoft, Intel and H&P to manage certain parts of their sourcing (Vitasek, Manrodt, Krishna, 2012). Vested has proven itself especially lucrative in the project delivery collaboration where for Microsoft the value chain is formulated of upstream coders both in-house and external, and downstream partners that do the technology implementation, the collaboration across these lines all the way to the coding with certain key partners that work with very specified technology customers the requirements that would not have been otherwise possible have been implemented as a custom-made solution into the customers portfolio (Vitasek, Manrodt, Krishna, 2012). For other technology giants the benefits have as well been translated into concrete actions by receiving feedback from downstream partners that interact with the customer on a day-to-day basis and can see the up and down sides of the product utilisation, being translated into innovation by adjusting and later incorporating those feedback notions into the new

product offering. For a large number of corporations this means strategic partnerships to co-develop products as well with the customer instead of strictly outsourcing the implementation to a third-party vendor.

Information technology in itself is one of the largest industries globally with a constantly increasing significance. According to the United States research on Information Technology's (IT) impact on its gross domestic product, the current domestic IT service industry accounts for 1.8 trillion of U.S GDP and there are over 525,000 technology companies that account for 40% of the global 5 trillion dollars IT market (CompTIA, 2019). The improvements that can be made in it can thus have a large impact on the overall performance of organisation. The competitive landscape is also formulated across a diversified offering amongst only a few selected companies. E.g. with Enterprise CRM products the companies are most commonly Salesforce.com, Microsoft Dynamics 365, SAP CX Suite or Oracle. These four companies dominate more than two thirds of the global CRM market. Therefore making the alignment with key players is relevant should the attractiveness of the customer account be significant enough to deem a more strategic approach. With global consulting firms like Accenture, Deloitte, Boston Consulting Group and others the in-house capabilities are large enough to warrant a strategic alignment. Especially since the customer reference of these organisations and though-leadership position will reflect to the larger customer base in the future as well. Organisations weight these benefits when planning for strategic joint-ventures like Vested due to the impact an external uncontrollable organisation might have on their revenue generation ability. The loss of control in other means and a more joint-effort is a modern approach to a traditional problem of controlling the up- and downstream providers. With the rise of core-competence focused ideology that emphasises an organisations capacity to manage different business ventures to be limited the thought is to build business networks of many organisations which have core competence focused notions. This would thus avoid the risk of owning and competing with an organisation on a differentiated market, but also incur mitigated risks and benefits with lower control. The most important factor for an organisation by the end-of-the-day is their stomach to handle risk.

3.2.1 Industry approach to Partnerships

For the modern IT industry that lives of subscription and consumption business models, the constant selling of their solutions is important. In order to generate new revenues and to defend their existing user base, it is necessary to constantly demonstrate the value of their goods to the customer. To reach this goal of more sales, aka customer retention and acquisition in other words, the IT industry organisations are often willing to go far to secure the successful value realisation of their product (Johnson, 2019). The common problem though according to late research is that a significant portion of IT projects fail or become overdue from the original plan, stretching costs and resources. This is often an Achilles heel for the industry that lives from fast-paced revenue acquisition and retention. IT companies have adopted novel ways of supporting the customers projects due to the failures of implementation that as an industry standard is done mostly by third-party vendors.

The project delivery portfolio including closer collaboration with customers is often a preferred methodology sharing risks and successes. The modus operandum is hence a closely aligned process with Vested Outsourcing. The incentive for the technology provider is to ensure future revenues and upsell possibilities, whereas for the customer its the return on investment realisation. This partnership is often though very informal and is not considered in the official materials like Request for Information and Request for Proposal documentation sent to the vendor when starting the procurement process. An RFP in general asks already for very detailed information of technology capabilities and project delivery but more often focuses on features and metrics instead of customer experience. A common conception is that an organisation gets those results that it measures, and leaves everything else out (Vitasek, Manrodt, Ledyard, 2018).

3.2.2. Sales methodology

Practise with complex technology sales is generally described as consultative sales, where understanding the customers pain points, desired goals and obstacles along the road to success is key. Deals are by nature large and require certain

investments in time, resources and commitment. The commitment to starting with a new technology means that the employees will be taught the usage of the tools and thus build a mental partnership towards a joint future. That is of course, a big investment to teach new methodologies and learn the new practises that are trusted to bring new results in either efficiency, transparencies, synergies or in cost savings. In order to realise the promises, the technology sales need to fully understand the customers situation and their desired state. Thus, different practises like joint-planning sessions organised through interviews of customer personnel, management and partners to align their goals and approaches with each other is required. This is the core of consultative sales which through discussions and understanding bring development points that are then combined into available technology. Technology in itself can be bent more often to meet the needs of the situation but without thorough understanding of what is the desired state of the buyer, the risk for misalignment and missteps is great (Malek, Sarin, Jaworski, 2018).

To acquire this understanding sales teams across technology organisations have adopted practises like challenger sales, command of the sale, conceptual sales, consultative sales, customer-centric sales, solution selling and value selling to name a few (Matthews, 2018). All approach the same issue from different angles. It is the sales team's responsibility to combine the customers issue with their technological solution based on the assumption that the customer knows best what they and to match it with their offering. In challenger sales instead, it is expected that the customer doesn't know best what they want and hence it is the sales team's task to challenge the status quo to increase the deal size and better match the expected issue to the solution provided. Challenger sales creates much more tension between the customer and the sales team but is expected to deepen the relationship compared to a simple problem – answer approach that solution sales provide (Johnson, 2019).

When dealing with complex sales and large deals the resources are often broader as well. This means that organising around sales teams is a natural approach as well. Sales teams have a natural alignment around a project and a so-called account owner who is ultimately responsible about the results. The project's support team includes solution engineers (technical assistants), product specialist and leadership

stakeholders that operate as executive sponsors. Based on the need and current situation the account owner can pull in required resources to meet the customer stakeholders that are participating in the project. With complex projects often varying number of experts are also brought in from the customer side as well which means that they have to be met on a one-to-one level with respective sales teams' representative that speaks the same language of technology, leadership or project owner expertise (Matthews, 2018). This ensures the best outcome as possible when people's concerns and worries are responded to by the whole team spreading out to the customer, but also operating as one unified team.

3.2.3. Creating Vested partnerships to technology procurement

Purchasing new technology is complex due to its nature and can result in either great benefits or loss of time and resources. Vested as a methodology is an approach that aims to deepen the existing connections with strategic partners and thus bring benefits in alignment, transparencies and cost reductions. It requires openness, commitment and sharing of information that is also key to successful IT projects. Due to the similarities and mutual benefits it makes sense in strategic IT purchases to use the Vested methodology when the benefits or risk to the organisation are great enough. Technology in itself is often under Intellectual property protection and is not a commodity which means that there is only a small selection of providers with the capabilities that match the customer's needs. To achieve the best results from the procurement, certain amount of openness is required. That openness about numbers, processes and the desired state can be deepened with chosen technology provider to a Vested partnership should the strategy provide a clear path forward on the benefits a joint-venture might entail. The embarkment into a Vested relationship will require the commitment of both organisations leadership in order to make it successful, as well as understanding of both organisations' strengths and mutual willingness to develop the relationship based on seen advantages. The go faith or so-called "bona fide" that needs to exist dictates the relationship building to start from one to one relationships across the organisation. Without strategic benefits the relationships and time investment will quickly sour and the results from technology sale will not fully mature into fruition.

Technology projects after all are often taking years to complete which means that a provider will need to be hands on along the way. Vested helps committing the organisation to its vendor by strategically aligning interests and painting a picture of a joint future. Constantly developing technology is often fully understood only by its provider which means that to fully materialise its promises, the one who created it is good to be as involved as possible with the customer project.

3.2.4. A technology providers Point of View

The world's largest technology providers are SAP, Microsoft, Oracle, Salesforce, IBM, HP and Symantec (PwC, 2014). They have grown rapidly thanks to their unique approaches to global problems related to automation, digitalisation and manufacturing challenges. Their rapid growth is a testament of the modern times and of new methodologies of value creation. The rapid growth would not have happened without an extensive sales effort to bring the value of new technologies to the customers. The approach varies like with other companies based on customers lucrativeness and joint potential for value creation. Strategic partnerships are created often with large complex customers whereas smaller ones end up with out-of-the-shelf products that are easy to implement and require minimal maintenance (Bradshaw, 2018).

To understand the technology providers point of view, an analysis was done on Salesforce.com based on their publicly available material. The objective was to get insights on the approaches taken and how suitable Vested Sourcing is to a Sales organisations point of view. The topics were categorised into three sections.

1. How do Sales look like in an IT organisation?
2. Do strategic partnerships add value to selling of Information Technology?
3. How does Salesforce co-operate with partners today?

The articles analysed allowed for conclusions to be drawn of how a large IT organisation approaches complex solution selling and what are the preferred operating models with customers. The understanding gained from Salesforce provided insights that the company in its core is a front-office solution provider that

approaches customers in a segmented manner, building strategic alliances with key customers. Vested Sourcing is a foreign concept for the company but utilised more unknowingly through strategic partnerships. The key development points were especially the openness of customers and gaining the deeper understanding on how to justify spending time with customers in order to sell more through provided value (Vitasek, Manrodt, Kling, 2012). Customers also had several vendors with similar hopes so the positioning of Salesforce's offering was key in order to gain access to customer time on a saturated market place (Nigel, Piercy, Lane, 2012). The uneven knowledge of customer activities and invested time influenced the success of customer IT implementation and future prospects of the customership greatly. Vested outsourcing in itself sounded like a great idea to Salesforce as they strived to understand the customer situation better and were willing to invest into the mutually beneficial results. However, there was worry on how time will be allocated and that it will yield in significant gains. Based on the data collected, Vested was from a vendor as well as IT provider point of view as an "leap of faith", that it will materialise in concrete benefits should both commit to it properly.

On the first question "how do sales look like in an IT organisation". The answer was described as multi-faceted. There are different strategies for enterprises as well as small businesses. The combination of marketing, telesales driving activities and strategic alignment all together create a unique experience where sales are seen as a service by the organisation and not as a mandatory action to make more customers (Benioff, 2009). The mentality in the organisation is to go after the end-users of the products instead of only the leaders and executives, as even though they are not the ones siting on the money, they are those who would be using it. So as an organisation Salesforce is quite well living up to the Vested ideal of engaging stakeholders across the organisation that are involved with the utilisation of the goods and services.

To the second question, "Do strategic partnerships add value to selling of Information Technology?" the approach of Salesforce believes in strategic partnerships as any organisation, but is very careful to which businesses they align themselves with. An article from 2017 by Virginia Backaitis "Salesforce and Google partnership takes aim at Microsoft and Adobe" describes the ecosystem battle where

the organisations strategic partners team together to create added value to their customers around their joint-offering. This alignment with partners that have mutually beneficial resources then filters to the aid of selling value to customers. The alignment of provider to customer is naturally something quite interesting, but also a selective process with organisations. Due to the intensity of resources needed the choice of businesses to align with are those with the most lucrative accounts and most potential in the common co-operation. In other words, laying in the top-right quadrant of the supplier portfolio matrix aka core accounts that are favourite clients to be defended vigorously by giving high service and fast response times. In short for Salesforce the move to strategic partnerships both on their alignment in the market as well as with customers is seen as a tremendous value driver. This also correlates quite well with Vested and leads to seeking partnerships that are selected carefully to provide the best service and build a trusted relationship with. By doing so the true value of the organisations joint-offering can be unlocked.

Material was collected for the third question “How does Salesforce co-operate with partners today?”. The approach taken by the organisation as large as Salesforce provided a few different aspects. The selling methodology within the organisation has been about being a “trusted advisor” to companies, whilst providing them with the required technologies. This varied all the way from providing services for free to non-profit organisations to building joint go-to-market strategies. The most common partnering option available is to join a customer community of trailblazers that share insights with each other and have company experts supporting them by answering key posts at the community website. The second is option is to join a success group of industry peers to discuss salesforce implementations and have company representatives join them. That is a method for the IT organisation to provide scaled up support to customers without assigning individual success managers to all different organisations. The first two options are designed to businesses that want to have some level of support and partnership but are not willing to go to the full extent of it, which would naturally incur costs and strains on stakeholder’s time. As the third option which is designed to enterprise level strategic customers, the company offers partnering up on an individual level. Unique tailored solutions that are based on the customisation done by program architects, premier support teams and the account relationship managers. Should the account be lucrative enough the account team

has a wide array of technical and professional resources available that can be drawn upon to aid in the customers success, as long as there is seen potential for growing the relationship also monetarily. The approach options for the company are well diversified but in option three the company is striving towards mutual success, but also expects financial returns on the investment made like in Vested (Piercy, Lane, 2012).

3.3. RFP Process in Procurement

Procurement means in the concept of this thesis a process of acquiring goods or services to reach a certain desired state. Procurement, or in other words purchasing of goods and services, has developed into a whole new science that has methodologies, approaches and best practises in order to secure supply, lower costs and bring concrete benefits in innovation to the organisation. Approaches vary and are adjusted according depending on the customer base and on how strategic a certain good or service is deemed. The core of procurement has a lot to do with optimisation of supply and spent time in order to yield the best possible results by the smallest usage of resources. As a process it does not yield a definitive answer and the work is never truly finished. It is continuous improvement at its best, where work is put into development of key areas that yield the largest impact to company's bottom line or efficiencies. When one segment is finished another opportunity to improve opens up based on the changing times, supply or development of technologies making old approaches obsolete. In practise this means the procurement employees must be constantly aware of developing trends and align well with the internal organisations goals to reach the best results possible. A procurement specialist has great responsibility and significant opportunities to impact company's development in their position.

As time has progressed so have also the approaches to procurement. Regardless whether the procurement form is RFI (Request for Information, RFP (Request for Proposal) or RFT (Request for Technology), the approach has been primaly the same: moving from personal relationships towards a more standardised solution, and analysing a potential vendor offering against rivals offering in the same field to

answer a certain need within the organisation. The standardised approach is partially due to legislative requirements of modern societies that emphasize transparencies, speed of conducting business and fairness of competition. Due to the requirements of fairness and transparency the methodology of conducting purchasing also needs to provide a level playing field for the vendors, where differentiation happens through the qualities of their products instead of personal relationships or company reputation. The Request for Proposal method responds to this by breaking down evaluated offering into its components that are the weighted on an emphasis scale that form final points of usually 0-100 for certain providers solution. That overall rank is then evaluated against the scoring of other significant providers within the field to given advisory results on which solution to choose. The strictness of RFP results is often correlating with the regulatory interests of the evaluating organisation. The organization must decide whether they engage in the private sector with minimal restrictions and on which vendor to choose or whether they engage in the public sector where common funds are used and thus also requirements for transparencies are higher. The RFP can be based on the organisation either be a binding tool for which decisions are made transparently based on the highest overall score or an advisory methodology to give insight on how the companies compare against each other's on a level playing field, before leveraging that in negotiations further with chosen vendor/s.

The RFP tool was developed in the 1970's and afterwards adjusted to each organisations' needs. However, it was initially designed for large scale procurement where complex offering needed to be understood thoroughly in large scale projects. As a tool it was not initially meant for all procurement as day to day purchasing of small volumes of less important goods as their procurements should not be spent as much time on as an RFP process requires. Since then, as technology has progressed and templates of different RFP structures have become readily available, also the "commoditisation" of the tool as a general go-to-solution with broad scale procurement has become a modus operandum. The online procurement portals that today run the organisations' vendor offer management are a gear towards handling significant volumes of RFP's simultaneously, doing the ranking and overall score calculations without much interference from human counterpart (Hannon, 2006). However, plenty of time is still required to go through all of the details when

evaluating the score, before making a final decision on which offering has the best viability of becoming the go-to-vendor of and organisation. An organisation that for example offers the cheapest price with significant volumes might not have a solution that can be relied on as much as a global organisation with slightly larger price but a secure supply chain that provides a steady stream of goods. Hence the ultimate consideration comes down to human elements where historical evidence on performance, company reputation and perceived value for future partnership also comes into effect to complement the score received from the RFP.

Digital Customer Service Solution Request for Proposal (RFP) / Voice Channel requirements - This document contains list of Company's functional and non-functional requirements split into varios worksheets according to functional area - Requirement Areas: 1) Self-service, 2) E-channels, 3) Voice, 4) Routing, 5) Analytics and 6) CX and Agent UIs - Please provide Your responses to columns E, F and G for all questions presented on all worksheets below									
ID	Requirement Title	Requirement Description	Currently available with X-Solution	This is used by SF Omnichannel / Service cloud	Priority: 1-Must 2-Should 3-Could	Company's internal comments	Provider response: Yes / Partial / No (see comment)	Provider response: Product name (see comment)	Provider response: Additional information (see comment)
Extension calls (personal calls)									
3.0	Note!	"Phone device" term in requirements below means both softphone and desk phone unless otherwise stated			N/A				
3.1	Extension calls	The system provides direct calls to CC Agents (calls to user's extension number) That is starting with 010 and has possibility to have service cost.			1-Must				
3.2	⚠ call handling functions	Answer, hang up, mute /unmute, hold /retrieve, transfer (blind and consultative), consult, adjust voice levels, call duration, customer call history view, manual wrap-up time and pause code selections.			1-Must				
3.3	Personal queue	Users can have personal extension queue in case their extension is busy and another call arrives to user extension number			1-Must				
3.4	Call forking feature	Extension call alerts simultaneously in user desk /softphone and e.g. at mobile phone (or some else user defined number). User can answer incoming call from either device.			1-Must				
3.5	Multiple phone device support	Users need to be able to handle personal and service (queue) calls from various devices: softphone, desk phone or mobile phone.			1-Must				
3.6	Directory or phonebook information	The systems support shared and personal directories. For example, customer and partner directory information can be shared (all or group of users can view shared directory data) and user can create his own directories (only user can see personal directory data).			1-Must				
3.7	Directory or phonebook searches	Users can search and view directory data according to given rights. Search criteria include e.g. person name, extension or mobile			1-Must				

Table 5. RFP in procuring Service Desk Voice Solution

As seen in the table 6, when procuring new IT solutions that will replace old ones, it is important to define the capabilities available currently in order to demonstrate the improvements that are offered. Hence providing an insight of what is being developed with this new offering compared to the old one. More importantly a weight criterion needs to be included, whether in numerals or with words describing the necessity as must, should or could as in Table 5. Additionally, a clear statement of implementation area is key to understand which area the solution sought in the RFP is to be applied in. An RFP is at its best as an indicative tool to rank the broad capabilities of the providers to be combined with the demonstrations and user experiences gained by the sample test group. However, if used as an ultimate truth, it risks of being merely a feature & functionality comparison sheet between providers. Hence an RFP is often seen to be at its best when complimenting the qualitative Vested evaluation .

Having answers categorized by the segment and represented area supports in allocating the strengths and weaknesses of each vendor against each other. It creates a baseline for the market offering and compares the best providers to which capability is needed for the company the most. It also, as an advantage complies with transparent procurement requirements and sets a standard level to all providers. Should there be any issues afterwards, an RFP also backtrails the promises made by the vendor in order to ensure the level of service is as agreed. As seen in Table 6, the description of the requirements is very much in detail and right after the title, in order to ensure a full understanding of what is asked for by the customer and to what the vendor is answering. An RFP is a binding document so the vendor takes responsibility that all their answers are according to their best knowledge and filled in correctly and honestly.

ID	Requirement Title	Requirement Description	Currently available with X-Solution	This is used by SF Omnichannel / Service cloud	Priority: 1-Must 2-Should 3-Could	Company's internal comments	Provider response: Yes / Partial / No (see comment)	Provider response: Product name (see comment)	Provider response: Additional information (see comment)
Extension calls (personal calls)									
3.0	Note!	"Phone device" term in requirements below means both softphone and desk phone unless otherwise stated			N/A				
3.1	Extension calls	The system provides direct calls to CC Agents (calls to user's extension number) That is starting with 010 and has possiblility to have service cost.			1-Must				
Inbound queue calls (customer service calls)									
3.15	Queuing music for the callers in queue	The system shall support playing queue music for the calls in queue. As a plus, the system supports playing random queue music based on queue music "library".			1-Must				
Callback channel									
3.38	Callback offering management	Companys administrators can define via easy to use user interface when callback will be offered for caller in the queue: e.g. after 1 minute waiting time if there is less than XX calls in the queue or immediately if there is more than YY calls in the queue, etc. List supported options in Additional Information field.			1-Must				
3.39	Callback creation	Customer (caller) can choose if the callback is done to the same number where customer called or enter new number where callback will be made			1-Must				
Service numbers and voicemenus									
		Phone number must be Finnish standard 010 that includes the service cost possbility.							
Voice integration to Salesforce									
3.58	Salesforce Integration	Solution must be integrated to Salesforce Lightning Service cloud and support the Salesforce Omnichannel functionalities. https://developer.salesforce.com/docs/atlas.en-us.api_cti.meta/api_cti/sforce_api_cti_intro.htm			2-Should				
Outbound campaigns									
3.63	Integrated outbound campaign execution tools	The system provides integrated outbound campaign execution tools: import calling list, define various outbound call settings, route outbound calls to assigned agents (among other contacts), monitor & report campaign results and export campaign calling list with call results during or after the campaign is executed.			1-Must				

Table 6. Segmentation of RFP Data Collection.

In order to gain the best insights and comparisons of each providers unique capabilities it is reasonable to segment requests. As shown in Table 6, the request is broken down into six sub categories described as Extension Calls (personal calls), Inbound Queue Calls (customer service calls), Call-back Channel, Service Numbers and Voice Menus, Voice Integration to Salesforce and lastly, Outbound Campaigns. All of the segments provide insight to critical capability mapped to sub questions that rank the features compared to other providers.

3.3.1 Benefits and Disadvantages

Procurement of a call centre solution to a large corporate entity essentially quantifies several of the key features related to both user experience (UX) as well as to core-capabilities as shown of Table 6. The level of severity is then further weighted based on three steps: must, should and could. In combination this RFP aims to give a broad understanding of the suppliers offering in an easy to understand form. The definitive positive in the evaluation is the evaluation of integration capabilities, seeing the solution as one within the current ecosystem of applications that this new offering aims to complement. Should the vendor offer a stand-alone solution, it must be clearly marked to the RFP that this is in some distinctions a competing offering what the organisation has currently internally. Hence it provides an understanding of the specific role that the solution is designed to fulfil in more detail than in an RFP that aims to only broadly describe the mandatory needs. As Taylor defined in his 1986 article on “The Objective Request for Proposal” study, there are clear benefits on utilising the RFP in procurement as long as it is done correctly. There are four distinct advantages that are listed as follows:

1. Well established boundaries
2. Accurate documentation of the process
3. Balancing the competitive landscape
4. Providing an accurate picture of the available offering

However, there are several disadvantages when it comes to utilizing a document that aims to quantify matters that include a qualitative aspect into a single point of view. The issue is largely demonstrated in the number of procurement cases that are deemed as not living up to the initial expectation as per article by Stan Garber in Supply Management Journal, stating that 90% of procurement software roll-outs end up in failure. The reason behind the failure’s has been stated as inflexible systems with low user adoption that do not reflect the procurements true needs. The same can be stated with any IT system, should the end-users, procurements and vendors expectations not align (Garber, 2019).

To truly benefit from an RFP process, so that is strengthens the buyer's abilities to source goods and services, all end users should be involved to create a specification that includes the following steps (Guerrieri, 1984):

1. Software requirements
2. The most appropriate format for proposals
3. Clear timelines for the proposal steps
4. Weighted criteria

By clear definitions from all members, as well as from the system user perspective, the most agreeable solution can be found that meets the legislative requirements and sources services that meet the end-user's criteria. When the RFP tender is in it is final phase, the end-user should be brought back to evaluate that the criteria has been met and that they can utilise the software being procured (Vitasek, Manrodt, Kelly, 2003).

3.3.2. Legislative framework for procurement

Tendering to procurement requests is mandated to be under both national and international laws, open for all parties with viable offering. Within the European Union's framework there are several points that define the recommendation to use RFP's, RFI's and RFQ's in evaluating an offering. On public procurement EU Directive 2014/24 enforces duties on contracting authorities to:

1. Promote the requests in Supplements of the Official Journal of the European Union called Tender Electronics Daily
2. Utilise procurement methods that allow for open and transparent tendering
3. Use well-defined and impartial standards, that are informed to all participants with selecting offers and rewarding agreements.
4. Utilise comprehensive and fair procedural conditions
5. Provide enough time to submitting responses of interest and tenders.

6. In relation to 2004 Directive, the revised 2014 directive stipulates on basing the agreement on most economically advantageous tender, which might not be always the cheapest.

The point 6 above essentially stipulates the revision of procurement advisement from the cheapest towards the most advantageous, meaning that can be interpreted to relate to broader organisational value (EENA, 2020). RFP processes are hence able to be transformed towards are more quality and value-based approach that provide the most economically advantageous positioning of the offering to the organisation's priorities, as long as the bidding competition remains open, transparent, fair and level to all entries. Hence the 2014 revision has been a critical turning point moving away from only cost sensitive structure to a more value-based approach, that Vested also emphasises as the key driver to enabling the partnering organisations to innovate together.

4. Vested procurement in IT service industry

In this chapter the aim is to analyse how Vested methodology applies to procuring information technology services through the Request for Proposal tool. The key concepts will be compared to each other in order to understand what are the aspects needed to apply the theories in conjunction. By comparing the combinations an understanding can be gained of whether the topics are mutually relevant and in what dimension.

Services in their core provide a certain scope of actions that provide a pre-determined outcome for the customer. The scope of the service or how it is delivered varies as much from the providing organisation as it does from the customer's desires. It is most often a people-to-people negotiated outcome that needs to be aligned as well as possible in order to come to a mutually satisfactory result (Vitasek, Manrodt, Kling, 2012).

Services are categorised into business services, social services and personal services based on the involvement, intangibility, inventory, inseparability and inconsistency of delivery. This segmentation helps to understand the key elements that divide service providers in organisations that have a broad supplier base. Services evolution have started initially from personal services like restaurants, moving up to social like educational services and to business services that covers banking transactions. Information Technology services in the context of this thesis are business services, for example platforms of consumer connections and online shops which the vendor provides for the buyer.

The level of trust within a society and between counterparts of a transaction rises based on the level of complexity and value of the service provided (Brady, 2012). A society that has few institutional securities offers more often personal services whereas with complex societies that have institutional guarantees of safety in transactions the offering is on the business side of the spectrum thus allowing more complex operations done with relative safety. Service offering is thus dependent on

the surrounding society, the complexity of services that can be provided and the trust that enables enforcement of delivery or returning of resources.

Services categorisation. Figure 1. (Sweeney, 2010)

4.1. The new service industry approach

Service industry has experienced a rapid transformation since the industrial revolution which is only increasing in speed approaching the 4th industrial era which means everything is becoming more interconnected via technology from machines to people. The availability of information, access to services and competitive offerings have changed the customer's expectations permanently. Once accustomed to ease of use and digitally native use the customers have seen new service providers arising as the old have either adapted or been dropped out of favour. The new digital efforts have thus become a core activity as the traditional brick and mortar store on the side of the road. This has had tremendous effects on the IT services available on the market.

For certain customers and industries, the digital presence is even more important than the on-site servicing. As recognised by fast moving organisations, the capacity to do everything is not feasible for several small businesses that have to rely on supplier sourced digital capabilities that set-up and run the online store provided to their customer base. Activities together with a supplier like this have a large impact to the bottom line, but often for a small organisation is hard to influence besides in changing the supplier (Akram, 2016). For large scale organisations though the capacity to partner up with suppliers, should they customer be deemed important enough, is key for being able to influence the outcome of the service. The ability to customise and build unique experiences is thus important to whichever digital platform the customer chooses. For small operators the out-of-the-box option is more often a must have whereas for large enterprises the platform might be the same but

the experience heavily customised. This all effects to the variety of services a IT service provider can offer.

The new era has brought the supplier impact to new levels on an organisation's operations. The impact is two-fold; new technologies set new customer expectations and the competitive offering is closer to the customer across the globe than ever-before (Probst, Buhl, 2012). Information Technology service's providers have thus aimed for network models, where industry approaches have been pre-made for them on platform providers, pre-integrated solutions have been created and suppliers are brought closer to the customer activity through new information sharing models. The transparent engagement with suppliers sharing risk and reward is called Vested Outsourcing, a model defining boundaries on how to make the supplier partnership into a strategic activity that secures the supply and provides innovation through joint-efforts towards the same goal (Vitasek, Manrodt, 2018).

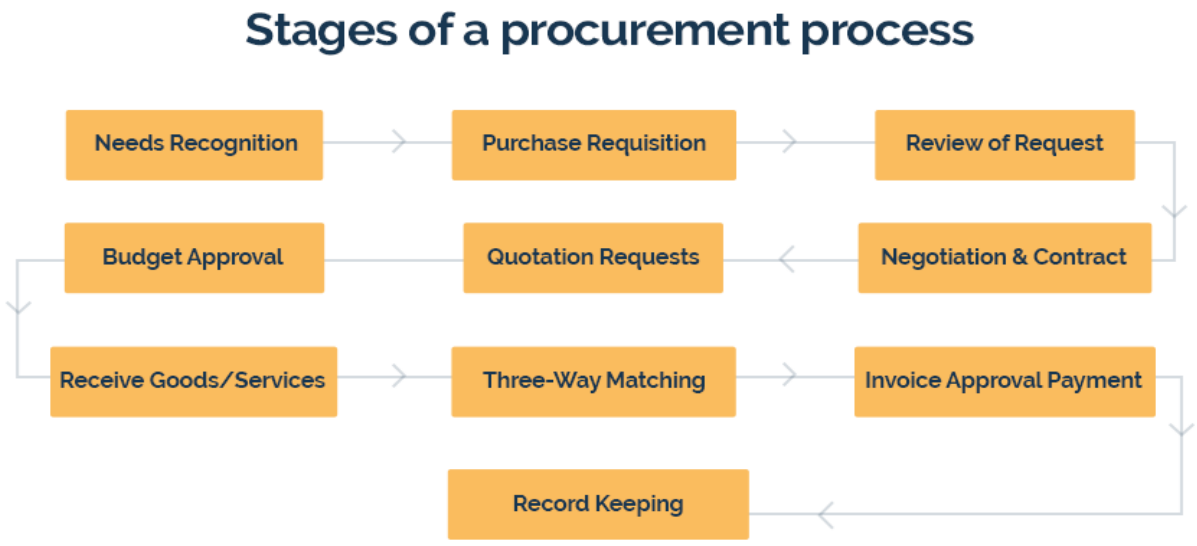
4.2 Supplier Relationship Management in modern service Industry

Supplier Relationship Management (SRM) is defined as "*The consolidation and classification of procurement data to provide an understanding of supplier relationships in order to develop procurement strategies that reduce costs, make procurement predictable and repeatable, enlighten supplier partnership decisions and provide leverage over suppliers in negotiations. also called sourcing, strategic sourcing, e-sourcing*" by Jonathan Hughes in his book what is Supplier Relationship Management and why does it matter. The conceptualisation of SRM is based on evolution of customer relationship management (CRM) that had similar elements towards the customer interaction cataloguing. Modern SRM includes electronic tools, online procurement portals and transaction management, which in its core is helping to streamline the complexity of supplier and customer activities.

The service industry in itself provides an offering that by its nature is often intangible, inventory-less, inconsistent, inseparable and requires involvement (Tacy, 2018). To answer to the demand of a varying offering, the SRM activities need to respond in kind to follow an SLA (service level agreement) that covers certain

activities and promises to secure a steady flow of operations as agreed (Zhai, Cheng, Tian, Chen, Zhao, Niu, 2016). For IT industry and especially the modern cloud-services it means that the customer buys intellectual property, a tool to create value, which is delivered via online and requires nothing else than the computer and internet connection to run.

An agreement between suppliers covers several footnotes depending on the offering ranging from food & health safety to data processing addendum's that includes modern legislative requirements and mandates service providers need to take into consideration based on the market they operate in (Vitasek, Ledyard, 2010). Modern software SRM tools provide a standardisation on the procurement activities and can often be customised in collaboration with the supplier of the solution based on customer needs. This aims to bring transparencies when conducting procurement, streamline multiple purchasing related operations and bring consistency into one on one activity that have traditionally relayed more on personal relationships. For a supplier relationship management to be considered modern it thus needs to have relinquished the sole reliance on personal relationships and standardised an acquiring process that transparently records and manages related stakeholder actions as shown in procurement process Flow 1.



Procurement Process Figure 2 (Kissflow. 2020)

In regards to procuring Information technology, the stages described on the figure 2 chart are still very much valid, but the authentication of offering needs to still be conducted through other methods. The procurement process currently in figure 2. is very well suited towards buying of bulk materials, but for intellectual property the straight-forward flow approach might not cover all of the aspects. The difficulty lies in the intangibility of the offering, how to ensure the full value is received when only features are being measured. The factors Review of Request is the only part in the traditional procurement flow, besides the documentation, that covers the usability of the services. The ensuring of adoption, knowledge of what is being bought and insight to hidden pitfalls lie very much on the purchasing party's end. Thus, making the emphasis on buying the best features with the lowest price, but potentially not the best solution for the organisation.

4.3. Supplier Relationship Innovation

Supplier relationship management is transformed by understanding the key strengths of a service business and what are its main focus areas to gain competitive advantage. Here the Vested Outsourcing approaches the matter through prioritisation of suppliers and engagement through transparency, knowledge sharing and joint-efforts towards innovation (Vitasek, Manrodt, 2018). The process in itself requires five steps in order to form a new approach towards the partnership. It does not exclude traditional sourcing but complements it to strategically important asset management with the supplier in order to make sure the services acquired and SLA's set are met as planned (Zhai, Cheng, Tian, Chen, Zhao, Niu, 2016).

Kate Vitasek's Five Rules are as follows:

1. Focus on outcomes not transactions
2. Focus on What and not the How
3. Agree on defined and measurable outcomes
4. Optimise pricing-model incentives for cost/service trade-offs
5. Governance structure should provide insight, not just oversight

The new approach has proven itself worthy of use in especially complex procurement activities where comparing traditional cost to service is not as important

as the quality and security of supply chain has on the bottom line. An example is a software product that requires tailoring to meet the need more than a standardised solution that does not work to the use-case or a services supplier that uses child labour and has a risk of hurting the purchasing company's reputation. In both cases Vested Outsourcing eliminates the risks by diving deep into a joint-partnership with the customer in order to see behind the supplier's "curtains" and getting involved in the process innovation (Vitasek, Manrodt, 2012). This leads to increased costs in time used but provides a better understanding of potential bottlenecks and risks to production that might hurt the customer in the long-run.

4.4. Service Design

Service Design evolves naturally based on changing customer needs. However, in an increasing competition of speed it is important to bring the suppliers from the value chain as close to the customer and service operations as possible. This brings insights to the supplier as well of potentially changing customer desires to develop their production to answer to the new emerging requirements.

Vested Outsourcing responds to this as a close supplier customer alignment can produce better innovation than simply working within the silos of each respective organisation (Vitasek, Manrodt, 2012). Service Design can then be adjusted according to faster development of services that come directly from the supplier and are re-adjusted by the customer to fit the needs of their customers in turn.

An example of this service design is Volkswagen that produced a fixed car chassis that can have several car forms mounted on top of it the same template chassis works as a basis for all finished designs (Hanley, 2020). The service design has needed to consider several inputs from future design of internal car manufactures and then implement those needs to the chassis so that they will function together with multiple designs and answer to future needs as well. Service design in its core is anticipation of customer needs and internal stakeholders' capabilities adjusted to create the best possible outcome with the resources used as little as possible. Inputs

from suppliers are hence vital in order understand what is the creation capability when input materials or services are considered (Akram, 2016).

In regards to Information technology the service design happens often on customers terms. There is a certain level of standardisation that based on the industry and customer needs is then customized. The service innovation is thus very democratised, as all customers can utilise the solution as they see fit (Tacy, 2020) . In comparison to physical goods, IT can be changed on base code level if allowed contractually. Thus, in certain fields there are as many solutions as there are customers. Innovation hence happens locally and ends up benefitting directly the customer utilising it. To a Vested perspective, IT service design should always relate to the stakeholders and the value-added aspects of the organisation. Innovate with the stakeholders and design the services to serve all of the users in a collaborative and transparent manner.

4.5. New Value Models

Value creation is the primary function of any business. The new era of information has also opened up new opportunities for those businesses that are able and willing to take the leap of transformation. The new value models in the age of information also are dependent of sharing and receiving knowledge. This is the basis of a network model within the industry. Networks can be peer to peer or between suppliers and customers that aim to create mutual value and thus increase also the value of their end-result to the customer base (Vitasek, Stevens, Kawamoto, 2012).

A value model is a unique strategy a business operates. Its functions in the service industry mean an innovative approach to create customer value that is often shown in increased monetary value the customer is ready to pay, increased customer retention, better publicity and brand recognition or a more secure operation. This formulates into a competitive edge to those businesses that are early movers and adopters making it hard for others to follow. In its core it is moving towards a blue ocean strategy away from the red-ocean that is the mature market with saturated offering a business comes from (Yan, Dooley, Choi, 2018).

In IT services to have a unique strategy requires the strong differentiation of services from others. Essentially creating a blue ocean by an individual solution to a customer problem that is under intellectual property laws (IP) rights. The protection of IP is then used to expand in the market to serve all with a similar problem. The value attainment is then spread across regions via online services like cloud-based computing offers. To a Vested world-view the value model is simple, it requires the supplier and customer to have a shared value approach and a common outcome-based method to make good on the promise of IT services. Together these factors, IT and Vested, create new value by aligning experts of their respective fields to solve problems that have not previously been tackled with the same people. Thus, creating as many solutions as there are teams working with it, due to no thinking-process being truly 100% the same as with other people. Vested and Information technology are hence uniquely suitable for each other as to tackle complexity there needs to be experts of all related fields working on solving them.

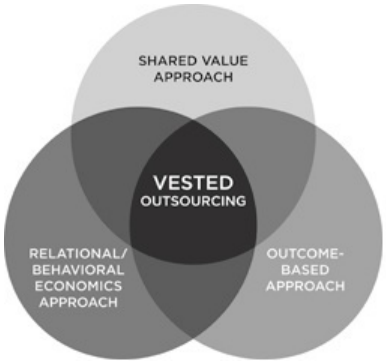


Figure 3. Vested: A Sustainable Sourcing Model for the 21st Century (Vitasek, 2014)

4.6. SWOT Analysis on the use of Vested in IT procurement

Vested as a methodology is a derivative of Strategic Partnership approach. It houses many of the same elements, sharing of risk, innovation, benefits and alignment of organisations towards a common goal. However, in the procurement context Vested provides a unique framework for success. It lays down the steps of what to do and what not do in order to succeed. This democratises the approach for many more organisations that necessarily would not have the resources or funds to

invest in having an external consultant come in to implement it like larger businesses would have. Thus, allowing for even the smallest of businesses to evaluate whether the Vested approach is for them or not, with a clear visibility into the required steps, if chosen to be implemented.

As analysed in the previous chapters Vested has the largest potential in procurement of complex goods that have a high strategic value to the purchasing organisation and strong differentiation of offering that is most often protected by Intellectual property laws. Information Technology is such an example. Its offering is often dependent much more on what happens beneath the user interface, down to the coding level, and understanding from procurement needs to develop on configurability, scalability, hidden costs and such matters. The simple purchase of one item has the potential of tying the organisation to many more mandatory purchases due to hidden limitations that cannot be done without hands-on coding or purchase of more server capacity. Thus, the potential and necessity for partnering with Key IT vendors is even more important. The IT projects are often not only one-time purchases but long-time iterative strategic projects that have heavy impact on the development of organisations capacity to provide value to also their end-customers. Hence, it is critical to understand what are the strengths on utilising a Vested approach and what are its weaknesses, and to which type of vendors it should be applied to.

	Beneficial	Harmful
Internal	<u>Strengths:</u> - Better Transparency - More Reliable supply - Influence over production - More accurate supply that helps to optimise warehouse and logistics costs.	<u>Weaknesses:</u> - Larger strain on resources like money, time, effort. - Limited capacity of partners that can be worked with in a Vested manner. - Large stakeholder group to manage with is not efficient.

External	Opportunities: - New Innovations arise - Costs are reduced - Long-term success is improved - Just-In-Time e.g. production can be implemented	Threats: - Strategic alignment fails - Partner is not worth the trust and does not deliver on promises. - Resources are wasted on a non-profitable partner. - Wrong partner is selected for Vested Sourcing

Table 7. SWOT Analysis on utilising Vested in Strategic Procurement

As demonstrated in Table 7, the benefits come largely out of the increased transparency and influence on supply chains. The influence then allows for implementation on Just-in-time production (JIT) or lean methodologies with larger probability of success when a higher level of understanding can be utilised in forecasting production of goods by the supply chain partners. The main threats on the other hand are reflected by the potential risks of investing time into the wrong partner that does not live up to the commitments made by the purchasing company. Hence the potential loss of time, resources and alignment with a useless partner can cause severe damage to the company's ability to operate and focus on their own core competence in a tight competitive environment. The largest opportunities on the other hand revolve around the benefits of innovation when the capabilities of two organisations are pooled together in order to create something new. As the saying coined by the great philosopher Aristotle, "The whole is greater than the sum of its parts" which in the context of Vested means ability to innovate new ideas from the combined resources available for two highly specialised companies in their own field (Cohen, 2016). Whereas, weaknesses demonstrate themselves as large strain on people's time to conduct alignment meetings, build joint-plans and share knowledge across organisational lines. The necessity to align is clear but the structuring of the stakeholder meetings can be tenuous and sometimes disadvantageous should the other stakeholders focus on their expertise and the others only on their own, instead of planning for mutual success.

5. Developing Procurement in Case Organisation

In this chapter the aim is to provide concrete suggestions for developing procurement according to the Vested model. The idea is to bring structure through processes, rules and key factors to the improvement of Request for proposal. Part of the development is also to clarify how Vested Methodology deals with the concept of RFP and what is a Request for Partner that Vested recommends as the replacement of a Request for Proposal tool.

Procurement in itself has remained relatively static throughout its history. The customer needing something contacts the buyer, with whom they then negotiate terms and conditions for the transaction. The evolution of procurement has happened in how terms and conditions are negotiated meaning whether it is through Requests for Proposals or other similar methods or whether it happens through the more traditional vendor to customer model. Due to the development in the world around procurement, there has however emerged a need to respond to the modern complexities with a suitable approach to collaborate with vendors. The contractualisation of all the aspects is difficult when there is bound to be unexpected aspects arising during the project implementations. Vested has brought the notion of trust, vendor relationship management, transparency and cultural fit to the mix of considered elements (Brady, 2012).

During consideration of which methodology to use in procurement the understanding needs to be developed of what is the desired outcome of the purchase, what is the vendor base in the market, what is the desirability status of the purchasing organisation in the eyes of the vendors and is the offering standardised or generally unique classified under intellectual property rights. Based on the insights gained the decision needs to be made whether to engage in direct procurement, RFP process, Vested process or a mix of all. The benefit of direct procurement is speed but due to a low number of competitors that can be analysed efficiently, monetary losses can accumulate. RFP process sets efficiently several providers on the same line and analyses their goods, but due to volume and complexity of unique offering the one on one evaluation is hard to make on a standardised tool for unique

goods. However, cost savings can be gained through the RFP process when several cheaper providers are set on the same line with high premium vendors which forces them to also re-think their pricing to stay competitive. The partnership aspect that aims to collaborate across the project rather than only during the transaction with the customer also supports the use of Vested. However, it is very resource intensive and time consuming compared to the other methods that focus more on the point of transaction rather than the project. In order to understand the relations with a customer and vendor, a questionnaire was conducted for the purpose of this thesis with an Energy utilities company's Procurement Specialist on Supply Chain Management and Development. The relationship consisting of competences and development areas has then been illustrated in Tables 3 and 4, together with the appropriate break-down analysis.

5.1 Analysing Case: Energy Utilities Company

This thesis looks into how much effort companies spend on developing relational competences by using a case research questionnaire answered by a Procurement Specialist of a large Energy Utilities Company. As procurement of IT services is seen as a very mundane part of any organisation's investment cycle, the understanding of how co-operation with suppliers is done today and how power is distributed across the related stakeholders, helps to see how companies view suppliers' relations today. The aim is to provide a behind the scenes understanding of companies, e.g. Energy utilities companies, perspective to working closer with external suppliers.

As a company, the energy utilities company, has recognised to embrace both collaborative and competitive forms of trading. The first theme "relational competences" is about the relationships of the company with its suppliers and how an energy utilities company can benefit from those relationships and how those relationships can be enhanced. A visual representation of the answers can be found in Table 8, which summarizes the answers from the company. The majority of the answers (1,3,7,9) have high business priority and the level of progress is moving forward. These questions are about understanding the relationship types, profiling key factors in specific relationships, developing certain suppliers and getting competitive advantage by using relational skills. The last question which has high

business priority, but only little progress is the question 2; “Map different trading relationships to different business needs”. As this is classified as high business priority, the energy utilities company has still not got the process moving forward which they should focus on. Appendix 1, Table 8 is a summary of the answers of theme 3 Business Priority Developing relational competence. High 2 1,3,7,9 Moderate 5,8 4,10 Low 6 Little progress Moving forward Fully Implemented Level of Progress.

Business Priority	Developing relational competence			
	High	2	1,3,7,9	
	Moderate	5,8	4,10	
	Low	6		
		Little progress	Moving forward	Fully Implemented
	Level of Progress			

Table 8. Appendix 1. Developing relational competences

Four of the last remaining questions have moderate business priority but neither of them is fully implemented as two of them are moving forward and two of them have little progress. The last question is the number six which has low priority and little progress. This third theme seems to have high potential in development to the energy utilities company as half of the answers in this theme have high priority but still none of them are fully implemented. The company should improve its progress in this theme to gain more advantage from its relationships.

5.1.1 Distribution of Power and Managing at the right level

Managing has long been a part of the way organizations operate themselves. In management systematic, persistent and effective factors are considered important.

Managing at the right level is important for the efficiency of the company and the effectiveness of the strategy. It requires systematic action, commitment, resources and significant investment from the organization.

The value-creation perspective in the supply chain and service delivery requires a focused supplier relationship approach to management, and therefore the use of power must be consistent with a specific strategy for that relationship. The Energy utilities company has a clear understanding of the various relationships and it is clear that in some relationships that are not considered strategically important, an unbalanced power system can be utilized to the benefit of the company. For strategic partnerships, it is imperative that the energy company establishes mutually beneficial relationships where excessive use of force does not interfere with the value creation process (Bradshaw, 2018).

As can be seen in the table, the company is focusing on the supply chain of productive and intellectual services (questions 1-7 & 9). As a matter of improvement that requires more attention on question 8 management's part in targeting the non-production and intellectual services supply chain for close scrutiny and sharing learning and best practice in pan-regional ways of working.

Business Priority	Managing at the right level			
	High		2	7
	Moderate		1,3,4,5,6,9	
	Low	8	10	
		Little progress	Moving forward	Fully Implemented
	Level of Progress			

Table 9. Appendix 1. Managing at the right Level.

5.1.2. Energy Utilities Company's procurement with a Vested approach

As an organisation the energy utilities company has already taken steps towards moving to a more Vested Model. The benefit is clear, more safety, transparency in value chain operations and innovation in cost cutting and ne methodologies. However, there are still several growth pains when approaching the new model. Having to operate with thousands of suppliers does take considerable effort and time management with all of the operators on a Vested level is not feasible. As demonstrated in the Risk Management Survey 2, shown on Table 10. The energy utilities company has full transparency on a pricing level with certain operators but not with all. This is a key step in Vested in order to bring forward mutual gains and trust while attempting to develop each other's business models. The agreement on pricing with customers and suppliers is a key factor when moving towards a more strategic partnership than a competitive approach.

Background questions:

Does the company know the cost structure of the client's end product?	No	Yes, approximately	Yes, precisely
Has operation in the network caused changes in the pricing of products or price level?	No	To some extent	Yes, a lot
Is open-book pricing used?	No	With some clients	With all clients
Has operation in the network changed the company's cost control or cost calculation system?	No	To some extent	Yes, a lot
Are the company and the client working together to decrease costs?	No	To some extent	Yes, a lot

Table 10. Appendix 2. The company's operation with clients and Suppliers.

The understanding from energy utilities organisations side has been generally that they already operate in a very Vested manner as can be seen from the description of "high" when asked about the level of co-operation with customers and suppliers as shown in Table 11. However, they do utilise a large amount of replacement contractors in their books in order to leverage negotiations should supplier relationships not develop in a favourable manner. This demonstrates a certain lack of trust in certain areas. It can as well be counted towards risk mitigation depending

on how that factor is presented to the supplier and in how critical of a role they are with their offering.

Background questions

How many per cent of the information flow of the company's order-delivery process is communicated electronically?	<70%	70–90%	>90%
How do the delivery times of goods purchased by the company compare to delivery times of products made by the company.	Longer	Roughly equal	Shorter
Level of strategic cooperation in the supply chain			
- with clients	High	Moderate	Low
- between suppliers	High	Moderate	Low
Number of replacement subcontractors for the company	Large	Moderate	Small
At which stage of the product life cycle is cooperation primarily carried out (product development, productive testing, customised production or mass production)?	Early	Halfway	Late

Table 11. Appendix 2. Company's collaboration with Supply Chain

More importantly the Vested co-operation with suppliers is mostly indicated to be present in the middle of product development, showing that the first stages are not considered important within the organisation. Having the collaboration halfway instead of in the beginning decreases the opportunity for the company to transfer the direction of the product development but saves resources from them should the direction not be perfect in the middle from moving to the last phase. Hence it is a very balanced option from internal resources perspective and external input capability.

5.1.3. Conclusions on the Energy Utilities Company's approach

The Energy utilities company engaged with its vendors enjoys a relatively stable operating environment. The production costs, market prices and operating costs are quite well known with the supplier base as well as the expenses incurred by any development conducted. Hence sharing revenue margins with key suppliers in a Vested manner, should they choose to engage in it, would not be a large change to

the current operating model. The level of co-operation as seen in the Table 11 is already today defined as high with both customers and clients, thus making the extension of that said collaboration easy to any new projected areas with vendors. The main development issues arise however that the co-operation is started only halfway through the product life cycle. When contracting services and goods in a Vested manner the co-operation would need to be shifted towards an early start, thus sharing revenue models and risk projections already in the beginning of discussions. Vested methodology describes this as avoiding surprises at the eleventh hour (Vitasek et al, 2014).

By investigating the previously shown Appendix 1. Table 9., managing at the right level, the only aspect determined to have been fully implemented was question 7, organisation of cross-organisation events to share best practises and learning lessons. However, the rest of the topics related to sharing knowledge and responsibilities and determining correlating project managers, was still very much a work in progress assigned as “moving forward” within the organisation. Thus, should the company want to move forward with Vested approach, they would need to distribute power to stakeholders operating with the projects and allow them to have independent negotiations and planning sessions with vendors. This will foster a culture of innovation and trust as well as reduce the need for getting approvals for all the decisions from managers that might not have the time to be involved in everything. Hence this will also drive the agile decision-making of the organisation and empower employees to make decisions independently.

In conclusion the Energy utilities company has clear aspects where it is already utilising some of the lessons of Vested e.g. open-book pricing with some clients. However, there are certain areas where it would need to focus such as when to start supplier engagement and distribution of power to stakeholders. However, the utilisation of Vested is always a strategic decision related to the company’s position with the supplier and the suppliers to the customers. Thus, should Vested want to be utilised, it should be done with specific projects with high value outcomes to the revenue streams and strategic partners. The inclusion of Vested into the RFP can then be made in order to start the evaluation of common milestones, cultural fit and transparency as early as possible.

5.3 How to build a Vested RFP

A Vested approach should always keep in mind that procurement is buying outcomes not products. The RFP process on the other hand is a judicial mandatory for a large number of businesses which thus even though the traditional direct Vested partnership would be preferred an RFP needs to be included. Traditionally the RFP is a simple excel sheet that compares features and functionalities. A procuring organisation writes out the requirements which are then sent out to potential partners. In essence comparing very similar products to each other, e.g. apples to apples, which are then graded, instead of seeking partners.
The true desire for all organisations at the end of the day is however not to buy the best product but to buy an outcome and innovation. Thus, suppliers should be very involved in the bidding process instead of just filling in excel sheets. The Vested approach recommends having a parallel process with a very quick down-select in order to bring efficiency in the procurement selection process. Having the parallel you can be transparent and feed information to a group of suppliers, most likely to about three to six potential vendors, that are quickly moved into the concept phase. The suppliers then have a direct access to stakeholders without middlemen. Day-to-day users that are involved from different aspects in the usage of the solution. When stakeholders and suppliers are connecting in the right context demonstrated solutions and feedback becomes more accurate. Naturally criteria still needs to exist as in any RFP process, shown as transparently as possible, to all vendors in order for them to be focused on the most important areas and tick as many small side boxes as possible. Information sharing can also be utilised to openly show to suppliers what it costs and how the process is managed today. When the vendors understand the customers current status, they can show improvement points that their technology and solution offer. With a better understanding also better answers are presented that allow for a much more educated choice of vendor.

From a vendors' point-of-view creating the win-win model means selling outcomes, having a good cultural fit with the customer and having the right people involved with the deal. And those people who are involved in the procurement process then need

to also be in managing of the implementation. This means that promises are followed up and an understanding generated in the bidding process is utilised. The partner and supplier relationship are based on trust that was built in the original procurement process. The traditional head-on win-lose mentality is replaced by joint building of the offer and pricing (Guerrieri, 1984).

The main idea about including Vested is to allow designing the vendor to buyer relationship together with the vendors along the process instead of negotiating pricing directly. The negotiation is then avoided when a joint proposal is created during the context and familiarising phases. This also means that the Best alternative to a negotiated agreement (BATNA) is also shared with the supplier. Critical factors need to be shared according to Vested in order to not have surprises at the eleventh hour when the deal is being made with the prospective vendor. In a traditional context no BATNA is shared as it would give a supplier leverage to what to offer. However, Vested sees this as an advantage with avoiding surprises later when the supplier understands what are the guardrails of the negotiation and which factors that are non-negotiable, e.g. the highest price point above which a customer will not do the purchase due to their strict budget. Another example could be having IT services based on-premise as Software as a Service (SAAS) instead of on the cloud, or potentially as a hybrid solution between on-premise and cloud, but never as a purely on-premise solution due to e.g. high maintenance cost.

In comparison to a traditional RFP, a Vested RFP will add to the requirements list additional aspects that are weighted and compared to the other offers provided by vendors:

1. Cultural Fit
2. Innovativeness of the offered solution
3. Level of Transparency e.g. profit margins
4. Sustainability of production
5. Willingness to engage in revenue for outcome models

The cultural fit is weighted based on the experience the company has in the industry, the level of compatibility with the vendor, that is being analysed by

interviewing the stakeholders of the tendering company and the vendor. Based on the answers, the vendor then receives points in the RFP related to their performance on the above-mentioned areas. Secondly, the innovativeness can be evaluated by the amount and quality of new feature launches of vendor organisations to the industry within a given time period. The organisation with the most publications and industry innovations can then be awarded the highest points. Level of transparency on the other hand can be understood based on the access given to production of vendor, opening of revenue books and insights given to profit margins. As a fourth aspect the sustainability can be seen compared to public watchdogs evaluating company's sustainability like Forbes sustainability index or ability to commit to a customer's sustainability code of conduct contract. And lastly willingness to engage in revenue for outcome models, or Win-Win models, that are based on milestones marked along the implementation path which then in return release payments to the vendor. Additional revenue payments can be then added as a bonus payment on faster outcome realisation should goals be achieved faster than expected. This in term reflect the Vested's revenue sharing model and win-win mentality. A faster achievement of the outcome, then a better return of investment to the vendor as well. Motivating and driving speed in getting to the desired outcome that helps the customer to start benefitting from the procured service or goods.

An RFP however requires more than the feature and value aspects to consider in the official documentation. It necessitates having a whole structured process behind it in order to support concise efforts that are transparently evident to all participants so that the purpose of providing a level playing field to all vendors is fulfilled. A Request for proposal in a Vested context is discussed as a Request for Partner. The partnership approach adds certain layers to the procurement process which need to be taken into consideration. e.g. more engagement and hands-on work with all stakeholders. To build a truly Vested Request for Partners, the following key steps are required:

Phase 1. Supplier Qualification:

1. Issue the first tender documentation (With qualification criteria)
2. Qualify potential vendors for phase 2

Phase 2. Award (Picking the winning vendor) Concept

3. Issue tender documents on award phase (including awarding criteria)
4. Engage in first conversation phase
    - Align with organisations sourcing business model
    - State intent (align on high-level vision for a targeter outcome / goals / key principles
    - Describe a high-level vision of the targeted state

Phase 2.1. Award (Picking the winning Vendor) High-Level Alignment

5. Secondary conversation(s)
6. Vendors provide bids (according to organisations partnership proposal)
7. Final Vendor Selection
    - Vision on stating the intention / targeted outcome
    - Vision on scope and possible results
    - Mitigation of risk plan
    - Compatibility and culture fit between buyer and vendors independent assessor.

Phase 3. Due Diligence Process

8. Confirm the statements made in the tendering documentation

Phase 4. Contract Development / Making the Vested Contract

9. Finish the Vested Workshops / Finalisation of the contracts as a joint-work in a Vested 5 rules manner / inclusion of Vested 10 elements.
10. Signing of contracts

Phase 5. Living into the Agreement

11. Creation of an onboarding plan and moving to a partnership mode.
12. Continuous governing of the relationship

Each step of the process structured by Kate Vitasek, Jeroen van De Rjit and Wiebe Witteveen in the University of Tennessee report “Unpacking Request for Partner – Getting to a Vested Agreement using a competitive bidding process” is describing

elements that aim to ensure that the dialogue, culture, vision and alignment functions. Having the joint agreement following the Five Rules and the Ten Elements of a Vested agreement, mapped previously out in Table 2, the organisation can with confidence embark on a partnership. The task of the process specialist to engage with the vendors and for vendors to engage with the customer is considerably less complicated when the essential factors are mapped. Expectations are managed and the purpose of a transparent and open bidding process are performed (Vitasek, Rjit, Witteween, 2019).

As important as the process is also the ability to create weights on the different elements that are being evaluated. For a Vested Request for partner proposal it can be as follows, adapted to the customer organisation's needs:

Weighting Criteria	**Max. Points Available**
Required Conditions (Features & Functionalities that are must-have and organisational standards)	Pass/Fail
Overall qualifications and user experience (how the service is perceived to the users)	10
Technical Credentials, User Experience (UX) and chosen approach #1 (How well did the vendor answer to the specific question types relating to a key feature and how good was the approach)	27
Technical Credentials, User Experience and chosen approach #2 (How well did the vendor answer to the remainder of the questions and were the ancillary capabilities suitable)	48
On-site Presentation (Visual and demonstrated presentation, case	15

studies and strength of reasoning for why the vendor should be selected)	

Table 12. Weighting of a Request for Partner (Vitasek, Rjit, Witteween, 2019)

In total the vendor either receives 100 points or less based on how they performed on each step of the process demonstrated in the different phases. The key vendors can differentiate themselves in the manner of how they engage with the customer, but the largest weight is still given on the solution, chosen approach and capacity of the service to support the organisation. For a narrow competition however, an on-site presentation, case study or key user experience might turn the tide in favour of another vendor. Hence it is emphasized how the vendor conducts themselves and proactiveness of their service team over traditional bidding focused on only features and functionalities (Vitasek, Manrodt, Kelly, 2003).

5.3. Challenges and Enablers

The new era of services requires also fast adaptation into the changing environment. That is not easy if the practise is operated by supply specialist that have been working with the current methodology for decades with proven results. The need for change is often rapid and coming from the competition that forces others to make the same or better services as well. Without that push coming from one competitor in the field there is no such need for development. The challenge is often how to keep employees' skills matching the new ways of working and operating towards success.

The change requires new digital tools like SRM software and online stores, and to use these tools new skills, resources and risk management ability are required. They form a combination of factors not often managed by most service providers. Hence when the competition requires it, many rely on their suppliers to create these new digital pathways and skills to reach the customers. This makes the supplier more valuable and closer to the core business than ever before (Mackerron, Kumar, Benedikt, Kumar, 2015). Risking the business by staking it on a partner is not a long-term strategy for many service operators that want to control their own business fully.

However, for a transition period it is often the only viable solution forward since acquiring skills that are cutting-edge is far away from most service providers capacity (Pemer, Werr, Bianchi, 2014). Challenging the customer to balance their traditional business model and resource utilisation between the new operating models and digital workspaces can be taxing, but for those who succeed also very lucrative.

When enabling the new methodology or service design a business needs to consider that they already have existing connection to their suppliers. The business needs to consider how to engage in these new services and what is at stake if no action is taken. The incentivisation of activity is often key when evaluating why to proceed with deeper engagement (Vitasek, Manrodt, Ledyard, 2018). One measurement of incentivisation can be how impactfull the realised value proposition can be to the bottom line and compensation to the partner based on that in a proportioned level. Business operations include a certain factor of risk in itself, but with service design and supplier engagement that risk factor is being increased. The ability to manage risk is hence vital for enabling the transformation (Vitasek, Mandrodt, 2014)

5.4. Key take-aways

This study aims to shed light on industry standard RFP methodology of procuring services, including complex Information Technology, and how that could be developed through the Vested approach. The Vested approach advices that on procured high impact services the utilisation of the methodology is most beneficial. As technology provides an often-unique offering it is in a key position to be procured through Vested. The length of the projects is more as a rule related to a long-term strategic initiative than solving a short-term point solution issue, meaning that commitment from the Vendor needs to be high in order to work with the client across the implementation timespan. This in short means that Vested as an approach is very capable supporting procurement of IT that relates to strategic initiatives. a softer approach needs to be adopted that takes into consideration not only quantifiable metrics but also qualitative aspects on how the customer should procure the assets. The EU procurement legislation supports this by adding a section of

procuring the most economically viable goods from vendors. This means that a contract can also be awarded to the party that offers the most feasible and functionality suitable service compared to only having the cheapest. For RFP's this means an update is in order, from previously only a price-oriented approach, to also include wholistic integrations, support across implementation and user experience based on rating given by users or industry analysts. This then supports in procuring the best tools with the most reasonable costs within the legislative norm of open, transparent and levelled tendering.

6. Discussion and Conclusions

In this chapter the aim is to draw together all the aspects of the research that weight onto the final conclusions. The obstacles that are hindering the adoption of Vested in the procurement of Information Technology and the drivers that enable its wide-spread utilisation. By understanding what the research has concluded also a sub-chapter will be devoted to the limitations of Vested in IT RFP procurement. In which cases should it not be used. Additionally, also the study wants to shed light onto further research needs that were not covered here. The potential notions that a more in-depth analysis can help to open up and by doing that continue from where this study leaves off.

It is fascinating that the study of Vested procurement in RFP context has not developed further considering the value providing capacity that procuring the right assets with the right partner can bring. The modus operandum of industries is after all about providing a level, open and transparent tendering opportunity for all vendors able to provide valuable solutions for customers' needs. However, the Vested aspect of supplier to customer partnership is often overlooked when quantifying requirements into an RFP document. The RFP is suitable for openly displaying the features of goods and services that can be then compared to each other. However, as in all procurable services, there are not simple feature and function comparisons, and especially in complex procurements like Information Technology, the newly developed Vested provides an appealing aspect to consider.

Vested Outsourcing, created by Kate Vitasek in 2010, has been implemented by several commercial organisations like P&G and Microsoft as well as by several U.S Governmental Agencies Immigration (CompTIA, 2019). The notion in Vested is that organisations are buying outcomes, not only simple services. Living up to the deal that is made during the bidding process is crucial in order to foster the trust. Hence winning the bid is more and more seen only as the first step on the common path together forward. Accountability in a partner is a key element that also should be searched for in the tendering process and quantified somehow into the RFP. For example of quantifying the RFP process is awarding points in based on transparency

in supplier margins and commitment to achieving milestones allocated to the supplier, which translates to the risk sharing of delivering outcomes. Should certain promised outcomes not materialise in the given timeframe then the supplier also takes a hit in receiving the funds in initially planned order.

The other key aspect in planning the cultural fit of the RFP is how to truly design measures for qualitative factors. The question is how to rank the suppliers compared to each other when all vendors describe themselves to be innovative, flexible and forward-looking organisations. Within the bidding process a procurement specialist needs to evaluate the new innovations delivered to market by vendor within a set timeframe. Should there be required developments and aspects that suit the purchasing organisation's needs, points can be awarded based on the merits achieved by each vendor. By combining these qualitative and quantitative measures to make sure the vendor achieves the requirements during the bidding process, new positive measures can be created that support the transparency, innovativeness and cultural fit of the partnering organisation to the purchaser. By adding required milestones on outcome-based-thinking at certain steps of the implementation process, the vendor also commits to a risk-reward sharing model. Rewards to the vendor can be materialised should certain milestones be reached before the initially planned schedule.

The answer one of the main research questions "What is Vested Outsourcing and how can it impact procurement", is that vested is a methodology that adds qualitative factors to the procurement to plan long-term mutual success by transforming the procurement process from one-time purchasing approach to a joint-partnership approach. To a significant number of organisations and procurement specialists measures on innovation and risk sharing models are truly a radical change as they are often used to creating RFP's that are traditionally feature and functionality comparison sheets having cultural factors. However, within the complex Information Technology industry when sourcing highly specialised services that need to be implemented or customised to the specific use case, the partnership approach is more valuable than a single low price point received in a traditional tendering process. The faster and higher quality implementation that allows for the organisation to start generating value immediately of the purchase is much better

suited to meet competition than purchasing the cheapest solution based on features that take a longer time to implement and do not meet the organisational standards. The proof of deliverables needs to be very concrete already in the procurement phase in order to raise confidence in the vendor's ability to achieve promised outcomes. To the following research questions "How are RFP's utilised today" a broad portfolio of answers had been covered on the fact that RFP's are the industry standard in procuring assets and services. For the third primary question "What does case Energy utilities company do in their procurement?" the analysis was conducted to provide insights on leveraging dominant market position to open-book pricing. The strategy in conclusion resembled Vested in transparency, but lacked the joint-planning and stakeholder engagement to create true partnerships. As the fourth and last primary question "How can Vested contribute to RFP procurement of e.g. complex IT services." It has been deducted that Vested possesses complementary capabilities that do not seek to replace but to extend the RFP process. The more detailed analysis lead to a developed RFP process in chapter 5.3 How to build a Vested RFP.

Regarding the secondary research questions "How can Vested improve procurement overall" and "How can Vested mitigate risks in complex IT procurement" the answer is approaching procurement and Request for Proposal as a long-term strategic alignment and Request for Partner instead of a one-time purchase. This approach will support the customer along the way to achieve the desired outcomes. This re-directs focus from the traditional, when the deal has been done, the vendor moves away from active aligning with the customer, to constant close working relationship where stakeholders work together in order to create constant value-drivers for enhancing the outcomes. Vested approach encompasses factors like Cultural fit that is investigated by interviewing the stakeholders of the business and seeing how they fit together with the vendor. The stakeholder co-operation will be easier and the vendor would feel it is easier to tell negative news relating to some part of the project knowing that they'll work together to fix it should the cultural fit align fine between the organisations and their stakeholders. This fosters emotional trust and a safety net that is needed should the project want to be successfully implemented. A fear of mistakes and a culture of hiding negative aspects has been the downfall of great organisations. These can be avoided to some extent by using

Vested in identifying in the procurement phase the suitability of the vendor. Hence compared to the existing RFP and Procurement standards of evaluating apples to apples by breaking down the features, the Vested aims to analyse and understand the seller of apples and how the seller can support the eating and expansion of apple consumption in the organisation.

On the initial minor notion “RFP documents focus on quantitative methods whereas with differentiated product offering like in IT services, Vested Sourcing can bring value”, it can be determined that RFP documents indeed are excel spreadsheets that focus on product capabilities like integrations, customisability, chat capabilities e.g. that are in its core feature and functionality comparisons. The evaluation of the vendor itself is most often left to the background. Hence Vested can bring value in the strategic procurement cases where the product has a high revenue impact and projects are significant in scope such as in IT service procurement. These projects will require hands-on influencing from the vendor to ensure their successful outcome which on the other hands begs the question why the buyers do not analyse vendors in more detail already in the RFP’s. Thus, the answer is yes, Vested can bring value to complex product offering sourcing by extending the traditional scope of the RFP to include the vendor related analysis that aims to seek the potential fit for long-term partnership.

To the second minority question, “Vested can be applied successfully to RFP procurement to complement its ability to analyse Qualitative aspects” the answer is also positive. The RFP can be complemented by aspects like cultural fit, transparency, sustainability, willingness to engage in revenue for outcome models and innovativeness analysis. The scope the potential for the vendor to be a long-term partner that will receive added funds on successful outcomes and is eligible to work closely together with the customers’ stakeholders.

For the third and last working question, “Tangible benefits can be seen by developing procurement towards a Vested approach”, the answer is that further research is needed. The potential for benefitting from Vested is certainly there. However, due to the heavy need of stakeholder time and resources after the procurement, the commitment of stakeholders needs to be strong to stay involved.

Further questions to evaluate are how to ensure the continuing commitment of potentially changing stakeholders and how to get benefits out of the resources poured into the partnership. The tangible benefits can be defined as increase in knowledge or internal capabilities to implementing something or in the finished outcomes. Thus the success criteria depends on the organisation. how to determine if tangible benefits have been reaped compared to the expectation during the procurement phase. Thus, this aspect could be part of a further research where a quantitative analysis of organisations engaged in Vested Procurement with complex services evaluate their success after a period of time together with the vendor.

6.1 Limitations to the Vested Approach

The Vested identifies that it is a very time-consuming approach that requires achieving its full potential alignment of stakeholders across organisational boundaries. This on other hand needs trust and distribution of power to stakeholders within both businesses. As a resource intensive methodology, it needs to be considered very carefully to which partner and vendor with the Vested Outsourcing is implemented. It is not useful to the organisation's development to investment time to an unworthy partner that does not provide innovation, transparency or ability to influence production processes. Thus, a deep analysis needs to be made on the organisation's position in the vendor's account portfolio matrix and their internal purchasing portfolio matrix. Should the vendor be strategic on Purchasing Portfolio matrix and core in the account portfolio matrix, then a deeper Vested partnership can be considered. This means that both organisations are in their own matrixes at the top right quadrant with high service and high importance and therefore seen as a potential key partner.

Vested is a methodology best bringing value with strategic partners. The success of procurement is dependent on having capable staff that are independently empowered to make decisions, run conversations and drive value. An organisation that is centrally lead and managed by individuals that need to be included in all conversations, before making decisions, rarely allow for agile Vested decision-making. The sharing of revenues and bottom margin information is as well limiting

several organisations since they operate in a competitive environment where pricing is part of their advantage in the market that is highly protected sometimes even from the organisation's own members. The organisation engaging in Vested needs thus to be a very mature and willing to engage in a revenue or risk sharing business model as well as have a low or non-existent hierarchy and well-trained staff on the project matters to be able to engage on the same level with vendor stakeholders.

The approach is primarily easier for organisations that have been born digitally native or transformed in the past years to operate with low internal barriers for decision-making. However, Vested has found advocates also from public sector industries that have been procuring IT. Such an example is Vancouver Coastal Health Care that is working with vendors in order to fully realise the benefits of technology in their industry (Vitasek, 2019). The approach has been driven by the promise of outcomes as it was identified from the beginning that the success of the implementation was imperative and would be taking several years, if not a decade to be realised. When considering such extent of collaboration, the success and scope needs to be defined from the beginning. The longer the co-operation and the more complex the project, the more there are culture factors that need to be taken into the engagement. As public sector more commonly has a time horizon of decades, Vested has been found useful to ensure the spent time is used well. To smaller projects Vested on the other side hasn't been that useful and limits the adoption of the methodology due to the balancing of used resources to the scope of the required collaboration.

6.2 Applicability of the study

The research can be seen as beneficial to organisations that have identified key partners that supply complex goods and services to the customer which are of significant importance to their operations. With a partner like this the capacity to integrate processes even further is beneficial through the potential for joint-innovation, targeting of mutual success and transparency to key asset production.

The study should not be applied widely to all supplier organisations and a determination of key relationships for value creation should exist. Whether the

organisation already understands its positioning amongst its key vendors is essential for the ability to launch a well-functioning Vested partnership. When contracting for the selected Vested partnerships, the RFP can then be targeted to evaluate more softer aspects of cultural fit and innovativeness. When these elements are analysed, a wholistic decision can be made to align closer with the organisation that provides value across the board. The complexity of Information Technology procurement provides an essential reference point that Vested offers usefulness. Hence this study is in the context of that strategic Information Technology partnership alignment and how-to better source it with a re-designed RFP tools.

6.3 Further Research focus

The suggested topics of Cultural Fit, Transparency, Sustainability level, e.g. demonstrate only a few elements of which should be included in the Vested RFP approach. Hence a further study would need to be made to investigate deeper into the exact elements that prove value in a Vested and RFP framework and how to enrich the current model in order to procure partners with technological capabilities and not only point solutions. A research that can identify the needed structures and propose a framework of a Vested RFP can then be implemented into a practical stand-point with willing organisation to test out the benefits compared to traditional RFP procurement (Brown, Horrell, 1985). It should also include a quantitative part which measures the benefits reaped from better control as well as a qualitative questionnaire of partners satisfaction to each other after pre-defined intervals that evaluate the methods to each other on how has the Vested RFP impacted the partner satisfaction and thus collaboration levels after a certain period of time. By understanding this and providing a framework of a Vested RFP the new research study would modernise a significant portion of procurement done with strategic partners today.

As Vested Outsourcing is only a decade old and there is not much research conducted on it, there sure is a need for future studies to look further into it and the benefits it can provide in different types of procument processes. The use of Vested has also broadened in both private and public sector. Only time will tell how widely

Vested will be used in another ten years or whether some new methodology will step in and become the newest trend in procurement.

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Appendix

Energy utilities company's Appendix 1. with Procurement Specialist on Supply Chain Management and Development.

Q1. The name of your company:

Q2. Your title in the company:

Procurement Specialist, Corporate Procurement

Q3. In which country the company unit where you are working is located?

Finland

Q4. What is your working experience in the current position? Please, specify how many years you have been working in the current position.

Q6. Theme No. 1: Leveraging value across the supply chain

Q7. Strategic business practice in the supply chain is about contributing substantially to profitability; acquiring, controlling and releasing appropriate value to customers; and maximizing returns to shareholders. This calls for active management of supply chains and markets.

	Business Priority			Progress		
	Low	Moderate	High	Little Progress	Moving Forward	Fully Implemented
1.1 Clarity on required target returns and goals for shareholder value.	○	○	◉	○	◉	○
1.2 Definition of markets, supply chains and product strategies to achieve these goals.	○	◉	○	○	◉	○
1.3 Location, control and protection of critical strategic capabilities.	○	○	◉	○	◉	○
1.4 Definition and leveraging of intangible, intellectual and knowledge based assets.	○	○	◉	○	○	◉
1.5 Executive focus on to innovative rather than imitative product and service development.	○	◉	○	○	◉	○
1.6 Repositioning from commodities into product and service streams with high differentiation.	○	◉	○	○	○	○
1.7 Segmentation of supply chains by strategic, operational and executional impact.	◉	○	○	◉	○	○

1.8 Active management of the supply chain to deliver superior product performance.	◉	○	○	◉	○	○
1.9 Development of strategies to impact volatile commodity markets.	○	○	◉	○	○	◉
1.10 Integration of market strategies into a plan of business development and renewal.	○	◉	○	○	◉	○

Q8. Theme No. 2: Redefining the boundaries of business

Q9. The traditional boundaries of business are being blown apart. Accelerating competition, aggressive new entrants, deregulation and heightened pressures for capital productivity are forcing companies to redefine the way they operate.

	Business Priority			Progress		
	Low	Moderate	High	Little Progress	Moving Forward	Fully Implemented
2.1 Definition of strategic and secondary operations and capabilities.	○	◉	○	○	◉	○
2.2 Evaluation of the balance between in-house control vs. deverticalization.	○	○	◉	○	○	◉
2.3 Location and evaluation of the prime targets for strategic and tactical outsourcing.	○	○	◉	◉	○	○
2.4 Development of the forward strategy for access to capabilities via strategic alliances.	○	○	◉	○	◉	○
2.5 Business realignment to accommodate institutional and sourced alliances.	○	○	◉	○	◉	○
2.6 Application of arm's length, modular, networked and virtual supply.	○	◉	○	○	◉	○
2.7 Transfer of control of major business processes to third parties.	○	○	◉	○	○	◉
2.8 Application of defined and standardized processes for post-merger integration.	○	○	◉	○	◉	○
2.9 Strengthening of supplier development capabilities and high order contractual skills.	○	○	◉	○	◉	○
2.10 Building management understanding of the implications of new ways of working.	○	○	◉	○	◉	○

Q10. Theme No. 3: Developing relational competence

Q11. A wide array of relational strategies are now being deployed across the supply chain. They embrace both collaborative and competitive forms of trading. The key is to develop appropriate criteria for the selection of these different types of trading relationships.

	Business Priority			Progress		
	Low	Moderate	High	Little Progress	Moving Forward	Fully Implemented
3.1 Develop a clear business understanding of the full range of relational types.	○	○	◉	○	◉	○
3.2 Map different trading relationships to different business needs.	○	○	◉	◉	○	○
3.3 Profile the key factors in specific relationships with different suppliers.	○	○	◉	○	◉	○

3.4 Structure the selection criteria for the application of business relationships.	○	◉	○	○	◉	○
3.5 Align relational types to strategic and secondary capabilities.	○	◉	○	◉	○	○
3.6 Recognize the role of power and dependency within supply chains and relationships.	◉	○	○	◉	○	○
3.7 Develop preferred supplier and preferred customer approaches.	○	○	◉	○	◉	○
3.8 Assess the contribution of early supplier involvement in a range of business practices.	○	◉	○	◉	○	○
3.9 Use relational skill to capture and deploy innovation ahead of competitors.	○	○	◉	○	◉	○
3.10 Provide training, coaching and action learning in strategic negotiation.	○	◉	○	○	◉	○

Q12. Theme No. 4: Managing at the right level

Q13. Within medium to large businesses, determining the right level for control, ownership and delivery of supply chain processes raises important organizational issues. Balancing local autonomy with cross-business leverage of total resources needs close executive scrutiny.

	Business Priority			Progress		
	Low	Moderate	High	Little Progress	Moving Forward	Fully Implemented
4.1 Assessing the appropriate level of geographical aggregation for supply chain processes.	○	◉	○	○	◉	○
4.2 Top level executive forum to assign process management to designated process sponsors.	○	○	◉	○	◉	○
4.3 Identification of local, country, regional and global supply chain processes.	○	◉	○	◉	○	○
4.4 Definition of appropriate levels of dependency on the local supply network.	○	◉	○	○	◉	○
4.5 Dealing with the inefficiencies of decentralization and capturing the synergies.	○	◉	○	○	◉	○
4.6 Pan-regional and global consolidation of purchasing to maximize supplier leverage.	○	◉	○	○	◉	○
4.7 Organization of networking events and away days to foster close working relationships.	○	○	◉	○	○	◉
4.8 Targeting the non-production and intellectual services supply chain for close scrutiny.	◉	○	○	◉	○	○
4.9 Defining guidelines and policies in cross business collaboration and training staff in them.	○	◉	○	○	◉	○
4.10 Sharing learning and best practice in pan-regional ways of working	◉	○	○	○	◉	○

Q14. Theme No. 5: The responsive supply chain

Q15. There is an accelerating trend towards greater integration of supply chains in terms of demand and supply management. This calls for radical reform of forecasting, planning, manufacturing, supplier management and inventory systems.

	Business Priority	Progress

	Low	Moderate	High	Little Progress	Moving Forward	Fully Implemented
5.1 Assess best practice on previous platforms of manufacturing and supply chain operations.	○	◉	○	○	◉	○
5.2 Determine short-term goals for inventory reduction.	◉	○	○	◉	○	○
5.3 Locate pilot projects for greater involvement of suppliers in new product development.	○	○	◉	○	○	◉
5.4 Negotiate agreements with retailers and other customers on two-way sharing of data.	○	◉	○	◉	○	○
5.5 Centralize distribution centers and develop the methodology of cross-docking.	◉	○	○	◉	○	○
5.6 Harness quantitative modelling techniques to provide more accurate and stable forecasts.	◉	○	○	◉	○	○
5.7 Abandon complex matrix structures and reduce hierarchical ways of working.	○	◉	○	○	◉	○
5.8 Replace sequential new product development with concurrent and integrated methods.	○	◉	○	○	◉	○
5.9 Redesign business processes around a pull system of demand management.	◉	○	○	◉	○	○
5.10 Rationalize suppliers and develop joint programmes of training and development	○	○	◉	○	◉	○

Q16. Theme No. 6: Driving down purchase costs

Q17. The purchased content of goods and services is well over 60% of total business costs in many sectors. Substantial savings can be made through tactical and strategic cost management. The goal is to secure, as a minimum, a cost advantage over direct competitors.

	Business Priority			Progress		
	Low	Moderate	High	Little Progress	Moving Forward	Fully Implemented
6.1 Build a thorough understanding of the cost drivers within the purchase supply chain.	○	○	◉	○	◉	○
6.2 Analyze the total expenditure across production and non-production categories.	○	○	◉	○	◉	○
6.3 Rationalize the supply base and introduce robust supplier measurement.	○	◉	○	◉	○	○
6.4 Address in-company preferences, local ties and unjustifiable supplier dependencies.	○	◉	○	◉	○	○
6.5 Put cost reduction and cost containment plans in place and measure them regularly.	○	○	◉	◉	○	○
6.6 Use target costing to connect required product profitability with sourcing practice.	○	◉	○	◉	○	○
6.7 Brief suppliers and actively involve them in the target costing process.	○	◉	○	○	◉	○
6.8 Secure the support of suppliers for the practice of ongoing cost improvement.	○	○	◉	○	◉	○
6.9 Reduce total value of working assets through cash and inventory management.	○	○	◉	○	◉	○
6.10 Make the business cash positive, i.e. customer receipts ahead of supplier creditor term.	○	○	◉	○	◉	○

Q18. Theme No. 7: Bringing about change

Q19. There is a number of clear options available in change management. Required supply chain initiatives need to be designed within the context of the demands for change and the levels of internal support necessary to sustain it.

	Business Priority			Progress		
	Low	Moderate	High	Little Progress	Moving Forward	Fully Implemented
7.1 Definition of a limited number of business mission critical supply chain processes.	○	◉	○	○	◉	○
7.2 Creation of a supply chain change management programme over a 1:3 year period.	◉	○	○	◉	○	○
7.3 Formation of a top level steering group with a vision of strategic supply chain excellence.	◉	○	○	◉	○	○
7.4 Cross-business collegiate support for the top business priorities in the supply chain.	○	◉	○	○	◉	○
7.5 Options in change management have been fully assessed and priorities determined.	○	◉	○	○	◉	○
7.6 Resourcing the business with talented staff capable of adding value in the supply chain.	○	◉	○	○	◉	○
7.7 Senior management determination to break down the functional silos and blocking forces.	○	◉	○	○	◉	○
7.8 Bottom up 'quick wins' change programme under way to build momentum.	◉	○	○	◉	○	○
7.9 Shake up the power structure inside the business. Destabilize the status quo.	○	◉	○	◉	○	○
7.10 Redefine, restructure and redesign the core supply chain processes.	○	◉	○	◉	○	○

Q20. Theme No. 8: Measurement and baselining

Q21. Measurement has a pivotal role in transformational supply chain change. It builds commitment, motivates teams and generates forward momentum. An effective measurement scheme needs to be embedded within the business culture and regularly reviewed by top management.

	Business Priority			Progress		
	Low	Moderate	High	Little Progress	Moving Forward	Fully Implemented
8.1 Integrating supply chain measurement within total corporate performance reviews.	○	◉	○	○	◉	○
8.2 Developing appropriate measures of inputs from suppliers.	○	○	◉	○	◉	○
8.3 Developing appropriate measures of 'value added' within the business.	○	○	◉	○	◉	○
8.4 Developing appropriate measures of process efficiency in task accomplishment.	○	◉	○	○	◉	○
8.5 Developing appropriate measures of outputs to customers.	○	○	◉	○	○	◉
8.6 Targeting improvement activity via quarterly reporting and regular review forums.	○	◉	○	◉	○	○
8.7 Linking supply chain metrics to staff performance management, e.g. MBO appraisals.	◉	○	○	◉	○	○

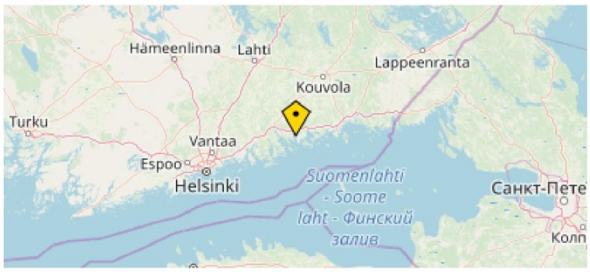
8.8 Creation of a forward looking baseline of required supply chain improvement.	◉	○	○	◉	○	○
8.9 Creation of a supply chain strategy forum involving top management.	◉	○	○	◉	○	○
8.10 Independent audit of results of supply chain strategies and improvement activities.	◉	○	○	◉	○	○

Q22. Ready to submit your answers?

Location Data

Location: (60.420700073242, 26.282897949219)

Source: GeoIP Estimation



Energy Utilities Company Appendix 2. Risk Management with The Company's Supply Chain.

APPENDIX 2 Risk assessment model 1

Demand-related problems or small number of orders

Background questions:

How many major clients does the company have?	**1**	**2–3**	**>3**
How large a proportion of the total production does one of the major clients constitute?	**>75%**	**30–75%**	**<30%**
Is there demand or use for the company's core competence outside the present clients?	**Unknown or core competence unrecognised**	**Some**	**Yes, enough**
Does the company have experience and competence in marketing and customer acquisition?	**No**	**Some**	**Yes**

The reason for a potential problem	**Consequence for the company**	**Probability of occurrence**
	1 no effect	**1 very small**
	2 minor	**2 minor**
	3 moderate	**3 moderate**
	4 major	**4 major**
	5 catastrophical	**5 very large**

Demand from the customers of a major client decreases	**Consequence for the company**	**Probability of occurrence**
Demand in the industrial sector generally decreases or the growth of the sector unexpectedly ceases.	1 2 3 4 5	1 2 3 4 5
A declining trend begins in a region with a significant number of end clients (the clients of the company's client).	1 2 3 4 5	1 2 3 4 5

Problems related to a major client's product sales	**Consequence for the company**	**Probability of occurrence**
The competitive strength of the client's products diminishes.	1 2 3 4 5	1 2 3 4 5
Orders are larger than predicted.	1 2 3 4 5	1 2 3 4 5

Orders are smaller than predicted.	1 2 3 4 5	1 2 3 4 5
The client's new product model or its timing in the market fails.	1 2 3 4 5	1 2 3 4 5
An end client does not trust the client's network capacity.	1 2 3 4 5	1 2 3 4 5

The position of the company as part of the client's supplier network weakens.	**Consequence for the company**	**Probability of occurrence**
The ownership of the client company changes or the client becomes merged with another company.	1 2 3 4 5	1 2 3 4 5
The client reduces the number of suppliers, e.g. in order to increase delivery size.	1 2 3 4 5	1 2 3 4 5
The client's demands pertaining to technology or volume change and the company is unable to meet the new requirements.	1 2 3 4 5	1 2 3 4 5
The company loses the client's trust as a result of insufficient delivery reliability.	1 2 3 4 5	1 2 3 4 5
The company loses the client's trust as a result of issues related to quality.	1 2 3 4 5	1 2 3 4 5
The company loses the client's trust as a result of disclosure of confidential information.	1 2 3 4 5	1 2 3 4 5
The client chooses a more competitive supplier from the outside of the network; for example, a large international corporation is expanding its market share.	1 2 3 4 5	1 2 3 4 5
The position of the company in the client's network deteriorates due to a lack of resources for internationalisation required by the client.	1 2 3 4 5	1 2 3 4 5
The company expands to the international market with the client, but the demand does not meet the expectations.	1 2 3 4 5	1 2 3 4 5
Issues related to production experienced by other suppliers in the network affect the company's volume of orders.		
The company's volume of orders is reduced because problems pertaining to delivery or capacity occur in the network.	1 2 3 4 5	1 2 3 4 5

Problems related to cost control or pricing

Background questions:

Does the company know the cost structure of the client's end product?	No	Yes, approximately	Yes, precisely
Has operation in the network caused changes in the pricing of products or price level?	No	To some extent	Yes, a lot
Is open-book pricing used?	No	With some clients	With all clients
Has operation in the network changed the company's cost control or cost calculation system?	No	To some extent	Yes, a lot
Are the company and the client working together to decrease costs?	No	To some extent	Yes, a lot

The reason for a potential problem	**Consequence for the company**	**Probability of occurrence**
	1 no effect	**1 very small**
	2 minor	**2 minor**
	3 moderate	**3 moderate**
	4 major	**4 major**
	5 catastrophical	**5 very large**

Problems in the calculation or control of production costs	**Consequence for the company**	**Probability of occurrence**
Cost accounting is providing unreliable information on output-based costs.	1 2 3 4 5	1 2 3 4 5
The price level of raw materials or procured components rises significantly.	1 2 3 4 5	1 2 3 4 5
The company does not receive a price benefit for acquisitions as the main acquirer.	1 2 3 4 5	1 2 3 4 5
The price level of the company's subcontractors increases.	1 2 3 4 5	1 2 3 4 5
Labour costs increase.	1 2 3 4 5	1 2 3 4 5

Expenses do not correlate with volume fluctuations.	1 2 3 4 5	1 2 3 4 5
Low predictability of demand causes extra costs.	1 2 3 4 5	1 2 3 4 5
Quality defaults cause wastage expenses.	1 2 3 4 5	1 2 3 4 5
The production equipment of the company is incapable of cost-effective production.	1 2 3 4 5	1 2 3 4 5

Larger responsibility and more extensive products set additional requirements to the company operations, causing expenses to rise	**Consequence for the company**	**Probability of occurrence**
Working capital becomes too large as the business volume increases.	1 2 3 4 5	1 2 3 4 5
As a result of larger wholes, working capital increases.	1 2 3 4 5	1 2 3 4 5
Responsibility for buffer stocks is shifted from the client to the company.	1 2 3 4 5	1 2 3 4 5

Investment costs increase	**Consequence for the company**	**Probability of occurrence**
Expansion investments increase the company's debt-equity ratio.	1 2 3 4 5	1 2 3 4 5
Investments become too large in proportion to the resources of the company.	1 2 3 4 5	1 2 3 4 5
Internationalisation or pressure to internationalise cause great investment needs.	1 2 3 4 5	1 2 3 4 5
The cycle of investments is accelerated.	1 2 3 4 5	1 2 3 4 5
A wrong type of investment is made.	1 2 3 4 5	1 2 3 4 5
Investments are focused on too narrow a field of expertise, for which there is no use in the future.	1 2 3 4 5	1 2 3 4 5
Investment criteria prove to be erroneous, i.e. estimated investment income or expenditure is not realised as estimated.	1 2 3 4 5	1 2 3 4 5
A client-specific investment is made, for which, after a product has failed, there is no use.	1 2 3 4 5	1 2 3 4 5

The company is pressured to make larger investments.	1 2 3 4 5	1 2 3 4 5

The price or availability of money causes problems for the company.	**Consequence for the company**	**Probability of occurrence**
Interest level increases rapidly.	1 2 3 4 5	1 2 3 4 5
Exchange rate fluctuations cause interest losses or margin problems.	1 2 3 4 5	1 2 3 4 5
Financing is a significant bottleneck in the development and expansion of the company.	1 2 3 4 5	1 2 3 4 5

Product pricing causes problems	**Consequence for the company**	**Probability of occurrence**
The pricing policy of the company fails.	1 2 3 4 5	1 2 3 4 5
Price competition in the sector gets out of control. For example, a major international competitor enters the market, causing the market price to decrease too low for the company.	1 2 3 4 5	1 2 3 4 5
The client has great control over the product price.	1 2 3 4 5	1 2 3 4 5
Prolonged decline of prices weakens the profitability of the company because the company is unable to rationalise its operations at the same pace.	1 2 3 4 5	1 2 3 4 5
The client requires an unrealistic price reduction on a short notice.	1 2 3 4 5	1 2 3 4 5
The company is unaware of the additional value of the product to the client.	1 2 3 4 5	1 2 3 4 5

Problems in meeting delivery criteria (delivery times or quality)

Background questions

How many per cent of the information flow of the company's order-delivery process is communicated electronically?	<70%	70–90%	>90%
How do the delivery times of goods purchased by the company compare to delivery times of products made by the company.	Longer	Roughly equal	Shorter
Level of strategic cooperation in the supply chain - with clients - between suppliers	 High High	 Moderate Moderate	 Low Low
Number of replacement subcontractors for the company	Large	Moderate	Small
At which stage of the product life cycle is cooperation primarily carried out (product development, productive testing, customised production or mass production)?	Early	Halfway	Late

The reason for a potential problem	Consequence for the company	Probability of occurrence
	1 no effect	1 very small
	2 minor	2 minor
	3 moderate	3 moderate
	4 major	4 major
	5 catastrophical	5 very large

Internal processes of the company	Consequence for the company	Probability of occurrence
Defaults in product planning cause problems in meeting delivery expectations.	1 2 3 4 5	1 2 3 4 5
The company's ability to manage projects is insufficient for large-scale deliveries and deliveries requiring extensive knowledge of technology.	1 2 3 4 5	1 2 3 4 5

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Errors and usability of the company's ERP system negatively impact the meeting of delivery requirements.	1 2 3 4 5	1 2 3 4 5
Insufficient stock prevents the fulfilment of delivery requirements.	1 2 3 4 5	1 2 3 4 5
Deliveries are delayed due to a temporary capacity shortage (insufficient machinery or staff capacity).	1 2 3 4 5	1 2 3 4 5
Long-term machinery or staff capacity is insufficient to meet increasing production.	1 2 3 4 5	1 2 3 4 5
Recurring unexpected problems and interruptions in production resulting from, for example, long setup times or new product models.	1 2 3 4 5	1 2 3 4 5
Insufficient production equipment service reliability and performance (possibly no redundancy, expensive replaceable parts, they cannot be procured quickly enough or difficult to repair).	1 2 3 4 5	1 2 3 4 5
Production delivery cycle is too long or its predictability varies greatly.	1 2 3 4 5	1 2 3 4 5
Too vast product range makes production process difficult to control.	1 2 3 4 5	1 2 3 4 5
The company experiences problems in meeting the client's quality criteria.	1 2 3 4 5	1 2 3 4 5
Raw material in stock is useless (out-dated) or otherwise inappropriate for the end products.	1 2 3 4 5	1 2 3 4 5
The fulfilment of delivery criteria is difficult due to staff incompetence.	1 2 3 4 5	1 2 3 4 5
Problems in recruiting competent workforce.	1 2 3 4 5	1 2 3 4 5
The company loses a key person or persons.	1 2 3 4 5	1 2 3 4 5

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Inter-company processes	Consequence for the company	Probability of occurrence
The company is unable to meet new tighter delivery times set by the client.	1 2 3 4 5	1 2 3 4 5
Problems occur in the network resulting from inaccurate forecasts.	1 2 3 4 5	1 2 3 4 5
Deliveries are delayed or erroneous due to incompatible information systems of the companies.	1 2 3 4 5	1 2 3 4 5
The client's product life cycles (ramp-up/ramp-down) do not match plans.	1 2 3 4 5	1 2 3 4 5
Significant quality problems are not detected prior to delivery to the end client.	1 2 3 4 5	1 2 3 4 5
Client product specifications are inaccurate or erroneous.	1 2 3 4 5	1 2 3 4 5
The network is unfamiliar with the usage environment of the end product.	1 2 3 4 5	1 2 3 4 5
Information regarding changed product requirements is not communicated in the network.	1 2 3 4 5	1 2 3 4 5
Delivery problems arise from the delivery reliability of the company's subcontractors.	1 2 3 4 5	1 2 3 4 5
Delivery time of the company's subcontractors or material suppliers is too long.	1 2 3 4 5	1 2 3 4 5
The availability of a critical (affordable, hard-to-find or hard-to-replace) material has not been secured and the material is unavailable when needed.	1 2 3 4 5	1 2 3 4 5
Issues in the availability of external services (for example, planning, information systems, maintenance or subcontractors' machinery or production methods).	1 2 3 4 5	1 2 3 4 5
A partnership fails (e.g. a material supplier is unable to comply with contract terms or is out of business or the subcontractor's predetermined reserve or extra capacity is inadequate).	1 2 3 4 5	1 2 3 4 5

Appendix 3. RFP Example with chosen weighted procurement approach.

Digital Customer Service Solution Request for Proposal (RFP) / Voice Channel requirements

- This document contains list of Company's functional and non-functional requirements split into varios worksheets according to functional area
  - Requirement Areas: 1) Self-service, 2) E-channels, 3) Voice, 4) Routing, 5) Analytics and 6) CX and Agent UIs
- Please provide Your responses to columns E, F and G for all questions presented on all worksheets below

ID	Requirement Title	Requirement Description	Currently available with X-Solution	This is used by SF Omnichannel / Service cloud	Priority: 1-Must 2-Should 3-Could	Company's internal comments	Provider response: Yes / Partial / No (see comment)	Provider response: Product name (see comment)	Provider response: Additional information (see comment)
Extension calls (personal calls)									
3.0	Note!	"Phone device" term in requirements below means both softphone and desk phone unless otherwise stated			N/A				
3.1	Extension calls	The system provides direct calls to CC Agents (calls to user's extension number) That is starting with 010 and has possibility to have service cost.			1-Must				
3.2	Basic call handling functions	Answer, hang up, mute /unmute, hold /retrieve, transfer (blind and consultative), consult, adjust voice levels, call duration, customer call history view, manual wrap-up time and pause code selections.			1-Must				
3.3	Personal queue	Users can have personal extension queue in case their extension is busy and another call arrives to user extension number			1-Must				
3.4	Call forking feature	Extension call alerts simultaneously in user desk /softphone and e.g. at mobile phone (or some else user defined number). User can answer incoming call from either device.			1-Must				
3.5	Multiple phone device support	Users need to be able to handle personal and service (queue) calls from various devices: softphone, desk phone or mobile phone.			1-Must				
3.6	Directory or phonebook information	The systems support shared and personal directories. For example, customer and partner directory information can be shared (all or group of users can view shared directory data) and user can create his own directories (only user can see personal directory data).			1-Must				
3.7	Directory or phonebook searches	Users can search and view directory data according to given rights. Search criteria include e.g. person name, extension or mobile number, colleague /substitute, department and product information /expertise.			1-Must				
3.8	Presence management	Users can manage their presence status: serving / not ready / pause (with reason code for pause). User can see other user's presence status via directory or e.g. when transferring call to another user.			1-Must				
3.9	Outgoing call number definition	User can change /choose which telephone number will be shown for outgoing call - whether call is made from softphone or desk phone.			1-Must				
3.10	Call volume control	User can adjust ongoing call volume: both incoming voice (speaker device) and outgoing voice (microphone device).			1-Must				
3.11	Programmable function keys	Special user group needs to be able to program most used telephony functions to their desk phones such as quick dial /transfer keys, callback to dialed extension number, enter predefined code, etc.			1-Must				
3.12	Quick dial keys	User shall be able to define and store up to 50 personal quick dial keys to his /her phone (softphone or desk phone). Saved quick dial keys shall remain even though the phone is restarted.			2-Should				
3.13	Transferring call to busy colleague	Agent can transfer call who is currently busy. Alternatively, agent can leave a message to colleague with callback request info for the customer.			2-Should				
3.14	Conference calls	Agent can create multi-party conference to solve the customer issue (including the customer). Agent can mute / unmute conference parties if needed and agent can also transfer the call to selected conference party once the conference ends.			2-Should				
Inbound queue calls (customer service calls)									
3.15	Queuing music for the callers in queue	The system shall support playing queue music for the calls in queue. As a plus, the system supports playing random queue music based on queue music "library".			1-Must				
3.16	Minimum 2 service (queue) specific announcements	The system supports playing different queue announcements - minimum 2 different announcements per queue (in addition queuing music)			1-Must				
3.17	Managing queuing music and queue announcements	The system provides easy to use user interface to manage queue music and announcements for various services (queues). The Companys administrator user can add, change or delete queue music and announcements during this user interface per service (queue).			1-Must				
3.18	Emergency announcements management via phone	The system supports recording and activating emergency announcements via phone: Administrator can activate some existing announcement or record new one and activate selected announcement per service (queue) or simultaneously to all services (queues).			1-Must				
3.19	Queuing to multiple skills simultaneously	Queuing shall be possible to multiple skills simultaneously: e.g. wait certain skill for 15 seconds, then expand target group and wait for next 15 seconds and then again expand target group until some in extended target group gets free and answers the call.			1-Must				
3.20	Change service during the call	If customer has called e.g. Swedish language service, but there is no agents available the system can inform the customer for the situation and enable changing to Finnish language customer service by selecting e.g. 1 with telephone keypad (DTFM selection)			1-Must				
3.21	Caller service and language selection	With alerting and ongoing calls, agent shall see to which service (queue) customer has called including the language information. This shall be supported in all phone devices: softphone, desk phone and mobile phone UI.			1-Must				
3.22	Queue calls handling	Agents can use same call handling functions for queue calls as with their personal calls: Answer, hang up, mute /unmute, hold /retrieve, transfer (blind and consultative), consult, adjust voice levels, call duration, customer call history view, manual wrap-up time and pause code selections.			1-Must				
3.23	Customer contact history	Calls and other contacts (emails, chats, social media message, etc.) shall automatically be stored to the system and agents can search & see customer contact history when handling customer messages (or other type of contacts)			1-Must				
3.24	Call attached data with call transfers	If agent1 transfers call to agent2, also call attached data is transferred to agent2: e.g. if agent1 has updated customer data in the CRM system, the receiving agent2 shall have CRM screen pop-up with updated customer data together with call transfer.			1-Must				
3.25	Callback request by agent	Agent can create callback request (on behalf of the customer) and route callback request to certain agent with defined skill			1-Must				
3.26	Call /contact classification	Agent shall be able to classify contact result during or after the contact (classification data is used e.g. for reporting purposes). Classification can be done in "flat" or "tree" structure - please see 6) CX and Agent UIs tab ID 6.49 for more details			1-Must				
3.27	After call work / wrap-up time	Administrator can define default wrap-up time per inbound service (queue) and per outbound campaign. Agent can end wrap-up time sooner if needed and agent can also extend default wrap-up time if needed per call.			1-Must				
3.28	Missed call sets agent automatically to break / not ready status	If agent misses personal or service (queue) call, he / she is automatically set to break / not ready status to avoid further calls unnecessarily alerting for the agent. Administrator can activate or de-activate this per agent and call type (personal call vs. queue call)			1-Must				
3.29	WebRTC calls from websites or applications	If customer calls WebRTC call from website or application, customer related data is passed with the call to the agent: for example, customer may fill in web form prior to WebRTC call so web form data can be used for routing and web form data can be presented for the agent.			1-Must				
3.30	Mobile agent	Agent can log in and log out to service queues via mobile phone (or some else user defined phone). Agent can also manage in which services (queues) he / she is serving via mobile phone.			1-Must				

3.31	MS Lync / Skype for Business (SfB) / Skype calls	The system can accept and route incoming calls from SfB system (e.g. using SIP) and pass calls to SfB (using SIP). Also agents can use Lync / SfB client as their phone client once receiving and handling customer service (queue) calls.			1-Must				
3.32	Contact allocation according to queuing time	The call be redirected e.g. to callback service once queuing time exceeds set threshold level.			2-Should				
3.33	Estimated queuing time announcement	The system can play estimated waiting time for the caller in queue (configurable per service queue): e.g. "estimated waiting time is less than X minutes" or "estimated waiting time is X minutes" where "X" is current estimated queuing time.			2-Should				
3.34	Reason code id and name	Reason code id and name is visible in softphone and also on desk phone or mobile user interface.			3-Could				
3.35	Queuing position announcement	The system can play caller position in a queue (configurable per service queue) for example once call arrives to queue: e.g. "You are currently Xth in the queue" where "X" is callers current position in a queue.			3-Could				
3.36	WhatsApp, etc. application calls	The system provides interfaces to The system can accept and route incoming calls from special voice applications such as WhatsApp and pass calls to these special voice applications.			3-Could				
3.37	Automated agent greeting	Agent can record personal greeting per service (queue). This recorded greeting is played for the customer automatically once agent answers the service (queue) call and "play personal greeting" is activated.			3-Could				
Callback channel									
3.38	Callback offering management	Companys administrators can define via easy to use user interface when callback will be offered for caller in the queue: e.g. after 1 minute waiting time if there is less than XX calls in the queue or immediately if there is more than YY calls in the queue, etc. List supported options in Additional Information field.			1-Must				
3.39	Callback creation	Customer (caller) can choose if the callback is done to the same number where customer called or enter new number where callback will be made			1-Must				
3.40	Callback duplicate check	If customer tries to leave another callback request to the same service (queue), he / she shall be informed that there already is a callback request for the customer (and new one will not be created). Customer can continue queuing or customer can delete existing callback request.			1-Must				
3.41	Skill based callback request routing	Skill based routing shall be able to be used with callback request routing to agents.			1-Must				
3.42	Callback handling	Agent can reschedule callback call if customer was busy, did not answer, call was answered by voicemail, etc. Companys administrators should be able to define default redial intervals for busy, no answer and answering machine call result cases			1-Must				
3.43	Callback handling time report	The system provides report that shows callback handling statistics: for example, how fast customer callback requests have been answered by agents and other handling related statistics			1-Must				
3.44	Service level based routing	The system supports automatic callback activation once set service level threshold is undercut: Once service level decreases below service level target, callback service is automatically activated for defined services (queues).			2-Should				
3.45	Send info message to the customer	If customer did not answer callback call, the system can send SMS info message for the customer, e.g. "Dear customer, Company's called you based on your callback request. We will try again after 1 hour".			2-Should				
3.46	Search and delete callback request	In case customer calls again and gets answered by agent, the agents (and supervisors) can search customer callback request in queue and delete it. Also customer can delete his /her callback request by calling again same service (queue) and by selecting callback service while queuing.			2-Should				
3.47	Callback calling time indication	Customer can select via telephone keypad or voice using voice commands when he/she should be called back			2-Should				
Service numbers and voicemenus									
		Phone number must be Finnish standard 010 that includes the service cost possibility.							
3.48	Voice menus	The system provides voice menus where customer can select e.g. language (Finnish - 1, Swedish - 2) and service type (Sales - 1, billing - 2) with their telephone keypad or by voice commands (speech recognition). At least 5 sub-menu levels shall be supported.			1-Must				
3.49	Linked voice menus	Voice menus can be linked: E.g. call is answered from voice menu application 1 where selection 3 forwards call to voice menu application 2, etc.			1-Must				
3.50	Voice menu scheduling	Voice menu can be activated /deactivated /altered based on day of the week or time of the day			1-Must				
3.51	Caller recognition services	The system enables customers to dial in (DTMF selections) or dictate with voice their customer id. The system can query customer data from external system using given id (e.g. web service, REST or SQL queries).			1-Must				
3.52	Call handling support	IVR can forward calls to internal & external numbers and dial out calls			1-Must				
3.53	Emergency announcements activation	Emergency announcements can be activated/deactivated by telephone /mobile phone, also when the network is down			1-Must				
3.54	Speech recognition services and languages	Voice recognition supports Finnish, Swedish and English languages. Needed services are voice commands (e.g. with menu selections) and voice dictation (e.g. dictating customer id [letters and numbers] for customer recognition purposes (normal database query using given customer id))			2-Should				
3.55	Outbound IVR applications	The system supports Outbound IVR functionality: e.g. automatic notification call for customers who's invoice payment is 2 weeks over due date - after the announcement customer may connect the call to billing service (queue).			2-Should				
3.56	Automated voice self-services	The system supports various voice self-services, e.g. automated info /order / cancellation services. Caller can interact with system using telephone keypad selections (DTMF) or with voice commands (speech recognition)			3-Could				
3.57	IVR management tools	The system provides easy to use user interface to create and manage voice menus including voice prompt management. Voice menus can be built to work dynamically: e.g. VIP customers voice menus are personalized according to customer preferences (preference data is stored in CRM system).			3-Could				
Voice integration to Salesforce									
3.58	Salesforce Integration	Solution must be integrated to Salesforce Lightning Service cloud and support the Salesforce Omnichannel functionalities. https://developer.salesforce.com/docs/atlas.en-us.api_cti.meta/api_cti/sforce_api_cti_intro.htm			2-Should				
3.59	Contact routing	The system shall support universal contact routing across all contact channels even though Salesforce is used to provide voice channel functionality (personal extension calls, customer service inbound calls, callbacks and outbound campaign calls).			2-Should				
3.60	Interoperability from agent perspective	Agent needs to login only to one system (no separate logins needed to offered system and Salesforce separately). Once agent is logged in, the system routes all type of contacts (calls, chats, emails, etc) to agents according to agent skill set (skill based routing) - there is no need to login separately to voice and various e-channels.			2-Should				

3.61	Agent can control queue login statuses	The agent can manage voice queue login statuses by himself /herself (in addition to automated or supervisor controlled mode). This is needed especially during weekends when calls may arrive to queues where agent is not serving normally (so agent can login particular queue immediately and handle the call)			2-Should				
3.62	Universal monitoring and reporting	The system provides universal monitoring and reporting capabilities even though Avaya is used to provide voice channel functionality (detailed monitoring and reporting needs are listed in "5) Analytics" tab).			2-Should				
Outbound campaigns									
3.63	Integrated outbound campaign execution tools	The system provides integrated outbound campaign execution tools: import calling list, define various outbound call settings, route outbound calls to assigned agents (among other contacts), monitor & report campaign results and export campaign calling list with call results during or after the campaign is executed.			1-Must				
3.64	Integration to CRM system to generate outbound call lists automatically	It is possible to generate an outbound call list in the CRM system (Salesforce) and forward calling list into CC outbound campaign execution			1-Must				
3.65	Call information available for the agent	CRM generated outbound calls brings related customer information to CC agent user interface as support for the call (including instructions regarding the call content, customer data, etc)			1-Must				
3.66	Outbound campaign calls are blended within other CC activities	It is possible to use outbound campaign calls to fill in low-volume moments during inbound contact handling (blending of call types based on skill & priority)			1-Must				
3.67	Call results back to CRM	The agent can access the outbound call activity within CRM directly from the CC system and record the outcome. The added data flows back to CRM customer history and reporting			1-Must				
3.68	Scheduled recalls	Agents shall be able to create and schedule recalls to the customers (in case customer e.g. asks agent to call again later). These callbacks /rescheduled calls shall be routed to specific agent or skill or campaign (as common recall).			1-Must				
3.69	Recall attempt amounts and intervals	Company's administrators shall be able to define per campaign how many times customers will be called in busy /no answer /answering machine call results and also the redial intervals for these call results.			1-Must				
3.70	Campaign instructions for the agents	Company's administrators can provide instructions /information for the agents per outbound campaign. These instructions are always visible for the agents when they handle outbound campaign calls.			1-Must				
3.71	Calling list management and import to contact center system.	Calling lists can be managed in Excel and/or in .csv (comma separated values) formats. Then calling list can be imported to contact center outbound campaign: new campaign or add new contacts to existing campaign.			1-Must				
3.72	Search and edit customer data on call list	Agents, supervisors and administrators can search customers on outbound calling lists and edit or delete customer data.			1-Must				
3.73	Add customer to the calling lists	Agents, supervisors and administrators can add customers to the calling list one at the time whenever needed			1-Must				
3.74	Preview dialing mode	Outbound customer call is automatically routed to agent and customer data is shown on agent user interface and agent can click-to-call customer once he / she is ready.			1-Must				
3.75	Progressive dialing mode	Outbound customer call is automatically routed to agent and customer data is shown on agent user interface for predefined time (e.g. 5 seconds) and then system dials automatically for the customer. Administrators can define preview time per campaign.			2-Should				
3.76	Predictive dialing mode	The system dials automatically to customers on outbound calling list and connects only answered calls to agents. The system reschedules busy and no answer calls automatically according to campaign redial settings (call attempts and redial interval parameters)			2-Should				
3.77	Call blending functionality	The system supports full call /contact blending across all contact channels: universal routing engine routes inbound contacts (calls, chats, emails, etc) and outbound campaign calls to agents according to defined routing rules (e.g. instead of system limitation to work with outbound campaigns calls only)			1-Must				
3.78	Do Not Call lists	Campaign administrators can manage "do not call lists". Agents are informed if they try to call a number that exists on "do not call lists"			1-Must				
3.79	Opening hours of calling lists /campaigns	Possibility schedule outbound campaign calls per date range, weekdays and hour range			1-Must				
3.80	Agents can search and mark outbound call as handled	Customers can call back and agent handles customer call: agent needs to be able to search customer data on campaign (calling list) and classify call according to result			1-Must				
3.81	Customer data fields	Customer data fields (name, numbers, address, products, remarks, etc) can be defined per outbound campaign			1-Must				
3.82	Outbound call classification options	Outbound call classification options (success, refusal, redial, etc) can be defined per outbound campaign			1-Must				
3.83	Assign agents to the campaigns	Agents can be assigned to campaigns per outbound campaign (who are the agents that will handle campaign calls)			1-Must				
3.84	Web form contact insertion to outbound calling list	Customer contacts from web forms can be inserted automatically to defined outbound campaign			1-Must				
3.85	Outgoing calls number definition	Company's administrators can define outgoing caller number (visible caller number) per outbound campaign, e.g. same number for all campaign calls			1-Must				
3.86	Random outgoing call number	Outgoing caller number changes randomly from defined number range. This can be used e.g. with collection calls. If customer calls back, customer call needs to forwarded to specified service (queue) or announcement			1-Must				
3.87	Contact history including future campaign calls	Inbound call pop up customer contact history (e.g. based on caller number). Agent can see customer previous calls and also future outbound campaign calls. If needed, agent can remove future outbound call from the contact history view.			1-Must				
3.88	Automatic SMS notification	The system can send automatic SMS notification for the customer after the last call attempt (customer has been tried to reach maximum retry times).			2-Should				
3.89	Duplicate numbers on calling list check	If calling list contains duplicate telephone numbers (e.g. corporate call switching number), the system provides this as an alert for the agent. Agent can search customers with same telephone number using calling list search function			2-Should				
3.90	Dynamic calling lists	Customer record is automatically removed from calling list in case product /service is sold to customer by some other way (e.g. via inbound contact). Customer may be added automatically to calling list if set criteria's are met.			2-Should				
3.91	Outgoing call alert time management	Company's administrators can define call alert time for outgoing campaign calls per outbound campaign (e.g. disconnect after 20 seconds alert time to minimize calls answered by answering machine).			3-Could				
3.92	Automated busy calls management	The system automatically hangs up calls to busy numbers and reschedules new call attempt according to defined redial interval (intervals are set in outbound campaign administration)			3-Could				
3.93	Automated voicemail and "cannot be reached" calls management	The system automatically hangs up calls that are redirected to voicemail or "cannot be reached" message is played (calls to mobile phones outside network coverage) and reschedules new call attempt according to defined redial interval (intervals are set in outbound campaign administration)			3-Could				
3.94	Scripting functionality	Company's administrators can create script for the agent per outbound campaigns (as well as for various inbound service queues): e.g. instructions / useful links for the agents or questionnaire agent need to fill in during the call			3-Could				

	Queue management	Agent must be able to select the queue he can join			1-must				
	Omnichanel	Phonesystem is able to use omnichanel with chat			2-should				
	Recording	Administrator is able to add and change recordings that already excist.			1-must				

	Recordings	Administrator is able to record recordings			1-must				
	Policy	Policy should be easy to build and possible to change by administrator			1-must				
	Billing	Billing should be for active users only			3-could				
	Queue management	Administrator should be able to set automatic setting for answering			3-could				
	Headset	Works with Jabra 9400BS -headset			1-must				
	Support	Finnish -speaking support with good opening hrs and quality			2-should				
		Service shoud work properly without any major issues. Data of the time when service is down should be reported			2-should				
	Training	Listen in, taking over and			1-must				
	Instruduction	Instrutuctions for using the service			2-Should				
	Salesforce	Works with Salesforce lightning			1-must				
	Test environment	Has an up-to-date test environment for Salesforce			1-must				
	New features	New features are reported to us			2-should				
	Raporting	Reporting is integrated to Salesforce			1-must				
	Mute	Calls can be muted			1-must				
	Dialpad	Number selection must be seen in dialpad when making outbound calls			1-must				
	Transfering	Calls can be transferred to another user			1-must				