

THE APPLICABILITY OF INTEGRATED SOLUTIONS FOR SME CUSTOMERS IN THE FINANCIAL INDUSTRY

Work-in-Progress paper

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Abstract

A growing number of firms are integrating products and services into customer-centric solutions. From the supplier's viewpoint, providing solutions in the financial industry seem to be most adequate in case of large corporate customers. However, we suggest that the issue is also of importance for small and medium-sized enterprise (SME) customers. The aim of this paper is to analyze the applicability of integrated solutions (IS) for SME customers in the financial industry. Our theoretical analysis is based on IS and value creation literature.

The applicability of solutions for SME customers is analysed through a qualitative case study of one of the largest financial services groups operating in Finland. By comparing the case company's new SME customer strategy against the characteristics of IS capabilities (value identification, value creation and value capture) identified in the literature, we seek to find out which IS elements are applicable in case of SME customers. Our empirical material is based on interviews with the financial services group's vice president of business development and heads of three of the group's corporate banking units, supplemented with secondary material related to the group's SME strategy. This analysis functions as a pre-study, which will be elaborated with multiple cases and quantitative research later on.

The case group has divided its SME customers into distinct segments based on their turnover, and has a clear idea about what constitutes a valuable corporate customer. Our findings suggest that with respect to SMEs with large turnover, the IS characteristics identified in literature hold quite well: customer needs are identified in co-operation with the customer, the business is relationship-focused, and solutions are tailored to meet customer needs. In case of SMEs with smaller turnover, the focus is more on pre-defined packages than customer-centric solutions. Thus, the turnover of the SME customer is relevant for the applicability of IS, mainly because the corporate customer's needs change with the size of their business.

The main contribution of this study is the increased knowledge of the applicability of IS for SME customers. Our conclusion is that there is a lot of potential in providing solutions to SMEs, but in order to create and capture the value inherent to solutions, some challenges need to be addressed. The identified challenges are mostly related to integrating banking and insurance services into a same solution, and recognizing customership across business lines.

Keywords: *Integrated solutions, value creation, financial industry, SMEs*

INTRODUCTION

A growing number of firms are exploring opportunities to enhance their value propositions by integrating products and services into new business offerings, that is, shifting their focus from stand-alone physical products into high-value services and customer-centric solutions (e.g. Brady et al., 2005; Davies et al., 2006; Foote et al., 2001). In this strategy, products and services are bundled together to form integrated solutions (IS) that address customer's needs. The IS research has focused on several industries, but only few cases have been reported in the financial services sector (e.g. Davies, 2004; Gulati & Oldroyd, 2005; Miller et al., 2002).

This study focuses on analyzing the applicability of IS for small and medium-sized enterprise (SME) customers in the financial industry. Solutions seem to provide large potential in the financial sector, where one-stop shopping, i.e. offering customers a full package of banking, investment and insurance services by a single provider, has become a trend (e.g. Jarrar & Neely 2001 p. 284; Ngobo 2004, p. 1129; Voutilainen, 2006). Although IS appears to provide most potential for large corporate customers who value personal service and tailored solutions (e.g. Miller et al. 2002, p. 4), we suggest that the issue is important also for smaller corporate customers. SMEs have been identified as one of the most profitable and growing customer segments for banks (Connolly 2000, p. 8). However, compared to large companies, SMEs possess relatively less knowledge about financial services, and seldom have a designated financial manager. Thus, they might truly benefit from customer-centric solutions.

The concept of customer value creation is deeply entwined with IS. Solutions are designed to add value to a customer's business above what the individual products and services or the customer itself can deliver (Miller et al. 2002, p. 5). On the other hand, capturing a fair share of this value is critical for the solutions provider (Cornet et al. 2000, p. 8). In the financial industry, solutions provision is linked to terms such as cross-selling, i.e. the practice of promoting additional products and services to existing customers in addition to the ones a customer currently has (Ngobo 2004, p. 1129), and bancassurance, i.e. selling insurance products over the bank counter (Bergendahl 1995, p. 17). The issue has been subject of research mainly with respect to large corporate customers (e.g. Davies, 2004; Miller et al., 2002) and retail customers (e.g. Ngobo, 2004; Soureli et al., 2008). However, the perspective of SME customers seems to be neglected in previous studies.

This paper is a pre-study, which we plan to elaborate with quantitative research later on. At the moment, our empirical material consists of a qualitative case study of one of the largest financial services groups operating in Finland. By comparing the case company's SME strategy against the IS characteristics identified in literature, our study is aimed at increasing understanding of IS with respect to smaller corporate customers. Based on our analysis, solutions seem, in most parts, applicable also for SMEs. Our findings suggest that with respect to SMEs with large turnover, the IS characteristics identified in the literature hold quite well: customer needs are identified with active participation of both the customer and the service provider, solutions are composed from modular components to meet the customer needs, and the business is relationship-focused. In the case of SMEs with small turnover, the case group's focus is more on offering pre-defined packages than customer-centric solutions.

The remainder of this paper is structured as follows. The next section begins with a literature review outlining the concepts of IS and customer value creation. In the following part, our qualitative pre-study will be described in detail. After the research method section, we present our empirical findings and compare them against the IS characteristics identified in the literature. Finally, implications of the study will be discussed in the concluding section.

LITERATURE

What are integrated solutions?

Management literature is almost unanimous in suggesting companies a shift towards the provision of high-value integrated solutions (e.g. Brady et al., 2005; Davies et al., 2006; Foote et al., 2001). Miller et al. (2002, p. 3) define solutions to be integrated combinations of products and/or services that are unusually tailored to create outcomes desired by specific customers. According to Davies et al. (2006, p. 39) and Wise and Baumgartner (1999, p. 138), IS are about combining products and services into a seamless offering that provides a high-value unified response to a pressing customer need. To succeed in this, companies first need to understand what exactly a solution is from their customer's perspective, and then internalize that understanding (Cornet et al. 2000, p. 1). The value of the solution should exceed that of the individual components, i.e. create more value for the customer than buying the stand-alone products/services (Davies 2004, p. 733; Galbraith 2002, p. 194).

Delivering integrated solutions instead of individual products/services increases the need for customer-centricity (Galbraith 2002, p. 194; Windahl & Lakemond 2006, p. 326). Customer focus and understanding the customer's need for a solution is perceived very important when shifting the focus towards integrated solutions and provision of one-stop-shopping. Based on Matthyssens and Vandenbempt (1998, pp. 346), this implies a high degree of customization and most importantly, proactive sensing of hardly explicit customer specifications. The authors also note that when buying a solution, the customers expect the supplier to relieve them from a 'burden' (e.g. problems, risks, the need to spend attention/money on the issue).

Perhaps the greatest challenge in transitioning into solutions provision is developing and institutionalizing a scalable business model that captures the value created for not only the customer but also the solutions provider (Bennett et al. 2001, p. 4). In order to succeed in this, Cornet et al. (2000, p. 4) suggest a solutions provider to address the following three capabilities illustrated in Figure 1: value identification, value creation and value capture.

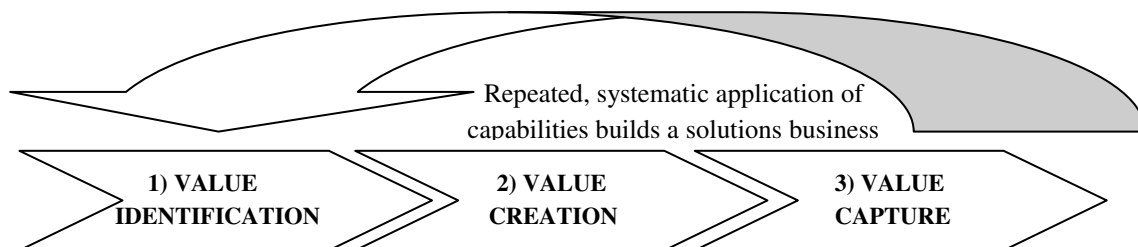


Figure 1. Core capabilities to build a solution business (Cornet et al. 2000, p. 4)

The first capability is value identification. Value identification is about how to focus on the right customers and opportunities (Cornet et al. 2000, pp. 4-5). As Bennett et al. (2001, p. 2) put it, not every customer will be receptive to a solutions-based relationship. One of the obstacles in developing solutions is forgetting that solving customer problems requires a deep knowledge of who the target customers are and what they need (Gulati 2007, p. 108). The goal is not necessarily to try to gain the largest share of customers but to gain the strongest relationships with the most profitable customers (Wise & Baumgartner 1999, p. 136). Next capability is value creation, which is focused on how to develop the best solution and deliver value for the customer, i.e. work together with the customer to tailor a solution to their unique needs (Bennett et al. 2001, p. 3; Cornet et al. 2000, pp. 6-7). This will be addressed in more detail in the following section. The third core capability is value capture. Value capture is focused on how to make solutions profitable for the supplier (Cornet et al. 2000, pp. 8-9).

With respect to value identification, creation and capture, Cornet et al. (2000, p.7) notes that the ideal situation for an IS provider is to create a highly customized solution for a large customer who benefits most from it, and thus is willing to pay for it. The solution can then be adapted for smaller customers at less expense, making it more profitable. Davies (2004, p. 736) follows the same logic by noting that the costs of IS provision can be reduced by standardizing the components (through the creation of product modules and simplified service portfolios) integrated into each solution and replicating them across customers. Thus, a realistic approach seems to be taking highly standardized components and/or modules and using superior customer understanding to tailor them into solutions (Cornet et al. 2000, p.7).

Gulati (2007, p. 101) notes that few solutions provider companies are actually structured to deliver products and services in a synchronized way that's attractive from a customer's perspective. To achieve success in the IS business, companies must build their organizations around their customers' current and future needs. These reworked organizations usually comprise front-end customer-facing units, back-end capability providers and strong strategic centres (Davies et al. 2006, p. 43). Gulati (2007, p. 108) goes as far as saying that the only way to succeed in solutions provision is to break down the traditional, often entrenched, organizational silos altogether and create new ones organized by customer segments or needs.

One example of IS in the financial sector is the Global Relationship Bank (GRB) of Citigroup (Miller et al. 2002, pp. 3-4). GRB offers its large multinational corporate clients (MNCs) a comprehensive array of integrated and customized banking products globally. In terms of value identification, GRB focuses only on MNCs with lots of international business, and caters only for industries in which it has successful volume and experience. Value creation is embedded in organization design, where at the front end each MNC is assigned a key account manager, who serves the MNC worldwide with one face to the customer. Functional, product, and regional capability managers at the back end of the organization serve the account managers/clients on demand. Value is captured both with standard industry templates and individual tailoring. GRB indicates that their priority is 'customers first, products second'.

The same attitude is present in the Royal Bank of Canada (RBC) (Gulati & Oldroyd 2005, pp. 94, 101). RBC started its quest for customer-focused solutions with studying its customers' needs. What their customers really wanted was a bank that demonstrably cared about them, valued their business, and most importantly, recognized them as the same individuals no matter what part of the bank they did business with. Thus, RBC started to reorient its organization away from products and distribution, and towards the needs of its customers.

Customer value creation with solutions

Despite the fact that customer value is considered important in business relationships, only few suppliers can actually define the value of their products and services for their customers (Anderson & Narus 1998, p. 53). Suppliers often have an erroneous impression of what customers value based on their own perceptions (Daniels 2000, p. 67). However, value is not what the supplier provides to the customer, but what the customer receives from the supplier. Thus, companies need coordinated customer focus and deep understanding of what their customers truly value (Gulati 2007, p. 108). With regards to financial industry, it is important to highlight that for many financial services groups the term 'customer value' is used solely to refer to the value that the customer generates for them, rather than the value that they can offer to the users (Payne et al. 2000, p. 267). At least this has been the case in the past.

Customer-perceived value in industrial markets can be defined as the trade-off between the multiple benefits and sacrifices of a supplier’s offering, as perceived by key decision makers in the customer’s organization, and taking into consideration the available alternative suppliers’ offerings in a specific-use situation (Ulaga & Chacour 2001, p. 530). Providing solutions that address customer needs requires understanding on how value is created through the eyes of the customer (Brady et al. 2005, p. 362). Engaging in a close dialogue with customers, suppliers have to identify their customer’s needs and then develop capabilities to offer products/services that link uniquely well those needs (Davies 2004, p. 727).

Delivering solutions requires the conventional ‘product-forward’ orientation towards value creation to be reversed. According to Brady et al. (2005, p. 362), solutions providers should begin by thinking about the desired outcome for the customer, and then work backwards to the product or services required to meet the needs. They argue that rather than selling from a set menu, the solutions provider needs to determine how to tailor the product and service offerings to solve a specific problem for the customer in a way that meets or exceeds customers’ expectations. Whereas products are mostly about functionality, solutions are about outcomes that make life easier or better for the client (Miller et al. 2002, p. 3).

In order to compose true, customer-centric solutions, suppliers have to gauge customer needs and understand how products/services are employed by the customer. This leads solutions development to be more relationship-focused than transaction driven (Cornet et al. 2000, p. 7). Both Prahalad and Ramaswamy (2004a, 2004b) and Payne et al. (2000, p. 84) suggest that in order for a company to create superior value, the customer should participate both in defining and creating value. The interaction and creation of value together with the customer will replace the traditional exchange of the offering process between the parties (Prahalad & Ramaswamy 2004a; 2004b). In a way, integrated solutions transform the customer-supplier relationship. Suppliers can no longer respond passively to specifications set by their customers or assume that customer needs are set in stone (Brady et al. 2005, p. 364). The emphasis is shifting towards a long-term relationship built on trust and co-operation.

Summary of the characteristics of the three IS capabilities

As identified in the literature, the three IS capabilities (value identification, value creation and value capture) have specific characteristics. Summary of these is presented in Table 1.

Table 1. Summary of the IS capability characteristics identified in the literature

Capability	Characteristic	Reference
<i>Value identification</i>	<i>How to focus on right customers and opportunities</i>	
	Who are the target customers and what are their needs Aim: strong relationships with most profitable customers	Gulati 2007, p. 108 Wise&Baumgartner 1999, p. 136
<i>Value creation</i>	<i>How to develop solution that delivers value for customer</i>	
	Close dialogue, working together with the customer	Bennett et al. 2001, p. 3
	Defining and creating value together with customer	Prahalad & Ramaswamy, 2004a
	Relationship focused rather than transaction driven	Cornet et al. 2007, p. 7
	Orientation: customer need forward, not product-forward	Brady 2005, 362
	Aim: make customer’s life easier (solve a problem)	Miller et al. 2002, p.3
<i>Value capture</i>	<i>How to make solutions profitable for the supplier</i>	
	Standardized components, replicate among customers	Davies 2004, p. 736
	Front-end units, back-end units, strategic centres	Davies et al. 2006, p.43
	Break down organizational silos	Gulati 2007, p. 108

In the empirical part of the study, we compare the features of our case group’s SME strategy against the characteristics of these IS capabilities as explained in the methodology section.

RESEARCH METHODOLOGY

In this study we analyze the applicability of integrated solutions for SME customers in the financial industry. Our theoretical base is built on IS and customer value creation literature. The applicability of solutions for SME customers is analysed through a case study of one of the largest financial services groups operating in Finland and the neighbouring countries. Case study is a research approach that focuses on understanding the dynamics present within single settings (Eisenhardt 1989, p. 534). In addition to this, Voss et al. (2002, p. 195) suggest that case research enriches not only theory, but also the researchers themselves. This is important, as this study functions as a pre-study for a broader, quantitative research.

In case study approach, selecting the right case is important. According to Flyvbjerg (2006, p. 230), one possible strategy for this is information-oriented selection, where cases are selected on the basis of expectations about their information content in order to maximize the utility of a single case. The financial services group in question was chosen for our case company for two reasons. First, the company presents a prominent case for a study on financial solutions, as it offers its corporate customers a comprehensive and versatile range of banking, investment and insurance services under one roof. Second, our case company has a long history in providing financial services for small and medium-sized enterprises.

As noted by Patton (1990) and Yin (2003), hallmark of case research is the use of multiple data sources, a strategy which also enhances data credibility (Baxter & Jack 2008, p. 554). At the moment our empirical material consists of interviews among four key persons in the financial services group. The persons interviewed were the group's vice president of business development (three separate interviews), and the heads of three of the group's corporate banking units (each interviewed separately). The vice president has been in charge of the development of the SME strategy, and all three corporate banking units have implemented the strategy recently. In addition, we received secondary material related to the SME strategy. The interviews were semi-structured to get as complete answers to our questions as possible. Questions were divided into three sections: value identification, value creation and value capturing. The interviews lasted from one to two hours, and they were taped and transcribed to the letter. Interviews were completed between December 2009 and June 2010.

RESEARCH FINDINGS

Our analysis is based on the comparison of the case company's SME strategy against the characteristics of the IS capabilities identified in the literature. The aim is to identify which of these characteristics are embedded in the case group's SME strategy, and which are not seen as applicable. Before going into the analysis, we describe the case group's SME customer segmentation. European Commission (2005, p. 5) defines SMEs as companies with a turnover below € 50 million. However, our focus is on companies with turnover below € 42 million, as this is how the case group classifies its SME customers. The group has divided SMEs into three segments based on annual turnover in Euros (see Figure 2): below 2 million (segment A), between 2-8.5 million (segment B), and between 8.5-42 million (segment C).

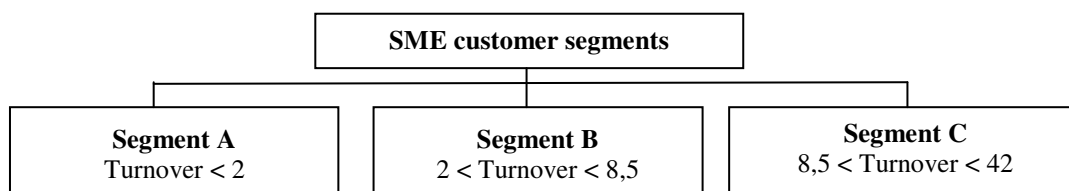


Figure 2. Segmentation of SME customers in the case company (turnover in million Euros)

The segmentation is based on customer needs, and as the needs vary, each segment is served with a different approach. Companies with the smallest turnover (A) are served mostly with different pre-defined packages and several distribution channels (branch office visits, internet based services, telephone communication etc.). The customer group in the middle (B) is served either through multiple channels like segment A, or provided with a personal account manager, like segment C. SMEs with largest turnover (C) are appointed with an individual account manager, and allocated more personal service and customization options for services.

Value identification

As explained in literature review, value identification is concerned with how to focus on the right customers and opportunities. Our case company is interested in having a broad customer base, and thus aims at serving companies in all the segments explained above. However, all SME customers are not considered equal. The relative importance or 'value' of an individual SME depends on two attributes. Firstly, the case group is interested in the turnover that the customer generates for the financial services group at the present moment. Secondly, the case company tries to estimate the perceived earnings potential generated by the customer for the financial services group in the future. The higher the combined value of these attributes, the more important the individual corporate customer is perceived by the case group. Generally speaking, the revenue potential generated by an individual SME increases concurrently with the turnover (the higher the turnover, the more service needs there is) and vice versa.

Prospective customers who are perceived valuable by the case group are approached actively, and existing customers are served with as wide a service base as possible. Deepening an existing customership (e.g. providing individual customer as many services from as many service categories as possible) is perceived more cost effective than acquiring new customers. A valuable customer is perceived to be one with long term customership, a wide financial services portfolio containing strategic offerings (offerings that 'bind' the customer to the financial services group, i.e. make it difficult to switch to another service provider) and includes personal contact at multiple levels and functions of both supplier and customer side. In order to achieve this, the case company aims at utilizing cross-selling possibilities among its existing customers, i.e. aims at providing the customers additional services for their needs.

Value creation

Value creation is about how to develop the best solution and deliver value for the customer. Several characteristics of value creation are identifiable in the case groups SME strategy. In the larger turnover segments (C and partly B), customers are assigned with account managers (AM), who act as one face towards the customer. AM engages in a close dialogue with the customer in order to identify customer needs. Based on these needs, a solution is composed. For composing solutions, the case group utilizes a selling tool in which its financial services are divided into 12 groups of customer needs (i.e. payment transactions, cash management, financing, insurances and risk management, etc.). These groups consist of over 40 different banking, investment and insurance services. The selling tool supports account managers' knowledge of the service mix. AM is responsible for defining the desired outcome for the customer (that is, identifying the customer needs), and employing the expertise of required financial service specialists from different functions of the group to compose a solution.

Rather than selling from a set menu, the AM and the specialists work together with the customer in order to determine how to tailor an offering that answers the specific customer's needs. Role of the AM is to act as an enabler for the relationship between the customer and

the service specialists: when a particular customer need is identified, AM focuses on setting up the dialogue between appropriate parties to find a solution to the need.

To sum up, the starting point of the process is determining the customer needs in co-operation with the customer, and based on these needs, composing a solution among the 12 customer need groups and the individual services in these groups. As new customer needs emerge down the road, new solutions are defined. Thus, the selling process is definitely more relationship-focused than transaction driven. The more effort invested by both parties in the process of clarifying the needs and hopes for the outcome, the better the solution will be. One important issue that came up in the interviews was the existence of a real time access to all the required information, both from the customer to the service provider and vice versa. This fits well to the statement made in the literature, that for a company to create superior value, the customer should participate both in defining and creating value.

With regards to the smaller turnover segments (A and partly B), the aspects of value creation are not so straightforward. In the case of the segment with the largest turnover (C), almost every customer has an account manager, and each AM has a reasonable sized portfolio of around 80-100 SMEs. This enables personal service and thorough analysis of customer needs. However, the situation is different in segments with smaller turnover. Firstly, according to the case group's internal criteria, only certain customers are assigned an AM. The criteria are based on the existing turnover and future potential of earnings generated by the customer for the group. Secondly, with respect to the smaller turnover SMEs that are assigned an AM, the AM's portfolio includes several hundred customers. The reason for this is that corporate customers with smaller turnover (such as those in segment A and partly B) tend to have less diverse financial service needs. As a result, the number of customers in an account manager's portfolio increases, and thus, the amount of personal service per customer decreases.

As mentioned, in case of the larger turnover SMEs, the relationship with the financial services group resembles a continuous dialogue. As the turnover decreases, so does the amount of personal relationship and service. When it comes to the smaller turnover SMEs, customer needs are mapped based on different data mining techniques, and are more based on supplier's perceptions than actual customer need assessments. In addition, these customers are not actively contacted by the case group, as the companies with higher turnover are. On the contrary, the smaller turnover SMEs contact the case group when they need service, making the contact purely unidirectional. Thus, the elements of value creation such as customer need analysis by close dialogue and defining the solution based on the needs do not apply with regards to the SME customers with smaller revenue. The service orientation with regards to segment A could be described more transaction-driven than relationship driven.

Value capture

Value capture is about how to make solutions profitable. Many elements of value capture are applicable in the case group's SME strategy. Here, again, the customer segmentation is of importance. In case of segment C, solutions are tailored to fulfil customer needs. The case group's services are to a large extent modular: each service consists of a fixed part and a modular part, which can be chosen to best meet the specific customer needs. For example, payment transactions include a fixed part of moving a prespecified sum from one account to another. However, the method of moving the money can be thought to consist of a modular structure, where the details of the transaction (personal service, web-based service, telephone service, etc.) can be handpicked and to a certain extent tailored according to customer needs. The larger the customer's revenue, the more important the modularity, customization and

personal service become. Thus, the idea of taking largely standardized components/modules and using customer understanding to tailor them seems to be consistent with the case company's strategy. In the case of customer segments with smaller revenue (A and partly B), the outcomes are more narrow, consisting of pre-defined packages and service concepts.

Some challenges were also identified in the process. As mentioned in the theoretical part, few solutions suppliers are actually structured to deliver products and services in a synchronized way that's attractive from a customer's perspective. This applies to our case group to a certain extent. The case group's SME strategy is based on dividing customer needs into groups, one of which is insurance and risk management. Thus, at least from the corporate banking side of the group, insurances are perceived as one individual service group that composes a building block for the solution. The reality, however, seems to be more consistent with banking and investment services functioning as one business line, and insurance services as another business line. Reasons for this are that insurances are by nature very different from banking, and thus an individual employee of the case group very seldom has appropriate expertise on both banking and insurance services. In addition, the definition of a valuable, low-risk corporate customer may be very different from the corporate banking viewpoint compared to that of the insurance business line.

As mentioned in the theoretical part, successful IS organizations usually comprise of front-end customer-facing units, back-end capability providers and strong strategic centres. In the case group, the 'one face' to the customer is not applicable in the case of SMEs. For now, banking and investment services have their own account managers, and insurance services their own. This seems to be consistent with the organizational silo problem, where the two business lines act as separate units. In addition, with respect to SMEs, there is no integrated customer relationship management (CRM) system between the corporate banking and the insurance business line, but each has their own CRM system. As a consequence, a total integrated customership, where the customer would be recognized as the same individual in every part of the organization, is not present at the moment. However, the case group has a strong focus on shifting towards the IS approach in this area, and development is underway.

Summary of the research findings

In order to get a clear picture of the IS characteristics identified in the case group's SME customer strategy, a summary of the most important findings is presented in Table 2.

Table 2. Summary of the IS capabilities for the SME customer segments

Capability	Characteristic	Segment A	Segment C
<i>Value identification</i>	Revenue potential /customer	Lower	Higher
	Interest in building a relationship	Low	High
<i>Value creation</i>	Distribution of services	Multiple channels	Account manager
	Communication	One-directional	Interactive/ two-way
	Customer need identification	Data-mining	Close co-operation
	Amount of personal service	Low	High
	Service orientation	Transaction driven	Relationship focused
<i>Value capture</i>	Outcome	Pre-defined packages	Customization, tailoring
		Service lists	Modular structure
			Solutions

The summary is presented for segments A and C, as SME customers in segment B have characteristics of both segments A and C, based on the turnover of the SME customer. The conclusions and implications based on these findings are presented in the following section.

CONCLUSIONS

The applicability of IS for SMEs was considered with respect to value identification, value creation, and value capture. In terms of value identification, SME customers are segmented based on their turnover. The larger the turnover of the corporate customer, the more diverse the customer needs become, and the more financial service categories are applicable for each customer. The case group is active in customer segmentation and identification of 'valuable' customers, and thus, characteristics of value identification are met to a certain extent.

With respect to the SME segment with larger turnover (C and partly B), the characteristics of value creation seem to be quite consistent with the literature. When proceeding to the customer segments with smaller turnover (A and partly B), value creation is not that straightforward. It seems that the smaller the SME's turnover, the less personal service and real identification of customer needs is present. However, as mentioned in the literature, supplier and customer may have very different ideas of how value is created. In order to fully analyze customer value creation, customer viewpoint should be included in the study.

Many of the value capture characteristics identified in the literature are consistent with the case group. With respect to segment C, the service structure is modular, and solutions are customized. However, although the case company has positioned itself to be a financial solution provider (including banking, investment and insurances), there is a great difference between the corporate banking and insurances at the moment. Insurances are treated quite separately, and both of these service lines utilize their own account managers. An integrated CRM system for total customership is also missing for now. To summarize, the case group has a clear focus for a shift towards integrated solutions for its SME customers, but the change is under development, and has not been realized in all aspects yet.

To conclude, it seems that integrated solutions are applicable for SME customers to a certain extent. The IS characteristics apply well with regards to SMEs with larger turnover, but not so much when it comes to SMEs with smaller turnover. Whether the IS characteristics should be embedded in servicing also the smaller turnover SMEs is an interesting question for further study. For answering this question, the receptivity of the smaller turnover SMEs to a solutions-based relationship, and the extent to which the current strategy is actually creating value for them, should be analyzed from the customer viewpoint. Also, the possibilities to capture value with IS for smaller turnover SMEs should be analyzed in detail.

When it comes to the reliability of our results, two things need to be pointed out. Firstly, the empirical data of this study is not sufficient, and more interviews, observation and secondary material needs to be included in order to improve the analysis. Also, at the moment, the interviews are focused on the corporate banking business line. Inclusion of the perspective of the insurance business line would bring more depth to the analysis. Secondly, the focus of this study was on the supplier side. As mentioned, if the aim is to analyze customer value, it is important to include a customer viewpoint into the analysis.

Also, evidence from a single case study does not provide a complete picture about the applicability of IS for SMEs. As Yin (2003, p. 45) points out, using multiple cases enable a broader exploration and a more robust view of the phenomenon. For this reason, we plan to extend the research to include multiple financial service groups in the study. The evidence from multiple cases is often considered more compelling, and the overall study would therefore be regarded as being more robust (Herriott & Firestone, 1983; in Yin 2003, p. 46).

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